

**Kitex Garments Limited**

(CIN: L18101KL1992PLC006528)

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

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

Phone: 91 484 2585000, Fax: 91 484 2680604

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

Ref: KGL/SE/2024-25/SEP/01

September 05, 2024

To,

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

Sub :- Notice of 32nd Annual General Meeting (AGM) and Annual Report for FY 2023-24

Pursuant to Regulations 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of 32nd AGM of shareholders and Annual Report of the Company for the Financial Year 2023-24 which is being dispatched or sent to the shareholders on their registered email address.

The 32nd AGM will be held on **Saturday, September 28, 2024 at 11.00 a.m** (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

The above documents are also uploaded on the website of the Company viz. <https://www.kitexgarments.com/>

Information at glance:

Particulars	Details
Cut-off date for e-voting	Saturday, September 21, 2024
Remote e-voting start date and time	Wednesday, September 25, 2024 at 9.00 a.m (IST)
Remote e-voting end date and time	Friday, September 27, 2024 at 5.00 p.m (IST)

Kindly take the same on record.

Thanking you,

Yours faithfully

For **Kitex Garments Limited****Dayana Joseph**

Company Secretary & Compliance Officer



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
Website: www.kitexgarments.com, E-mail: sect@kitexgarments.com

Notice

Notice is hereby given that the 32nd Annual General Meeting of the Members of Kitex Garments Limited will be held on Saturday, September 28, 2024 through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) at 11.00 A.M. (IST) to transact the following business: -

ORDINARY BUSINESS

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS – STANDALONE & CONSOLIDATED

To receive, consider and adopt Audited Financial Statements (including the consolidated Financial Statements) of the Company for the year ended March 31, 2024 together with the Report of the Board of Directors and Independent Auditors report thereon.

2. DECLARATION OF FINAL DIVIDEND

To declare a final Dividend of ₹ 1.50 per fully paid-up Ordinary (equity) Share of face value ₹ 1/- each for the Financial Year 2023-24 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT a final dividend of ₹ 1.50/- (Rupees One Rupee Paise Fifty only) per fully paid-up Ordinary (equity) share of ₹ 1/- (Rupee one) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024 and the same be paid out of the profits of the Company.”

3. APPOINTMENT OF A DIRECTOR RETIRING BY ROTATION

To appoint a director in place of Mrs. Sindhu Chandrasekharan (DIN: 06434415), who retires by rotation as director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Sindhu Chandrasekharan (DIN: 06434415), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS

4. APPOINTMENT OF MR. A K MATHEW (DIN: 02437778) AS AN INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mr. A K Mathew (DIN: 02437778), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 14, 2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from August 14, 2024 till August 13, 2029 on the Board of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Company be and is hereby accorded for appointment of Mr. A K Mathew (DIN: 02437778), who has attained the age of seventy five (75) years, as an Independent Non-executive Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

5. APPROVAL TO ADVANCE ANY LOAN OR GIVE GUARANTEE OR PROVIDE SECURITY UNDER SECTION 185 OF THE COMPANIES ACT, 2013

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

“RESOLVED THAT pursuant to Section 185 and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan(s) in one or more tranches including loan represented by way of book debt and/or to give any guarantee(s) and/or to provide any security(ies) in connection with any Financial Assistance/Loan taken/to be taken/availed/to be availed by any entity which is a Subsidiary/ Associate/ Joint Venture or group entity of the Company or any other person in which any of the Directors of the Company is deemed to be interested (hereinafter commonly known as the Entities) shall not at any time exceed the aggregate limit of ₹ 2500 Crores (Rupees Two Thousand and Five Hundred Crores Only), in its absolute discretion deem beneficial and in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to negotiate, finalize and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

6. RE-APPOINTMENT OF MRS. SINDHU CHANDRA SEKCHARAN (DIN: 06434415) AS WHOLE-TIME DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee of the Directors (“NR Committee”) subject to such other approvals/ permission, if any, as may be required, the consent of the members of the Company be and is hereby accorded the re-appointment of Mrs. Sindhu Chandrasekharan (DIN: 06434415) as Whole Time Director of the Company in the capacity as Key Managerial Personnel for a term of 5 years effective from March 16, 2025 till March 15, 2030 on such terms and conditions including remuneration as set out

in this resolution and the explanatory statement annexed hereto and the payment of such remuneration, as may be determined by the Board or a duly constituted committee thereof, from time to time, within the maximum limits of remuneration for Whole Time Director as approved by the members of the Company.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mrs. Sindhu Chandrasekharan, Whole Time Director, the Company has no profits or inadequate profits, the remuneration as detailed in the explanatory statement shall be paid as minimum remuneration subject to the provisions of Schedule V of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

7. 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 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, SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, 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, and 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 ₹ 3,000 Crore (Rupees Three Thousand Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting, 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 arm’s 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.”

8. 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** 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, SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, read with Company’s policy on materiality of and dealing with Related Party transaction 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 ₹ 300 Crores (Rupees Three Hundred Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting 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 arm’s 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.”

9. 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** 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, SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, read with Company’s policy on materiality of and dealing with Related Party transaction 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 ₹ 600 Crores (Rupees Six Hundred Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting 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 arm’s 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.”

10. MATERIAL RELATED PARTY TRANSACTION(S) OF IDENTIFIED SUBSIDIARY OF THE COMPANY, VIZ, KITEX APPAREL PARKS LIMITED (KAPL) WITH KITEX BUILDING SYSTEMS L.L.C-FZ, RELATED PARTIES OF THE COMPANY

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

“**RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any,

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], other applicable laws/ statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Material Related Party Transaction(s)/ Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the identified subsidiary of the Company, viz., Kitex Apparel Parks Limited (KAPL) with Kitex Building Systems L.L.C-FZ related parties of the Company, on such terms and conditions as may be mutually agreed between these identified subsidiary of the Company and Kitex Building Systems L.L.C-FZ, for an aggregate value not exceeding ₹ 400 Crores (Rupees Four Hundred Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) are carried out at an arm's length pricing basis and in the ordinary course of business."

11. MATERIAL RELATED PARTY TRANSACTION(S) OF IDENTIFIED SUBSIDIARY OF THE COMPANY, VIZ, KITEX APPAREL PARKS LIMITED (KAPL) WITH KITEX CHILDRENSWEAR LIMITED, RELATED PARTIES OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], other applicable laws/ statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Material Related Party Transaction(s)/ Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the identified subsidiary of the Company, viz., Kitex Apparel Parks Limited (KAPL) with Kitex Childrenswear Limited (KCL), related parties of the Company, on such terms and conditions as may be mutually agreed between these identified subsidiary of the Company and KCL, for an aggregate value not exceeding ₹ 2,500 Crores (Rupees Two Thousand and Five Hundred Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) are carried out at an arm's length pricing basis and in the ordinary course of business."

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

Kizhakkambalam
August 14, 2024

Dayana Joseph
Company Secretary
Mem No: ACS 61808

Notes:**1. AGM through VC/OAVM**

Ministry of Corporate Affairs ("MCA") vide its Circular dated September 25, 2023 in continuation of its earlier circulars on the subject ("MCA Circulars") have permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") till September 30, 2024 without the physical presence of the members at a common venue. Accordingly, the 32nd AGM of the Company will be held through VC/OAVM and members can attend and participate in the AGM through VC/OAVM only. Participation of members through VC/OAVM will be reckoned for the purpose of the quorum for the AGM as per Section 103 of the Act. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at Building No. VI/496, Kizhakkambalam, Vilangu P.O, Aluva, Ernakulam – 683561, Kerala.

2. Proxy

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

3. Electronic dispatch of Notice and Annual Report

In compliance with the MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), Notice of the AGM and Annual Report is being send only through electronic mode to those members based on benpos date, ie, August 30, 2024, whose e-mail addresses are registered with the Company/Depositories.

Members may note that the Notice and Annual Report for FY 2023-24 will also be available on the Company's website www.kitexgarments.com, websites of the Stock Exchanges, i.e., BSE Limited and The National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

4. Explanatory Statement/Special Business

The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the special business under Items No. 4, 5, 6, 7, 8, 9, 10 and 11 as set out in the notice is annexed herewith.

5. Particulars of Directors

The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment as set out at Items No. 3, 4 and 6 at this AGM are also annexed to this Notice.

6. Closure of Register of Members and Share Transfer Books

The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2024 to September 28, 2024 (both days inclusive).

7. Inspection of documents

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act along with all documents referred to in the Notice will be available for inspection by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2024. Members seeking to inspect such documents can send an email to sect@kitexgarments.com.

8. Dividend

If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source (TDS) will be made on or before October 27, 2024 as under:

- i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on September 21, 2024;
- ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on September 21, 2024;

As per the SEBI Master Circular dated May 17, 2023, in case of members whose bank details are not updated in the records of our Registrar and Share Transfer Agent i.e. Cameo Corporate Services Limited / Depositories before the close of business hours on Saturday, September 21, 2024, the Dividend shall be transferred to unpaid dividend account.

9. Dematerialisation of Shares

SEBI vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, has mandated that with effect from, April 1, 2019, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the

shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited ("Cameo") at Subramanian Building, No. 1, Club House Road, Chennai - 600002, Tamil Nadu, Tel: 044-40020700, Online Investor Portal: <https://wisdom.cameoindia.com/>, Email Id: investor@cameoindia.com for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website <http://www.kitexgarments.com/faq/>

10. Issuance of securities in dematerialized form in case of investor service requests

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/ P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at <http://www.kitexgarments.com/wp-content/uploads/2024/03/ISR-4.pdf>. It may be noted that any service request can be processed only after the folio is KYC compliant.

11. PAN, KYC, Nomination and Bank details

SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 and Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/158 dated September 26, 2023 has mandated all listed entities to ensure that members holding shares in physical form shall update their PAN, KYC, Nomination and Bank account details (if not updated or provided earlier) through the RTA. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination and Bank account details pursuant to the said circulars. Accordingly, members are requested to update the requisite details and the forms for updating the same are available at <https://www.kitexgarments.com/>.

Service requests or investor complaints from any member, cannot be processed by RTA until registration/updation of PAN, KYC, Nomination and Bank account details in the records of the Company's RTA. Members holding shares in electronic form are requested to submit their PAN, KYC, Bank and Nomination details to their depository participants.

12. Intimating Change

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

- a. **For shares held in electronic form:** to their Depository Participants (DPs)
- b. **For shares held in physical form:** to register/update the details in prescribed Form ISR-1 along with the supporting documents and other relevant forms with RTA of the Company via their investor portal at <https://wisdom.cameoindia.com/> or via mail at investor@cameoindia.com or by writing to them at M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai, Tamil Nadu – 600002. Shareholders may download the prescribed forms from the Company's website at www.kitexgarments.com

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

13. Unclaimed Dividend

- i. Members are requested to note that dividends if not encashed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the Demat account of the IEPF Authority. Accordingly, the dividend declared for all the financial years ended upto March 31, 2016 had been transferred to Investor Education and Protection Fund (IEPF). Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link www.iepf.gov.in.
- ii. The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2024 are uploaded on the website of the Company under the main head "investors relations" and can be accessed through the link www.kitexgarments.com. Details of unpaid and unclaimed dividends up to March 31, 2024 are also uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.
- iii. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company will transfer to

the IEPF Authority, during financial year 2024-25, all shares in respect of which dividend had remained unpaid or unclaimed for seven (7) consecutive years or more as on the due date of transfer, i.e., July 24, 2024. Details of shares so far transferred to the IEPF/ Authority are available on the website of the Company under main head “investor’s relation” and the same can be accessed through the link: <https://www.kitexgarments.com/>. The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.

iv. Members may note that shares as well as unclaimed dividends transferred to IEPF, may claim the same by

vi. Details of dividend declared for the financial years from 2016-17 onwards are given below:

Financial Year	Declared on	Dividend yield	Amount paid per equity share (₹)	Due date for transfer to IEPF
2016-17 (Final)	19.06.2017	75%	0.75	24.07.2024
2017-18 (Interim)	04.11.2017	75%	0.75	09.12.2024
2017-18 (Final)	28.07.2018	75%	0.75	01.09.2025
2018-19 (Final)	28.08.2019	150%	1.50	02.10.2026
2019-20 (Interim)	11.02.2020	150%	1.50	18.03.2027
2020-21 (Final)	07.09.2021	150%	1.50	12.10.2028
2021-22 (Final)	29.08.2022	150%	1.50	03.10.2029
2022-23 (Final)	30.09.2023	150%	1.50	04.11.2030

vii. The Company had released an Advertisement dated April 18, 2024 in National Daily viz., Business Line and Regional language daily viz., Chandrika for transferring unpaid/ unclaimed dividend and unclaimed shares of the Company to Investor Education and Protection Fund (IEPF) Account as per Section 124(6) of the Companies Act, 2013. The Company had also sent individual communication dated April 17, 2024 to the shareholders concerned whose dividend remains unpaid or unclaimed for a period of seven (7) consecutive years since 2017, at their registered address and shares are liable to be transferred to IEPF account under the aforesaid Rules, for taking appropriate action(s) by the shareholder concerned. The complete details of unpaid or unclaimed dividends and shares due for transfer are available on the website of the Company ie., www.kitexgarments.com.

viii. For any communication, the shareholders may also send requests to the Company’s investor e-mail IDs: investor@kitexgarments.com or sect@kitexgarments.com

14. Voting through electronic means:

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08,

making an application to the IEPF Authority in Form No. IEPF-5 available on <https://www.iepf.gov.in/>.

v. In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates for the same in the attached format along with the specified details/ documents to Share Transfer Agent of the Company “Cameo” at their registered mail id investor@cameoindia.com. Those holding shares in demat form are requested to update their records with DPs in this respect.

2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The remote e-voting period commences on Wednesday, September 25, 2024 (9:00 a.m. I.S.T.) and ends on Friday, September 27, 2024 (5:00 p.m. I.S.T.). During this period, members holding shares either in physical form or in dematerialised form, as on Saturday, September 21, 2024, i.e. ‘cut-off date’, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Those members who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

3. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

4. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

5. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
6. In the case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
9. Mr. Jayan K, Partner of M/s. SVJS & Associates, Company Secretaries, Kochi have been appointed as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner.
10. The result of the e-voting (votes cast during the AGM and votes cast through remote e-voting) will be announced within two working days after the conclusion of the AGM on the Company's website at www.kitexgarments.com and will also be communicated to the stock exchanges.
11. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/ authorization letter to the Company's email id: sect@kitexgarments.com
12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM has been uploaded on the website of the Company at www.kitexgarments.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM

Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

The instructions for remote e-voting/ e-voting and attending AGM through VC/ OVAM are as under:

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode

- i. The remote e-voting period commences on Wednesday, September 25, 2024 (9:00 a.m. I.S.T.) and ends on Friday, September 27, 2024 (5:00 p.m. I.S.T.). During this period, members holding shares either in physical form or in dematerialised form, as on Saturday, September 21, 2024, i.e. 'cut-off date', may cast their vote electronically. The e-voting module shall be disabled for voting thereafter
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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.

- iv. 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 above said SEBI Circular, Login method for e-voting and joining virtual meetings for individual shareholders holding securities in demat mode CDSL/NSDL is given below:

Type of shareholders	Declared on
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 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 users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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: https://eservices.nsd.com 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 & voting during the meeting. 2) If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<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 & 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 abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Type of shareholders	Declared on
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 helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 21 09911
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 evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- v. Login method for e-voting and joining virtual meetings for physical shareholders and shareholders other than individual holding in demat form.
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
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"> • 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.
Dividend Bank Details OR Date of Birth (DOB)	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"> • 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.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat 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 to be also used by the demat 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.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- ix. Click on the EVSN for the relevant Kitex Garments Limited on which you choose to vote.
- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatory 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 viz; sect@kitexgarments.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sect@kitexgarments.com. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
9. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. 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 to investor@cameoindia.com with cc to sect@kitexgarments.com.
2. For demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For individual demat shareholders – Please update your email id & mobile no. with your respective Depository

Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

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 or call toll free no. 1800 21 09911.

PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED/ APPOINTED AT THE MEETING ARE GIVEN BELOW:

A. MRS. SINDHU CHANDRASEKHARAN

Name of Director	Mrs. Sindhu Chandrasekharan
Date of Birth and Age	01.06.1969; 55 years of age
Qualification	Science Graduate
Experience and expertise in specific functional areas	Mrs. Sindhu Chandrasekharan joined Kitex Group in April 1995 and later on inducted into Kitex Garments Limited in the year 1997. She has been holding various positions and presently holding the post of Assistant Vice President (Finance). Mrs. Sindhu Chandrasekharan has been handling the Treasury Management of the company for a quite long period. Mrs. Sindhu Chandrasekharan is instrumental in maintaining a perfect cash management system in the company during her tenure.
Directorship held in other Companies	<ul style="list-style-type: none"> • Kitex Garments Limited as Whole Time Director • Kitex Apparel Parks Limited as Director • Kitex Babywear Limited as Director • Kitex Kidswear Limited as Director • Kitex Knits Limited as Director • Kitex Littlewear Limited as Director • Kitex Socks Limited as Director • Kitex Packs Limited as Director • Kitex Herbals Limited as Director • Kitex Infantswear Limited as Director
Listed entities other than Kitex Garments Limited in which the person holds Directorships and Committee Membership	None
Details of terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	Refer the Directors Report. Please also refer to Item No. 6 of explanatory statement.
Date of first appointment on the Board	16.03.2015
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related to any Director, Manager or Key Managerial Personnel.
Number of Meetings of the Board attended during the year and other Directorships	Refer the Directors Report.

Name of Director	Mrs. Sindhu Chandrasekharan
Chairman/Member of the Committee of the Board of Directors of this Company	Refer the Directors Report
Committee Membership in other Companies	<p>Kitex Infantswear Ltd:</p> <ul style="list-style-type: none"> Audit Committee as the Chairman Nomination and Remuneration Committee as the Member <p>Kitex Apparel Parks Limited:</p> <ul style="list-style-type: none"> Audit and Risk Management Committee as the Member Nomination and Remuneration Committee as the Member
Shareholdings in the Company	Nil

B. MR. A K MATHEW

Name of Director	Mr. A K Mathew
Name of Director	Mr. A K Mathew
Date of Birth and Age	11.02.1943; 81 years of age
Qualification	Post Graduate
Experience and expertise in specific functional areas	Mr. A K Mathew has extensive experience in general management in different public limited companies. He has experience as General Manager in Hindustan Insecticides Ltd and has been appointed as Managing Director in The Travancore Cochin Chemicals Ltd. He has retired his career life as Director from Kitex Limited and Anna Aluminium Company Pvt Ltd.
Directorship held in other Companies	None
Listed entities other than Kitex Garments Limited in which the person holds Directorships and Committee Membership	None
Details of terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	Refer the Directors Report. Please also refer to Item No. 4 of explanatory statement.
Date of first appointment on the Board	14.08.2024
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related to any Director, Manager or Key Managerial Personnel.
Number of Meetings of the Board attended during the year and other Directorships	Refer the Directors Report.
Chairman/Member of the Committee of the Board of Directors of this Company	Refer the Directors Report
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil
Skills and capabilities required for the role	The Nomination and Remuneration Committee ("NRC"), in finalizing Mr. A K Mathew's appointment considered his extensive expertise in general management and administration. His ability to develop and execute long-term strategies aligned with organisational goals highlights his strategic vision and planning capabilities. In addition to his vast experience, he also had well experience being a member of Board of Directors in public limited companies as well as private limited companies.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

In accordance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of an Independent Director requires the approval of members. Based on the recommendation of the Nomination and Remuneration Committee, Mr. A K Mathew (DIN: 02437778), was appointed as Additional Director being Independent Director on August 14, 2024. Further pursuant to Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended on May 9, 2018 prescribes that listed entity shall not appoint a person or continue directorship of any person as a Non-Executive Director(s) who has attained the age of 75 years, unless a special resolution is passed to that effect.

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. A K Mathew shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Director.

The appointment of Mr. A K Mathew shall be effective upon approval by the members in the Meeting.

Mr. A K Mathew is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. A K Mathew that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the SEBI Listing Regulations. In the opinion of the Board, Mr. A K Mathew is independent of the management and possesses the appropriate skills, experience and knowledge to hold such a position on the Board of the Company and in the opinion of the Board, he fulfils the conditions specified in this Act and the Rules made thereunder for such an appointment.

Mr. A K Mathew has already above the age of 75 years and his appointment as approved by the Members of the Company is valid up to August 13, 2029. Accordingly, to comply with the provisions of Regulations 17(1A) of the SEBI LODR Regulations, Company is seeking approval of the Members through Special Resolution.

A brief justification for his continuation as Non-Executive Independent Director on the Board of the Company is as under:

Mr. A K Mathew has extensive experience in general management in different public limited companies. He has experience as General Manager in Hindustan Insecticides Ltd and has been appointed as Managing Director in The Travancore Cochin Chemicals Ltd. He has retired his career life as Director from Kitex Limited and Anna Aluminium Company Pvt Ltd.

Mr. A K Mathew began his professional career as a member of senior management with Hindustan Insecticides Ltd followed by the appointment as Managing Director in The Travancore Cochin Chemicals Ltd as deputed by Hindustan Insecticides Ltd. Again he got promoted in Hindustan Insecticides Ltd as a member among top management. He has also having extensive

experience as a member of Board of Directors in unlisted public company.

Mr. A K Mathew has pursued Bachelor of Engineering with specialization in Mechanical Engineering and Masters in Business Administration with specialization in Industrial Management. He has also been a part of international conferences as part of his career.

Details of Mr. A K Mathew pursuant to the provisions of (i) SEBI LODR Regulations and (ii) Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are provided as part of the Notice.

A copy of the draft letter of appointment of Mr. A K Mathew setting out the terms and conditions of appointment is available for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the Annual General Meeting.

None of the Directors other than Mr. A K Mathew/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out in Item No. 4 of the Notice for approval of the members.

Item No. 5

The Company shall as part of expansion project in the state of Telangana, may have to render support for the business requirements of its Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Directors of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. However, owing to certain restrictive provisions contained in Section 185 of the Companies Act, 2013 ('the Act'), the Company was unable to extend financial assistance by way of loan including loan represented by way of book debt, to any of its directors or to any other person in whom the director is interested/ entities or give any guarantee or provide any security in connection with any loan taken by him or such other person/ entities. The details in regard are as follows:

Sl. No.	Particulars	Remarks
1	Full particulars of the loans given, or guarantee given or security provided	The Company together with its group company ie., Kitex Childrenswear Limited has given corporate guarantee to the bankers to the consortium of rupee term loan facilities availed of by its Subsidiary Company ie., Kitex Apparel Parks Limited for an amount of ₹ 2023 crores with a sub-limit of letter of credit facility up to ₹ 1240 Crores including a sub-limit of bank guarantee facility of ₹ 22 Crores . The Corporate Guarantee has provided in the ratio of 70:30.

Sl. No.	Particulars	Remarks
2	The purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security and any other relevant fact	The loan, guarantees and securities so provided or to be provided shall be utilized for the purpose of expansion project in the state of Telangana as well as to meet working capital requirements of KAPL.

The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by the Entities for the expansion project in the state of Telangana and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities. The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/ accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

As on 31.03.2024, the Company together with Kitex Childrenswear Limited being promoters of the Company are holding 410609995 shares in KAPL.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the AGM.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6

The Board of Directors of the Company (“the Board”), at its meeting held on August 14, 2024 has, subject to approval of members, re-appointed Mrs. Sindhu Chandrasekharan (DIN: 06434415) as a Whole Time Director designated as Executive Director of the Company for a period of 5 (five) years from the expiry of her present term, i.e., with effect from March 16, 2025 till March 15, 2030, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the ‘NR Committee’) of the Board.

Members’ approval is sought for the re-appointment of and remuneration payable to Mrs. Sindhu Chandrasekharan as a Whole Time Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 (“the Act”). Broad particulars of the terms of reappointment of and remuneration payable to Mrs. Sindhu Chandrasekharan are as under:

SALARY: ₹ 2,25,000/- per month with an annual increment not exceeding 25% per annum at the discretion of Chairman & Managing Director with the approval of the Board.

PERFORMANCE BONUS: Upto a maximum of 12 months’ salary per annum payable quarterly based on the performance as may be decided by the Chairman & Managing Director with the approval of the Board.

PERQUISITES: Contribution to Provident Fund, Superannuation Fund or Annuity fund and Annual Leave in accordance with the practices, Rules and Regulations in force in the company and as may be applicable as per company’s HR policy from time to time.

Income Tax and all other levies chargeable/ applicable to be deducted as source as per relevant Acts.

INCREMENT IN REMUNERATION: The Board of Directors are authorized to increase the salary annually depending upon the overall performance of Mrs. Sindhu Chandrasekharan within the above mentioned limit.

MINIMUM REMUNERATION IN CASE OF LACK OR INADEQUACY OF PROFITS: In the event of inadequate profits or loss being incurred during any year during the tenure, the company proposes to retain the same salary as was drawn by her till date as the minimum salary as per the provisions of Section 197 of companies Act 2013 read with Schedule V.

GENERAL:

1. The Whole Time Director shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which she is a Member.
2. The Whole Time Director shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company.
3. The Whole Time Director shall perform her duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board of the Directors/ Chairman and Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board/ Chairman and Managing Director and the functions of the Whole Time Director will be under the overall authority of the Board of Directors/ Chairman and Managing Director.
4. The Whole Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

5. The Whole Time Director shall adhere to the Company's Code of Conduct.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the AGM.

None of the Directors other than Mrs. Sindhu Chandrasekharan/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No. 7

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. As on 31.03.2024, KAPL is having paid up capital of ₹ 410.61 Crores, which is subscribed and invested by Kitex Garments Limited and 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. Your Company will be carrying out various business transactions with KAPL 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 infant's 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 ₹ 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 for a period not exceeding fifteen months from the 32nd Annual General Meeting.

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 Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, are as follows:

Sl. 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 is made by the Company and balance 30% is 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>

Sl. No.	Description	Details of proposed RPTs between the Company and KAPL
1. b.	Type, material terms, monetary value and particulars of the proposed RPTs	The Company and KAPL have entered into/ propose to be entered into the following RPTs for a period not exceeding fifteen months from the 32 nd Annual General Meeting, for an aggregate value not exceeding ₹ 3,000 Crores: <ul style="list-style-type: none"> • Investments, • Loans, • Guarantee, • Security, • Fabric sales & purchase, • Materials sales & purchase • Job work and • such other transactions including corporate guarantee against consortium to the extent of ₹ 2023 crores availed of by Kitex Apparel Parks Limited.
1. c.	(i) Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs. (ii) such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis	499.94% KAPL is yet to commence the operations.
2	Justification for the proposed RPTs and as to why the RPT is in the interest of the listed entity	The proposed transactions are as a part of new expansion project in the state of Telangana.
3	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	loans, inter-corporate deposits, advances or investments made or given by the
3. a.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	Own share capital / Internal accruals/ liquidity of the Company.
3. b.	Details of the source of funds in connection with the proposed transaction	Not applicable
3. d.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:	Investments in KAPL <ul style="list-style-type: none"> • The pricing is based on valuation/ as per approval of the Board of Directors of the Company. • Tenure: Not Applicable. • Interest rate: Not Applicable. • Repayment Schedule: Not Applicable
3. c.	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	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.	Nature of relationship	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 ₹ 3,000 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 ₹ 2023 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	For a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 July 15, 2024 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.

As on 31.03.2024, the Company together with Kitex Childrenswear Limited being promoters of the Company are holding 410609995 shares in KAPL.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the AGM.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the notice for approval by the members.

Item No. 8

Your Company is involved in the business of selling 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 ₹ 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 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 for a period not exceeding fifteen months from the 32nd Annual General Meeting.

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 arm's 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 Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, are as follows:

Sl. 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 period not exceeding fifteen months from the 32 nd Annual General Meeting for an aggregate value not exceeding ₹ 300 Crores: 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 these companies. However such transactions would be in the ordinary course of the company's business and at the arm's length basis
1c.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	49.91%
2	Justification for the proposed RPTs and as to why the RPT is in the interest of the listed entity	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 any Company or its subsidiary	loans, inter-corporate deposits, advances or investments made or given by the
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.	<ul style="list-style-type: none"> • Apart from above, the other requisite information is also given as follows: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 99.99% shares in KCL along with his wife.
6	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 99.99% 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 ₹ 300 Crores for KCL for a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 these 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	For a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 July 15, 2024 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. 8.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the AGM.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

Item No. 9

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 KGL and a Director in KCL. 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 ₹ 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 for a period not exceeding fifteen months from the 32nd Annual General Meeting.

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 arm's 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 Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, are as follows:

Sl. 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 period not exceeding fifteen months from the 32 nd Annual General Meeting for an aggregate value not exceeding ₹ 600 Crores: 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.	99.82%
2	Justification for the proposed RPTs and that it is in the interest of the listed entity	The company executes RPT with KUL by selling products/availing services/ 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: <ul style="list-style-type: none"> • 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

Sl. No.	Description	Details of proposed RPTs between the Company and KUL
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. Mr. K. L. V. Narayanan being the Non Executive Director of the Company, is also the Director of KUL.
6	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 USA LLC (KUL)
2.	Name of the Director or KMP who is related	Mr. Sabu M Jacob & Mr. K.L.V. Narayanan
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 ₹ 600 Crores for KUL for a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 these 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	For a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 July 15, 2024 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.

As on March 31, 2024, Kitex Childrenswear Limited is holding 4250210.09 fully paid-up membership units of USD 1 in Kitex USA LLC.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested

in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of AGM.

The Board recommends the Ordinary Resolution set out at Item No.9 of the Notice for approval by the members.

Item No. 10

Regulation 23 (2) of the SEBI Listing Regulations, inter alia, states that a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity

if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary. Pursuant to Regulation 23(4) of the SEBI Listing Regulations, all material related party transactions shall require prior approval of the shareholders through resolution.

Further, Regulation 2(1)(zb) of the SEBI Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the SEBI Listing Regulations has enhanced the definition of Related Party Transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not.

The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs, subject to approval by the Members at the AGM. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis and will be in the ordinary course of business.

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

Details of the proposed RPTs of identified subsidiary of the Company, viz., Kitex Apparel Parks Limited (KAPL) with Kitex Building Systems L.L.C-FZ related party of the Company including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sl. No.	Description	Details of proposed RPTs between KAPL and KBS L.L.C-FZ
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).	Kitex Building Systems L.L.C-FZ (KBS LLC-FZ) incorporated in Dubai is a wholly-owned subsidiary of Kitex Childrenswear Limited which is the promoter of the Company. KBS LLC-FZ is engaged in the business of supply of pre-fabricated building materials to indian as well as global customers.
1.b.	Type, material terms, monetary value and particulars of the proposed RPTs	The subsidiary company KAPL and KBSL-F has entered into/ propose to enter into the following RPTs for a period not exceeding fifteen months from the 32 nd Annual General Meeting for an aggregate value not exceeding ₹ 400 Crores: KBS LLC-FZ is into the business of supply of pre-fabricated building materials as per the requirement of the subsidiary company, KAPL from time to time. 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. Such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis	66.66% KAPL is yet to commence its operations
2	Justification for the proposed RPTs and that it is in the interest of the listed entity	The company executes RPT with KBS LLC-FZ by purchasing products which in turn purchases from 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	Not Applicable
3.b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> • Nature of indebtedness, • Cost of funds and • Tenure 	NA

Sl. No.	Description	Details of proposed RPTs between KAPL and KBS L.L.C-FZ
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. He is also the Director and Manager of KBS LLC-FZ.
6	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 Audit Committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on July 15, 2024 and have approved the proposed arrangements between the material subsidiary, Kitex Apparel Parks Limited and Kitex Building Systems L.L.C-FZ 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.

As on March 31, 2024, Kitex Childrenswear Limited is holding 100 shares of 500 AED in Kitex Building Systems L.L.C-FZ

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of AGM.

Based on the approval of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 10 of the Notice for approval by the Members.

Item No. 11

Regulation 23 (2) of the SEBI Listing Regulations, inter alia, states that a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover,

as per the last audited financial statements of the subsidiary. Pursuant to Regulation 23(4) of the SEBI Listing Regulations, all material related party transactions shall require prior approval of the shareholders through resolution.

Further, Regulation 2(1)(zb) of the SEBI Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the SEBI Listing Regulations has enhanced the definition of Related Party Transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not.

The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs, subject to approval by the Members at the AGM. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis and will be in the ordinary course of business.

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

Details of the proposed RPTs of identified subsidiary of the Company, viz., Kitex Apparel Parks Limited (KAPL) with Kitex Childrenswear Limited related party of the Company including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sl. No.	Description	Details of proposed RPTs between KAPL 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 Apparel Parks 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 KAPL and is interested in the to the extent of their shareholding in the subsidiary Company.
1.b.	Type, material terms, monetary value and particulars of the proposed RPTs	KAPL and KCL have entered into/ propose to enter into the following RPTs for a period not exceeding fifteen months from the 32 nd Annual General Meeting for an aggregate value not exceeding ₹ 2,500 Crores: <ul style="list-style-type: none"> • Investments, • Loans, • Guarantee, • Security, • Fabric sales & purchase, • Materials sales & purchase • Job work and • such other transactions including corporate guarantee against consortium to the extent of ₹ 2023 crores availed of by Kitex Apparel Parks Limited.
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. Such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis	416.62% KAPL is yet to commence its operations
2	Justification for the proposed RPTs and as to why the RPT is in the interest of the listed entity	The proposed transactions are as a part of new expansion project in the state of Telangana.
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: <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • The pricing is based on valuation/ as per approval of the Board of Directors of the Company. • Tenure: Not Applicable. • Interest rate: Not Applicable. Repayment Schedule: Not Applicable
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

Sl. No.	Description	Details of proposed RPTs between KAPL and KCL
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 and Director of KCL. He is the promoter for all the three companies. Mrs. Sindhu Chandrasekharan, Whole Time Director of Kitex Garments Limited, is also a Director of KAPL.
6	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 Audit Committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on July 15, 2024 and have approved the proposed arrangements between the material subsidiary, Kitex Apparel Parks Limited and 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.

As on 31.03.2024, the Company together with Kitex Childrenswear Limited being promoters of the Company are holding 410609995 shares in KAPL.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of AGM.

Based on the approval of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 11 of the Notice for approval by the Members.

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

Kizhakkambalam
August 14, 2024

Dayana Joseph
Company Secretary
Mem No: ACS 61808

A man in a dark blue shirt is lifting a baby in a field of red poppies. Large orange and purple fabric ribbons are draped around them, creating a sense of joy and resilience. The background is a bright blue sky with light clouds.

KITEX

Emerging stronger than ever.
Resilient. Passionate. Resolute.

KITEX GARMENTS LIMITED
Annual Report 2023-24

Our strong foundation

At the core of Kitex, lies a deep commitment to enhancing lives through compassion.



Shri. M.C. Jacob

(22.04.1933 – 05.06.2011)



Our founder, M.C. Jacob, instilled the principle of 'caring' into our work ethos. Over time, this principle has reinforced our business focus, empowered our people and helped to uplift communities.

In 1968, moved by the hardships faced by farmers working in his father's fields, Mr. Meckamkunnel Chacko Jacob established an aluminium unit with only eight employees, marking the beginning of a transformation of a remote village, Kizhakkambalam, in Kerala. This little-known village today is a living example of a thriving industrial centre. His legacy was

carried forward with the expansion of the Anna-Kitex group as it became a successful conglomerate, encompassing diverse businesses including Aluminum, Spices, Textiles and Apparels.

Going beyond business success, we continue our pursuit of excellence by reiterating our promise of reshaping communities through compassionate action. It is this spirit that drives us to engage in initiatives which provide employment opportunities and nurture the aspirations of numerous people, to truly make a difference to lives.

Scan the QR
code to know
more about us



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Our unrelenting focus on delivering excellence, every step of the way, has empowered us to chart a remarkable growth trajectory. As a leading player in the infant garment manufacturing space, we are determined to deliver superior quality products that meet the quality parameters of our esteemed clients.

While we have resiliently moulded ourselves according to the ebbs and flows of a dynamic operating environment, our passion to succeed has been a guiding light – preparing us for the future. Our relentless emphasis on adopting cutting-edge technology, improving our manufacturing capability and meeting stringent quality benchmarks has helped us maintain a resolute focus on the way forward.

To meet the evolving demands of our global clientele and expand our reach further, we are laying emphasis on R&D activities to foster innovation and deliver new-age products. At KiteX, we believe in strengthening the foundation for a sustainable business, going beyond financial performance. Staying true to our core ethos of 'care', we believe in prioritising compassionate action to make a significant difference to lives. It is this drive that enables us to engage in meaningful community development initiatives and undertake steps to limit our environmental footprint.

Backed by our solid capacity expansion projects, a growing orderbook from renowned global brands and a healthy balance sheet, we are now poised for the next phase of our journey.

Our resilient approach, passionate efforts and resolute determination is empowering

**KiteX to
emerge
stronger than
ever before.**

About us

Passionately charting our way forward

Kitex Garments Ltd. (KGL) is the world's second-largest manufacturer of cotton and organic cotton ready-to-wear garments for infants and children aged 0-24 months. Since our inception in 1992, we have continued to broaden our global footprint and explored new growth trajectories.

Operating under the 'Yarn to Garments' model, KGL is a fully export-oriented unit that caters to major clients in the USA and European markets. Within three years of its inception, KGL was listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE) in 1995.

31

Years of expertise

3,50,000 sq. feet

Manufacturing area

4,32,000

Units Capacity per day

50 tons per day

Textile capacity

Our strengths

End-to-end sustainable business model

State-of-the-art manufacturing facilities

Most preferred global supplier

Consistent capacity expansion to meet demand

Strong client base





Snapshot of the year

Financial



₹ **64,159.26** Lakhs

Turnover

₹ **12,711.76** Lakhs

EBITDA

₹ **6,818.77** Lakhs

PAT

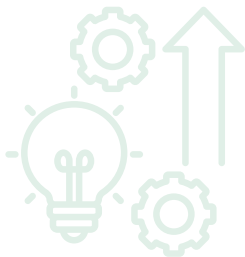
₹ **8,889.17** Lakhs

Cash from operating activities

₹ **10.25**

Earnings per share

Operational



₹ **57,665.27** Lakhs

Revenue generated from international operations

4,951

Total team strength

ESG



₹ **516.44** Lakhs

CSR expenditure

51,915

Lives impacted

3

Independent Directors

35 years

Average years of experience of board members



Expansion at Telangana

₹ **3,30,000** Lakhs

Project cost

70:30

Funding pattern

₹ **2,31,000** Lakhs

Term loans

₹ **99,000** Lakhs

Equity

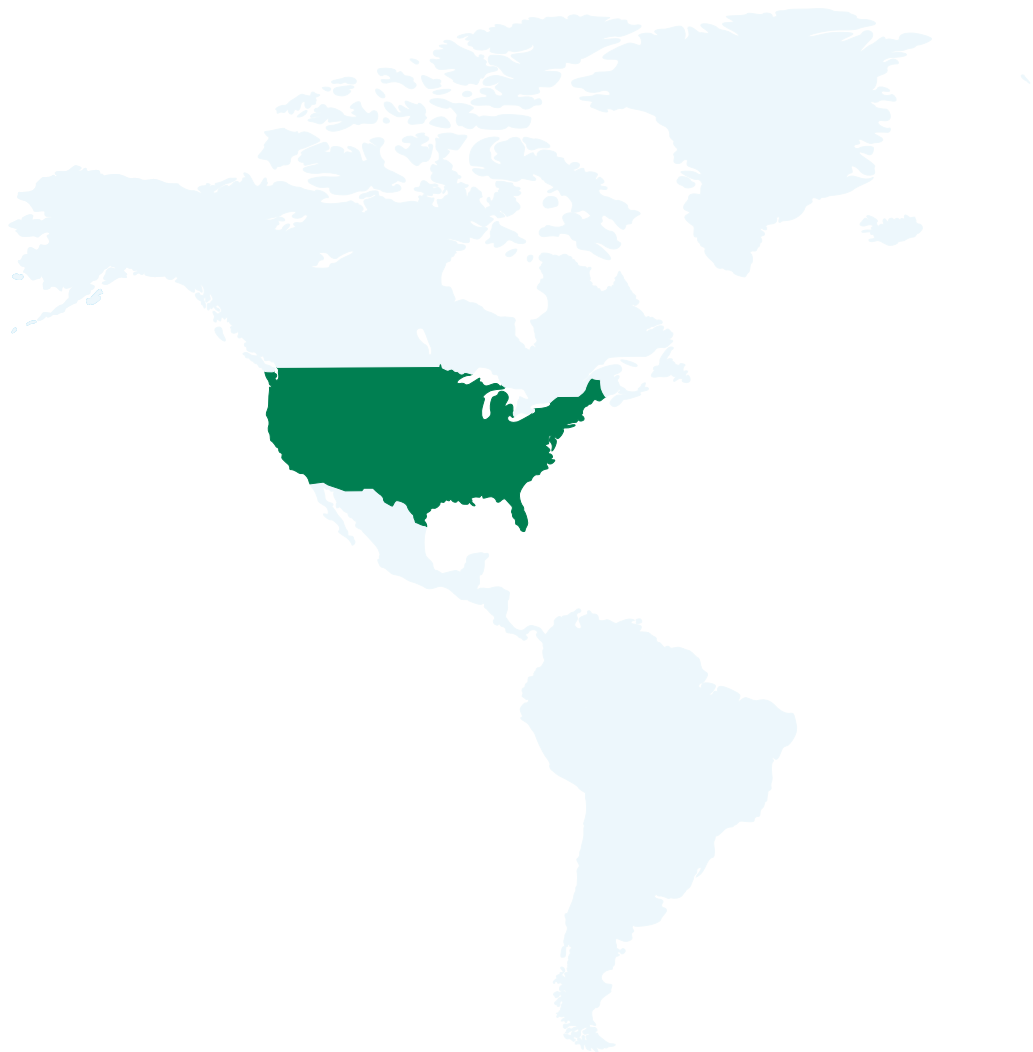


Warangal & Sitarampur

Plant locations

Building an extensive geographic footprint

Our operations span across multiple continents, where we have established a strong presence through state-of-the-art manufacturing facilities and strategic partnerships. This extensive reach allows us to efficiently cater to diverse markets, ensuring that our garments meet the quality parameters specified by customers worldwide.



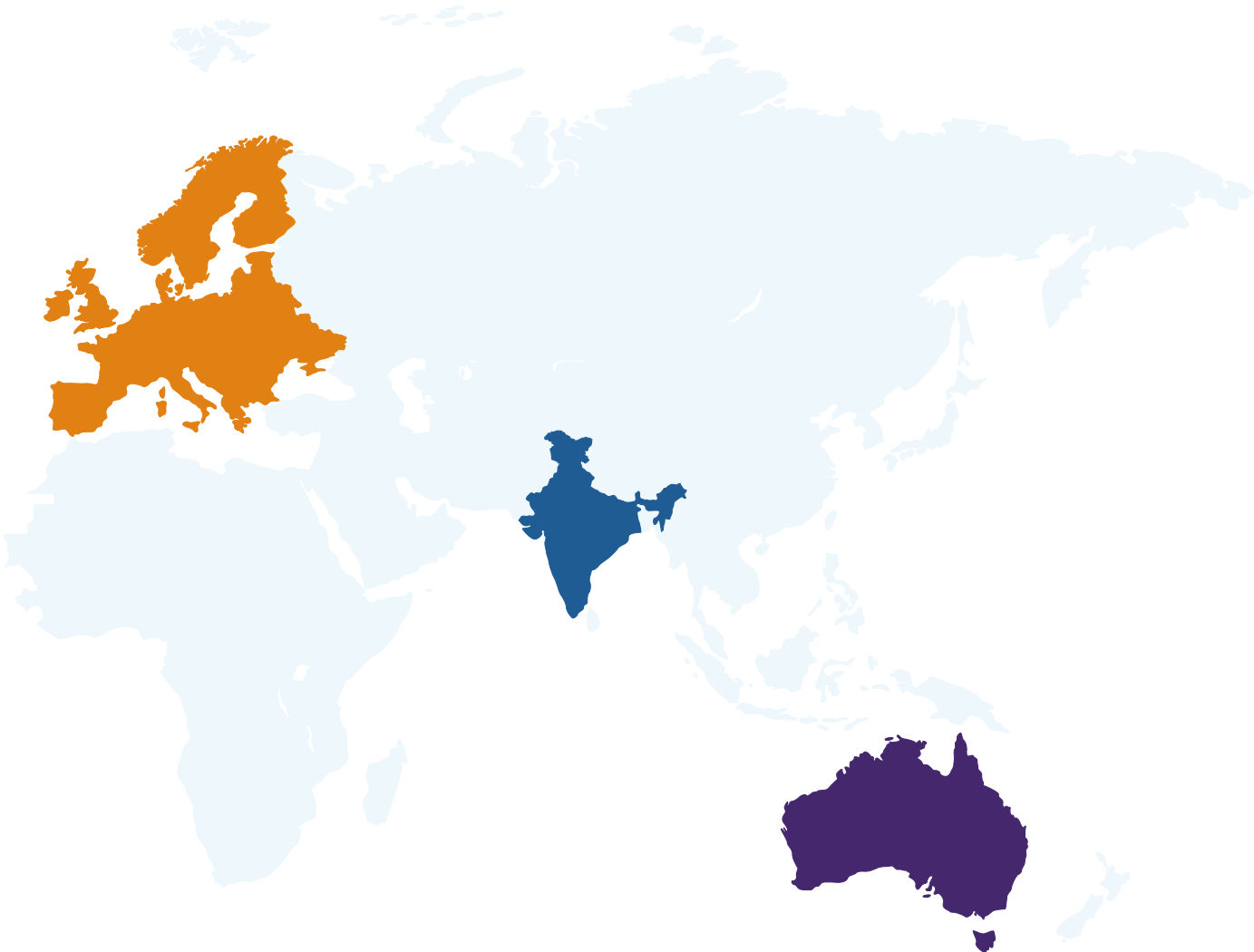
■ USA

78%

Export

22%

Domestic



Europe

India

Australia

Chairman and Managing Director's message



In the financial year under review, Kitex has continued to sustain its position as the world's second-largest manufacturer of infant wear.



Dear Shareholders

'Strength and growth come only through continuous effort and struggle'. From humble beginnings at a small village near Kochi to building an organisation that redefines the industry benchmarks, Kitex has been the embodiment of this quote.

The path has been difficult, marked by persistent headwinds; however, we remained resilient, passionate to our craft and resolute in our commitment, transforming every obstacle into opportunity.

At Kitex, we have always believed that the key to success, the difference between ordinary and extraordinary is that little extra-- the ability to go the extra mile. As we present to you the annual report for the financial year

2023-24, it gives me immense pleasure to share with you another year of remarkable achievements and growth at Kitex. I am pleased to present to you the results of our relentless hardwork and our unwavering dedication as well as share the future possibilities with you.

Sewing a robust growth pattern

The global infant garments industry, valued at approximately \$45 billion in 2023, continues to demonstrate robust

growth potential. With the increase in world population, it is anticipated to grow at a projected compound annual growth rate (CAGR) of 4.7% between 2024 and 2032. While challenges persist regarding labour costs, Kitex Garments Limited stands strong, benefiting from the long-standing relationships with its premier global customers. The expertise to timely deliver high-quality products at competitive prices while adhering to rigorous global standards has been pivotal to our sustained success.

In the financial year under review, Kitex has continued to sustain its position as the world's second-largest manufacturer of infant wear. On a consolidated basis, our total revenue reached ₹63,117.19 lakhs in the fiscal year 2023-2024 (FY'24), marking a healthy increase from ₹60,105.24 lakhs in FY'23. Simultaneously, the Company's EBITDA recorded great performance, registering at ₹11,476.39 lakhs. While our profit before tax (PBT) stood at ₹8,672.46 lakhs, the net profit after tax (PAT) was

₹5,583.05 lakhs; these statistics reflect our resilience and operational efficiency despite market challenges.

We also have maintained our market leadership in our primary market, the US. An array of strategic measures enabled us to achieve a commendable performance in the year gone by. While our strategic focus remains on the US market, we are steadily planning to expand into the Europe and Australian markets and diversification of our product offerings by entering the adult wear segment through our new facility in Telangana. This expansion aligns with our growth objectives, enabling us to expand our geographical footprint.

Seaming our strengths

We have synergised innovation and deep industry expertise to build an organisation rooted in productivity, efficiency and excellence. As we are going from strength-to-strength, we are aiming to explore different horizons. At Kitex, our mantra of continuous improvement drives every aspect of our operations. We have always committed to going beyond the set norms to deliver enhanced value to our consumers.

We have made substantial investments in both machinery and human capital to accelerate sustainable growth. Currently, we are expanding our operations in Telangana at Warangal And Sitarampur—which marks a significant milestone in our growth strategy. The first phase of our new facility is already underway, with commercial production expected by December 2024. This total investment of ₹3,000 crore in both phases aims to produce around 11 lakhs garments daily with a turnover of with a turnover of with a turnover of ₹3,000 crore p.a.

To further strengthen our production capabilities, we are also establishing a ginning facility as a backward integration. This strategic move will enable us to manage the entire

production process, from sourcing raw cotton to spinning, processing and garment manufacturing. This initiative will enable us to enhance quality, reduce costs and further strengthen our position in the market.

And most importantly, in the pursuit of operational excellence, we ensure to always remember the main designers behind our growth. We acknowledge the value that our efficient workforce brings to the table. Therefore, we ensure to foster a holistic work environment that prioritises the well-being of our employees. Our employees are integral to our success, and we provide proper training and career advancement opportunities to facilitate both their personal and professional growth.

Hemming to the needs of a better tomorrow

Kitex Garments Limited is dedicated to maintaining high ethical standards and environmental responsibility. Our commitment to ethical practices extends to our supply chain, where we conduct thorough background checks of our suppliers to ensure compliance with global standards. Suppliers with any deviations from these standards are promptly removed to uphold our reputation as a reliable partner.

In line with our environmental goals, we have achieved a 2% reduction in water consumption, an 18% decrease in energy consumption and a 9% reduction in greenhouse gas emissions. We are recycling plastic and other waste through authorised channels and supporting local cultivation and drainage systems, to further our commitment to promoting environmental stewardship. We are started reusing scrap materials—a practice that has been highly appreciated by our customers.

In addition to this, we aim to uphold the long-standing tradition of prioritising community welfare alongside business objectives. Our CSR initiatives extend

well beyond the statutory requirements, encompassing road construction, housing development, subsidised food and medical support and agricultural activities in underutilised areas, especially in the Kizhakkambalam Panchayat region. We are deeply committed to supporting local communities and improving their quality of life.

Weaving our path forward

As we move forward, Kitex Garments Limited remains resolute in its mission to be a leader in the global infant garments industry. We are optimistic of the future that lay ahead of us. While we do understand that we operate in a dynamic environment, but our strategic investments, dedication to quality and commitment to ethical practices will enable us to always emerge stronger. We are confident in our ability to navigate challenges, drive innovation and achieve sustainable growth.

Lastly, I would like to extend my heartfelt gratitude to all our investors, employees and stakeholders for your unwavering support and trust. Together, we will continue to build a brighter future for Kitex Garments Limited, driven by our resilience, passion and resolve.

Thank you for your continued support.

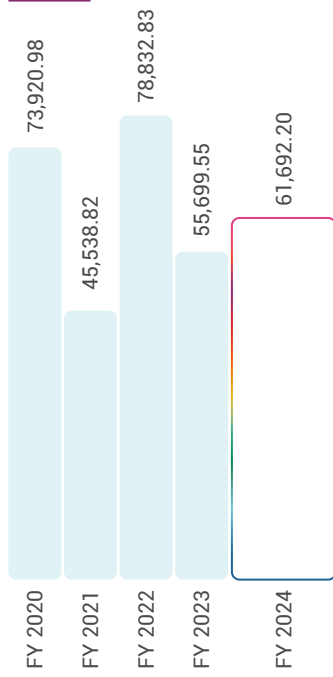
Warm regards,

Mr Sabu M Jacob

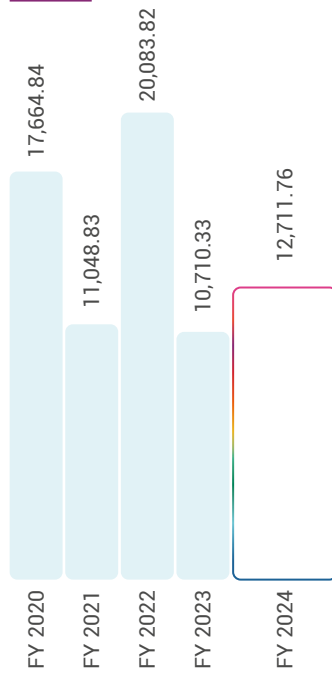
Chairman and Managing Director
Kitex Garments Limited

Financial performance

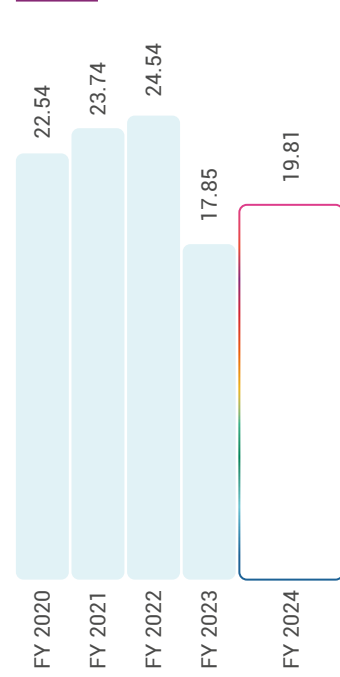
Revenue from operation
(₹ in lacs)



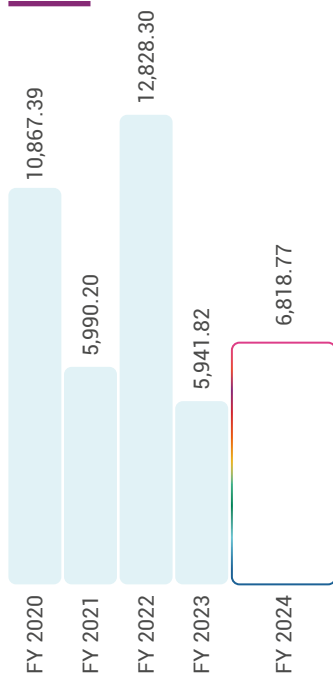
EBITDA
(₹ in lacs)



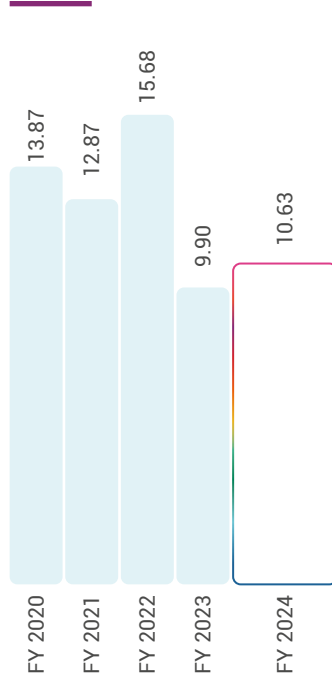
EBITDA margin
(in %)



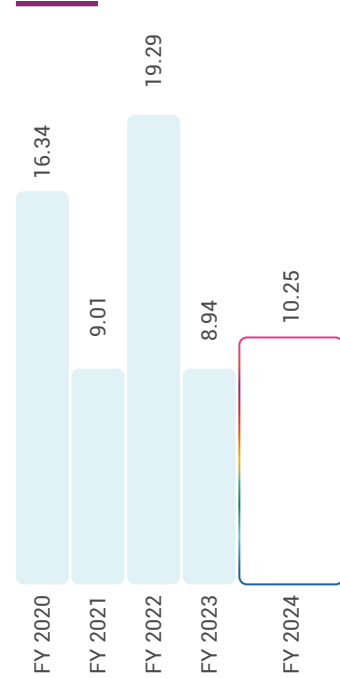
PAT
(₹ in lacs)



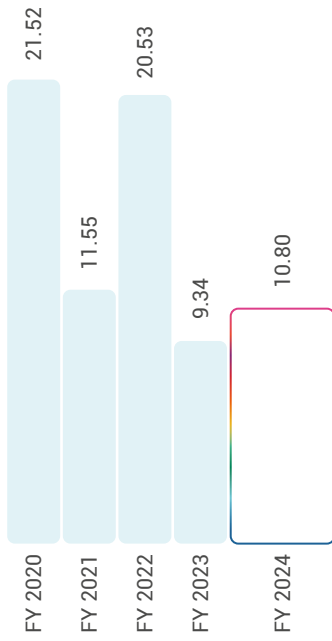
PAT margin
(in %)



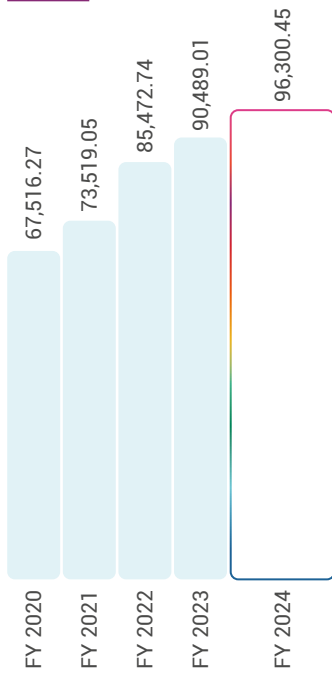
EPS
(in ₹/ share)



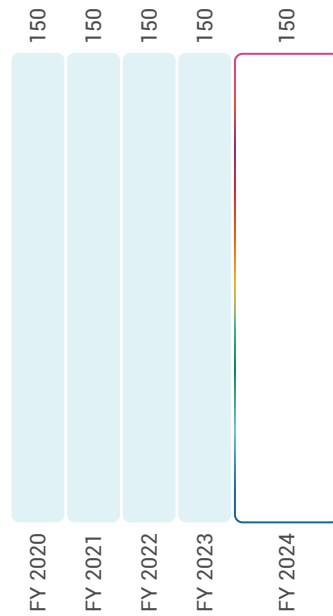
Return on Capital Employed (ROCE)
(%)



Net Worth
(₹ in lacs)



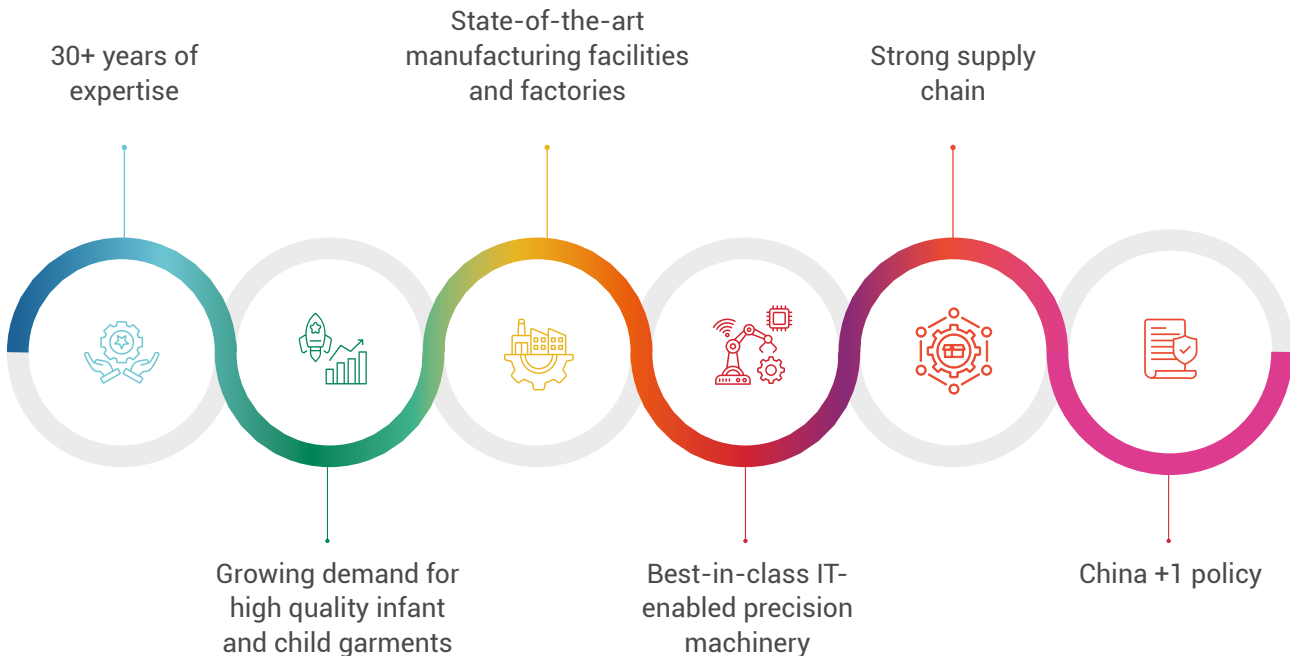
Dividend
(in %)



Focused on operational excellence

We have positioned ourselves as a distinguished player in the infant wear segment, recognised for our advanced manufacturing facilities that adhere to the highest international quality standards. Driven by a robust production infrastructure, we have the capability to manufacture a wide range of infant garments for marquee clients.

What we capitalise on



Strategic growth drivers

<p>Strategic allocation of capital expenditure to enhance and optimise production capabilities</p> <p>01</p>	<p>Dedicated training sessions to upgrade employee skills and capabilities.</p> <p>02</p>
<p>Cost-effective, flexible, vertically integrated and scalable manufacturing processes.</p> <p>03</p>	<p>Globally certified production facilities to ensure responsible production, product safety and meet international supplier standards.</p> <p>04</p>

Value we create**03** International buyers

Customers served

59%

Females engaged in production

5

Global certifications

200

Suppliers engaged

₹ 57,665.27 lakhs

Export revenue

Quality and precision

We strive to improve product quality and precision through several key initiatives. Our senior team members regularly attend textile seminars in India and abroad to stay updated on modern trends and technologies. We continuously drive cost efficiency through rigorous motion and time studies. Our comprehensive quality control measures are implemented throughout every stage of production, including procurement, processing, garment manufacturing and final inspections such as snap and metal detection.

We are also in the process of adopting modern technologies and machinery, along with upgrading our raw materials such as dyes and colours, to enhance the quality of our products.

Logistics and distribution

Our logistics and distribution strategy is designed to enhance efficiency and reduce costs through several key initiatives. We base procurement on planned orders, which helps us maintain minimal stock levels and lower costs. Our inventory management system plays a crucial role in this process, meticulously tracking stock movements from procurement to processing, cutting, garmenting and finishing.

Additionally, our exports are predominantly on an FOB (Free on Board) basis, which effectively minimises logistical challenges. These strategies collectively ensure a streamlined approach to logistics and distribution.

Global accreditations

GOTS | WRAP | SQP
SCAN | OEKO-TEX



Innovating for tomorrow

At Kitex Garments, we are committed to continuous innovation to introduce new designs that align with evolving customer preferences. Our experienced team focuses on the development of new materials and utilises advanced manufacturing techniques to ensure quality as well as adherence to sustainability parameters. Additionally, we embrace cutting-edge technologies to minimise our impact on the planet.

Product innovation

We focus on manufacturing products tailored to the specific requirements of our global clientele. In addition to fulfilling customer orders, we are also exploring new markets. We are also entering into grown up segments through our Telengana project. In addition to cotton we are entering into polyster segments in line with Global demands, again through the Telengana Company.

We are also undertaking new projects for developing brushed fleece fabrics and curating specialised designs for the entire family. These initiatives have proved to be trendsetters and are expected to increase acceptance for our products in the market. As a label manufacturer, Kitex remains dedicated to meeting customer specifications while driving product innovation and market expansion.

Again we are developing our own brand, little star through our associate Company in USA.

Embracing technology

We invest in latest technology to enhance our manufacturing processes and sustainability efforts, focusing on waste reduction and water recycling. Additionally, we source high-quality accessories for our garments from reputable suppliers to ensure the safety of our young users, avoiding the use of harmful chemicals or material that could pose health risks.

While we primarily generate revenue as a label manufacturer for global clients, we are also dedicated to developing our own brand for the US market. We have, therefore, designed and marketed new products for potential buyers, including a specially developed brushed fleece fabric tailored for the US market.



Way forward

Our strategies are centred on enhancing sustainability through advanced technology and processes. We are committed to recycling water by installing state-of-the-art ETP (Effluent Treatment Plant) and STP (Sewage Treatment Plant) systems. Continuous investment in the latest machinery and staff training enables us to be a sustainable manufacturer. Looking ahead to 2025, we aspire to integrate sustainable manufacturing practices into our operations and prioritise the recycling of cotton and fabric waste to minimise our environmental impact.



People

Prioritising teamwork to build an inclusive workforce

At Kitex, our workforce is integral to our identity and central to every decision we take. We select top talent on the basis of merit, invest in their growth through training and development and provide multiple opportunities for skill development.

614

Employees

4337

Workers

HR vision

To take a leadership role and provide service in support of Company's vision by promoting the concept that our employees are our most valuable resource and will be treated as such. We act as a catalyst to enable all our employees to contribute at optimum levels toward the success of the company.

HR mission

Recruiting the best people whilst encouraging diversity; training and motivating them to extract utmost efficient and effective productivity, with best salary and benefits package prevailing in the industry including excellent accommodation and 4 times food free of cost in a safe and secure work atmosphere; and, most importantly, establishing, administering and effectively communicating policies while maintaining compliance with employment and labour laws, corporate directives and labour agreements.



Diversity and inclusion

Diversity and inclusion are fundamental to our company's strategies, policies and mission. With approximately 54% women in our workforce, we are committed to increasing the presence of women in senior roles. We also strive to create a safe and supportive work environment which prioritises diversity and inclusion. We have a diverse team, with employees representing 8 to 12 different states across India, working together as a cohesive family.

54%

Female employees



Training and development

Our training initiatives encompass a broad range of programmes, including orientation, compliance, technical and quality assurance, soft skills and diversity training. These programmes are designed to empower our people to reach their full potential and enhance their performance. We provide continuous training to facilitate career advancement and improve productivity. Each employee's training plan is customised by respective supervisors to ensure targeted and effective development.

360 hours per worker

Man-hours of training conducted



Employee health and safety

Maintaining the health and safety of our workforce is a top priority. Our commitment to protecting employees from potential hazards and occupational illness is embedded in our operational and human resource practices. We have also established a proactive Health and Safety Committee responsible for overseeing all related aspects within the organisation.

We have an in-house clinic on our premises that provides regular health check-ups during working hours and operates 24/7 for urgent medical needs. Additionally, our accessible ambulance service ensures prompt transportation to the nearest hospital in critical situations, thereby ensuring access to comprehensive care.

Employee well-being

We are committed to improving employee well-being by providing complimentary, clean and well-appointed accommodation. Our facilities include separate sections for male and female employees, with the female dormitory supervised by a dedicated female security officer to ensure a secure and comfortable environment. Additionally, we offer complimentary meals to all staff through our fully automated and sanitised canteen, which operates round the clock.



ESG

Making way for a sustainable future

We follow a comprehensive ESG framework to strengthen the foundation of a sustainable organisation. With a strong emphasis on environmental, social and governance parameters, we ensure the well-being of people within local communities, strive to reduce our environmental footprint and operate a transparent and ethical organisation.





Environment

As an eco-conscious Company, we prioritise environmental sustainability and strive to adopt sustainable practices. Our operational activities remain focused on the conservation of natural resources, recycling and reusing resources and strengthening circular economy initiatives. We also promote environment-conscious activities among our employees, suppliers and key stakeholders. We ensure compliance with regulatory guidelines mandated by the Pollution Control Board and through our continuous assessments, we strategically align our operational activities to promote environmental stewardship.

Water consumption

Responsible water management practices adopted by us helped to effectively reduce water consumption in comparison to the previous year.

We have integrated the practice of rainwater harvesting into our operational activities. Using rainwater for our operational activities has helped us to limit our reliance on other sources of water such as groundwater. In FY 2024, we have reduced the consumption of groundwater from 90,000 kilolitres in FY 2023 to 85,100 kilolitres.

Our advanced treatment facilities ensure efficient water treatment, adhering to the highest international standards. Also, the machinery used for bleaching and dyeing activities consumes less water in comparison to other conventional machines.

5%

Reduction in water consumption

Energy consumption

'Energy saved is Energy generated'

Through implementation of strategic initiatives, we have reduced energy consumption over the years. Our environment management system helps us to regularly monitor and integrate a systematic approach towards energy management. Also, we have embedded advanced machines in our operational activities to ensure lesser energy consumption in comparison to conventional machines. Moreover, we also promote awareness regarding the importance of energy preservation and train electrical technicians in our plant and across our organisation to aim for judicious energy usage.



Greenhouse gas emission

The textile industry is one of the major contributors of greenhouse gases. However, at Kitex we remain committed to reducing our carbon footprint by undertaking strategic measures. The heat recovery system (HRS) has helped to reduce thermal and air pollution along with fuel and energy consumption. We have adopted energy-efficient technology to minimise our environmental impact and increased the use of renewable energy within our operations.

8%

Reduction in Greenhouse gas emission

Waste management

We strive to ensure responsible waste management and ensure waste disposal through authorised vendors. The waste generated in our facility is divided into biodegradable and non-biodegradable waste to ensure proper disposal. We have also set up an effluent treatment plant (ETP) and sewage treatment plant (STP) to facilitate efficient water management.

15%

Reduction in waste



Social

We contribute towards socio-economic development through engagement in various Corporate Social Responsibility (CSR) activities. We strive to empower the weaker sections of society and our CSR policy aims to ensure economic development of society, thereby making a positive contribution towards social well-being.

₹ 516.44 lakhs

CSR expenditure

Infrastructure and housing development

We proactively contribute towards the development of infrastructure by establishing facilities for essential services such as provision for safe drinking water, housing facilities, rural development, construction of roads and other basic infrastructural facilities. The construction of housing is also undertaken to provide individuals with a safe and healthy living environment.

Public

Beneficiaries

₹ 428.22 lakhs

Expenditure for infrastructure development



Education

By providing underprivileged children with education opportunities, we are empowering the youth by securing their future and thereby contributing towards community development. Our desire to impart learning opportunities also aims to promote gender equality by focusing on women's education.

1800

Youth impacted



Healthcare

We offer healthcare facilities to individuals through medical camps and initiate various projects to ensure healthy lifestyle in local communities.

65

Lives touched





Governance

We maintain the highest standard of corporate governance to embed ethical practices, transparency and accountability within our operation. Our governance framework comprise our Board of Directors and it ensures proper disclosure of financial information for stakeholders, maintains effective communication and stakeholder relationships.

Board members

Our Board members regularly monitor the management and operational activities, guide us through critical situations and protect the interests of our stakeholders. Moreover, the Board Committees also play an integral role in monitoring daily activities within the organisation.

3

Independent Directors

35 years

Average experience of board members

Our committees



Board of Directors

Mr. Sabu M. Jacob
Chairman & Managing Director



CA Benni Joseph
Independent Director



Mr. C. P. Philipose
Independent Director



Mr. K. L. V. Narayanan
Non-Executive Director



Mrs. Sindhu Chandrasekharan
Executive Director



Mrs. Sumi Francis
Independent Director



- Audit
- Nomination and Remuneration
- Risk Management
- Corporate Social Responsibility (CSR)
- Stakeholders Relationship
- Share transfer

- Chairman
- Member

Corporate Information

Board of Directors

Mr. Sabu M. Jacob
Chairman & Managing Director

CA Benni Joseph
Independent Director

Mr. C. P. Philipose
Independent Director

Mr. K. L. V. Narayanan
Non-Executive Director

Mrs. Sindhu Chandrasekharan
Executive Director

Mrs. Sumi Francis
Independent Director

Board Committees

Audit Committee

CA Benni Joseph - Chairman
Mr. C. P. Philipose - Member
Mrs. Sumi Francis - Member

Nomination and Remuneration Committee

CA Benni Joseph - Chairman
Mr. K. L. V. Narayanan - Member
Mrs. Sumi Francis - Independent Director

Stakeholders Relationship Committee

Mr. K. L. V. Narayanan - Chairman
Mr. Sabu M Jacob - Member
Mrs. Sindhu Chandrasekharan - Member
CA Benni Joseph - Member

Risk Management Committee

Mr. Sabu M Jacob - Chairman
CA Benni Joseph - Member
Mrs. Sindhu Chandrasekharan - Member

CSR Committee

Mr. Sabu M Jacob - Chairman
CA Benni Joseph - Member
Mr. K L V Narayanan - Member
Mr. C. P. Philipose - Member

Share Transfer Committee

Mr. Sabu M Jacob - Chairman
Mr. C. P. Philipose - Member
Mrs. Sindhu Chandrasekharan - Member

Chief Financial Officer

CA Bobby Michael

Company Secretary & Compliance Officer

CS Dayana Joseph

Management Team

Mr. Sabu M. Jacob
Chairman & Managing Director

Mr. Donnie Hodge
President and COO, Kitex USA LLC

CA Bobby Michael
Chief Financial Officer

Independent Statutory Auditors

M/s. MSKA & Associates,
Chartered Accountants, Chennai

Internal Auditors

M/s. K. Venkitachalam & Aiyer & Co.,
Chartered Accountants, Kochi

Secretarial Auditors

M/s. SVJS & Associates,
Company Secretaries, Kochi

Income Tax Consultants

M/s. Varma & Varma,
Chartered Accountants, Kochi

Banker

State Bank of India

Share Transfer Agents

M/s. Cameo Corporate Services Limited
Subramanian Building, No. 1,
Club House Road,
Chennai 600002, Tamil Nadu, India

Tel: 044 - 40020700

E-mail: investor@cameoindia.com

Online Investor Portal:
<https://wisdom.cameoindia.com/>

Registered Office & Factory

Kitex Garments Limited
(CIN: L18101KL1992PLC006528)
Building No VI/496,
Kizhakkambalam, Vilangu P.O,
Aluva, Ernakulam - 683561, Kerala, India

Phone: 91 0484 2585000

Website: www.kitexgarments.com

E-mail: sect@kitexgarments.com

Grievance Redressal Division:
investor@kitexgarments.com

Listed in Stock Exchanges

BSE Limited, Mumbai
The National Stock Exchange of India
Limited, Mumbai

Management Discussion and Analysis

Economic overview

Global economy

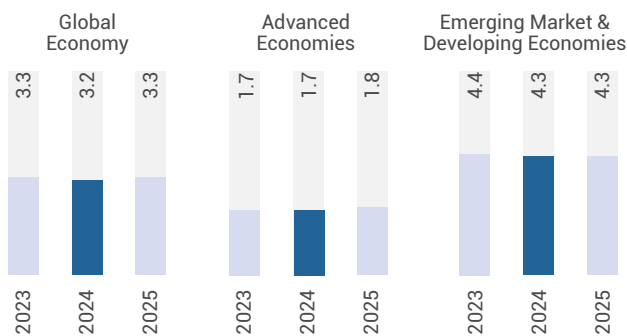
CY 2023 was marked with numerous uncertainties, roiling the global economy. However, the global economy demonstrated remarkable resilience as it navigated geopolitical instability, supply chain disruptions and rising inflation, achieving a growth rate of 3.3%. Central banks worldwide resorted to targeted interest rate hikes to anchor inflation. While the monetary policies resulted in a sluggish economic growth, it helped in successfully avoiding global recession. Global headline inflation declined from its peak of 2022 to 6.8% in CY2023.

As advanced economies, such as the United States surpassed its pre-pandemic growth, emerging markets and developing economies also recorded positive growth trajectories. However, China grappled with real-estate issues and subdued consumer confidence, achieving 5.2% GDP growth in CY 2023.

Looking forward, the global economy is anticipated to maintain a growth rate of 3.2% in CY2024, followed by a slight uptick to 3.3% in CY 2025. On the other hand, inflation is projected to fall to 5.9% in CY2024 and 4.5% in CY2025. According to the IMF World Economic Outlook for July 2024, advanced economies are projected to expand by 1.8%. In contrast, emerging markets and developing economies (EMDEs) may experience a slight slowdown, with growth declining from 4.4% in CY2023 to 4.3% in CY2024.

Overall, global conditions are expected to improve, supported by positive developments in global supply chains and anticipated reductions in interest rates by central banks.

Global GDP Growth rate %



Indian economy

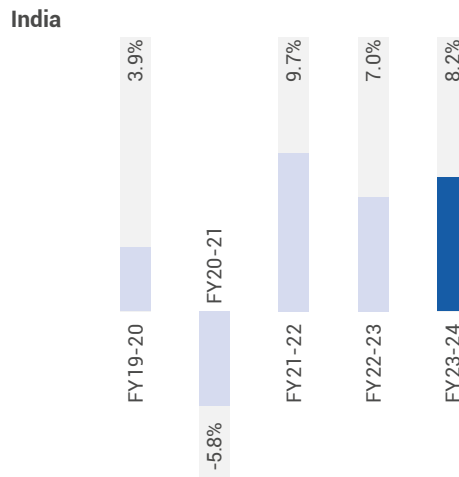
According to the National Statistical Office (NSO), the Indian economy experienced significant growth in FY 2023-24, with real GDP rising to 8.2%, compared to 7.0% in FY 2022-23. This growth marked the third consecutive year for the Indian

economy to achieve a growth rate of 7% or higher. India's growth rate highlights resilience amid geopolitical uncertainties, demonstrating the country's strong and stable position.

The year under review recorded Gross Fixed Capital Formation (GFCF) accelerating to 10.2% from 6.6% in FY 2022-23, largely driven by increased investments, particularly in government infrastructure projects¹. The year under review witnessed the manufacturing GVA accelerating and infrastructure and capital goods gaining momentum as the Government emphasised on capital expenditure. Additionally, there was a recovery in consumer goods (volume-driven), with growth in rural demand catching up with the urban segment. Both urban and rural segments also witnessed a decline in unemployment rates.

Moving ahead, the Government of India is focusing on employment, skilling, MSMEs and middle-economic class. A provision of ₹ 2.66 lakh crore has been allocated for rural development, including improving rural infrastructure. In addition to this, ₹ 1.48 lakh crore has been allocated for education, employment and skilling. Furthermore, India's inflation target is also steadily moving towards the 4% target.²

India's Real GDP Growth %



(Source - National statistical office)

Industry overview

Global apparel industry³

The apparel market has experienced robust growth in recent years, driven by strong economic expansion in emerging markets, higher foreign direct investments, growing demand for man-made fibers and advancements in technology.

The global apparel industry is expected to reach USD 918.71 billion by 2028, growing at a compound annual growth rate (CAGR) of 6.9%. Factors contributing to this growth include the

¹https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/0ANNUALREPORT202324_FULLLDF549205FA214F62A2441C5320D64A29.PDF

²<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2035618>

³<https://www.thebusinessresearchcompany.com/report/apparel-global-market-report>

expanding influence of social media, the growth of e-commerce and increased demand for sportswear and performance wear. The key trends in the forecast period are expected to include the adoption of blockchain technology for enhanced supply chain reliability and intellectual property protection, the use of artificial intelligence to predict trends in patterns, colors and styles, an enhanced focus on recycling and upcycling to minimise waste, the integration of the Internet of Things (IoT) and the incorporation of virtual reality (VR) and augmented reality (AR) to enrich the shopping experience both in stores and online.

Growth drivers ^{4,5}

Supply chain transparency

The growing emphasis on ethical practices and sustainability has driven businesses to adopt transparent supply chains and traceability measures. Technologies such as blockchain and traceability systems enhance end-to-end visibility, promoting ethical sourcing and responsible production. Blockchain provides immutable records, while traceability systems monitor raw materials and products, ensuring transparency and fostering consumer trust.

Technological Advancements

With the advent of technology, apparel companies are increasingly integrating advanced technology and data analytics to enhance decision-making, improve efficiency and gain valuable consumer insights. This includes using data to predict demand, manage inventory and track products in real-time. In addition to this, automation and robotics are revolutionising the industry by streamlining assembly, packing and shipping processes, leading to improved production efficiency, reduced errors and overall lower production costs.

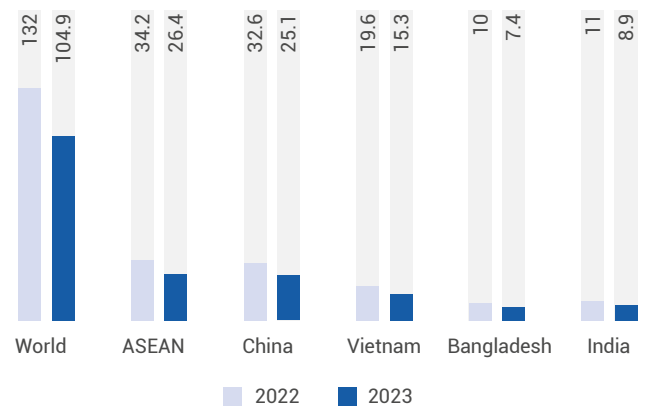
China +1 strategy

Companies always aim to expand their global footprint, exploring new markets and gaining competitive advantage over its peers. For a long time, companies have been reliant on China. However, countries such as Vietnam, India, Bangladesh, Thailand and Indonesia are steadily emerging as key alternatives under the “China Plus One” strategy. These nations offer lower production costs, favourable demographic trends, improving infrastructure and supportive government policies. As companies diversify their manufacturing bases and reduce reliance on China, companies can build a more resilient and cost-effective supply chain network, contributing to the growth of the global textile and apparel industry.

Rising Emphasis on Sustainable Practices

The textile industry has recorded a paradigm shift towards sustainability, further facilitated by increasing consumer awareness and stricter regulatory standards. This has increased the prevalence of eco-friendly materials, such as organic cotton and recycled fibers. Moreover, sustainable production methods, including water-efficient dyeing processes and effective waste management systems, are being widely adopted. As consumers place greater importance on environmental responsibility, brands are compelled to embrace greener practices.

Imports of textile and apparel into USA⁶
(in USD billion)



Indian apparel industry

India is among the world’s largest producers of textiles and apparel. The country possesses a comprehensive value chain in the textile industry, encompassing raw materials such as natural and man-made fibers to the finished products, including apparel, home textiles, and technical textiles. The share of the Indian textile industry in the nation’s GDP is 6% and in exports is 13%.⁷

As the world’s second-largest clothing manufacturer and one of the top five exporting countries, India saw a 1% increase in textile and apparel exports, including handicrafts, in FY24, reaching ₹ 2.97 lakh Crore. The sector is well-diversified, with ready-made garments making up the largest share of total exports (41%), valued at ₹ 1.2 lakh Crore. It is followed by cotton textiles, with a 34% share, and man-made textiles contributed 14%.⁸

The textiles and apparel industry in India is the second largest employer in the country providing direct employment to 45 Mn people and 100 Mn in allied industries.⁹

⁴<https://www.custommarketinsights.com/report/textile-and-apparel-market>

⁵<https://www.textiletoday.com.bd/global-textile-market-set-for-major-growth-by-2030>

⁶<https://www.trade.gov/data-visualization/us-textile-apparel-imports-category-or-country>

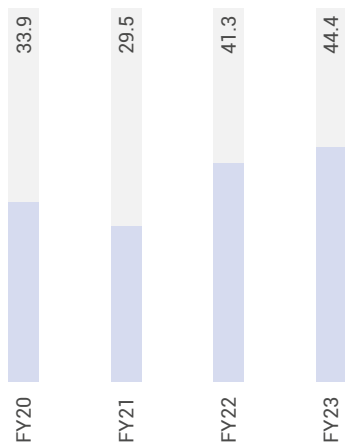
⁷<https://texmin.nic.in/sites/default/files/Vision%20Strategy%20Action%20Plan%20for%20Indian%20Textile%20Sector-July15.pdf>

⁸Economic Survey 2023-24

⁹<https://www.investindia.gov.in/sector/textiles-apparel>

Total exports of textile products

USD BILLION



Source: Ministry of Textiles

Government initiatives¹⁰

Establishment of PM MITRA Parks

PM MITRA Scheme aims to make Indian textile sector globally competitive by fostering technological innovation, reducing cost and enhancing skills. The Government of India aspires to establish seven PM MITRA Parks, with a total budget of ₹ 4,445 Crore, between FY22 and FY28 across Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh and Maharashtra. These parks will feature 1,000-acre industrial infrastructure, 'plug and play' facilities as well as training and research facilities for the industries.

Government Approves PLI Scheme

The Government has approved a Production Linked Incentive (PLI) Scheme worth ₹ 10,683 Crore over five-year period for man-made fibre apparel, fabrics, and technical textiles. This scheme is projected to attract over ₹ 19,000 Crore in investments and create 2.5 lakh jobs.

Launch of National Technical Textiles Mission

With an allocation of ₹ 1,480 Crore between FY21 and FY24, the National Technical Textiles Mission aspired to boost the use of technical textiles across various sectors. The mission includes four key components- research innovation and development, promotion and market development, education, training and skilling and export promotion. 137 research projects amounting to ₹ 474 Crore have been approved to date and this scheme has been extended to March 2026.

Approval of National Handloom Development Programme

The National Handloom Development Programme (NHDP) has been approved for FY22 to FY26 with an outlay of ₹ 998 Crore. In FY24, nine mega handloom clusters have been set up; in addition to this, efforts were made to establish 96 small handloom clusters.

India's Top Ten Export Markets of Textile & Apparel products including Handicraft¹¹

Country	Export 2022-23 (USD million)	% share
USA	10,468	29%
EU-27	7,670	21%
Bangladesh	2,533	7%
UK	2,105	6%
UAE	2,087	6%
Sri Lanka	726	2%
Turkey	719	2%
Australia	657	2%
Saudi Arabia	577	2%
Canada	572	2%
Sub-Total	8,570	23%
Total Textiles & Apparel (including Handicraft) Exports	36,684	100%

(Source – DGCI&S)

Company overview

Kitex Garments Ltd. (KGL) is the world's second-largest producer of cotton and organic cotton apparel for infants and children aged 0-24 months. Founded in 1992, the company has grown significantly and established strong global connections. Listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) within three years of its inception, KGL operates as a 100% export-oriented unit. It serves major conglomerates in the USA and Europe, including Walmart, Carters and Gerber Childrenswear L.L.C through its comprehensive "Yarn to Garments" model. The company emphasises sustainable practices, responsible sourcing, and a commitment to both its workforce and social initiatives.

Review of operational performance

On a standalone basis, the company reported a turnover of ₹641.59 Crores, reflecting an increase of 7% compared to the previous financial year. Additionally, the PBT changed from 13.57% to 15.44%. The second half year recorded a 20% margin and overall performance came down due to lower performance of app: 10% in the first half year.

The company anticipates that the strong order flow will drive exceptional performance in the second half of the year, leading to record results for FY 24-25.

Review of Financial performance

This section provides an analysis of the financial results for the year ending March 31, 2024. The company's financial statements are prepared in accordance with Indian Accounting Standards (known as 'Ind AS'), as mandated by Section 133 of the Companies Act, 2013, and the Companies (Indian Accounting Standards) Rules, including any amendments. Key accounting policies applied in the preparation of the financial statements are detailed in the notes to the consolidated financial statements.

¹⁰Economic Survey 2023-24

¹¹<https://texmin.nic.in/sites/default/files/India>

Summary of financial performance (Consolidated)

- During FY24, the company achieved operating revenue of ₹ 61,692.20 lakhs, which is 10.76% higher than earlier year's ₹ 55,699.55 lakhs. The increase is on account of scaling up the production and sales for the year under review.
- EBIDTA for FY24 was ₹ 12,711.76 lakhs versus ₹ 10,710.33 lakhs for FY23, an increase of 18.69%. Higher EBIDTA is primarily on account of increase in revenue.
- Earnings per share ₹ 10.25 for FY24 to ₹ 8.94 for FY23.
- Subject to the approval of the members in the forthcoming annual general meeting, the Board of Directors recommended payment of dividend at ₹ 1.50 per each share of ₹ 1 face value (Dividend for FY24 was ₹ 1.50 per share).

Revenue

(INR in lakhs)	FY 24	FY 23	Change
Operating revenue	61,692.20	55,699.55	5,992.65
Other income	2,467.06	4,307.67	-1,840.61

Cost of materials

(INR in lakhs)	FY 24	FY 23	Change
Cost of raw materials consumed (including Purchase of stock in trade and Changes in inventories of FG, traded goods and WIP)	25,514.47	26,453.31	-938.84
Operating revenue	61,692.20	55,699.55	5,992.65
Cost of materials / Operating revenue	41.36%	47.49%	-6.13%

The cost of raw materials has come down by 6.13% in proportion to revenue while the Operating Revenue increased by 10.76%.

Employee benefits

(INR in lakhs)	FY 24	FY 23	Change
Employee benefits	11,939.36	10,906.72	1,032.64
% of Revenue	19.35%	19.58%	-0.23%

Employee Benefits Expense though increased in absolute amount, has decreased by 0.23% in proportion to revenue. Employee cost has been to some extent fixed and will not vary proportionally to revenue.

Finance costs

(INR in lakhs)	FY 24	FY 23	Change
Finance costs	733.19	447.17	286.02
% of Revenue	1.19%	0.8%	0.39%

Finance costs have increased due to higher utilisation.

Depreciation and amortisation

(INR in lakhs)	FY 24	FY 23	Change
Depreciation cost	2,070.40	2,120.97	-50.57
% of Revenue	3.36%	3.81%	-0.45%

The decrease in Depreciation and Amortisation is due to increase in revenue since Depreciation is more of a fixed cost.

Other expenses

(INR in lakhs)	FY 24	FY 23	Change
Other expenses	13,993.67	11,936.86	2,056.81
% of Revenue	22.68%	21.43%	1.25%

The increase in other expenses by 1.25% is mainly on account of Processing charges, Power and fuel and stores and spares which were direct expenses linked production and sales.

Income tax

(INR in lakhs)	FY 24	FY 23	Change
Income tax	3,089.40	2,200.37	889.03
Profit before tax	9,908.17	8,142.19	1,765.98
Tax as % of Profit before tax	31.18%	27.02%	4.16%

Credit rating

During the year, ICRA has revised the credit rating of the company as follows:

Loan facility	Short term/ long term	Rating on July 05, 2024	Rating on June 22, 2023
Fund-based Working capital facilities	Short-term	[ICRA] A2+	[ICRA] A1
Non-fund-based Working capital facilities	Short-term	[ICRA] A2+	[ICRA] A1
Unallocated	Long- term	[ICRA] A (Negative)	[ICRA] A+ (Negative)
	Short-term	[ICRA] A2+	[ICRA] A1






Dividend

The Board has at its meeting held on May 20, 2024 recommended a final dividend of ₹ 1.50 per equity share of Re. 1 each (150%) for the year 2023-24, subject to the shareholders' approval at its ensuing Annual General Meeting.

Risk and mitigation

The Audit Committee of the Company emphasises on enhancing its Risk Management Framework to proactively identify risks, develop mitigation plans and monitor the plans to ensure effective risk management. The Committee operates with the following objectives related to risks:

- Identify and highlight risks affecting the Company
- Facilitate discussions on risk prioritisation and mitigation, including periodic reviews to address and manage business risks effectively
- Provide a framework to assess risk capacity and appetite, and develop systems to alert when the appetite is exceeded.

Risks	Description	Mitigation
 <p>Financial Risks</p>	Fluctuations in foreign exchange rates and interest rates can impact financial stability and hinder expansion plans of the Company	The Company's policy is to proactively manage foreign exchange risks according to the guidelines established by the Board-approved forex policy. In light of interest rate fluctuations, the Company has implemented a cautious and conservative risk mitigation strategy to reduce financial and interest cost risks.
 <p>Commodity Price Risks</p>	Owing to supply chain disruptions, the Company faces the risk of price fluctuations. This can not only hinder business operations but also increase the price of finished goods.	To manage these risks, the Company employs strategies such as forward booking, inventory management and proactive vendor development. Additionally, the Company's strong reputation for quality, product differentiation and a robust brand image with an effective design and marketing network in the US helps mitigate the impact of price risk on finished goods.
 <p>Regulatory Risks</p>	Regulatory risks pertains to potential non-compliance with various statutes, laws, and regulations. These risks have the potential to tarnish reputation of the Company and can even lead to legal issues.	The Company acknowledges the risks associated with various statutes, laws, and regulations. To mitigate these risks, it conducts regular reviews of legal compliance through both internal audits and external compliance checks performed by customers.
 <p>Human Resource Risks</p>	The Company operates in a competitive market. Therefore, retaining current talent and attracting new talent are important to gain an advantage over its peers.	To address these, the Company has implemented several measures, including strategic talent management systems, training programs, and learning and development activities. Additionally, the Company partners with agencies like the Integrated Skill Development Scheme (ISDS) to identify, develop, and prepare skilled labor across India for future business leadership roles.
 <p>Strategic Risks</p>	Emerging businesses and capital expenditure for capacity expansion are standard strategic risks for the Company. The Company has to take calculated risks to improve profitability and accelerate its growth.	The Company has established clear processes and procedures for securing approvals for investments in new ventures and expanding capacity.

Internal control systems and their adequacy

The Company has established a comprehensive internal control system to safeguard assets, prevent unauthorised use or loss, and ensure that transactions are properly authorised, recorded, and reported. This control framework is maintained through documented policies, guidelines, and procedures, and is supported by a thorough internal audit program conducted by trained in-house personnel. The audit committee periodically reviews audit findings and corrective actions to ensure the system's effectiveness. This internal control system is designed to ensure that financial and other records are reliable for preparing accurate financial statements and maintaining accountability. Additionally, the Company has engaged M/s. K Venkatachalam Aiyer & Co, Chartered Accountants, to perform the Internal Audit for the year 2023-24.

Human resource/ Industrial relations

The Company acknowledges the value of its workforce in driving the Company towards success. Thereby, the Company's Human Resources (HR) management is crucial for overseeing, guiding and motivating the workforce. As of March 31, 2024, the Company has employed 4,951 individuals, including 2,656 women. The Company has successfully maintained pay equity across genders at all levels, fostering an equitable workplace.

The Company's HR philosophy focuses on creating a holistic work environment that focuses on inclusion and promotes personal and professional development. KGL also believes in maintaining cordial industrial relations to expand its operations and further fortify its position in the market.

Outlook

Kitex Garments Limited, the world's second-largest producer of cotton and organic cotton apparel for infants and children aged 0-24 months, is strategically expanding its operations in Telangana through its subsidiary, Kitex Apparel Parks Ltd. The ambitious expansion project has a total planned cost of approximately ₹3,000 crores, funded through a 70:30 debt-to-equity ratio, with equity contributions split between KGL and KCL. A consortium of six banks, led by Axis Bank, is providing the term loan. The expansion includes two key projects: one at Kakatiya Mega Textiles Park and another at Sitarampur Industrial Park near Hyderabad.

The Warangal Project is nearing completion, with ₹918 crores spent out of the planned ₹1,490 crores, and commercial

production is anticipated to start in December 2024. For the Sitarampur Project, land payments have been fully settled, with land documentation expected in October/November 2024. ₹92 crores have been spent on this project, with commercial production scheduled for March 2026. Given the current high demand for infant wear, Kitex Garments Limited expects a record turnover and profitability for the year.

Cautionary statement

Statements in this document that outline the Company's expectations or forecasts are considered "forward-looking statements." Actual results may vary from these expectations. Key factors that could impact the Company's performance include market conditions, input costs, government regulations, and economic developments both within and outside the country.



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
Website: www.kitexgarments.com, E-mail: sect@kitexgarments.com

Notice

Notice is hereby given that the 32nd Annual General Meeting of the Members of Kitex Garments Limited will be held on Saturday, September 28, 2024 through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) at 11.00 A.M. (IST) to transact the following business:-

ORDINARY BUSINESS

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS – STANDALONE & CONSOLIDATED

To receive, consider and adopt Audited Financial Statements (including the consolidated Financial Statements) of the Company for the year ended March 31, 2024 together with the Report of the Board of Directors and Independent Auditors report thereon.

2. DECLARATION OF FINAL DIVIDEND

To declare a final Dividend of ₹ 1.50 per fully paid-up Ordinary (equity) Share of face value ₹ 1/- each for the Financial Year 2023-24 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT a final dividend of ₹ 1.50/- (Rupees One Rupee Paise Fifty only) per fully paid-up Ordinary (equity) share of ₹ 1/- (Rupee one) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2024 and the same be paid out of the profits of the Company.”

3. APPOINTMENT OF A DIRECTOR RETIRING BY ROTATION

To appoint a director in place of Mrs. Sindhu Chandrasekharan (DIN: 06434415), who retires by rotation as director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Sindhu Chandrasekharan (DIN: 06434415), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS

4. APPOINTMENT OF MR. A K MATHEW (DIN: 02437778) AS AN INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with the rules made thereunder and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mr. A K Mathew (DIN: 02437778), who was appointed as an Additional Director in the capacity of an Independent Director with effect from August 14, 2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from August 14, 2024 till August 13, 2029 on the Board of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Company be and is hereby accorded for appointment of Mr. A K Mathew (DIN: 02437778), who has attained the age of seventy five (75) years, as an Independent Non-executive Director of the Company, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such things, deeds, matters and acts, as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

5. APPROVAL TO ADVANCE ANY LOAN OR GIVE GUARANTEE OR PROVIDE SECURITY UNDER SECTION 185 OF THE COMPANIES ACT, 2013

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

“RESOLVED THAT pursuant to Section 185 and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan(s) in one or more tranches including loan represented by way of book debt and/or to give any guarantee(s) and/or to provide any security(ies) in connection with any Financial Assistance/Loan taken/to be taken/availed/to be availed by any entity which is a Subsidiary/ Associate/ Joint Venture or group entity of the Company or any other person in which any of the Directors of the Company is deemed to be interested (hereinafter commonly known as the Entities) shall not at any time exceed the aggregate limit of ₹ 2500 Crores (Rupees Two Thousand and Five Hundred Crores Only), in its absolute discretion deem beneficial and in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to negotiate, finalize and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable.”

6. RE-APPOINTMENT OF MRS. SINDHU CHANDRA SEKCHARAN (DIN: 06434415) AS WHOLE-TIME DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee of the Directors (“NR Committee”) subject to such other approvals/ permission, if any, as may be required, the consent of the members of the Company be and is hereby accorded the re-appointment of Mrs. Sindhu Chandrasekharan (DIN: 06434415) as Whole Time Director of the Company in the capacity as Key Managerial Personnel for a term of 5 years effective from March 16, 2025 till March 15, 2030 on such terms and conditions including remuneration as set out

in this resolution and the explanatory statement annexed hereto and the payment of such remuneration, as may be determined by the Board or a duly constituted committee thereof, from time to time, within the maximum limits of remuneration for Whole Time Director as approved by the members of the Company.

RESOLVED FURTHER THAT where in any financial year during the tenure of Mrs. Sindhu Chandrasekharan, Whole Time Director, the Company has no profits or inadequate profits, the remuneration as detailed in the explanatory statement shall be paid as minimum remuneration subject to the provisions of Schedule V of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

7. 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 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, SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, 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, and 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 ₹ 3,000 Crore (Rupees Three Thousand Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting, 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 arm’s 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.”

8. 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** 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, SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, read with Company’s policy on materiality of and dealing with Related Party transaction 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 ₹ 300 Crores (Rupees Three Hundred Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting 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 arm’s 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.”

9. 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** 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, SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, read with Company’s policy on materiality of and dealing with Related Party transaction 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 ₹ 600 Crores (Rupees Six Hundred Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting 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 arm’s 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.”

10. MATERIAL RELATED PARTY TRANSACTION(S) OF IDENTIFIED SUBSIDIARY OF THE COMPANY, VIZ, KITEX APPAREL PARKS LIMITED (KAPL) WITH KITEX BUILDING SYSTEMS L.L.C-FZ, RELATED PARTIES OF THE COMPANY

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

“**RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any,

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], other applicable laws/ statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Material Related Party Transaction(s)/ Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the identified subsidiary of the Company, viz., Kitex Apparel Parks Limited (KAPL) with Kitex Building Systems L.L.C-FZ related parties of the Company, on such terms and conditions as may be mutually agreed between these identified subsidiary of the Company and Kitex Building Systems L.L.C-FZ, for an aggregate value not exceeding ₹ 400 Crores (Rupees Four Hundred Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) are carried out at an arm's length pricing basis and in the ordinary course of business."

11. MATERIAL RELATED PARTY TRANSACTION(S) OF IDENTIFIED SUBSIDIARY OF THE COMPANY, VIZ, KITEX APPAREL PARKS LIMITED (KAPL) WITH KITEX CHILDRENSWEAR LIMITED, RELATED PARTIES OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Section 2(76) and other applicable provisions of the Companies Act, 2013 ('Act') read with the Rules framed thereunder [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], other applicable laws/ statutory provisions, if any, the Company's Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation of the Audit Committee, consent of the Members of the Company be and is hereby accorded to the Material Related Party Transaction(s)/ Contract(s) / Arrangement(s) / Agreement(s) entered into / proposed to be entered into (whether by way of an individual transaction or transactions taken together or a series of transactions or otherwise), as mentioned in detail in the Explanatory Statement annexed herewith, between the identified subsidiary of the Company, viz., Kitex Apparel Parks Limited (KAPL) with Kitex Childrenswear Limited (KCL), related parties of the Company, on such terms and conditions as may be mutually agreed between these identified subsidiary of the Company and KCL, for an aggregate value not exceeding ₹ 2,500 Crores (Rupees Two Thousand and Five Hundred Crores only) for a period not exceeding fifteen months from the 32nd Annual General Meeting, provided that such transaction(s) / contract(s) / arrangement(s) / agreement(s) are carried out at an arm's length pricing basis and in the ordinary course of business."

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

Kizhakkambalam
August 14, 2024

Dayana Joseph
Company Secretary
Mem No: ACS 61808

Notes:**1. AGM through VC/OAVM**

Ministry of Corporate Affairs ("MCA") vide its Circular dated September 25, 2023 in continuation of its earlier circulars on the subject ("MCA Circulars") have permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") till September 30, 2024 without the physical presence of the members at a common venue. Accordingly, the 32nd AGM of the Company will be held through VC/OAVM and members can attend and participate in the AGM through VC/OAVM only. Participation of members through VC/OAVM will be reckoned for the purpose of the quorum for the AGM as per Section 103 of the Act. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at Building No. VI/496, Kizhakkambalam, Vilangu P.O, Aluva, Ernakulam – 683561, Kerala.

2. Proxy

Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

3. Electronic dispatch of Notice and Annual Report

In compliance with the MCA Circulars and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023 issued by Securities Exchange Board of India (collectively referred to as "SEBI Circulars"), Notice of the AGM and Annual Report is being send only through electronic mode to those members based on benpos date, ie, August 30, 2024, whose e-mail addresses are registered with the Company/Depositories.

Members may note that the Notice and Annual Report for FY 2023-24 will also be available on the Company's website www.kitexgarments.com, websites of the Stock Exchanges, i.e., BSE Limited and The National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

4. Explanatory Statement/Special Business

The Explanatory Statement pursuant to Section 102(1) of the Act, in respect of the special business under Items No. 4, 5, 6, 7, 8, 9, 10 and 11 as set out in the notice is annexed herewith.

5. Particulars of Directors

The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment as set out at Items No. 3, 4 and 6 at this AGM are also annexed to this Notice.

6. Closure of Register of Members and Share Transfer Books

The Register of Members and Share Transfer Books of the Company will remain closed from September 21, 2024 to September 28, 2024 (both days inclusive).

7. Inspection of documents

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act along with all documents referred to in the Notice will be available for inspection by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 28, 2024. Members seeking to inspect such documents can send an email to sect@kitexgarments.com.

8. Dividend

If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source (TDS) will be made on or before October 27, 2024 as under:

- i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on September 21, 2024;
- ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on September 21, 2024;

As per the SEBI Master Circular dated May 17, 2023, in case of members whose bank details are not updated in the records of our Registrar and Share Transfer Agent i.e. Cameo Corporate Services Limited / Depositories before the close of business hours on Saturday, September 21, 2024, the Dividend shall be transferred to unpaid dividend account.

9. Dematerialisation of Shares

SEBI vide its circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018, has mandated that with effect from, April 1, 2019, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the

shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited ("Cameo") at Subramanian Building, No. 1, Club House Road, Chennai - 600002, Tamil Nadu, Tel: 044-40020700, Online Investor Portal: <https://wisdom.cameoindia.com/>, Email Id: investor@cameoindia.com for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website <http://www.kitexgarments.com/faq/>

10. Issuance of securities in dematerialized form in case of investor service requests

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/ P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at <http://www.kitexgarments.com/wp-content/uploads/2024/03/ISR-4.pdf>. It may be noted that any service request can be processed only after the folio is KYC compliant.

11. PAN, KYC, Nomination and Bank details

SEBI vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021, Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 and Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2023/158 dated September 26, 2023 has mandated all listed entities to ensure that members holding shares in physical form shall update their PAN, KYC, Nomination and Bank account details (if not updated or provided earlier) through the RTA. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination and Bank account details pursuant to the said circulars. Accordingly, members are requested to update the requisite details and the forms for updating the same are available at <https://www.kitexgarments.com/>.

Service requests or investor complaints from any member, cannot be processed by RTA until registration/updation of PAN, KYC, Nomination and Bank account details in the records of the Company's RTA. Members holding shares in electronic form are requested to submit their PAN, KYC, Bank and Nomination details to their depository participants.

12. Intimating Change

Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:

- a. **For shares held in electronic form:** to their Depository Participants (DPs)
- b. **For shares held in physical form:** to register/update the details in prescribed Form ISR-1 along with the supporting documents and other relevant forms with RTA of the Company via their investor portal at <https://wisdom.cameoindia.com/> or via mail at investor@cameoindia.com or by writing to them at M/s. Cameo Corporate Services Limited, Subramanian Building, No.1, Club House Road, Chennai, Tamil Nadu – 600002. Shareholders may download the prescribed forms from the Company's website at www.kitexgarments.com

To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

13. Unclaimed Dividend

- i. Members are requested to note that dividends if not encashed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the Demat account of the IEPF Authority. Accordingly, the dividend declared for all the financial years ended upto March 31, 2016 had been transferred to Investor Education and Protection Fund (IEPF). Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link www.iepf.gov.in.
- ii. The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2024 are uploaded on the website of the Company under the main head "investors relations" and can be accessed through the link www.kitexgarments.com. Details of unpaid and unclaimed dividends up to March 31, 2024 are also uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.
- iii. Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company will transfer to

the IEPF Authority, during financial year 2024-25, all shares in respect of which dividend had remained unpaid or unclaimed for seven (7) consecutive years or more as on the due date of transfer, i.e., July 24, 2024. Details of shares so far transferred to the IEPF/ Authority are available on the website of the Company under main head "investor's relation" and the same can be accessed through the link: <https://www.kitexgarments.com/>. The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.

iv. Members may note that shares as well as unclaimed dividends transferred to IEPF, may claim the same by

vi. Details of dividend declared for the financial years from 2016-17 onwards are given below:

Financial Year	Declared on	Dividend yield	Amount paid per equity share (₹)	Due date for transfer to IEPF
2016-17 (Final)	19.06.2017	75%	0.75	24.07.2024
2017-18 (Interim)	04.11.2017	75%	0.75	09.12.2024
2017-18 (Final)	28.07.2018	75%	0.75	01.09.2025
2018-19 (Final)	28.08.2019	150%	1.50	02.10.2026
2019-20 (Interim)	11.02.2020	150%	1.50	18.03.2027
2020-21 (Final)	07.09.2021	150%	1.50	12.10.2028
2021-22 (Final)	29.08.2022	150%	1.50	03.10.2029
2022-23 (Final)	30.09.2023	150%	1.50	04.11.2030

vii. The Company had released an Advertisement dated April 18, 2024 in National Daily viz., Business Line and Regional language daily viz., Chandrika for transferring unpaid/ unclaimed dividend and unclaimed shares of the Company to Investor Education and Protection Fund (IEPF) Account as per Section 124(6) of the Companies Act, 2013. The Company had also sent individual communication dated April 17, 2024 to the shareholders concerned whose dividend remains unpaid or unclaimed for a period of seven (7) consecutive years since 2017, at their registered address and shares are liable to be transferred to IEPF account under the aforesaid Rules, for taking appropriate action(s) by the shareholder concerned. The complete details of unpaid or unclaimed dividends and shares due for transfer are available on the website of the Company ie., www.kitexgarments.com.

viii. For any communication, the shareholders may also send requests to the Company's investor e-mail IDs: investor@kitexgarments.com or sect@kitexgarments.com

14. Voting through electronic means:

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08,

making an application to the IEPF Authority in Form No. IEPF-5 available on <https://www.iepf.gov.in/>.

v. In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates for the same in the attached format along with the specified details/ documents to Share Transfer Agent of the Company "Cameo" at their registered mail id investor@cameoindia.com. Those holding shares in demat form are requested to update their records with DPs in this respect.

2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

2. The remote e-voting period commences on Wednesday, September 25, 2024 (9:00 a.m. I.S.T.) and ends on Friday, September 27, 2024 (5:00 p.m. I.S.T.). During this period, members holding shares either in physical form or in dematerialised form, as on Saturday, September 21, 2024, i.e. 'cut-off date', may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Those members who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

3. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

4. The members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

5. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
6. In the case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. The Members can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
9. Mr. Jayan K, Partner of M/s. SVJS & Associates, Company Secretaries, Kochi have been appointed as the Scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner.
10. The result of the e-voting (votes cast during the AGM and votes cast through remote e-voting) will be announced within two working days after the conclusion of the AGM on the Company's website at www.kitexgarments.com and will also be communicated to the stock exchanges.
11. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/ authorization letter to the Company's email id: sect@kitexgarments.com
12. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the EGM has been uploaded on the website of the Company at www.kitexgarments.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM

Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.

The instructions for remote e-voting/ e-voting and attending AGM through VC/ OVAM are as under:

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-voting system in case of individual shareholders holding shares in demat mode

- i. The remote e-voting period commences on Wednesday, September 25, 2024 (9:00 a.m. I.S.T.) and ends on Friday, September 27, 2024 (5:00 p.m. I.S.T.). During this period, members holding shares either in physical form or in dematerialised form, as on Saturday, September 21, 2024, i.e. 'cut-off date', may cast their vote electronically. The e-voting module shall be disabled for voting thereafter
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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.

- iv. 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 above said SEBI Circular, Login method for e-voting and joining virtual meetings for individual shareholders holding securities in demat mode CDSL/NSDL is given below:

Type of shareholders	Declared on
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 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 users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 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: https://eservices.nsd.com 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 & voting during the meeting. 2) If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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 & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<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 & 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 abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Type of shareholders	Declared on
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 helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 21 09911
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 evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- v. Login method for e-voting and joining virtual meetings for physical shareholders and shareholders other than individual holding in demat form.
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
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"> • 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.
Dividend Bank Details OR Date of Birth (DOB)	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"> • 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.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat 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 to be also used by the demat 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.
- viii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- ix. Click on the EVSN for the relevant Kitex Garments Limited on which you choose to vote.
- x. 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.
- xi. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvi. There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- xvii. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatory 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 viz; sect@kitexgarments.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through remote e-voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sect@kitexgarments.com. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
9. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. 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 to investor@cameoindia.com with cc to sect@kitexgarments.com.
2. For demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For individual demat shareholders – Please update your email id & mobile no. with your respective Depository

Participant (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

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 or call toll free no. 1800 21 09911.

PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE RE-APPOINTED/ APPOINTED AT THE MEETING ARE GIVEN BELOW:

A. MRS. SINDHU CHANDRASEKHARAN

Name of Director	Mrs. Sindhu Chandrasekharan
Date of Birth and Age	01.06.1969; 55 years of age
Qualification	Science Graduate
Experience and expertise in specific functional areas	Mrs. Sindhu Chandrasekharan joined Kitex Group in April 1995 and later on inducted into Kitex Garments Limited in the year 1997. She has been holding various positions and presently holding the post of Assistant Vice President (Finance). Mrs. Sindhu Chandrasekharan has been handling the Treasury Management of the company for a quite long period. Mrs. Sindhu Chandrasekharan is instrumental in maintaining a perfect cash management system in the company during her tenure.
Directorship held in other Companies	<ul style="list-style-type: none"> • Kitex Garments Limited as Whole Time Director • Kitex Apparel Parks Limited as Director • Kitex Babywear Limited as Director • Kitex Kidswear Limited as Director • Kitex Knits Limited as Director • Kitex Littlewear Limited as Director • Kitex Socks Limited as Director • Kitex Packs Limited as Director • Kitex Herbals Limited as Director • Kitex Infantswear Limited as Director
Listed entities other than Kitex Garments Limited in which the person holds Directorships and Committee Membership	None
Details of terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	Refer the Directors Report. Please also refer to Item No. 6 of explanatory statement.
Date of first appointment on the Board	16.03.2015
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related to any Director, Manager or Key Managerial Personnel.
Number of Meetings of the Board attended during the year and other Directorships	Refer the Directors Report.

Name of Director	Mrs. Sindhu Chandrasekharan
Chairman/Member of the Committee of the Board of Directors of this Company	Refer the Directors Report
Committee Membership in other Companies	<p>Kitex Infantswear Ltd:</p> <ul style="list-style-type: none"> Audit Committee as the Chairman Nomination and Remuneration Committee as the Member <p>Kitex Apparel Parks Limited:</p> <ul style="list-style-type: none"> Audit and Risk Management Committee as the Member Nomination and Remuneration Committee as the Member
Shareholdings in the Company	Nil

B. MR. A K MATHEW

Name of Director	Mr. A K Mathew
Name of Director	Mr. A K Mathew
Date of Birth and Age	11.02.1943; 81 years of age
Qualification	Post Graduate
Experience and expertise in specific functional areas	Mr. A K Mathew has extensive experience in general management in different public limited companies. He has experience as General Manager in Hindustan Insecticides Ltd and has been appointed as Managing Director in The Travancore Cochin Chemicals Ltd. He has retired his career life as Director from Kitex Limited and Anna Aluminium Company Pvt Ltd.
Directorship held in other Companies	None
Listed entities other than Kitex Garments Limited in which the person holds Directorships and Committee Membership	None
Details of terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	Refer the Directors Report. Please also refer to Item No. 4 of explanatory statement.
Date of first appointment on the Board	14.08.2024
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Not related to any Director, Manager or Key Managerial Personnel.
Number of Meetings of the Board attended during the year and other Directorships	Refer the Directors Report.
Chairman/Member of the Committee of the Board of Directors of this Company	Refer the Directors Report
Committee Membership in other Companies	Nil
Shareholdings in the Company	Nil
Skills and capabilities required for the role	The Nomination and Remuneration Committee ("NRC"), in finalizing Mr. A K Mathew's appointment considered his extensive expertise in general management and administration. His ability to develop and execute long-term strategies aligned with organisational goals highlights his strategic vision and planning capabilities. In addition to his vast experience, he also had well experience being a member of Board of Directors in public limited companies as well as private limited companies.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

In accordance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of an Independent Director requires the approval of members. Based on the recommendation of the Nomination and Remuneration Committee, Mr. A K Mathew (DIN: 02437778), was appointed as Additional Director being Independent Director on August 14, 2024. Further pursuant to Regulation 17 (1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended on May 9, 2018 prescribes that listed entity shall not appoint a person or continue directorship of any person as a Non-Executive Director(s) who has attained the age of 75 years, unless a special resolution is passed to that effect.

Pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. A K Mathew shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Director.

The appointment of Mr. A K Mathew shall be effective upon approval by the members in the Meeting.

Mr. A K Mathew is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. A K Mathew that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the SEBI Listing Regulations. In the opinion of the Board, Mr. A K Mathew is independent of the management and possesses the appropriate skills, experience and knowledge to hold such a position on the Board of the Company and in the opinion of the Board, he fulfils the conditions specified in this Act and the Rules made thereunder for such an appointment.

Mr. A K Mathew has already above the age of 75 years and his appointment as approved by the Members of the Company is valid up to August 13, 2029. Accordingly, to comply with the provisions of Regulations 17(1A) of the SEBI LODR Regulations, Company is seeking approval of the Members through Special Resolution.

A brief justification for his continuation as Non-Executive Independent Director on the Board of the Company is as under:

Mr. A K Mathew has extensive experience in general management in different public limited companies. He has experience as General Manager in Hindustan Insecticides Ltd and has been appointed as Managing Director in The Travancore Cochin Chemicals Ltd. He has retired his career life as Director from Kitex Limited and Anna Aluminium Company Pvt Ltd.

Mr. A K Mathew began his professional career as a member of senior management with Hindustan Insecticides Ltd followed by the appointment as Managing Director in The Travancore Cochin Chemicals Ltd as deputed by Hindustan Insecticides Ltd. Again he got promoted in Hindustan Insecticides Ltd as a member among top management. He has also having extensive

experience as a member of Board of Directors in unlisted public company.

Mr. A K Mathew has pursued Bachelor of Engineering with specialization in Mechanical Engineering and Masters in Business Administration with specialization in Industrial Management. He has also been a part of international conferences as part of his career.

Details of Mr. A K Mathew pursuant to the provisions of (i) SEBI LODR Regulations and (ii) Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are provided as part of the Notice.

A copy of the draft letter of appointment of Mr. A K Mathew setting out the terms and conditions of appointment is available for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the Annual General Meeting.

None of the Directors other than Mr. A K Mathew/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Special Resolution set out in Item No. 4 of the Notice for approval of the members.

Item No. 5

The Company shall as part of expansion project in the state of Telangana, may have to render support for the business requirements of its Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Directors of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. However, owing to certain restrictive provisions contained in Section 185 of the Companies Act, 2013 ('the Act'), the Company was unable to extend financial assistance by way of loan including loan represented by way of book debt, to any of its directors or to any other person in whom the director is interested/ entities or give any guarantee or provide any security in connection with any loan taken by him or such other person/ entities. The details in regard are as follows:

Sl. No.	Particulars	Remarks
1	Full particulars of the loans given, or guarantee given or security provided	The Company together with its group company ie., Kitex Childrenswear Limited has given corporate guarantee to the bankers to the consortium of rupee term loan facilities availed of by its Subsidiary Company ie., Kitex Apparel Parks Limited for an amount of ₹ 2023 crores with a sub-limit of letter of credit facility up to ₹ 1240 Crores including a sub-limit of bank guarantee facility of ₹ 22 Crores . The Corporate Guarantee has provided in the ratio of 70:30.

Sl. No.	Particulars	Remarks
2	The purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security and any other relevant fact	The loan, guarantees and securities so provided or to be provided shall be utilized for the purpose of expansion project in the state of Telangana as well as to meet working capital requirements of KAPL.

The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by the Entities for the expansion project in the state of Telangana and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities. The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/ accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

As on 31.03.2024, the Company together with Kitex Childrenswear Limited being promoters of the Company are holding 410609995 shares in KAPL.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the AGM.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6

The Board of Directors of the Company ("the Board"), at its meeting held on August 14, 2024 has, subject to approval of members, re-appointed Mrs. Sindhu Chandrasekharan (DIN: 06434415) as a Whole Time Director designated as Executive Director of the Company for a period of 5 (five) years from the expiry of her present term, i.e., with effect from March 16, 2025 till March 15, 2030, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NR Committee') of the Board.

Members' approval is sought for the re-appointment of and remuneration payable to Mrs. Sindhu Chandrasekharan as a Whole Time Director of the Company, in terms of the applicable provisions of the Companies Act, 2013 ("the Act"). Broad particulars of the terms of reappointment of and remuneration payable to Mrs. Sindhu Chandrasekharan are as under:

SALARY: ₹ 2,25,000/- per month with an annual increment not exceeding 25% per annum at the discretion of Chairman & Managing Director with the approval of the Board.

PERFORMANCE BONUS: Upto a maximum of 12 months' salary per annum payable quarterly based on the performance as may be decided by the Chairman & Managing Director with the approval of the Board.

PERQUISITES: Contribution to Provident Fund, Superannuation Fund or Annuity fund and Annual Leave in accordance with the practices, Rules and Regulations in force in the company and as may be applicable as per company's HR policy from time to time.

Income Tax and all other levies chargeable/ applicable to be deducted as source as per relevant Acts.

INCREMENT IN REMUNERATION: The Board of Directors are authorized to increase the salary annually depending upon the overall performance of Mrs. Sindhu Chandrasekharan within the above mentioned limit.

MINIMUM REMUNERATION IN CASE OF LACK OR INADEQUACY OF PROFITS: In the event of inadequate profits or loss being incurred during any year during the tenure, the company proposes to retain the same salary as was drawn by her till date as the minimum salary as per the provisions of Section 197 of companies Act 2013 read with Schedule V.

GENERAL:

1. The Whole Time Director shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which she is a Member.
2. The Whole Time Director shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company.
3. The Whole Time Director shall perform her duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board of the Directors/ Chairman and Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board/ Chairman and Managing Director and the functions of the Whole Time Director will be under the overall authority of the Board of Directors/ Chairman and Managing Director.
4. The Whole Time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

5. The Whole Time Director shall adhere to the Company's Code of Conduct.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the AGM.

None of the Directors other than Mrs. Sindhu Chandrasekharan/ Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members.

Item No. 7

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. As on 31.03.2024, KAPL is having paid up capital of ₹ 410.61 Crores, which is subscribed and invested by Kitex Garments Limited and 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. Your Company will be carrying out various business transactions with KAPL 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 infant's 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 ₹ 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 for a period not exceeding fifteen months from the 32nd Annual General Meeting.

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 Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, are as follows:

Sl. 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 is made by the Company and balance 30% is 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>

Sl. No.	Description	Details of proposed RPTs between the Company and KAPL
1. b.	Type, material terms, monetary value and particulars of the proposed RPTs	The Company and KAPL have entered into/ propose to be entered into the following RPTs for a period not exceeding fifteen months from the 32 nd Annual General Meeting, for an aggregate value not exceeding ₹ 3,000 Crores: <ul style="list-style-type: none"> • Investments, • Loans, • Guarantee, • Security, • Fabric sales & purchase, • Materials sales & purchase • Job work and • such other transactions including corporate guarantee against consortium to the extent of ₹ 2023 crores availed of by Kitex Apparel Parks Limited.
1. c.	(i) Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs. (ii) such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis	499.94% KAPL is yet to commence the operations.
2	Justification for the proposed RPTs and as to why the RPT is in the interest of the listed entity	The proposed transactions are as a part of new expansion project in the state of Telangana.
3	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	loans, inter-corporate deposits, advances or investments made or given by the
3. a.	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	Own share capital / Internal accruals/ liquidity of the Company.
3. b.	Details of the source of funds in connection with the proposed transaction	Not applicable
3. d.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:	Investments in KAPL <ul style="list-style-type: none"> • The pricing is based on valuation/ as per approval of the Board of Directors of the Company. • Tenure: Not Applicable. • Interest rate: Not Applicable. • Repayment Schedule: Not Applicable
3. c.	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	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.	Nature of relationship	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 ₹ 3,000 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 ₹ 2023 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	For a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 July 15, 2024 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.

As on 31.03.2024, the Company together with Kitex Childrenswear Limited being promoters of the Company are holding 410609995 shares in KAPL.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the AGM.

The Board recommends the Ordinary Resolution set out at Item No. 7 of the notice for approval by the members.

Item No. 8

Your Company is involved in the business of selling 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 ₹ 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 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 for a period not exceeding fifteen months from the 32nd Annual General Meeting.

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 arm's 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 Childrensweat Limited ('KCL'), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, are as follows:

Sl. 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 period not exceeding fifteen months from the 32 nd Annual General Meeting for an aggregate value not exceeding ₹ 300 Crores: 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 these companies. However such transactions would be in the ordinary course of the company's business and at the arm's length basis
1c.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	49.91%
2	Justification for the proposed RPTs and as to why the RPT is in the interest of the listed entity	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 any Company or its subsidiary	loans, inter-corporate deposits, advances or investments made or given by the
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.	<ul style="list-style-type: none"> • Apart from above, the other requisite information is also given as follows: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 99.99% shares in KCL along with his wife.
6	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 99.99% 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 ₹ 300 Crores for KCL for a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 these 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	For a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 July 15, 2024 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. 8.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of the AGM.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

Item No. 9

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 KGL and a Director in KCL. 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 ₹ 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 for a period not exceeding fifteen months from the 32nd Annual General Meeting.

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 arm's 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 Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, are as follows:

Sl. 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 period not exceeding fifteen months from the 32 nd Annual General Meeting for an aggregate value not exceeding ₹ 600 Crores: 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.	99.82%
2	Justification for the proposed RPTs and that it is in the interest of the listed entity	The company executes RPT with KUL by selling products/availing services/ 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: <ul style="list-style-type: none"> • 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

Sl. No.	Description	Details of proposed RPTs between the Company and KUL
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. Mr. K. L. V. Narayanan being the Non Executive Director of the Company, is also the Director of KUL.
6	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 USA LLC (KUL)
2.	Name of the Director or KMP who is related	Mr. Sabu M Jacob & Mr. K.L.V. Narayanan
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 ₹ 600 Crores for KUL for a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 these 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	For a period not exceeding fifteen months from the 32 nd Annual General Meeting
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 July 15, 2024 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.

As on March 31, 2024, Kitex Childrenswear Limited is holding 4250210.09 fully paid-up membership units of USD 1 in Kitex USA LLC.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested

in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of AGM.

The Board recommends the Ordinary Resolution set out at Item No.9 of the Notice for approval by the members.

Item No. 10

Regulation 23 (2) of the SEBI Listing Regulations, inter alia, states that a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity

if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary. Pursuant to Regulation 23(4) of the SEBI Listing Regulations, all material related party transactions shall require prior approval of the shareholders through resolution.

Further, Regulation 2(1)(zb) of the SEBI Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the SEBI Listing Regulations has enhanced the definition of Related Party Transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not.

The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs, subject to approval by the Members at the AGM. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis and will be in the ordinary course of business.

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

Details of the proposed RPTs of identified subsidiary of the Company, viz., Kitex Apparel Parks Limited (KAPL) with Kitex Building Systems L.L.C-FZ related party of the Company including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sl. No.	Description	Details of proposed RPTs between KAPL and KBS L.L.C-FZ
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).	Kitex Building Systems L.L.C-FZ (KBS LLC-FZ) incorporated in Dubai is a wholly-owned subsidiary of Kitex Childrenswear Limited which is the promoter of the Company. KBS LLC-FZ is engaged in the business of supply of pre-fabricated building materials to indian as well as global customers.
1.b.	Type, material terms, monetary value and particulars of the proposed RPTs	The subsidiary company KAPL and KBSL-F has entered into/ propose to enter into the following RPTs for a period not exceeding fifteen months from the 32 nd Annual General Meeting for an aggregate value not exceeding ₹ 400 Crores: KBS LLC-FZ is into the business of supply of pre-fabricated building materials as per the requirement of the subsidiary company, KAPL from time to time. 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. Such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis	66.66% KAPL is yet to commence its operations
2	Justification for the proposed RPTs and that it is in the interest of the listed entity	The company executes RPT with KBS LLC-FZ by purchasing products which in turn purchases from 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	Not Applicable
3.b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: <ul style="list-style-type: none"> • Nature of indebtedness, • Cost of funds and • Tenure 	NA

Sl. No.	Description	Details of proposed RPTs between KAPL and KBS L.L.C-FZ
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. He is also the Director and Manager of KBS LLC-FZ.
6	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 Audit Committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on July 15, 2024 and have approved the proposed arrangements between the material subsidiary, Kitex Apparel Parks Limited and Kitex Building Systems L.L.C-FZ 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.

As on March 31, 2024, Kitex Childrenswear Limited is holding 100 shares of 500 AED in Kitex Building Systems L.L.C-FZ

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of AGM.

Based on the approval of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 10 of the Notice for approval by the Members.

Item No. 11

Regulation 23 (2) of the SEBI Listing Regulations, inter alia, states that a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover,

as per the last audited financial statements of the subsidiary. Pursuant to Regulation 23(4) of the SEBI Listing Regulations, all material related party transactions shall require prior approval of the shareholders through resolution.

Further, Regulation 2(1)(zb) of the SEBI Listing Regulations has provided the definition of related party and Regulation 2(1)(zc) of the SEBI Listing Regulations has enhanced the definition of Related Party Transaction which now includes a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or (ii) a listed entity or any of its subsidiaries on one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit any related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not.

The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs, subject to approval by the Members at the AGM. The Audit Committee has noted that the said transaction(s) will be at an arm's length pricing basis and will be in the ordinary course of business.

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

Details of the proposed RPTs of identified subsidiary of the Company, viz., Kitex Apparel Parks Limited (KAPL) with Kitex Childrenswear Limited related party of the Company including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

Sl. No.	Description	Details of proposed RPTs between KAPL 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 Apparel Parks 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 KAPL and is interested in the to the extent of their shareholding in the subsidiary Company.
1.b.	Type, material terms, monetary value and particulars of the proposed RPTs	KAPL and KCL have entered into/ propose to enter into the following RPTs for a period not exceeding fifteen months from the 32 nd Annual General Meeting for an aggregate value not exceeding ₹ 2,500 Crores: <ul style="list-style-type: none"> • Investments, • Loans, • Guarantee, • Security, • Fabric sales & purchase, • Materials sales & purchase • Job work and • such other transactions including corporate guarantee against consortium to the extent of ₹ 2023 crores availed of by Kitex Apparel Parks Limited.
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. Such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis	416.62% KAPL is yet to commence its operations
2	Justification for the proposed RPTs and as to why the RPT is in the interest of the listed entity	The proposed transactions are as a part of new expansion project in the state of Telangana.
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: <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • The pricing is based on valuation/ as per approval of the Board of Directors of the Company. • Tenure: Not Applicable. • Interest rate: Not Applicable. Repayment Schedule: Not Applicable
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

Sl. No.	Description	Details of proposed RPTs between KAPL and KCL
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 and Director of KCL. He is the promoter for all the three companies. Mrs. Sindhu Chandrasekharan, Whole Time Director of Kitex Garments Limited, is also a Director of KAPL.
6	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 Audit Committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on July 15, 2024 and have approved the proposed arrangements between the material subsidiary, Kitex Apparel Parks Limited and 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.

As on 31.03.2024, the Company together with Kitex Childrenswear Limited being promoters of the Company are holding 410609995 shares in KAPL.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution, except to their equity holdings and Directorships in the Company, if any

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company between 10.00 a.m and 4.00 p.m on all working days up to the date of AGM.

Based on the approval of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 11 of the Notice for approval by the Members.

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

Kizhakkambalam
August 14, 2024

Dayana Joseph
Company Secretary
Mem No: ACS 61808

Director's Report

Dear Members,

Your Directors are pleased to present the 32nd Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2024.

1. CORPORATE OVERVIEW

Your company is primarily into exports of cotton garments especially Infants wear and Kids wear. The Company exports its products to United States and European Markets.

2. FINANCIAL HIGHLIGHTS

As mandated by the Ministry of Corporate Affairs, your company has prepared the financial statements (both standalone and consolidated) for the year ended March 31, 2024 as per Indian Accounting Standard ('IND AS') notified under Sec 133 of the Companies Act, 2013 read with notification no. G.S.R. 111(E) dated 16.02.2015 as amended from time to time.

The Standalone and Consolidated financial performance of the Company for the financial year ended March 31, 2024 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2024	For the year ended March 31, 2023
Sales and other Income				
Revenue from operations	61,692.20	55,699.55	61,692.20	55,699.55
Other Income	2,467.06	4,307.67	1,424.99	4,405.69
Total Revenue	64,159.26	60,007.22	63,117.19	60,105.24
Profit Before Interest, Depreciation and Tax	12,711.76	10,710.33	11,476.39	10,493.66
Less: Finance Charges	733.19	447.17	733.19	447.17
Depreciation	2,070.40	2,120.97	2,070.74	2,120.97
Net Profit Before Tax	9,908.17	8,142.19	8,672.46	7,925.52
Less: Provision for Tax	3,089.40	2,200.37	3,089.41	2,233.28
Net Profit After Tax	6,818.77	5,941.82	5,583.05	5,692.24
Share of Profit/ (Loss) of Associates	-	-	-	-
Net Profit after share of profit of Associates	6,818.77	5,941.82	5,583.05	5,692.24
Balance of Profit brought forward	59109.12	56,178.71	54,533.44	51,802.54
Balance available for appropriation	65,927.89	62,120.53	60,116.48	57,494.78
Dividend paid on Equity Shares	997.50	997.50	997.50	997.50
Transfer to General Reserve	2,000.00	2,000.00	2,000.00	2,000.00
Surplus carried to Balance Sheet	62,930.39	59,123.03	57,118.98	54,497.28

3. FINANCIAL PERFORMANCE

The Company continues to maintain its market leadership in Infants wear across US markets during the year under review. However major global recession which effected our last year performance also had some impact during the year under review. The first half year clocked only ₹ 287 Crores turnover with an average PBT of 10%. only. However we made a strong comeback in 2nd half by clocking a turnover of ₹ 354 crores with a PBT of 20%. The future is very bright for the Company and we expect record turnover and profits in the current year. During this year we are adding few more leading buyers to strengthen our exports and as future potential partners in our future journey.

STANDALONE PERFORMANCE

On standalone basis, your company reported a turnover of ₹ 64,159.26 lakhs ie., a 6.92% increase over the previous financial year. Cost of goods sold as a percentage to revenue from operations decreased to 41.35% as against 47.50% in the previous year due to increased efficiency and different product styles. Employee cost as a percentage to revenue from operations decreased to 19.35% (₹ 11,939.36 lakhs) as against 19.58% (₹ 10,906.72 lakhs) in the previous year. The operating profit stood at ₹ 9,908.17 lakhs compared with ₹ 8,142.19 lakhs in the previous year, a jump of 21.69% over previous year. The net profit for the year was ₹ 6,818.77 lakhs as against ₹

5,941.82 lakhs reported in the previous year, a growth of 14.76% over previous year. The EPS from continuing operations for the reporting year was ₹ 10.25 as against ₹ 8.94 reported in the previous year.

CONSOLIDATED PERFORMANCE

On consolidated basis, total revenue for the financial year under review was ₹ 63,117.19 lakhs as against ₹ 60,105.24 lakhs for the previous financial year, a growth of 5.01%. Profit before tax was ₹ 8,672.46 lakhs and net profit after tax was ₹ 5,583.05 lakhs for the financial year under review as against ₹ 7,925.52 lakhs and ₹ 5,692.24 lakhs for the previous year.

During the year under review, your company received orders confirmations from major infant garment buyers viz., Gerber Childrenswear LLC, Carters, Carters brands, Sam's Club and LAT who can contribute major part of your Company's turnover in coming years. On an average, the Company manufactures 3.50 lakhs pieces of infant's apparel per day and dispatches as a whole container to clients in US. Also, the company has taken all possible cost drive measures.

4. PERFORMANCE HIGHLIGHTS OF SUBSIDIARY & ASSOCIATE COMPANY

• ASSOCIATE COMPANY

As on March 31, 2024, the Company has an Associate Company, Kitex USA LLC being an Associate Company with joint investment between the Company and Kitex Childrenswear Limited to support and facilitate design and supply for US Market customers. The Associate Company markets through own Brand "Little Star" Infantswear in US and Canada.

Your company has also sold products worth ₹ 1371.08 Lakhs to its Associate during the reporting period.

• SUBSIDIARIES

During the year under review, the company has 6 wholly owned subsidiaries viz. Kitex Babywear Limited, Kitex Littlewear Limited, Kitex Kidswear Limited, Kitex Knits Limited, Kitex Socks Limited and Kitex Packs Limited. Company has one more Subsidiary named Kitex Apparel Parks Ltd formed as JV to take care of the expansion at Telengana along with Kitex Childrenswear Limited in the ratio 70:30 investment ratio.

Further, pursuant to the provisions of Sec 136 of the Act, Audited Financial Statements in respect of subsidiaries are available on the website of the Company www.kitexgarments.com.

A report on the salient features of the financial statements of Subsidiaries/ Associate Companies/ Joint Ventures prepared in form AOC-1 is provided as Annexure - A.

There are no companies which have ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year under review.

The Company has adopted the policy for determining material subsidiaries in term of Reg 16(1)(c) of Listing Regulations as amended from time to time and may be accessed on the company's website www.kitexgarments.com.

The Consolidated Financial Statements of the Company along with its Subsidiaries and Associate prepared for the year 2023-24 in accordance with relevant Ind AS issued by ICAI forms part of this Annual Report.

5. DIVIDEND AND DIVIDEND DISTRIBUTION POLICY

Your Directors recommend for your approval, final dividend of ₹ 1.50 per share (150 %), subject to deduction of income tax at source for the year ended March 31, 2024 on equity shares of Re. 1/- each fully paid-up. The total outgo on account of dividend inclusive of taxes for FY 2023-24 is ₹ 997.50 lakhs which represents a payout of 14.63 % of the Company's standalone profits.

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top One Thousand listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, the Board approved and adopted Dividend Distribution policy which is available on the Company's Website: viz., www.kitexgarments.com

6. TRANSFER TO RESERVES

During the year under review, your company transferred a sum of ₹ 2,000 lakhs to the General Reserve on account of future expansions.

7. SHARE CAPITAL

The paid-up equity share capital as on 31st March, 2024, was ₹ 665.00 lakhs consisting of 6,65,00,000 equity shares of Re. 1/- each fully paid-up.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

9. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Act, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the Annual accounts for the year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to the material departures, if any;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit of the Company for the year ended on that date;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts had been prepared on a going concern basis;
- (v) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

a. Transfer of Unpaid Dividend

Pursuant to the provisions of Sec 124 (5) of the Companies Act, 2013, your Company has transferred ₹ 6,46,057.00 for the financial year 2015-16 to Investors Education Protection Fund (IEPF) on August 14, 2023. This amount was lying unclaimed/ unpaid with the Company for a period of 7 (seven) years after declaration of final dividend for the said financial year.

Pursuant to the provisions of Sec 124 (5) of the Companies Act, 2013, your Company has transferred ₹ 6,93,558.00 pertaining to interim dividend in 2016-17 to Investors Education Protection Fund (IEPF) on December 11, 2023. This amount was lying unclaimed/ unpaid with the Company for a period of 7 (seven) years after declaration of final dividend for the said financial year.

b. Transfer of shares underlying unpaid dividend

The Board of Directors at its meeting held on May 30, 2023, transmitted 29,666 equity shares of the Company into the demat account of the IEPF Authority held with CDSL (DPID/ Client ID: 12047200 – 13676780) in terms of the provisions of Sec 124 (6) of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

The Board of Directors at its meeting held on November 06, 2023, transmitted 69,727 equity shares of the Company into the demat account of the IEPF Authority held with CDSL (DPID/ Client ID: 12047200 – 13676780) in terms of the provisions of Sec 124 (6) of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

The equity shares were the shares of 37 shareholders whose unclaimed/ unpaid dividend pertaining to FY 2015-16 and the equity shares were the shares of 21 shareholders whose unclaimed/ unpaid dividend pertaining to interim dividend in 2016-17 had been transferred into IEPF and who had not encashed their dividends for 7 (seven) subsequent financial years. The Company has taken various steps by sending reminders requesting them to encash their dividend so as to reduce the limit of unclaimed dividend before transferring the dues to IEPF. The complete list of such shareholders whose shares were due for transfer to IEPF was also placed in investor's relations section on the website of the Company www.kitexgarments.com.

Further, dividend which has become unclaimed for the last 7 years since 2016-17 will be transferred to IEPF account on or before August 23, 2024 for which Company had sent the reminder letter to shareholders concerned. The details are provided in the Shareholder information section of this Annual Report and are also available on our website www.kitexgarments.com.

11. CAPITAL EXPENDITURE

As on 31st March, 2024, the Gross Fixed Assets stood at ₹ 29,278.36 lakhs and net fixed assets of ₹ 11,401.28 lakhs. Additions during the year amount to ₹ 89.25 lakhs.

12. FUTURE PROSPECTS

Our major future prospects is planned through our expansion in the state of Telengana through our subsidiary Kitex Apparel Parks Ltd. The total project cost planned is approximately ₹ 3000 Crores which is funded through Debt/Equity in the ratio of 70:30. The equity is shared in a proportion of 70:30 by KGL and KCL. The term loan is funded by a Consortium of Six Banks headed by Axis Bank. There are two Projects, one at Kakatiya Mega Textiles Park and second one at Sitarampur Industrial Park near Hyderabad.

Warangal Project is coming to a closure and ₹ 918 Crores already spent against ₹ 1490 Crores planned and Commercial production is expected in the month of December 2024. In Sitarampur, consideration towards land has already been fully paid and Land documentation expected in October or November 2024. ₹ 92 Crores has been totally spent against this Project. Commercial production for this Project is planned in March 2026.

There is very high demand for Infant wear in current year and we are expecting record turnover and profits this year.

13. CREDIT RATING

During the year under review, ICRA, the Credit Rating Agency reaffirmed the rating of the Company as [ICRA] A+ with outlook revised to Negative from Stable for the company's long term borrowings and reaffirmed the rating as [ICRA]A1 for the Company's short term borrowings. This is in view of availing of huge term loan debt towards Telangana project.

14. QUALITY AND ACCOLADES

Your Company continues to win awards year by year, thus reiterating its credible market position.

15. CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business.

16. LISTING

The Equity Shares of the Company continue to remain listed on BSE Limited and the National Stock Exchange of India Limited.

17. DEPOSIT FROM THE PUBLIC

The Company has not accepted any deposit within the meaning of Chapter V of the Companies Act, 2013 and the Rules framed thereunder.

18. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134 (3) (a) of the Act, the Annual Return as on March 31, 2024 is available on the website of the Company at www.kitexgarments.com under Investor Relations.

19. SECRETARIAL STANDARD

The Company complies with all applicable secretarial standards.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The Company had given a Corporate guarantee of ₹ 2000 crores during the Financial Year 2022-23 and enhanced the same to ₹ 2023 Crores during the year under review pursuant to the provisions of Section 185 and 186 of the Act and SEBI (LODR) Regulations, 2015. However, loan amount of ₹ 10,550 lakhs and Investments of ₹ 31,758.94 Lakhs have been made in its Subsidiary Companies, the details that are covered under the provision of the said section are given in the notes to Financial Statements.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review and between the end of the financial year and date of this report, the following are the changes in directors and Key Managerial Personnel of the Company:

- (i) In accordance with Articles of Association, Mrs. Sindhu Chandrasekharan (DIN: 06434415), executive director of the Company will be retiring at the ensuing Annual General Meeting and being eligible, seek reappointment. Item seeking her re-appointment along with her detailed profile has been included in the notice convening the AGM.
- (ii) Mr. Mithun B Shenoy tendered his resignation from the post of Company Secretary and Compliance Officer of the Company with effect from closure of business hours on Saturday, June 10, 2023. The Board at its meeting held on Tuesday, May 30, 2023, accepted the resignation and put on record its sincere appreciation for the contributions made by Mr. Shenoy during his association with the Company.
- (iii) The Board at its meeting held on Monday, September 04, 2023, approved the appointment of Ms. Dayana Joseph as the Company Secretary and Compliance Officer and designated as Key Managerial Personnel of the Company.

There is no change in the Board of Directors & Key Managerial Personnel of your company during the financial year 2023-24 except as mentioned above.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Reg 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time. Based on the confirmation/ disclosure received from the directors, the Non Executive Directors namely Mr. Benni Joseph, Mr. C. P. Philipose and Mrs. Sumi Francis are treated as independent as on March 31, 2024.

The Company recognizes the importance of a diverse board and believes that it brings new ways of thinking, insights and different perspective on consumer wants and needs. This will help company to retain competitive position in the corporate world.

In the opinion of the Board, the Independent Directors are persons with integrity, expertise and experience in the relevant functional areas. Requirements of online proficiency self-assessment test in terms of Rule 6(4) of The Companies (Appointment and Qualifications of Directors) Rules, 2014 will be complied within the prescribed timeline, if the same is applicable to each of them.

During the year under review, meetings of the Board of Directors and its Committees were held, details of which are set out in the Corporate Governance Report which forms part of this Report.

22. BOARD EVALUATION & FAMILIARISATION PROGRAMME

Having a formalized Board evaluation gives Board Members an opportunity of assessing their own performance and brings out the importance of the contributions of individual

directors. It is a mechanism by which Board members candidly reflect on how well the Board is meeting its responsibilities.

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015.

With the objective of evaluating the performance of Directors, Nomination and Remuneration Committee has formulated a structured questionnaire after taking into consideration the various aspects viz., composition of the Board and its committees, Board's function, its culture, quality and timely flow of information, frequency of meetings, execution and performance of specific duties, obligations and governance.

Board has carried out an annual performance evaluation of its own performance, the performance of various committees of the Board, Individual Directors and the Chairman based on adopted questionnaire. A note on the familiarizing programme adopted by the Company for the orientation and training of the Directors and the manner in which the Board evaluation process undertaken in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in the Corporate Governance Report which forms part of this Report.

Further, the Independent Directors of the Company met on January 31, 2024 to review the performance of the Non-Executive Directors, Chairman of the Company and the access of the quality, quantity and timelines of flow of information between the Company management and the Board to effectively perform their duties. The details of familiarization program conducted for Independent Directors of your Company are available on your Company's website www.kitexgarments.com.

23. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided in Section 178(3) of the Act is available on our website and the link is http://www.kitexgarments.com/wp-content/uploads/2019/02/KGL_NRC_policy_140219.pdf. We affirm that remuneration paid to the directors is as per the terms laid out in the Nomination and Remuneration Policy of the Company.

Some of the salient features of which are as follows:

1. To regulate the appointment and remuneration of directors, key managerial personnel and the senior management personnel;
2. To identify persons who are qualified to become directors as per the criteria/ Board skill matrix identified by the Board;

3. To ensure proper composition of Board of Directors and Board diversity;
4. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management and their remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to Company's working and its goals.

24. BOARD COMMITTEES

Detailed composition of the mandatory Board committees namely Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, CSR Committee, Stakeholders Relationship Committee, its number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms part of this Report. There have been no situations where the Board has not accepted any recommendation of the Audit Committee.

25. EMPLOYEES' STOCK OPTION SCHEME

The Company has not granted any Employee Stock Option within the meaning of section 62 (1) (b) of the Companies Act, 2013 read with its Rules framed thereunder and respective SEBI regulations.

26. CORPORATE SOCIAL RESPONSIBILITY

Your Company believes in touching some of the important aspects of human life. Even before commencement of Companies Act, 2013, it has embarked on the journey of social change through inclusive growth, dedicated to the cause of future and future generations. The Company implements CSR directly to the society of Kizhakkambalam Panchayat and four neighboring Panchayaths in which it operates and efforts are revolved around several projects relating to Social Empowerment and Welfare, Infrastructure Development, Sustainable Livelihood and Health Care during the year under review. These projects are in accordance with Schedule VII of the Act and its CSR policy.

The brief report of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure - B of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company are available on your Company's website www.kitexgarments.com.

27. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015 as amended, forms an integral part of this Report.

28. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

As required under Regulation 34 of the Listing Regulations, the Business Responsibility and Sustainability Report is provided in a separate section and forms part of the Annual Report describing the initiatives undertaken by the Company from an environmental, social and governance perspective during the year under review.

29. CORPORATE GOVERNANCE

A separate section on parameters of statutory compliance evidencing the standards expected from a listed entity have been duly observed and a report on Corporate Governance as well as certificate from Practicing Company Secretary confirming compliance with the requirements of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 forms part of this Report.

30. VIGIL MECHANISM

The Company has adopted a Vigil Mechanism to report concern about unethical behavior, actual or suspected fraud or violation of Company's code of conduct by the Directors and employees. The policy provides for direct access to the Chairperson of the Audit Committee and safeguarding the employees and Directors who raises grievances against victimization. The details of establishment of such mechanism have been disclosed in the corporate governance report for the year under review. The vigil mechanism is disclosed in the website of the company viz., www.kitexgarments.com.

31. RELATED PARTY TRANSACTIONS

All transactions or arrangement entered into with the related parties for the year under review were on arm's length basis and in the ordinary course of business. Hence the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Accordingly, the disclosure of Related Party Transactions as required under Section 134 (3) (h) of the Companies Act, 2013 in Form AOC 2 is enclosed as Annexure - C.

The company has developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions. All Related Party Transactions were placed before the Audit Committee as also to the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited by the Risk Assurance Department and a statement showing the details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company viz., www.kitexgarments.com.

32. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which are constantly assessed and strengthened with new/ revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations. The Internal and operational audit is entrusted with M/s. K. Venkitachalam Aiyer & Co, a leading firm of Chartered Accountants. The main thrust of Internal Audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal financial control systems w.r.t. the financial statements and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Independent Auditors and the Core Committee Heads have periodically been appraised the significant internal audit observations and the corrective actions have been taken. The Audit Committee places a key role in providing assurance to the Board of Directors. In order to maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchanges earnings and outgo pursuant to Section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (accounts) Rules, 2014 as amended from time to time is annexed as Annexure - D and forms an integral part of this Report.

34. BUSINESS RISK MANAGEMENT

Your Company continues to strengthen its robust Risk Management Framework and the same was reviewed by the Audit Committee periodically. As per the listing regulations, top 1000 listed entities based on market capitalization has to constitute Risk Management Committee. Accordingly Board of Directors at its meeting held on May 28, 2021 has constituted the Committee, the details of which have been covered in the Corporate Governance Report forming part of the report. The Committee meets for focused interaction with business, identifying and prioritizing strategic, operational risk and formulating appropriate mitigation strategies and conducting frequent review of the progress on the management of the identified risk. The Committee

also constituted the Risk Management policy for assessing the risks connected to the company and also minimization procedures. Your company believes that managing risk helps in maximizing return. The company's approach in addressing business risks includes periodical review of such risks and thereby mitigating it effectively. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

- **FINANCIAL RISKS:**

The Company's policy is to actively manage its foreign exchange risks within the framework laid down by the Company's forex policy approved by the Board. Given the interest rate fluctuations, your Company has adopted a prudent and conservative risk mitigation strategy to minimize financial and interest cost risks.

- **COMMODITY PRICE RISKS**

The Company is exposed to the risk of price fluctuations of raw materials as well as finished goods. The company proactively manages these risks through forward booking, inventory management and proactive vendor development practices. Your company's reputation for quality, product differentiation coupled with the existence of a powerful brand image with a robust design and marketing network in US mitigates the impact of price risk on finished goods.

- **REGULATORY RISKS**

The Company recognized its risks attached to various statutes, laws and regulations. The company is mitigating these risks through regular review of legal compliances carried out through our internal as well as external compliance audits by our customers.

- **HUMAN RESOURCE RISKS**

Retaining the existing talent pool and attracting new talent are the major risks affecting the company. We have initiated various measures including rolling out of strategic talent management systems, training and integration of learning and development activities. Our company has collaborated with various agencies like Integrated Skill Development Scheme (ISDS) which helps to identify, nurture and groom labour talents within all states of India to prepare them for future business leadership.

- **STRATEGIC RISKS**

Emerging businesses, capital expenditure for capacity expansion etc are normal strategic risks face by your company. However, your Company has well-defined processes and procedures for obtaining approval for investments in new businesses and capacity expansions.

35. AUDITORS

35.1. INDEPENDENT AUDITORS

As per the provisions of Section 139 of the Companies Act, 2013, M/s. MSKA & Associates, Chartered Accountants,

(FRN 105047W) have been re-appointed as Independent Auditors of the company for a period of 5 (Five) years from the conclusion of the 31st AGM of the Company held on September 30, 2023. Further the report of the Independent Auditors along with notes to financial statements is enclosed to this Annual Report.

The Auditors' Report on the Company's Standalone Financial Statements contain qualification and the Auditors' Report on the Company's Consolidated Financial Statements do not contain any qualification, reservation, disclaimer or adverse remarks.

35.2. BOARD'S COMMENT ON AUDITOR'S QUALIFICATIONS

The explanations on the qualifications/observations given by the Statutory Auditors in their Audit Reports have been provided in Note 2.02.1 to the Standalone Financial Statements.

35.3. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed M/s. SVJS & Associates, Practising Company Secretaries, Kochi to conduct the Secretarial Audit for the financial year 2023-24. The Secretarial Audit Report issued by the Secretarial Auditors for the financial year ended March 31, 2024 form part of this Report and is set out in Annexure – E.

The explanations on the observations given by the Secretarial Auditors in their Audit Report is as follows: The vacancy in the office of the Compliance Officer was filled by appointing a Company Secretary as compliance officer on 04.09.2023 within the period of three months.

The Company's unlisted subsidiary, Kitex Apparel Parks Limited (KAPL) had also undergone Secretarial Audit in terms of Regulation 24A of the Listing Regulations and Circulars/Guidelines issued thereunder. The Secretarial Audit Report of KAPL for the financial year ended March 31, 2024 is annexed herewith as Annexure - E1. The Secretarial Audit Report of KAPL does not contain any qualification, reservation, adverse remark.

35.4. INTERNAL AUDITORS

M/s. K. Venkatachalam Aiyer & Co, Chartered Accountants continue to be the Internal Auditors of your company for the financial year 2023-24.

36. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There were no significant and material orders passed by the Regulators/ courts except as mentioned in corporate governance report which forms part of this report, which would impact the going concern status of your company and its future operations during the period under review.

37. ENVIRONMENT AND SAFETY

The Company is conscious of the importance to environmental friendly and safe operations. The company's policy requires conduct of operations in such a manner so as to ensure safety of all concerned, compliance

of environmental regulations and preservation of natural resources.

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition and redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at the workplace with a mechanism of lodging complaints. The following is a summary of sexual harassment complaints received and disposed off during the reporting period:

- No. of complaints received: Nil
- No. of complaints disposed off: Nil
- No. of complaints pending: Nil

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Act. The Company has filed Annual Report for the year ended December 31, 2023 under the Act with District officer.

38. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company believes that its manpower is an asset for the company and enjoys strong brand image as a preferred and caring employer. The ongoing focus is on attracting, retaining and engaging talent with the objective of creating a robust talent pipeline at all levels. Value-based HR programmes have enabled your Company's HR team to become strategic partners for the business. Your company laid stress to build a women-friendly workplace by introducing various initiatives for the development of women employees in the organization. Your Company has focused on internal talents and nurtures them through the culture of continuous learning and development, thereby building capabilities for creating future leaders. Your company's initiatives like a hiring freeze at some levels, robust talent review, career development conservations and best-in-class development opportunities, which will help to enhance the employees experience at your Company. The Company's Human Resources plays a critical role in your Company's talent management process.

The Disclosure as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure - F and forms a part of this report.

Information relating to remuneration of Directors under Section 197 read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been given in Annexure - G to the Director's Report.

39. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- Neither the Managing Director nor the Whole-Time Directors of the Company received any remuneration or commission from any of its subsidiaries;
- there were no frauds reported by the auditors under provisions of the Companies Act, 2013;
- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- There were no revisions in the financial statements;
- Issue of share (including sweat equity shares) to employees of the Company under any scheme as permitted under any provision of Companies Act, 2013.
- Company is not required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.
- No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year is not applicable; and
- The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

40. ACKNOWLEDGEMENTS

Your Directors thank various Central and State Government Departments, Organizations and Agencies for the continued help and cooperation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of
Kitex Garments Limited

Kizhakkambalam
July 15, 2024

Sabu M. Jacob
Chairman & Managing Director
(DIN: 00046016)

ADDENDUM TO THE DIRECTOR'S REPORT

The purpose of this addendum is to include certain points to the Director's Report based on the resolutions passed by the Board of Directors at their meeting held on August 14, 2024 under Point 21. Directors and Key Managerial Personnel

This addendum is an integral part of the Board's Report and was adopted by the Board of Directors on August 14, 2024 to be included as part of Annual Report for the financial year ended March 31, 2024.

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Between the date of Directors Report and the date of this addendum to Directors Report, the following are also the changes in Directors and Key Managerial Personnel of the Company which should be read in conjunction with the Directors Report:

- (iv) The Board of Directors at their meeting held on Wednesday, August 14, 2024, had approved and recommended to the Members, the appointment of Mr. A K Mathew (DIN: 02437778) as Independent Director for a period of 5 (five) years with effect from August 14, 2024 up to August 13, 2029.
- (v) The Board of Directors at their meeting held on Wednesday, August 14, 2024, had approved and recommended to the Members, the re-appointment of Mrs. Sindhu Chandrasekharan (DIN: 06434415) as Whole-Time Director for a period of 5 (five) years with effect from March 16, 2025 up to March 15, 2030.

For and on behalf of the Board of
Kitex Garments Limited

Kizhakkambalam
August 14, 2024

Sabu M. Jacob
Chairman & Managing Director
(DIN: 00046016)

ANNEXURE – A TO THE DIRECTOR'S REPORT

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

(Form AOC-1)

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in lakhs)

Sl. No.	1	2	3	4	5	6	7
Name of the subsidiary	Kitex Apparel Parks Limited	Kitex Littlewear Limited	Kitex Babywear Limited	Kitex Kidswear Limited	Kitex Knits Limited	Kitex Socks Limited	Kitex Packs Limited
The date since when subsidiary was acquired	18.11.2021	25.09.2018	29.10.2018	17.10.2018	29.10.2018	29.10.2018	29.10.2018
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024	31.03.2024
Reporting currency	INR	INR	INR	INR	INR	INR	INR
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA	NA
Share Capital	41061.00	100.00	10.00	100.00	10.00	10.00	10.00
Reserves & Surplus	1469.18	(981.87)	(123.50)	(442.13)	(394.25)	(192.90)	(154.57)
Total Assets	113509.57	3356.19	386.40	1892.86	2303.73	640.98	675.45
Total Liabilities	70979.39	4238.06	499.90	2234.99	2687.98	823.88	820.02
Investments	-	-	-	-	-	-	-
Turnover	182.08	2.23	-	4.45	-	-	-
Profit before taxation	(166.86)	(273.46)	(34.11)	(150.52)	(191.21)	(55.20)	(57.76)
Provision for taxation	-	-	-	-	-	-	-
Profit after taxation	(166.86)	(273.46)	(34.11)	(150.52)	(191.21)	(55.20)	(57.76)
Proposed Dividend	-	-	-	-	-	-	-
Extent of shareholding (in %)	70%	100%	100%	100%	100%	100%	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Kitex Apparel Parks Limited
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakh)

	Name of Associates/Joint Ventures	Carrying Amount
1	Latest audited Balance Sheet Date	31.03.2024
2	Date on which the Associate or Joint Venture was associated or acquired	04.04.2015
3	Shares of Associate/Joint Ventures held by the company on the year end	
	i. No.	4250210.09 shares
	ii. Amount of Investment in Associates/Joint Venture	2776.24
	iii. Extend of Holding %	50%
4	Description of how there is significant influence	More than 20% of total share capital held by the Company
5	Reason why the associate/ joint venture is not consolidated	Not applicable
6	Net-worth attributable to Shareholding as per latest audited Balance Sheet	(2766.86)
7	Profit / Loss for the year	
	i. Considered in Consolidation	No
	ii. Not Considered in Consolidation	NA

- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For Kitex Garments Limited

Sabu M Jacob
Chairman & Managing Director
(DIN: 00046016)

CA Benni Joseph
Director
(DIN: 01219476)

July 15, 2024
Kizhakkambalam

CA Boby Michael
Chief Financial Officer

CS Dayana Joseph
Company Secretary
(Mem No: A61808)

ANNEXURE – B TO THE DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES – 2023-24

(As per Rule 8 (1) of Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline of the company's CSR policy

The Company, since its inception believed in the guiding principle "Caring the Community" and as a responsible corporate, it always believes in improving the quality of life of communities interfacing with the Company. We have served disadvantaged communities in and around our factory premises directly or through Twenty20 Kizhakkambalam Association through its focus on Eradicating Hunger and Poverty, Education and Skill Development, ensuring good Health & Wellness, Environment Sustainability and making available Safe Drinking Water and contributed towards national causes. We have also been successful in inspiring stakeholders in participating in our CSR journey. The Projects undertaken has been a hall mark and much appreciated by the community and was within the broad framework of Schedule VII of the Companies Act, 2013.

Our vision is – "to effectively contribute to the social and economic development of the communities in which we operate. In doing so we intend to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

Our CSR policy includes:

- To pursue a corporate strategy that enables realization of the twin goals of shareholders' value enhancement and societal value creation in a mutually reinforcing and synergistic manner.
- To implement Social Investments/ CSR programmes primarily in the economic vicinity of your Company's operations with a view to ensuring the long term sustainability of such interventions.
- To contribute to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India.
- To collaborate with communities and groups to contribute to the national mission of eradicating poverty and hunger, especially in rural areas, through superior farm and agri-extension practices, soil and moisture conservation and watershed management, conservation and development of forest resources, empowering women economically, supplementing primary education and participating in rural capacity building programmes and such other initiatives.
- To sustain and continuously improve standards of Environment, Health and Safety through the collective endeavour of your Company and its employees at all levels towards attaining world class standards and support other programmes and initiatives, internal or external, for the prevention of illness and combating of diseases as may be considered appropriate from time to time.
- To encourage the development of human capital by expanding human capabilities through skills development, vocational training etc. and by promoting excellence in identified cultural fields.

Details of CSR activities undertaken in the current year are available in our web link: www.facebook.Twenty20Kizhakkambalam. Further details of Company's CSR policy is available in www.kitexgarments.com

2. Composition of the CSR Committee

Kitex Garments Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act, 2013. During the year, the Committee met 2 times viz., May 30, 2023 and November 06, 2023. The members of the CSR Committee as on March 31, 2024 are:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sabu M. Jacob	Chairman – Non Independent, Executive	2	2
2	Mr. K.L.V. Narayanan	Member - Non-Independent, Non - Executive	2	2
3	Mr. Benni Joseph	Member - Independent, Non-Executive	2	2
4	Mr. C. P. Philipose	Member- Independent, Non-Executive	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://www.kitexgarments.com/wp-content/uploads/2024/03/Board-Committees.pdf> & http://www.kitexgarments.com/wp-content/uploads/2021/07/CSR-policy_final_290621.pdf
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable
5. (a) Average net profit of the company as per sub-section (5) of section 135 : ₹ 11,401.60 Lakhs
 (b) 2% of average net profit of the company as per section 135(5) : ₹ 228.03 Lakhs
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 (d) Amount required to be set off for the financial year, if any : Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 228.03 Lakhs
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 516.44 Lakhs
 (b) Amount spent in Administrative Overheads : Nil
 (c) Amount spent on Impact Assessment, if applicable : Nil
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 516.44 Lakhs
 (e) CSR amount spent or unspent for the Financial Year :

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
516.44	Nil	NA	NA	Nil	NA

- (f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per section 135(5)	228.03
(ii)	Total amount spent for the Financial Year	516.44
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	288.41
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under section 135(6) (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
NIL								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : No

If Yes, enter the number of capital assets created/acquired : Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	6		
					CSR Registration Number, if applicable	Name	Registered Address

Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 : Not Applicable.

July 15, 2024
Kizhakkambalam

Sabu M. Jacob
Chairman & Managing Director &
Chairman of CSR Committee
(DIN: 00046016)

Benni Joseph
Member
CSR Committee
(DIN: 01219476)

ANNEXURE – C TO THE DIRECTOR'S REPORT

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

(Form No. AOC-2)

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 –Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto]

1. Details of contracts or arrangements or transactions not at arm's length basis: Not applicable

- a. Name(s) of the related party and nature of relationship:
- b. Nature of contracts/arrangements/transactions:
- c. Duration of the contracts / arrangements/transactions:
- d. Salient terms of the contracts or arrangements or transactions including the value, if any:
- e. Justification for entering into such contracts or arrangements or transactions:
- f. Date(s) of approval by the Board:
- g. Amount paid as advances, if any:
- h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms(1)	Amount (In Lakhs)
Nature of Contract or arrangement				
Revenue from sale of goods and services (including expenses recovered)				
Kitex Childrenswear Limited	Enterprises owned or			10,244.27
Kitex Limited	significantly influenced by key	Ongoing	Based on	100.69
Anna Aluminum Company (P) Ltd	management personnel or		Transfer Pricing	0.60
Kitex Apparel Parks Limited	their relatives		Guidelines	162.90
Purchases of goods and services (including reimbursements)				
Kitex Childrenswear Limited	Enterprises owned or	Ongoing	Based on	2,809.42
Kitex Limited	significantly influenced by key		Transfer Pricing	61.31
Anna Aluminum Company (P) Ltd	management personnel or		Guidelines	1.32
Sara Spices (P) Ltd	their relatives			63.68
Corporate Social Responsibility Activities				
Twenty 20 Kizhakkambalam Association	Enterprises owned or	Ongoing	Based on	515.00
	significantly influenced by key		Transfer Pricing	
	management personnel or		Guidelines	
	their relatives			
Revenue from services (including expense recovered & other expenses)				
Kitex Littlewear Limited	Enterprises owned or	Ongoing	Based on	273.83
Kitex Kidswear Limited	significantly influenced by key	Ongoing	Transfer	151.83
Kitex Knits Limited	management personnel or	Ongoing	Pricing	190.54
Kitex Socks Limited	their relatives	Ongoing	Guidelines	54.56
Kitex Packs Limited		Ongoing		57.07
Kitex Babywear Limited		Ongoing		33.48
Sales commission paid				

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms(1)	Amount (In Lakhs)
Kitex USA LLC	Enterprises owned or significantly influenced by key management personnel or their relatives	Ongoing	Based on Transfer Pricing Guidelines	976.40
Sales - Ready Made Garments				
Kitex USA LLC	Enterprises owned or significantly influenced by key management personnel or their relatives	Ongoing	Based on Transfer Pricing Guidelines	1,371.08

Note

- (1) Appropriate approvals have been taken for related party transaction. Advances paid if any have been adjusted against billing wherever applicable.

For and on behalf of the Board of
Kitex Garments Limited

Sabu M. Jacob

Chairman & Managing Director
(DIN: 00046016)

Kizhakkambalam
July 15, 2024

ANNEXURE – D TO THE DIRECTOR'S REPORT

PARTICULARS OF ENERGY CONSERVATION, RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Particulars pursuant to the Rule 8(3) Companies (Accounts) Rules, 2014)

A. Conservation of Energy

i. Steps taken for conservation of energy:

Your Company continually took necessary steps to absorb and adopt the latest technologies and innovations in the Garment Industry. Some of the steps undertaken are:

- a) All Yard Lighting Luminaire of the Premises have been changed from 400W Metal Halide to 100W LED.
- b) Motors of AHUs and Chiller Unit are now controlled and operated with VFD, thus achieving ample saving in energy cost.
- c) Replacing of all Motors which are re-wound more than 3 times with new one.
- d) Keeping the Slogan "Energy saved is Energy generated" in mind, necessary training is given to the Electrical Technicians of our Plant and other related premises on a continual basis to monitor and switch off unwanted/not in use appliances/Lighting fixtures so as to avoid misuse valuable energy.
- e) All 13W PL Lamps of Toilet Blocks were replaced with 5W LED Lamps. Similarly 14W CFL of Gents Hostel were replaced with 7W LED.
- f) For Pneumatic Lines of compressed air system, "Floor wise Valve" control has been introduced so as to control air supply and to achieve reduced usage of compressor.
- g) Conducting periodical "Thermal imaging" on Switch Gears, Bus Bars and Cable termination to understand loose connection, if any, and thereby avoiding chances overheating and insulation failures.
- h) Solar Energy is being utilized for heating up Water for Drinking purpose in both Plant and accommodation areas. The Water for bathing purpose also is heated up using Solar Energy in accommodation areas. Part of the Hot Water requirement is thus met with.
- i) Approximate equivalent of 4 Nos. of Normal LPG Cylinders of 19.5 Kg each worth "Biogas" is being produced on a daily basis from the treatment of waste.
- j) Decision is taken to procure only energy efficient Motors whenever requirement for new Motors or replacing existing Motors are coming.
- k) Steps were initiated to switch off Electric Lamps on areas where adequate natural light is available during day time.
- l) Usage of water is restricted/regulated by closing respective valves at different intervals. This is being carried-out without creating any difficulty for the end user.

- m) Variable frequency drive in major utility equipment to reduce power consumption.
- n) Using Building management system wherein AC is functioning under software control. With this technology, substantial reduction of electricity usage can be achieved.
- o) A new D.G Set of capacity 1010 kVA using HSD as the fuel for standby application during failure of Grid Supply.
- p) Use of Thermic Fluid circulation for Drying application in Processing Unit.
- q) Conversion of fossil fuel vehicles to electric vehicles in a phased manner.

These measures have also led to better pollution control, reduced the impact on environment, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

ii. The steps taken by the Company for utilizing alternative source of energy.

Your company has taken steps for up-gradation and modernization of various machines in phased manner. The Company also replaces old plant and machinery in the processing unit and steps are taken to modernization of various operations including installation of robotic machines for handling very specialized work/activities.

Your Company have conducted the possibility of generating and using "Renewable sources of Energy" on a large scale for our 3 Units, particularly for "Processing Division". But as per feasibility study of outside agency, the roof structure of the Processing Unit is not capable of withstanding "Dead Load" of Solar Panels, unless and until it is reinforced/modified properly. According to the observation of the professional agencies, who had conducted study on the suitability of "Roof" for the generation of solar power, the available area on the building is equivalent to that of 2500 kW worth power.

Since modification of the roof structure requires "Plant Shut Down" for weeks together and it is practically not possible to think on it due to extremely tight production schedules, the idea for generating alternative source of energy is dropped for the time being. The only option left out is to take necessary precautionary measures to make the roof structurally strong to accommodate "Dead Load" of Solar Panels when we construct new building/ factory sheds.

iii. Capital investment on energy conservation equipment: NIL

iv. Total Energy consumption and energy consumption per unit of production

POWER & FUEL CONSUMPTION	Year Ended 31.03.2024	Year Ended 31.03.2023
Electricity		
Purchased		
Units (KWH)	19451340	16394415
Total Amount (₹)	14,64,05,085	12,04,44,222
Cost/Unit (₹/KWH)	7.53	7.35
Own generation		
Through Diesel Generator		
Units (KWH)	20121	46857
Total Amount (₹)	7,63,408	17,57,908
Cost/Unit (₹/KWH)	37.94	37.52
Fuel		
a) Furnace Oil		
Quantity (KL)	2031	1813
Total Amount(₹)	9,91,17,073	9,71,19,091
Cost/Unit (₹/KL)	48,796	53,563
b) Firewood		
Quantity (MT)	22,095	17,952
Total Amount(₹)	7,90,39,410	6,40,47,298
Cost/Unit (₹/MT)	3577	3568
c) Diesel		
Quantity (KL)	43.00	45.48
Total Amount(₹)	39,34,735	42,23,751
Cost/Unit (₹/KL)	92,582	92,871

B. Technology Absorption

i. The efforts made towards technology absorption

In addition to product and raw material development which continues to be strengthened, Research and Development activities on fashion designing are carried out on on-going basis. Absorbing technologies with state of art machineries like automated cutting machine, automated fabric inspection machines, etc., the quality of the products and efficiency of the systems have been substantially improved. By applying those technologies, the cost of production was under control. During the last three financial years, the Company has not imported any technology. The nature of activities of the Company does not warrant any exclusive R&D department.

The Company has been using Austrian imported machinery "Loop Steamer" from few years back for reactive printed fabric finishing. The Machinery is designed to facilitate the dyes fixation in a continuous process on to the printed fabric with tension less loop formation, in single web or double strand operation

methods. Its thermo-cure technology enables to obtain excellent quality of finishing results of printed fabrics in brilliant colours while saving a lot of energy. Multiple applications like saturated steam, super-heated steam and hot air polymerizing are some added advantages of the machine.

ii. The benefits derived like product improvement, cost reduction, product development or import substitution

The benefits derived from automation has increased the production and capacity utilization. By delivering better and quality products, repeat orders have been placed by customers due to consistency in quality.

Loop steamer machinery's thermo-cure technology enables to obtain excellent quality of finishing results of printed fabrics in brilliant colours while saving a lot of energy. Multiple applications like saturated steam, super-heated steam and hot air polymerizing are some added advantages of the machine. PLC touch screen control enables easy and quick adjustments on machine with low noise. With value addition in fabrics, the machinery is highly efficient in steam consumption and easy maintenance.

iii. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year)

The details of technology imported	The year of import	Whether the technology has been fully absorbed	If not fully absorbed, areas where absorption has not taken place and reasons
NIL			

iv. Expenditure incurred on research and development

No specific expenditure of recurring or capital nature is involved in technology absorption, adoption and innovation directly.

C. Foreign exchange Earnings and Outgo:

(₹ in Lakhs)

Sl. No.	Particulars	2023-24	2022-23
1	Earnings on account of Exports	47,270.76	39,373.95
2	Outgo on account of Imports & Expenditure	4,697.58	1,236.24

For and on behalf of the Board of
Kitex Garments Limited

Kizhakkambalam
July 15, 2024

Sabu M. Jacob
Chairman & Managing Director
(DIN: 00046016)

ANNEXURE – E TO THE DIRECTOR'S REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

Kitex Garments Limited

Building No. VI/496, Kizhakkambalam

Vilangu P.O., Aluva

Kunnathunad

Kochi – 683561

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KITEX GARMENTS LIMITED [CIN: L18101KL1992PLC006528]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2024 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992: -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, to the extent applicable.
- vi) The Management has identified and confirmed the following law as specifically applicable to the Company:

1. The Textiles (Development and Regulation) Order, 2001

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observations:

- As per Regulation 6 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall appoint a qualified company secretary as the compliance officer. The Company appointed Mr. Boby Michael who is not a qualified company secretary as the compliance officer w. e. f. 11/06/2023.
- As per Regulation 6 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any vacancy in the office of the Compliance Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy. Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person. Company appointed Mr. Boby

Michael who is not a qualified company secretary as the compliance officer w. e. f 11/06/2023 and he continued as Compliance Officer after 15/07/2023 (the date on which Sub regulation (1A) came into force.

- As per Regulation 27 (2) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report mentioned in clause (a) of sub-regulation (2) shall be signed either by the compliance officer or the chief executive officer of the listed entity. The compliance report on corporate governance for the quarter ended June 2023 was signed by Chief Financial Officer and not Chief Executive Officer.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any decisions of the Board, as recorded in the Minutes of Board meetings.

We further report that, as represented by the Management and relied upon by us, there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

- Public/Right/Preferential issue of shares / debentures/sweat equity;
- Redemption / buy-back of securities;
- Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- Merger / amalgamation / reconstruction;
- Foreign technical collaborations.

The Company has passed the following resolutions at its Annual General Meeting held on 30.09.2023:

- Approval of material related party transactions with Kitex Apparel Parks Limited upto a maximum aggregate amount of ₹2900 Crores for a period not exceeding fifteen months from the 31st Annual General Meeting.
- Approval of material related party transactions with Kitex Childrenswear Limited upto a maximum aggregate amount of ₹300 Crores for a period not exceeding fifteen months from the 31st Annual General Meeting.
- Approval of material related party transactions with Kitex USA LLC upto a maximum aggregate amount of ₹600 Crores for a period not exceeding fifteen months from the 31st Annual General Meeting.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

Peer Review Certificate No.648 /2019

UDIN: F003067F000741189

For SVJS & Associates
Company Secretaries

CS. Vincent P. D.

Managing Partner
FCS: 3067, CP No: 7940

Kochi
15.07.2024

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members
Kitex Garments Limited
Building No. VI/496, Kizhakkambalam
Vilangu P.O., Aluva
Kunnathunad
Kochi – 683561

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2024 but before the issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.
8. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Peer Review Certificate No.648 /2019

UDIN: F003067F000741189

For SVJS & Associates
Company Secretaries

CS. Vincent P. D.
Managing Partner
FCS: 3067, CP No: 7940

Kochi
15.07.2024

ANNEXURE – E1 TO THE DIRECTOR'S REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Kitex Apparel Parks Limited
H No. 15-10-196/2,
Pothana Road, Warangal, Ramannapet,
Telangana, India, 506002

We, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KITEX APPAREL PARKS LIMITED [CIN: U18100TG2021PLC157154]** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable.
- (iv) The Management has identified and confirmed the following law as specifically applicable to the Company:
 1. The Textiles (Development and Regulation) Order, 2001

We have also examined the compliance with the applicable clauses of the following:

- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

There were no dissenting views on any decisions of the Board, as recorded in the Minutes of Board meetings.

We further report that as represented by the Management and relied upon by us, there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances of:

- (i) Public / Preferential issue of shares / debentures / sweat equity
- (ii) Redemption/ buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iv) Merger / amalgamation / reconstruction.
- (v) Foreign technical collaborations.

We further report that

1. The Board of Directors had at their meeting held on 06/11/2023 passed a resolution pursuant to Section 62 (1) (a) of the Companies Act, 2013 to offer and issue 2,58,50,000 equity shares of face value of ₹10/- each on

rights basis. The Board of directors allotted 2,15,17,800 equity shares of face value of ₹10/- each on 04/12/2023.

2. The Board of Directors had at their meeting held on 31/01/2024 passed a resolution pursuant to Section 62 (1) (a) of the Companies Act, 2013 to offer and issue 40,92,678

equity shares of face value of ₹10/- each on rights basis. The Board of directors allotted 13,42,200 equity shares of face value of ₹10/- each on 18/03/2024.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Peer Review Certificate No.648 /2019

UDIN: F003067F000742401

For **SVJS & Associates**

Company Secretaries

CS.Vincent P. D.

Managing Partner

FCS: 3067

CP No: 7940

Kochi

15.07.2024

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members
Kitex Apparel Parks Limited
H No. 15-10-196/2,
Pothana Road,Ramannapet,
Warangal, Telangana, India, 506002

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2024 but before the issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.
8. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Peer Review Certificate No.648 /2019

UDIN: F003067F000742401

For **SVJS & Associates**
Company Secretaries

CS.Vincent P. D.
Managing Partner
FCS: 3067
CP No: 7940

Kochi
15.07.2024

ANNEXURE – F TO THE DIRECTOR'S REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year under review:**

Sl. No.	Name	Designation	Ratio of remuneration of each Director to the median remuneration of the employees of the Company
1	Mr. Sabu M Jacob	Chairman & Managing Director	365.11
2	Mrs. Sindhu Chandrasekharan	Executive Director	18.55

2. **The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year under review:**

Sl. No.	Name	Designation	% increase/(decrease) in the remuneration
1	Mr. Sabu M Jacob	Chairman & Managing Director	15.51%
2	Mrs. Sindhu Chandrasekharan	Executive Director	20.00%
3	Mr. Bobby Michael	Chief Financial Officer	12.80%
4	Ms. Dayana Joseph#	Company Secretary	NA

Appointed as Company Secretary w.e.f. September 04, 2023

Note for points 1 and 2:

The Independent Directors/Non-Executive Non-Independent Director(s) of the Company are entitled to sitting fees as per the statutory provisions and the limits approved by the Nomination and Remuneration Committee/Board Members. The details of sitting fees of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase of remuneration for Non-Executive Directors are therefore not considered for the purpose above.

3. **The percentage increase in the median remuneration of employees in the financial year:** No change
4. **The number of permanent employees on the roll of the Company:** 4951
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase in salaries of non - managerial personnel: -0.99%. The decrease in percentile is due to increase in the number of employees during the FY 2023-24 as compared to the previous FY.

Average percentile increase in salaries of managerial personnel: 12.82%

6. **Affirmation that the remuneration is as per the remuneration policy of the Company:** The remuneration paid during the financial year ended March 31, 2024 is as per the Remuneration policy of the Company

For and on behalf of the Board of
Kitex Garments Limited

Sabu M. Jacob

Chairman & Managing Director
(DIN: 00046016)

Kizhakkambalam
July 15, 2024

ANNEXURE – G TO THE DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AS AMENDED

Sl. No.	Name	Age	Qualification	Nature of employment	Designation	Date of commencement of employment	Experience (Years)	Gross Remuneration (Amount in ₹)	Previous Employment/ Designation	The percentage of equity shares held in the Company	Whether any such employee is a relative of any director or manager of the company
1	Mr. Sabu M. Jacob	62	Graduate	Employee	Managing Director	16.08.1993	40	4,96,26,723	Executive Director – Kitex Limited	34.18%	No

The particulars of top ten employees in terms of remuneration drawn as required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 shall be provided to the shareholders on request

For and on behalf of the Board of
Kitex Garments Limited

Kizhakkambalam
July 15, 2024

Sabu M. Jacob
Chairman & Managing Director
(DIN: 00046016)

Corporate Governance Report

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2024 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as amended from time to time. This report on corporate governance forms part of the Annual Report. Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and good corporate practices that ensure that a Company meets its obligations to optimize shareholders' value and fulfill its responsibilities to the community, customers, employees, Government and other segments of society.

1. COMPANY'S PHILOSOPHY

Kitex Garments' governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and Immediate Relatives of Designated Persons & Code of Practices and Procedures for Fair Disclosure of UPSI are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliance.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operation and financial information to the stakeholders;
- Systems and processes are in place for internal control;
- Communicate externally, in a truthful manner, about how the Company runs internally;
- Have a simple and transparent corporate structure driven solely by business needs; and
- The Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interest of all

stakeholders. The Company continues to focus its resource, strengths and strategies to achieve the vision of becoming Global Leader in Infantswear Garments while uplifting the core values of Quality, Trust, Leadership and Excellence.

A Report on compliance with the principles of Corporate Governance as prescribed by SEBI in Chapter IV read with Schedule V of the Listing Regulations is given below:

2. GOVERNANCE STRUCTURE

The Corporate Governance structure of your company is as follows:

BOARD OF DIRECTORS: The Board is entrusted with ultimate responsibility of the Management, Directors and performance of the Company. The Board also provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

BOARD COMMITTEES: The Board has constituted the following committees viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee and Share Transfer Committee. Each of the said committees has been mandated to operate within a given framework.

2. A. THE BOARD OF DIRECTORS

2. A.1. COMPOSITION AND CATEGORY OF DIRECTORS

The Board of Directors consists of eminent individuals from Industrial, Managerial, Technical and Financial background. The company is managed by the Board of Directors in co-ordination with the Senior Management Team. The strength and composition of the Board is reviewed from time to time so that it remains aligned with statutory as well as business requirements.

As on March 31, 2024 the Company has a judicious combination of Executive and Non-Executive Directors with one Independent Woman Director on the Board. Of the total 6 Directors, 2 are Executive Directors, 3 are Independent Directors and 1 is Non-Executive Director. The Chairman of the Board is an Executive Director.

Details of each member of the Board along with number of Directorship/ Membership as on March 31, 2024 are given below:

Sl. No.	Name	Date of Appointment	Category of Director	Directorship in other Indian Public Limited Companies (excluding KGL)	No. of Board or Committees in which Chairman/ Member (Excluding (KGL)		Directorship in other listed entity (Category of Directorship)	No of shares or convertible Instruments
					Chairman	Member		
Executive and Promoter Directors								
1	Mr. Sabu M Jacob (DIN: 00046016)	16.08.1993	Promoter/ Executive Chairman & MD	9	1	2	-	2,27,30,901
2	Mrs. Sindhu Chandrasekharan (DIN: 06434415)	16.03.2015	Executive Director (Woman Director)	9	1	3	-	-
Non Executive Independent Directors								
3	Mr. Benni Joseph (DIN: 01219476)	12.01.2015	Non- Executive Independent Director	9	4	-	-	-
4	Mr. C P Philipose (DIN: 01125157)	20.07.2015	Non- Executive Independent Director	2	-	4	-	-
5	Mrs. Sumi Francis (DIN: 08950675)	13.11.2020	Non- Executive Independent Director	-	-	-	-	-
Non Executive Non Independent Director								
6	Mr. K.L.V. Narayanan (DIN: 01273573)	04.04.2013	Non- Executive Director	3	-	1	Scoobee Day Garments (India) Limited (Executive Director)	-

Notes:

- 1) Directorship exclude Private Limited Companies, Foreign Companies and Section 8 Companies
- 2) Chairmanship/ Membership in Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee in Indian Public Limited Companies other than M/s. Kitex Garments Limited are considered for this purpose. Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairman of more than five such Committees.
- 3) Details of Director(s) retiring or being re-appointed are given in Notice to Annual General Meeting.
- 4) There are no inter-se relationship between our Board Members

2. A. 2. INDEPENDENT DIRECTORS

The Independent Directors fulfill the conditions of Independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations. Formal letters of appointment issued to Independent Directors as provided in Companies Act, 2013 are disclosed in the website of the company viz., www.kitexgarments.com. Based on confirmations/ disclosures received from the directors, the Board confirms and is of the opinion that the Independent Directors fulfill the conditions specified under Schedule IV of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and are independent of the management.

2. A. 3. BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies/ policies and review the financial performance of the Company. The Board meetings are pre-scheduled and are circulated to the Directors well in advance to facilitate the Directors to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions. The Circular resolutions are noted at the subsequent Board Meeting.

The Notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in

exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

In the financial year 2023-24, the Board met 6 times. The meetings were held on April 20, 2023, May 30, 2023, August 11, 2023, September 04, 2023, November 06, 2023 and January 31, 2024. The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulations 17(2) of the Listing Regulations.

ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS AND AT THE LAST ANNUAL GENERAL MEETING

Sr. No	Name of the Directors	No. of Board Meetings attended	Attendance at the AGM held on September 30, 2023
1.	Mr. Sabu M Jacob (Chairman & MD)	6 of 6	Present
2.	Ms. Sindhu Chandrasekharan	6 of 6	Present
3.	Mr. Benni Joseph	6 of 6	Present
4.	Mr. C P Philipose	6 of 6	Present
5.	Mr. K L V Narayanan	5 of 6	Present
6.	Mrs. Sumi Francis	3 of 6	Present

2. A. 4. FLOW OF INFORMATION TO THE BOARD

The Company provides the information as set out in Regulation 17 read with Part - A of Schedule II of the Listing Regulations, to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as a part of the agenda papers in advance of the respective meetings by way of presentation and discussions during the Meetings. With the unanimous consent of the Board, all Unpublished Price Sensitive Information (UPS) is circulated to the Board at a shorter notice before the commencement of the meeting securely.

2. A. 5. POST MEETING MECHANISM

The important decisions taken at the Board/ Board Committee meetings are communicated to the concerned departments. The draft minutes of the Board and its Committees are sent to the members for their comments in accordance with the Secretarial Standards. Thereafter, minutes are entered in the minutes book within thirty days of conclusion of the Meeting after incorporating the comments received from the directors if any.

2. A. 6. BOARD SUPPORT

The Company Secretary attends the Board and Board's Committee Meetings and advises the Board & Board's committee on Compliances with the applicable laws and governance. The management makes sincere efforts to update the information available to the board for decision making by providing all important development related to the Company.

2. A. 7. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him/ her, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The director is also explained in detail the Compliance required from him/ her under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained in this regard. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of agenda of Board/ Committee meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. Plant visits are conducted at regular intervals to familiarize about the production process. The details of the familiarization programme for directors are available on the Company's weblink viz., http://www.kitexgarments.com/wp-content/uploads/2024/03/KGL_ID_Training_FY2024.pdf

2. A. 8. GOVERNANCE CODES

• CODE OF CONDUCT

The Company has adopted a Code of Conduct which is applicable to the Board of Directors and Senior Management of the Company. The Board of Directors and members of the Senior Management Team (one level below the Board of Directors) of the Company are required to affirm annual compliance of this code. The code required directors and senior management team members to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code of conduct is displayed on the Company's Website www.kitexgarments.com

• CONFLICT OF INTERESTS

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The members of the Board

while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussion and voting in transactions in which they have concern or interest.

● **INSIDER TRADING CODE**

The Company had adopted a "Code of Conduct for insider trading" in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. The code is applicable to designated person (as defined in the code) and immediate relative of designated person who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said regulation.

The Company has also formulated 'The code of Practices and procedures for fair disclosure of Unpublished Price Sensitive Information' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and this code is displayed on the Company's website viz., www.kitexgarments.com

2. A .9. CHART SETTING OUT THE SKILLS/ EXPERTISE/ COMPETENCE OF BOARD OF DIRECTORS

The Board of Directors along with Nomination & Remuneration Committee (NRC), identifies the right candidate with right qualities, skills and practical expertise/ competencies required for the effective functioning of individual member to possess and also the Board as a whole. The Committee focuses on the qualification and expertise of the person, the positive attributes, standard of integrity, ethical behavior, independent judgement of the person in selecting a new Board member. In addition to the above, in case of independent directors, the Committee shall satisfy itself with regard to the independence of the directors to enable the Board to discharge its functions and duties effectively. The same are in line with the relevant provisions of the Listing Regulations. The NRC has identified the following core skills, expertise and competencies for the effective functioning of the Company which is currently available with the Board:

- a. Finance & Accounting Competence
(Exposure in handling financial management of a large organization along with understanding financial statements)
- b. Leadership quality in running large enterprise
(Expertise in leading well-governed large organization with an understanding of organizational structure and its environment, risk management and emerging local & global trends)

- c. Understanding use of latest technology in textile sector:

(Understanding the use of latest technology across textile sector and ability to anticipate technology driven changes and disruption impacting the business)

- d. Expertise in understanding of changing regulatory framework

(Expertise in handling large public companies with high governance standard and understanding of changing regulatory framework)

- e. Exposure in setting the Business Strategies

(Ability to build up long term business strategies to bring growth in business consistently, profitability, competitively and in a sustainable manner in a diverse business environments and changing economic conditions)

The following are the list of directors who have skills as identified by the Board.

Core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business(es) and sector(s)	Names of Directors who have such skills/ expertise / competence
Finance, Law, Management, Administration, Corporate Governance related to the Company's business	Mr. Sabu M. Jacob, Mr. Benni Joseph, Mr. K. L. V. Narayanan, Mr. C. P. Philipose, Mrs. Sindhu Chandrasekharan and Mrs. Sumi Francis
Technical Operations and knowledge on Production, Processing, Quality and Marketing of Infants apparel	Mr. Sabu M. Jacob, Mr. K. L. V. Narayanan and Mr. C. P. Philipose.
Management, Strategy, Sales, Marketing, Administration Technical Operations related to the Company's business	Mr. Sabu M. Jacob, Mr. K. L. V. Narayanan, Mrs. Sindhu Chandrasekharan, Mrs. Sumi Francis and Mr. C. P. Philipose.

2. B. BOARD COMMITTEES

The Board of Directors has constituted Board Committees to deal with specific areas and activities which concern the Company and that requires the detailed discussion. The Board Committees are formed with approval of the Board and function under their respective charters. These committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted

by the Board. The minutes of the Committee meetings are placed before the Board for noting.

The Board currently has the following committees:

2. B.1. AUDIT COMMITTEE

• COMPOSITION

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's Internal Controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International finance. It functions in accordance with its terms of reference that defines its authority, responsibility and report function. Audit Committee comprised of 3 directors viz., Mr. Benni Joseph as the Chairman, Mr. C P Philipose and Mrs. Sumi Francis as members of the Committee.

• MEETINGS AND ATTENDANCE

The Audit Committee met 4 times during the financial year 2023-24. The maximum gap between two meetings was not more than 120 days. The Committee met on May 30, 2023, August 11, 2023, November 06, 2023 and January 31, 2024. The requisite quorum was present at all the meetings. The Audit Committee Chairman was present at the 31st Annual General Meeting of the Company.

Details of attendance of Audit Committee members are given below:

Composition	Mr. Benni Joseph (Chairman)	Mr. C. P. Philipose (Member)	Mrs. Sumi Francis (Member)
No. of Meetings Attended	4/4	4/4	3/4

The Independent Auditors of the Company are invited to the Audit Committee meeting. The Company Secretary is the Secretary to the Committee.

• TERMS OF REFERENCE

- The recommendation of appointment, remuneration and terms of appointment of auditors of the Company.

- Review and monitor the auditors' independence and performance and effectiveness of audit process.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity including any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Directors Responsibility Statement to be included in the Board Report in terms of Section 134 of the Act.
 - ii. Changes, if any, in accounting policies and practices and reason for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Modified opinion in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing and monitoring the auditors independence and effectiveness of audit process
- Approval or subsequent modification of transactions of the listed entity with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the listed entity wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal

- auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with Independent auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approval of appointment of Chief Financial officer after assessing the qualifications, experience and background etc.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing the utilization of loan and/ or advances from/ investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of these provisions.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations.

- statement of significant related party transactions (as defined by the audit committee), submitted by the management.
- Management letters/ letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- the appointment, removal and terms of remuneration of the chief internal auditor and
- statement of deviations:
 - quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations;
 - Annual statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/ notice in terms of Listing Regulations.

Composition of the Committee is available on Company's website: <http://www.kitexgarments.com>

2.B.2. NOMINATION AND REMUNERATION COMMITTEE

• COMPOSITION

The Nomination and Remuneration Committee comprises of 3 non-executive directors. Mr. Benni Joseph as the Chairman, Mr. K L V Narayanan and Mrs. Sumi Francis as members of the Committee. The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Reg 19 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.

• MEETING AND ATTENDANCE

The Nomination and Remuneration Committee met 2 times during the year on September 04, 2023 and January 31, 2024. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

Composition	Mr. Benni Joseph (Chairman)	Mr. K L V Narayanan (Member)	Mrs. Sumi Francis (Member)
No. of Meetings Attended	2/2	2/2	1/2

- **TERMS OF REFERENCE**

Terms of reference of the Committee inter alia consists of

- Formulate criteria for determining qualifications, positive attributes and independence of director and recommend to the Board a policy relating to the remuneration of directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/ removals where necessary;
- Evaluate the performance of every director;
- Devise a policy on Board diversity;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and senior management of the quality required to run the Company successfully;
- ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Review and implement succession plans for Managing Director, Executive Directors and Senior Management; and
- Recommend to the Board, all the remuneration, in whatever form, payable to Senior Management.

- **REMUNERATION POLICY**

The Board has approved Nomination & Remuneration Policy as recommended by the

Nomination and Remuneration Committee which forms part of Directors Report.

A. DETAILS OF PECUNIARY RELATIONSHIP OR TRANSACTION OF NON-EXECUTIVE DIRECTOR(S) WITH THE COMPANY

There were no other pecuniary relationships or transactions between any other Non-Executive Director and the Company except sitting fees paid for attending the meetings of Board and committee of Board during the year under review.

B. CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The Company has adopted Nomination, Remuneration and Evaluation Policy, which describes the criteria of making payments to Non-Executive Directors. The Policy is available on the website of the Company www.kitexgarments.com under head 'investor's relations'

The Non-Executive Directors are paid sitting fees for attending meetings of Board and Committees of Board, which is duly approved by the Board of Directors of the Company and the present fee payable to the Directors for attending the meetings is within the limits specified in Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. They are paid remuneration based on their contribution and current trends. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee decides the remuneration of the Non-Executive Directors.

C. DETAILS OF REMUNERATION PAID TO THE DIRECTORS

The following are the details of remuneration and sitting fees paid to the Directors of the Company during the Financial Year under review:

(In ₹)

Name of the Director	Term of appointment	Salary	Retirement Benefits	Perquisites	Commission/ Variable Pay	Others: contribution to PF	Sitting fees	Total
Mr. Sabu M Jacob	16.08.2020 to 15.08.2025 (5 years)	1,08,00,000	-	-	3,88,26,723	-	-	4,96,26,723

(In ₹)

Name of the Director	Term of appointment	Salary	Retirement Benefits	Perquisites	Commission/ Variable Pay	Others: contribution to PF	Sitting fees	Total
Ms. Sindhu Chandrasekharan	16.03.2020 to 15.03.2025 (5 years)	25,00,000	-	-	-	21,600	-	25,21,600
Mr. Benni Joseph	12.01.2020 to 11.01.2025 (5 years)	-	-	-	-	-	3,30,000	3,30,000
Mr. C P Philipose	10.06.2021 to 09.06.2026 (5 years)	-	-	-	-	-	2,40,000	2,40,000
Mrs. Sumi Francis	13.11.2020 to 12.11.2025 (5 years)	-	-	-	-	-	1,35,000	1,35,000
Mr. K.L.V. Narayanan	NA	-	-	-	-	-	2,15,000	2,15,000

The appointment and remuneration including annual increments if any, of Executive Directors including Chairman & Managing Director and Whole-Time Director is governed by the recommendation of the Nomination & Remuneration Committee followed by the approval of Board of Directors and Shareholders of the Company. The remuneration package of Chairman & Managing Director and Whole-Time Director comprises of Salary, performance bonus, perquisites and allowances and contributions to Provident fund.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talents. Presently, the Company does not have a stock option schemes for its Directors. The Nomination and Remuneration Policy of the Company is displayed on the Company's website www.kitexgarments.com

- PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and

its committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance of the Board was evaluated on the basis of various criteria such as composition of the Board, information flow to the board and its dynamism, strategic issues, roles and functions of the Board, relationship with the management, engagement with the Board and external stakeholders and other development areas.

The performance of the Committees was evaluated after seeking the inputs of committee members on the criteria such as understanding the terms of reference, Committee composition, Independence, contributions to Board decisions, etc.

The performance of the individual Directors was evaluated after seeking inputs from all the Directors other than the one who is being evaluated. The evaluation was based on the criteria such as Director's knowledge and understanding of their role, Company's vision and mission, market potential, Director's Commitment, qualification, skill and experience, openness in communication, fulfillment of the independence criteria as specified in these regulations and their independence from the management (in case of Independent Directors) etc subject to the schedule IV of the Companies Act, 2013.

The performance of the Board Chairperson was evaluated after seeking the inputs from all the

Directors other than the Board Chairperson, on the basis of the criteria such as Chairperson's role, accountability and responsibilities, promotion of effective relationship and open communication, positive and appropriate working relationship with other executive directors, commitment, etc.

The Board evaluation report was submitted to the Board Chairperson and the Chairperson of Nomination and Remuneration Committee. The Board Chairperson discussed the outcome of evaluation of the individual Directors separately with them in detail.

The evaluation report contains an executive summary of findings and several key recommendations from the evaluation process. The report of the Board evaluation was adopted at the NRC and the Board meetings.

Composition	Mr. K.L.V. Narayanan (Chairman)	Mr. Sabu M. Jacob (Member)	Mrs. Sindhu Chandrasekharan (Member)	Mr. Benni Joseph (Member)
No. of Meetings Attended	2/2	2/2	2/2	2/2

• TERMS OF REFERENCE

The Stakeholders Relationship Committee oversees the following:

- redressal of security holder's complaints relating to share transfers/ transmission, non-receipt of annual reports, non-receipt of declared dividend, issue of new/ duplicate share certificates, general meeting etc.
- Review of measure taken for effective exercise of voting rights of shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar.
- Review of various measures and initiative taken by the listed entity for reducing quantum of unclaimed dividend and ensuring timely receipt of dividend warrants/ annual Report/ statutory notices to the shareholders by the Company.

Your Company's shares are compulsorily traded in the de-materialized form. To expedite transfers in the physical segment, necessary authority has been delegated to the Share Transfer committee to approve transfers/ transmissions of shares. Details of share transfers/ transmissions approved by the Directors and Officers are placed before the Board.

2. B.3. STAKEHOLDERS RELATIONSHIP COMMITTEE

• COMPOSITION

The Committee consists of 4 Directors viz., Mr. K. L. V. Narayanan as the Chairman, Mr. Sabu M. Jacob, Mr. Benni Joseph and Ms. Sindhu Chandrasekharan as the members. Company Secretary acts as Secretary to the Committee. Ms. Dayana Joseph, Company Secretary, is the Compliance Officer in accordance with Regulation 6 of Listing Regulations.

• MEETING AND ATTENDANCE

The Stakeholders Relationship Committee met 2 times during the year on May 30, 2023 and January 31, 2024. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

Status of investor complaints is as below:

No. of investor queries/ complaints received from April 01, 2023 to March 31, 2024	No. of complaints not solved to the satisfaction of shareholders
2	Nil

As on March 31, 2024, there was no pending investor complaint.

2.B.4. RISK MANAGEMENT COMMITTEE

In compliance with the provisions of Regulation 21 of the Listing Regulations and other applicable provisions, if any, the Board of Directors had constituted the Risk Management Committee. The Company satisfies the requirement of the Listing Regulations, which states that the majority of Committee shall consist of members of the Board of Directors; Senior Executives of the Company may be members of the said committee but Chairman of the Risk Committee shall be member of the Board of Directors.

• COMPOSITION

The Committee consists of 3 directors viz., Mr. Sabu M. Jacob as the Chairman, Mrs. Sindhu Chandrasekharan and Mr. Benni Joseph as the members. Company Secretary acts as Secretary to the Committee.

● **MEETING AND ATTENDANCE**

The Risk Management Committee met 2 times during the year on May 10, 2023 and November 06, 2023. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

Composition	Mr. Sabu M. Jacob (Chairman)	Mrs. Sindhu Chandrasekharan (Member)	Mr. Benni Joseph (Member)
No. of Meetings Attended	2/2	2/2	2/2

● **TERMS OF REFERENCE:**

- formulation of a detailed risk management policy and monitoring its implementation and its periodic review;
- the identification, evaluation/assessment, prevention and control of the risks;
- monitoring and reviewing of the risk management plan and such other functions, as it may deem fit;
- determining the cost of risk likely to be and ensuring that adequate financial resources are available for implementing the selected technique;
- measuring and monitoring effectiveness of controls and reviewing and reporting the Risk Management process at appropriate intervals, at least annually;
- review of the appointment, removal and terms of remuneration of the Chief Risk Officer (if any), etc;

and Mr. C. P. Philipose as the members. The Company Secretary acts as the Secretary to the Committee.

Key Responsibilities of the CSR Committee:

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate the social impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters, including any annual social responsibility report.
- Review the CSR Report, with the Management, before submission to the Board for approval.
- Formulate and implement the BR policies in consultation with the respective stakeholders.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent for the intended purpose only.

2.B.5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The Board of Directors of the Company has a Corporate Social Responsibility (CSR) Committee and the terms of reference are in conformity with the provisions of Section 135 read with Schedule VII of the Act and the Rules framed thereunder. The CSR Committee monitors the implementation of CSR projects or programmes undertaken by the Company. The Committee comprises Mr. Sabu M. Jacob as the Chairman, Mr. K. L. V. Narayanan, Mr. Benni Joseph

The CSR Policy intends to strive for economic development that positively impacts the society at large with minimal resource footprints. The Policy is available on the Company's website at <http://www.kitexgarments.com>.

During the year, the Committee met 2 times during the year on May 30, 2023 and November 06, 2023. Attendance at CSR Committee meetings is as below:

Composition	Mr. Sabu M. Jacob (Chairman)	Mr. Benni Joseph (Member)	Mr. K. L. V. Narayanan (Member)	Mr. C. P. Philipose (Member)
No. of Meetings Attended	2/2	2/2	2/2	2/2

2.B.6. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on January 31, 2024 inter-alia to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this meeting.

2.B.7. SENIOR MANAGEMENT

Particulars of senior management including the changes therein since the close of the previous financial year:

Sr No.	Name	Designation	Changes during the year, if any
1	Sindhu Chandrasekharan	Executive Director & Assistant Vice President (Finance)	Nil
2	Saji Kurian	Assistant Vice President (Manufacturing)	Nil
3	Venkitaramana Holla P K	Assistant Vice President (Projects)	Appointed w.e.f March 14, 2024
4	I A K Menon	General Manager (Business Analyst)	Nil
5	Jaimon Jacob	General Manager (Projects)	Nil
6	Manoj Kumar R	General Manager (Projects)	Nil
7	Shakthivel	General Manager (Processing)	Appointed w.e.f August 04, 2023
8	Boby Michael	Chief Financial Officer	Nil
9	Dayana Joseph	Company Secretray	Appointed w.e.f September 04, 2023

3. GENERAL BODY MEETING

Location, date and time of the last three Annual General Meetings held:

Sl No.	AGM	Year	Date	Time	Details of special resolutions passed	Location
1	31 st	2023	30.09.2023	11:00 A.M	Nil	Through Video Conferencing (VC)/ Other
2	30 th	2022	29.08.2022	11:00 A.M	Nil	Audio Visual Means (OVAM)
3	29 th	2021	07.09.2021	11:00 A.M	Nil	

All resolutions as set out in the respective notices were duly passed by the shareholders in the meeting.

EXTRA-ORDINARY GENERAL MEETING (EGM) & NCLT CONVENED MEETING

No Extraordinary General Meeting (EGM) and court convened meeting were held during the last 3 financial years i.e. 2023-24, 2022-23 and 2021-22.

POSTAL BALLOT

No Special Resolution was passed in the last year through postal ballot and at present no Special Resolution is proposed to be conducted through postal ballot. Hence, the provisions relating to postal ballot are not required to be complied with.

4. MEANS OF COMMUNICATION

The Un-audited Quarterly Results are announced within 45 days from the end of the quarter and the Audited Annual Results are announced within 60 days from the end of the financial year as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Company provides the information to the stock exchange where shares of the Company are listed. The results are also published in one English newspaper having national circulation and one Malayalam Newspaper.

The Financial Results of the Company are normally published in the following newspapers:

- The Hindu Business Line (English Language)
- Chandrika (Malayalam Language)

The Financial Results and other official news release of the Company are displayed on the Company's website <http://www.kitexgarments.com/>

Disclosure pursuant to various provisions of Listing Regulations, as applicable, are promptly communicated to the stock exchanges where the shares of your Company are listed and are displayed by them on their websites. FAQ giving details about the company and its shares is uploaded on the Company's website.

5. GENERAL SHAREHOLDER INFORMATION:

5.1. ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2023-24

Day and Date	Saturday, September 28, 2024
Time	11.00 A.M
Venue	Through Video conferencing (VC)/ Audio Visual Means (AVM)
Financial Year	April 1, 2023 to March 31, 2024
Book Closure	September 21, 2024 to September 28, 2024
Last date for Receipt of Proxy	Not Applicable since the meeting is done virtually.
E-voting starts	Wednesday, September 25, 2024 at 9.00 A.M
E-Voting ends on	Friday, September 27, 2024 at 5.00 P.M
Results of E-Voting on	On or before October 01, 2024
Dividend payment date	On or before October 27, 2024

5.2. TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING MARCH 31, 2025

The tentative dates for Board Meeting for consideration of quarterly financial results are as follows:

Un-audited Q1 ending June 30, 2024	on or before 2 nd week of August, 2024
Un-audited Q2 and half year ending September 30, 2024	on or before 2 nd week of November, 2024
Un-audited Q3 and nine months ending December 31, 2024	on or before 2 nd week of February, 2025
Audited Results for the year ending March 31, 2025	on or before 3 rd week of May, 2025

5.3. DETAILS OF STOCK EXCHANGES WHERE LISTED

Stock Exchanges	Stock Code
BSE Ltd. (BSE) Corporate Relationship Dept, 1 st Floor, New Trading Ring, Rotunda Building, PJ Towers, Dalal Street, Fort Mumbai -400001, Maharashtra	521248
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra	KITEX

Listing fees have been paid for the Financial Year 2024-25.

5.4. MARKET PRICE DATA

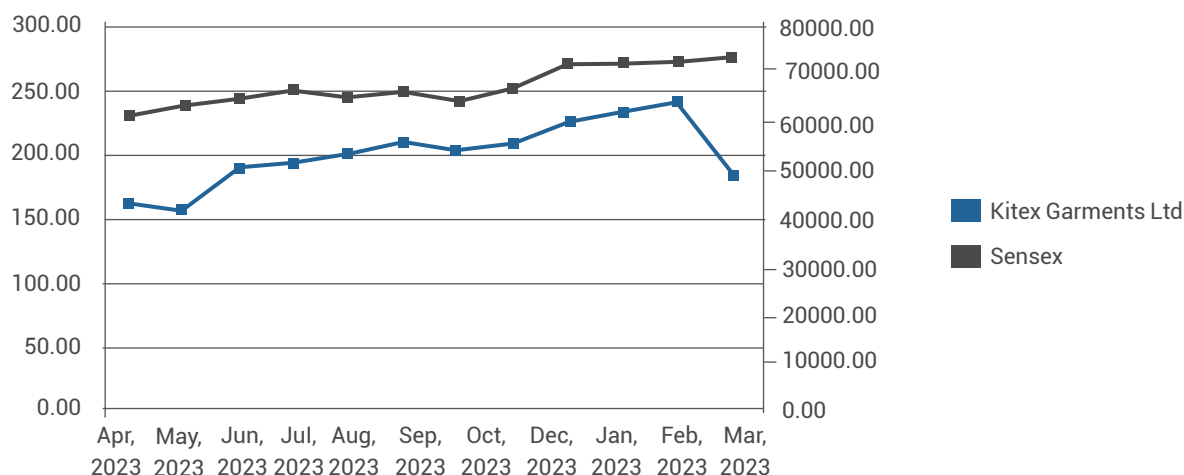
Market Price and Volume of the Company's Shares of face value of Re. 1 each traded in the major stock exchanges where Company's shares are listed during the financial year 2023-24:

Year (2023-24)	BSE (Amount in Rs.)		NSE (Amount in Rs.)		Volume (Nos.)	
	High	Low	Number	Remarks	Number	Remarks
April	166.00	136.95	166.40	136.00	1,65,327	24,72,448
May	171.35	151.95	172.00	152.80	2,51,181	20,19,398
June	189.30	155.45	189.00	155.45	4,79,090	59,39,594
July	200.50	185.10	200.45	186.05	4,10,790	32,90,847
August	209.85	176.00	209.90	173.60	4,26,269	52,41,020
September	218.40	188.00	218.40	188.40	4,06,493	45,95,180
October	223.00	188.40	223.20	188.40	4,28,006	45,81,667
November	215.00	198.20	215.75	195.15	1,57,447	28,91,271
December	242.30	205.00	242.45	207.00	6,15,960	76,85,547
January	246.00	217.10	246.10	217.05	5,54,804	70,43,951
February	287.20	234.05	287.60	234.15	11,78,808	155,05,235
March	249.95	178.40	251.00	178.35	4,71,785	55,07,354

Source – Websites: BSE Ltd. (www.bseindia.com) and The National Stock Exchange of India Ltd. (www.nseindia.com)

5.5. A PERFORMANCE CHART SHOWING SHARE PRICE OF THE COMPANY IN COMPARISON WITH BSE SENSEX DURING THE YEAR 2023-24 IS AS BELOW:

Months	Kitex Garments Ltd	Sensex
Apr, 2023	160.25	61112.44
May, 2023	156.15	62622.24
Jun, 2023	188.20	64718.56
Jul, 2023	192.60	66527.67
Aug, 2023	199.65	64831.41
Sep, 2023	207.65	65828.41
Oct, 2023	201.05	63874.93
Nov, 2023	208.60	66988.44
Dec, 2023	225.05	72240.26
Jan, 2024	231.75	71752.11
Feb, 2024	238.75	72500.30
Mar, 2024	182.60	73651.35



5.6. SHARE TRANSFER PROCESS

Trading in equity shares of the Company through recognized stock exchanges can be done only in dematerialized form.

Share Transfer, Transmission and Duplicate issue of shares in physical form are normally effected within a period of 15 days, 7 days and 30 days respectively if receipt of documents complete in all respects. All share transfers are approved by the Share Transfer Committee with Mr. Sabu M Jacob as Chairman, Mrs. Sindhu Chandrasekharan and Mr. C P Philipose, Directors as members, which meets periodically, thus ensuring smooth processing within the aforesaid period from the lodgment of the documents. A summary of transactions so approved by the committee is placed at the Board Meeting held quarterly. The Company obtains a yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of Listing Regulations and the same is filed with the Stock Exchanges and available in the website of the Company. In terms of requirements to amendments to Regulation 40 of Listing Regulations w.e.f March 31, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all listed companies to issue securities in dematerialized form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of de-materialisation, members are advised to de-materialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

Also, share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale /purchase transaction from the broker, shareholders should approach the Depository Participant ('DP') with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. Shareholders should communicate with Cameo Corporate Services Ltd., the Company's Registrars and Transfer Agent ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries to their securities.

5.7. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024

Range	No. of Shareholders	No. of Shares held	% of shareholding
1 and 5000	55110	11134185	16.74
5001 and 10000	236	1678828	2.53
10001 and 20000	83	1178970	1.77
20001 and 30000	22	555445	0.84
30001 and 40000	7	240136	0.36
40001 and 50000	7	322229	0.48
50001 and 100000	19	1332914	2.01
100001 and Above	26	50057293	75.27
Total	55510	66500000	100.00

5.8. DE-MATERIALIZATION OF SHARES

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to provide trading of shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE602G01020. As on March 31, 2024, 65682080 equity shares of the company, constituting 98.77% were in dematerialized form. Pattern of holding is as follows:

Pattern of holding	No of shares
NSDL	55515217
CDSL	10166863
Physical	817920
Total	66500000

5.9. CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2024:

Category	No. of Shareholders	No. of Shares held	% of shareholding
Resident	53770	20818256	31.31
NRI	1546	794707	1.19
Corporate Body	164	16569534	24.92
Clearing Member	1	2100	0.00
FPI	23	640181	0.96
IEPF	1	583582	0.88
Directors/ Relatives	5	27091640	40.74
Total	55510	6,65,00,000	100.00

5.10. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:

As of March 31, 2024, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company.

5.11. COMMODITY RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages its risk through forward booking Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image mitigates the impact of price risk on finished goods. Business risk evaluation and Management is an ongoing process within the Company. The Assessment is periodically examined by the Board. Disclosure on risks is forming part of Management Discussion and Analysis Report during the period under review.

5.12. PLANT LOCATION: Kizhakkambalam, Aluva, Ernakulam - 683561

5.13. ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE	REGISTRAR AND SHARE TRANSFER AGENT
Kitex Garments Limited (CIN: L18101KL1992PLC006528) Building No. VI/496, Kizhakkambalam, Vilangu P.O, Aluva, Ernakulam – 683561, Kerala Tel: 0484 2585000 E-mails: sect@kitexgaments.com Website: www.kitexgarments.com	M/s. Cameo Corporate Services Ltd Subramanian Building, No. 1, Club House Road, Chennai - 600002, Tamil Nadu Tel No.044-40020700 Email: investor@cameoindia.com Online Investor Portal: https://wisdom.cameoindia.com/ Website: www.cameoindia.com

5.14. CREDIT RATING

During the year, ICRA Limited rated our bank facilities as under:-

Loan facility	Short-term/ Long-term	Rating on June 30, 2023
Fund-based Working capital facilities	Short term	[ICRA] A1
Non-fund-based Working capital facilities	Short term	[ICRA] A1
Unallocated	Long-term	[ICRA] A+ (Negative)
	Short term	[ICRA] A1

6. OTHER DISCLOSURE

6.1. RELATED PARTY TRANSACTIONS

All Related Party Transactions were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Details of all such transactions placed before the Audit Committee was reviewed and approved through Omnibus approval route. The Board has approved a 'policy on materiality of related party transactions and on dealing with related party transactions' web link of which forms part of Director's Report. The policy is available on the website of the Company and the link is http://www.kitexgarments.com/wp-content/uploads/2024/06/Kitex_related_party_policy-Updated.pdf. The particulars of contract and arrangement with the Related Parties of your company referred to in Sec 188 (1) of the Companies Act, 2013 in prescribed "Form AOC-2" is appended to the Directors Report.

There were three materially significant transactions with related parties during the financial year, the details are as follows and do not have any potential conflict with the interest of listed entity at large:

Name of the party	Type of transaction	Rating on June 30, 2023	Sanction given by Shareholders through
M/s. Kitex Childrenswear Ltd	Sale, purchase and service rendered	Rs. 300 Crs	Annual General Meeting held on 30.09.2023
M/s. Kitex USA LLC	Sale of materials and service availed	Rs. 600 Crs	Annual General Meeting held on 30.09.2023
M/s. Kitex Apparel Parks Ltd	Investments, loans, guarantee, security, fabric sales, fabric purchase, job work and such other transactions.	Rs. 2900 Crs	Annual General Meeting held on 30.09.2023

6.2. SUBSIDIARY COMPANIES

The Company has 6 wholly owned subsidiaries and a subsidiary company during the year under review. The minutes of all the subsidiaries of the Company are placed before the Board of Directors of the Company. The details of the policy for determining "material subsidiaries are made available on the website of the Company viz. http://www.kitexgarments.com/wp-content/uploads/2019/02/KGL_material_subsidiary_Policy.pdf.

6.3. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT.

During the year under review, Company had given corporate guarantee for ₹ 2023 Crores pursuant to the provisions of Section 185 and 186 of the Act and SEBI (LODR) Regulations, 2015 and no guarantees were given by the Subsidiaries of the Company. However, loan amount of ₹ 1,304.29 lakhs have been made in its wholly owned subsidiary Companies, the details that are covered under the provision of the said section are given in the notes to financial Statements.

6.4. STATUTORY COMPLIANCE, PENALTY AND STRICTURES

The Company has complied with all the requirements specified under the listing regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authorities for non-compliance of any matters related to the Capital Market during the last three financial years.

6.5. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013, and Regulations 22 of the Listing Regulations, the Company has formulated Vigil Mechanism (Whistle Blower Policy) for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of conduct. The mechanism provides for adequate safeguards

against victimization of employees and Directors who use such mechanism and makes provisions for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz., www.kitexgaments.com

6. 6. DETAILS OF COMPLIANCE WITH THE MANDATORY REQUIREMENTS & ADOPTION OF THE NON MANDATORY REQUIREMENTS

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI listing regulations states that the non-mandatory requirements may be implemented as per the discretion of the Company.

6. 7. POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

The policy for determining material subsidiaries is available on the website of the Company at http://www.kitexgarments.com/wp-content/uploads/2019/02/KGL_material_subsidiary_Policy.pdf

6. 8. POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

The policy on materiality of and dealing with Related Party Transactions is available on the website of the Company at http://www.kitexgarments.com/wp-content/uploads/2024/06/Kitex_related_party_policy-Updated.pdf

6. 9. DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements and that the Company has not done a treatment different from that prescribed in the Standard.

6. 10. AUDITORS' REMUNERATION

The total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the statutory auditors during the year under review and all entities in the network firm/ network entity of which the statutory auditor is a part of are as follows:

(₹ in lakhs)

Particulars	Short-term/ Long-term
Payment to Statutory Auditors	25.30
Payment to all the entities in the Statutory Auditors network firms	-
Total	25.30

6. 11. UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT

During the year under review, the Company has not raised any proceeds by way of preferential issue or qualified institutional placement.

6. 12. CERTIFICATE ON CORPORATE GOVERNANCE

Your Company has obtained certificate affirming the Compliances with these regulations from Practising Company Secretary and forms part of this Report. The Certificate issued for the said FY forms part of this Report and is self-explanatory.

6. 13. CERTIFICATE FROM CEO and CFO

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on May 20, 2024 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations.

6. 14. OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE ICSI

The Institute of Company Secretaries of India (ICSI), one of the India's premier professional bodies has issued Secretarial Standards on important aspects like Board Meetings, and General Meetings under series SS-1 and SS-2 which came into force from 1st July, 2015 upon endorsement of the same by Ministry of Corporate Affairs by notification and your company adheres to these standards where ever applicable. The other standards which are as on date of report recommendatory in nature are also adhered to voluntarily.

6.15. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted Internal Complaints Committee (POSH Committee) which looks into the complaints raised and resolves the same. The above Committee reports to the Audit Committee and Board. The shareholders may refer necessary

disclosures as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been disclosed in Directors' Report. The Audit Committee looks into matters reported on a quarterly basis and track matters to closure as per law.

No personnel have been denied access to the Audit Committee.

6. 16. COMPLIANCE CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS FROM COMPANY SECRETARY IN PRACTICE

A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority issued by SVJS & Associates, Company Secretaries is annexed herewith as part of the Report.

6. 17. RECOMMENDATION MADE BY COMMITTEES OF THE BOARD

During the year under review, all recommendations made by the Committee(s) of the Board which were mandatorily required have been accepted by the Board

6. 18. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY

Name of Material Subsidiary	Date of Incorporation	Place of Incorporation	Details of appointment of Statutory Auditors
Kitex Apparel Parks Limited	18-11-2021	Telangana	MSKA & Associates, Chartered Accountants have been appointed as Statutory Auditors with effect from September 30, 2022

7 OTHER USEFUL SHAREHOLDERS INFORMATION

7.1 GREEN INITIATIVE

The Company's philosophy focuses on making the environment greener for the benefit of prosperity. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are also requested to register their email ID with the Registrar and Share Transfer Agent of the Company.

7.2 CHANGE IN ADDRESS AND FURNISHING BANK DETAILS

Shareholders holding shares in physical form should notify to the Company's RTA, change in their address with PIN Code number and Bank Account details by written request under the signatures of sole/first joint holder.

Beneficial Owners of shares in de-mat form should send their instructions regarding change of address, bank details, nomination, power of attorney, change in E-mail address, etc., directly to their DP, as the said records are maintained by the DPs.

To prevent fraudulent encashment of dividend warrants, Shareholders, who hold shares in physical form, should provide their Bank Account details to the Company's RTA, while those Shareholders who hold shares in dematerialized form should provide their Bank Account details to their DP, for printing of the same on the dividend warrants.

7.3 REGISTERING OF EMAIL ADDRESS

Shareholders, who have not yet registered their E-mail address for availing the facility of E-communication, are requested to register the same with the Company's RTA (in case the shares are held in physical form) or their DP (in case the shares are held in dematerialized form) so as to enable the Company to serve them fast.

7.4 NOMINATION FACILITY

Shareholders whose shares are in physical form and wish to make/ change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Act, may submit to RTA the prescribed Forms SH-13/ SH-14. The Nomination Form shall be provided on request.

7.5 UNCLAIMED DIVIDEND/SHARES

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top One Thousand listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, the Board approved and adopted Dividend Distribution policy is available on the Company's Website: viz., http://www.kitexgarments.com/wp-content/uploads/2017/05/KGL_Dividend-Policy_2017.pdf

Pursuant to Section 124(5) of the Companies Act, 2013, the Company has transferred all unclaimed/ unpaid dividends upto the financial year 2015-16 to the Investor Education and Protection Fund as applicable. Details of such unclaimed/ unpaid dividend

transferred upto 2015-16 are available on the website of the Company viz., www.kitexgarments.com. Further Section 124(6) of the Companies Act, 2013 mandates transfer of all those shares in respect of which unpaid or unclaimed dividend have been transferred by the company to the IEPF.

Members who have either not received or have not en-cashed their dividend warrant(s) for the financial years 2016-17 to 2022-23, are requested to claim the unpaid dividend from the Company before transfer to the above mentioned fund. After transfer of unpaid/unclaimed dividend amount to the IEPF, the same can be claimed subsequently after following the procedure.

Further dividend which has become unclaimed for the last 7 years since 2016-17 must be claimed by the concerned shareholders on or before June 30, 2024 for which Company had sent the reminder letter to them. The details are provided in the shareholder information section of this Annual Report and are also available on our website www.kitexgarments.com.

Details of the unclaimed dividend and the last date for claiming the same, prior to its transfer to the IEPF are given below:

Financial year	No. of Members who have not claimed their dividends	Unclaimed dividend as on 31.03.2024 (In ₹)	Unclaimed dividend as % to total dividend	Date of declaration	Last dated for claiming the dividend prior to its transfer to IEPF
2016-17 (Final)	1220	6,10,389.00	1.71	19.06.2017	24.07.2024
2017-18 (Interim)	1900	7,04,386.50	1.41	04.11.2017	09.12.2024
2017-18 (Final)	2162	6,67,440.75	1.34	28.07.2018	01.09.2025
2018-19 (Final)	1166	10,86,741.00	1.09	28.08.2019	02.10.2026
2019-20 (Interim)	1062	10,96,191.00	1.10	11.02.2020	18.03.2027
2020-21 (Final)	1525	9,59,529.00	0.96	07.09.2021	12.10.2028
2021-22 (Final)	1393	9,65,128.50	0.97	29.08.2022	03.10.2029
2022-23 (Final)	1278	8,26,769.50	0.83	30.09.2023	04.11.2030

Summary of equity shares transferred to IEPF account are given below:

Financial year	No. of Shareholders whose shares were transferred	No. of shares transferred to demat Account in NSDL	No. of shares transferred to demat Account in CDSL	No. of shares transferred to Demat Account in Physical Form	Unclaimed dividend transferred (In ₹)
2008-09	257	1516	3359	2,44,500	6,06,753.75
2009-10	40	828	1932	12,700	2,77,817.00
2010-11	26	980	175	1,63,000	7,90,103.00
2011-12	38	1333	467	24,000	6,68,905.00
2012-13	10	1381	200	1,000	8,80,640.80
2013-14	22	550	250	24,500	9,14,555.00
2014-15	11	839	36	5,500	10,24,180.00
2015-16	57	1889	120	33,500	12,85,316.00

In terms of the said Regulation, voting rights on the equity shares lying in said demat accounts shall remain frozen till the rightful owner claims such shares. Further all corporate benefits in terms of securities accruing on the said shares viz., bonus shares, split etc if any shall also be credited to the said IEPF account.

The concerned shareholder(s) can claim the dividend and /or shares that have been transferred to IEPF account after complying with the procedure prescribed by the Ministry of Corporate Affairs, Government of India. A brief outline of the procedure for claiming the dividend/shares from IEPF authority is listed for the benefit of the concerned shareholder(s).

- Submit the duly filled web-form only at www.iepf.gov.in. On successful upload, download the acknowledgement that get generated automatically
- Take a printout of the duly filled form IEPF-5 and the acknowledgement. Submit the same to the Nodal Officer (IEPF) of the Company at its registered office in an envelope marked as "Claim for refund from IEPF Authority" along with the following documents:
 - Indemnity in original with claimant's signature

- Advance stamped receipt (in original)
- Copy of Aadhaar Card (for Indian citizens)
- Copy of Passport (for NRIs)
- Proof of Entitlement (Share Certificate/Dividend Warrants etc)
- Cancelled cheque leaf and
- Other required documents.
- The Company on receipt of the complete set of documents will submit its verification report to the IEPF Authority
- Upon submission of the verification report by the Company, the corresponding action will solely be at the discretion of the IEPF Authority.

For more details, the concerned shareholder is requested to refer to the "Refund" section of www.iepf.gov.in.

7.6 DEMAT SUSPENSE ACCOUNT

Regulation 39(4) of the Listing Regulations inter alia requires every listed company to comply with certain procedures in respect of shares issued by it in physical form pursuant to a public issue or any other issue and which remained unclaimed for any reason whatsoever. In terms of the said Regulation, voting rights on the equity shares lying in the said Unclaimed Suspense Account shall remain frozen till the rightful owner claims such shares. Further, all corporate benefits in terms of securities accruing on the said unclaimed shares viz. bonus shares, split, etc., if any, shall also be credited to the said Unclaimed Suspense Account. The Company had sent the reminders to the shareholders whose share certificates were returned undelivered and lying unclaimed. In case your shares are lying unclaimed with the Company, you are requested to claim the same by writing a letter to the Company.

The status of the aforesaid unclaimed shares, as on March 31, 2024 is given below:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 01, 2023	274	2,38,080
Number of Shares transferred in favour of IEPF Authority from the Unclaimed Suspense Account during FY 2023-24	1	5,000
Number of shareholders who approached listed entity for transfer of shares from suspense account during the FY 2023-24	9	4,600
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account during FY 2023-24	-	-
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2024	264	2,28,480

7.7 DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46:

The Board of Directors quarterly reviews the compliance of all applicable laws. Your company has compliance framework for adherence to the mandatory requirements of Corporate Governance norms as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Company and has duly complied with.

7.8 QUOTE FOLIO NO. / DP ID NO.

Shareholders/ Beneficial Owners are requested to quote their Folio Nos./ DP ID Nos., as the case may be, in all correspondence with the Company. Shareholders are also requested to quote their E-mail IDs, and Contact number for prompt reply to their correspondence.

8 DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

The Company has entered into a Sponsors Deed of Hypothecation and Supplementary Agreement to sponsors deed of hypothecation for the purpose of securing due payment/repayment of the Term loan, BG Facility, LC Facility or any other facility with SBICAP Trustee Company Limited on behalf of Consortium of Banks headed by Axis Bank extended to the subsidiary Kitex Apparel Parks Limited. The information disclosed under Regulation 30A read with clause 5A of paragraph A of Part A of Schedule III of Listing Regulations in respect of agreement is available on the Company's website at <http://www.kitexgarments.com/wp-content/uploads/2024/08/Agreement-under-Regulation-30A.pdf>.

DECLARATION – CODE OF CONDUCT

I, Sabu M. Jacob, Managing Director of Kitex Garments Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2024 affirmed compliance with the Code of Conduct laid down for the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Kitex Garments Limited**

July 15, 2024
Kizhakkambalam

Sabu M. Jacob
Chairman & Managing Director
(DIN: 00046016)

CEO'S and CFO'S CERTIFICATE

We, Sabu M. Jacob, Chairman and Managing Director & Bobby Michael CFO of the Company, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial results and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we have aware and the steps we have taken or propose to be taken to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Kitex Garments Limited

May 20, 2024
Kizhakkambalam

Sabu M. Jacob
Chairman and Managing Director
(DIN: 00046016)

CA Bobby Michael
Chief Financial Officer

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of **Kitex Garments Limited**

We have examined the compliance of conditions of Corporate Governance by **KITEX GARMENTS LIMITED** [CIN: L18101KL1992PLC006528] having its registered office at Building No. VI/496, Kizhakkambalam, Vilangu P.O., Aluva, Kunnathunad, Kochi – 683561, for the year ended 31st March, 2024 as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2024 except that:

- As per Regulation 6 (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity shall appoint a qualified company secretary as the compliance officer. The Company appointed Mr. Boby Michael who is not a qualified company secretary as the compliance officer w. e. f. 11/06/2023.
- - As per Regulation 6 (1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, any vacancy in the office of the Compliance Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy. Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person. Company appointed Mr. Boby Michael who is not a qualified company secretary as the compliance officer w. e. f. 11/06/2023 and he continued as Compliance Officer after 15.07.2023 (the date on which Sub regulation (1A) came into force).
- - As per Regulation 27 (2) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the report mentioned in clause (a) of sub-regulation (2) shall be signed either by the compliance officer or the chief executive officer of the listed entity. The compliance report on corporate governance for the quarter ended June 2023 was signed by Chief Financial Officer and not Chief Executive Officer

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Peer Review Certificate No.648 /2019

UDIN: F003067F000741255

For **SVJS & Associates**
Company Secretaries

CS. Vincent P. D.
Managing Partner
FCS: 3067 CP No: 7940

Kochi
15.07.2024

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Kitex Garments Limited
Building No. VI/496, Kizhakkambalam
Vilangu P.O., Aluva
Kunnathunad, Kochi – 683561

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kitex Garments Limited** having CIN: L18101KL1992PLC006528 and having registered office at Building No. VI/496, Kizhakkambalam, Vilangu P.O., Aluva, Kunnathunad, Kochi – 683561, Kerala (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2024** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Sabu Meckamkunnel Jacob	00046016	16/08/1993
2.	Mr. Chenakkott Philipose Philipose	01125157	20/07/2015
3.	Mr. Benni Joseph	01219476	12/01/2015
4.	Mr. Kalpathy Lekshmi Venkitanarayanan Narayanan	01273573	04/04/2013
5.	Ms. Sindhu Chandrasekharan	06434415	16/03/2015
6.	Ms. Sumi Francis	08950675	13/11/2020

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Peer Review Certificate No.648 /2019

UDIN: F003067F000741233

For **SVJS & Associates**
Company Secretaries

CS. Vincent P. D.
Managing Partner
FCS: 3067
CP No: 7940

Kochi
15.07.2024

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity : L18101KL1992PLC006528
2. Name of the Listed Entity : Kitex Garments Limited
3. Year of incorporation : 1992
4. Registered office address : Building No. VI/496, Kizhakkambalam, Vilangu P.O, Aluva, Ernakulam, Kerala - 683561
5. Corporate address : Building No. VI/496, Kizhakkambalam, Vilangu P.O, Aluva, Ernakulam, Kerala - 683561
6. E-mail : sect@kitexgarments.com
7. Telephone : 0484-2585000
8. Website : www.kitexgarments.com
9. Financial year for which reporting is being done : 2023-24
10. Name of the Stock Exchange(s) where shares are listed : BSE Limited & National Stock Exchange of India Limited
11. Paid-up Capital : ₹ 6,65,00,000
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report

Particulars	Details
Name	Boby Michael
Designation	Chief Financial Officer
Telephone Number	0484-25852310
Email ID	cfo@kitexgarments.com

13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) : Standalone basis (i.e, only for the entity)

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Textile Manufacturing	Manufacturing of knitted fabrics and infant garments and and exporting of infant garments	96.15%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Fabric	13919	15%
2	Garments	18101	74%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	1	2
International	Nil	Nil	Nil

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Nil
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity?

78%

c. A brief on types of customers:

The Company is one of the leading manufacturer of cotton and organic cotton ready-to-wear garments for infants and children. It's customers are global infant garment wholesalers

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	614	514	84	100	16
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	614	514	84	100	16
WORKERS						
4.	Permanent (F)	4337	1781	41	2556	59
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	4337	1781	41	2556	59

b. Differently abled Employees and workers::

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	6	5	83	1	17
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled employees (F + G)	6	5	83	1	17

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33.33
Key Management Personnel	4	2	50

20. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20	32	22	32	23	31	24	44	28
Permanent Workers	59	70	66	62	73	69	74	87	81

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kitex Babywear Limited	Subsidiary	100	No
2	Kitex Kidswear Limited	Subsidiary	100	No
3	Kitex Littlewear Limited	Subsidiary	100	No
4	Kitex Knits Limited	Subsidiary	100	No
5	Kitex Packs Limited	Subsidiary	100	No
6	Kitex Socks Limited	Subsidiary	100	No
7	Kitex Apparel Parks Limited	Subsidiary	70	No
8	Kitex USA LLC	Associate	50	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹ Lakhs) : 61,692.40

(iii) Net worth (in ₹ Lakhs) : 96,300.45

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Any grievances arising in the community, regarding Company's operations, are communicated through direct representation to the HR Department or in other forms. Grievances reported are reviewed, addressed, and communicated suitably. If required the issue is escalated to Senior Management & MD for review.	-	-	-	-	-	-
Investors (other than shareholders)	The Stakeholder Relationship Committee oversees and reviews all matters connected with the redressal of Investor Grievances and complaints. Investor grievances can be reported in the following e-mail ID, investor@kitexgarments.com available on our company website.	-	-	-	-	-	-
Shareholders	Shareholders grievances can be reported to RTA through the online investor portal of the RTA, ie, https://wisdom.cameoindia.com/ and can also be reported to the Company through email ID, investor@kitexgarments.com	2	0	-	2	0	-

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Employees and workers	Yes http://www.kitexgarments.com/wp-content/uploads/2017/02/WHISTLE-BLOWER-POLICY-revised-30.01.2017.pdf	-	-	-	-	-	-
Customers	Yes http://www.kitexgarments.com/wp-content/uploads/2023/05/contact-us.pdf	-	-	-	-	-	-
Value Chain Partners	Complaints if any received from value chain partners are reviewed and managed by the respective departments	-	-	-	-	-	-
Other (please specify)		Nil	Nil	-	Nil	Nil	-

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water use and management	Opportunity	Managing the significant water and wastewater related impacts by ETP process and utilizing the same for agricultural purpose.	NA	Positive
2	Occupational Health and Safety	Risk and Opportunity	A safe working environment for all employees is essential for driving business and retaining the workforce there by avoiding operational, financial, and reputational losses.	Company strives to provide a safe working environment by ensuring strict adherence to policies and compliance audits like safe accommodation for the women work force within the Campus and men outside the campus and also providing healthy food four times a day . Both free of cost. All medical facilities also provided free of cost.	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Diversity and Equal Opportunity	Opportunity	Diversity in the workforce improves the company's performance as it increases the likelihood of people from different states with different cultures together at the workplace.	NA	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	https://www.kitexgarments.com/								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Worldwide Responsible Accredited Production (WRAP) <ul style="list-style-type: none"> Supplier Qualification Program (SQP) Global Organic Textile Standard (GOTS) Supplier Compliance Audit Network (SCAN) Certified 'Class I' for compliance to 'Oeko-Tex Standard 100' standards (OEKO-TEX) Workplace Conditions Assessment 								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Though not set any such specific commitment goals, we continue to adhere all the guiding principles.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We are adhering to all the guiding principles.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) : Please refer to the message of the Chairman and Managing Director forming part of this Report.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sabu M Jacob Chairman & Managing Director								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. Risk Management Committee The Committee comprises of : <ul style="list-style-type: none"> Mr. Sabu M Jacob, Chairman & Managing Director Mrs. Sindhu Chandrasekharan, Whole-Time Director Mr. Benni Joseph, Independent Director The Committee monitors and approves risk management and sustainability framework, reviews progress on a regular basis among others								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Performance against above policies and follow up action	Committees of the Board									Periodically, as and when required							
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Committees of the Board									As and when required								

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. No

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	Not Applicable								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors Key Managerial Personnel	During the year, the Board of Directors were familiarised through various awareness sessions on an array of issues pertaining to business, regulations, economy, ESG etc. In addition, as a part of quarterly Board and Committee Meetings, all the Board Members are also apprised on developments in the Company, key regulatory changes on the governance front i.e., Guidelines/Regulations/Circulars by SEBI and MCA. The Key Managerial Personnel of the Company are also part of the Board and Committee Meetings wherein the above referred presentations are made.		100%
Employees other than BoD and KMPs Workers	Employees undergo training on Code of Conduct, Human Rights Policies, EHS policy etc. at the time of induction and periodically thereafter.		100%

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	None	NA	NA	NA	NA
Settlement	None	NA	NA	NA	NA
Compounding fee	None	NA	NA	NA	NA

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	NA	NA	NA	NA
Punishment	None	NA	NA	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Anti-corruption and bribery are a part of Company's Code of Conduct for its Board of Directors and employees. The Code of conduct is communicated to all employees at the time of joining and periodically thereafter. Company and its employees do not offer or give any company funds or property as donations to any government agency or its representative, directly or through intermediaries unless mandated under applicable laws, to obtain any favourable performance of official duties.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2023-24	FY 2022-23
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	None	None

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None	None	None	None
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	None	None	None	None

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable, as there were no charges of corruption and conflicts of interests on any employees and other stakeholders of the Company.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/ principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
Nil		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, Company has its Code of Conduct which extends to all directors and senior employees of which aims at maintaining highest standards of business conduct in line with the Ethics of the Company, provides guidance in difficult situations involving conflict of interest & moral dilemma and ensures compliance with all applicable laws.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D			
Capex		Nil	

- Does the entity have procedures in place for sustainable sourcing? (Yes/No) : Yes
 - If yes, what percentage of inputs were sourced sustainably? : Not available
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
Since we are exporting our entire products (Infant and child garments) this does not apply.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.
No.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?
No, Life Cycle Assessment has not been carried out for any product of the Company during the year under review.
- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.
Not Applicable
- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).
Nil
- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:
Not Applicable
- Reclaimed products and their packaging materials (as percentage of products sold) for each product category.
Not Applicable

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	514	323	63	323	63	-	-	-	-	-	-
Female	100	62	62	62	62	3	3	-	-	-	-
Total	614	385	63	385	63	3	-	-	-	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1781	1754	98	1754	98	-	-	-	-	-	-
Female	2556	2556	100	2556	100	11	-	-	-	-	-
Total	4337	4310	99	4310	99	11	-	-	-	-	-
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefit	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	N	100	100	N
ESI	22	99	Y	16	99	Y
Others – please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the offices of the company are accessible to differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company provides equal opportunity to normal employees as well as employees with disabilities. However, there is no formal policy laid in this regard.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	100%	100%	18.18%	100%
Total	100%	100%	18.18%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

Particulars	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes -Grievance Committee
Other than Permanent Workers	Not Applicable
Permanent Employees	Company has a robust whistle-blower policy in line with regulatory requirements stated in Section 177 of the Companies Act of 2013 for the employees and directors to raise their concerns and incidents of unethical behaviour. The mechanism also outlines the provision of adequate safeguards for the employees including Directors and has a provision of direct access to the Chairman of the Audit Committee in exceptional cases.
Other than Permanent Employees	Not Applicable

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	FY 2023-24			FY 2022-23		
	Total employees /workers in respective category (A)	Total employees/workers in respective category, who are part of association (s) or Union (s)	% B/A	Total employees /workers in respective category (A)	Total employees/workers in respective category, who are part of association (s) or Union (s)	% B/A
Total Permanent Employees						
Male	614	2	0.32	525	11	2.10
Female		-			7	1.33
Total Permanent Workers						
Male	4337	4	0.092	3961	12	0.30
Female		7	0.16		27	0.68

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	514	408	85	-	-	444	413	84	-	-
Female	100	72	15	-	-	81	73	16	-	-
Total	614	480	100	-	-	525	486	100	-	-
Workers										
Male	1781	2225	45	-	-	1455	2071	44	-	-
Female	2556	2753	55	-	-	2506	2688	66	-	-
Total	4337	4978	100	-	-	3961	4759	100	-	-

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	514	514	100	444	444	100
Female	100	100	100	81	81	100
Total	614	614	100	525	525	100
Workers						
Male	1781	1781	100	1455	1455	100
Female	2556	2556	100	2506	2506	100
Total	4337	4337	100	3961	3961	100

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The company strives to ensure a safe working environment for all employees and workers across the operating locations and surrounding communities.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

In order to identify the work-related hazardous, risk assessment procedure is already existing in the company to assess on quarterly basis.
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company has a process in place for workers to report work-related hazards and to remove themselves from such risks
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. The company has a well-established health monitoring system for all its employees covering 100% of the workforce. Company has a medical dispensary with dedicated doctors, nurses, ambulance facilities, and medical supplies. Ambulance facility ensures the seamless transportation to the nearest hospital for treatment.

- 11.a) Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	9	15
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Periodic training programmes on health and safety both internal and external for workers followed by evaluation. Implemented risk identification and mitigation as per Risk Assessment Policy by safety officers. Fully functional clinic with a team of doctors, nurses, pharmacy and ambulance is available on the campus. Food served from the canteen (FSSAI registered) is regularly tested before serving.

13. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

Safety Incident/Number	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The company has adopted robust mechanisms to monitor, record, and mitigate unsafe conditions in the operating sites. The welfare officers at the units monitor and record the unsafe conditions regularly and the same gets reviewed by management monthly to evaluate the actions taken.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

No, but workers are covered under ESI.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as applicable to the transactions within the remit of the Company are deducted and deposited in accordance with extant regulations. This activity is also reviewed as part of the internal and statutory audits. With

respect to tax credit available to the Company, reconciliation is done between various tax details realized by Income tax department, GST department and books, wherever short fall cases are found, recovery will be done from the value chain partner vendor

- Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Nil

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

- Details on assessment of value chain partners:

Safety Incident/Number	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Nil

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.

The Company identifies its stakeholders through continuous engagement practices. The Company understands that stakeholder engagement is a crucial aspect of its operations and strives to involve relevant stakeholders in the decision-making processes. The Company conducts an analysis to identify and prioritize both internal and external stakeholders based on their level of influence on organizational decisions and activities. Through consultation with company leadership, the Company has identified key stakeholders including shareholders & investors, employees, customers, vendors & service providers, ecosystem & society and government & regulatory bodies.

- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half Yearly/ Quarterly/Others-Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders & Investors	No	General Meetings, Postal ballot, Stock exchange filings, Media like Print and Digital Email to stakeholders, Website publications/ announcements	Quarterly, half-Yearly, Annually and need based	To update on quarterly and annual financial results, annual reports, to update on developments, business activities, new initiatives, schemes, investor presentations etc

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually/Half Yearly/Quarterly/Others-Please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Training programmes, Circulars and email communications, employee engagement programmes, sports, cultural and extra curricular events	Frequently and need based	To exchange ideas and suggestions, provide merit based opportunity for professional growth and to create an inclusive workplace
Customers	No	Customer visits and meets customer care teams	Frequently and need based	Business related discussions, product and service awareness, grievance redressal etc
Vendors & Service Providers	No	Assessment of suppliers and vendors, email communication and calls, project review meeting	Frequently and need based	Business related discussions, techno commercial discussions, grievance redressal etc
Ecosystem & Society	Yes	Engagement through CSR Arm to identify vulnerable groups for CSR initiatives, improving ecosystems through various CSR initiatives	Need based	Support CSR projects, Financial inclusion and other relevant matters affecting the communities
Government & Regulatory Authorities	No	Various interactions with the regulators, submission of periodical reports/ returns, meetings etc	Frequently and need based	Discussions regarding various regulations and amendments, policies and processes, corporate governance and compliance standards

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with different stakeholders happen at different levels of the company's functional departments. Each stakeholder group is mapped to functional owners who act as the first line of contact. The details of consultation with the stakeholders including their inputs and feedback are monitored by the management through functional departments or executive level committees. The departments or committees ensure that the feedback from the stakeholders is communicated to the Board level committees or the Board as the case may be.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is indeed utilized to support the identification and management of environmental and social topics within our entity. We recognize the importance of engaging with stakeholders to gather diverse perspectives and incorporate their inputs into our decision-making processes.

- a) Environmental Policy Development: When formulating our environmental policy, we conducted consultations with various stakeholders, including local communities, industry experts etc. Stakeholders shared their suggestions and expectations regarding sustainable practices, and we incorporated their inputs into our policy framework. This led to the inclusion of specific targets for reducing renewable energy sources, implementing waste management strategies etc
- b) Social Impact Assessment: Before undertaking major projects or expansions, we conduct social impact assessments to understand the potential effects on local communities. As a part of this process, we engage with stakeholders, including community representatives, non-governmental organizations, and indigenous groups. Their input helps us identify and mitigate any adverse social impacts.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company actively contributes to the socio-economic development of the community through various participatory and need based initiatives in the field of Healthcare, Rural Development, Road Infrastructure, Housing etc

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	614	486	79	525	525	100
Other than permanent	-	-	-	-	-	-
Total Employees	614	486	79	525	525	100
Workers						
Permanent	4337	4337	100	3961	3961	100
Other than permanent	-	-	-	-	-	-
Total	4337	4337	100	3961	3961	100

2. Details of minimum wages paid to employees and workers, in the following format::

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	514	-	-	514	100	444	-	-	444	100
Female	100	-	-	100	100	81	-	-	81	100
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	1781	-	-	1781	100	1455	-	-	1455	100
Female	2556	-	-	2556	100	2506	-	-	2506	100
Other than Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3 Details of remuneration/salary/wages, in the following format:

Category	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)*	NA	NA	NA	NA
Key Managerial Personnel	2	2,71,18,392	2	NA#
Employees other than BoD and KMP	604	32,920	129	25,611
Workers	2698	12,209	4181	10,275

Notes:

*Remuneration to BoD includes only remuneration to Executive Directors who are included in the KMP of the Company

#Female KMP includes Whole-Time Director and Company Secretary where the CS has joined the Company with effect from September 04, 2023. Thus median remuneration is not applicable

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The company promotes a culture of transparency and accountability through its Vigil Mechanism / Whistle Blower Policy. This policy empowers employees to report any concerns relating to misconduct or violation of company rules, without fear of retaliation or discrimination. The policy outlines clear channels for reporting concerns, including the Chairperson of the Audit Committee. The Whistleblower Policy is readily accessible to all stakeholders and is publicly available in the company website for transparency. In addition, workers can raise concerns directly with the Works Committee, Grievance Committee, Health and Safety Committee etc

6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The company through its policy encourages employees to report matters without the risk of subsequent victimisation, discrimination or disadvantage. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person making such disclosure.

8. Do human rights requirements form part of your business agreements and contracts?

(Yes/No)

Yes

9. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	100%
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 9 above.

No such incident of non-compliance has been observed during assessment

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

We are committed to upholding human rights is reinforced by our code of conduct, policies, and whistleblower channels. There have been no human rights grievances/complaints which resulted in introduction/ modification of business process.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

As a company deeply committed to ethical business practices, we make it a priority to conduct comprehensive human rights due diligence. Our approach encompasses a meticulous examination of potential human rights risks within our operations. Our ongoing dedication to human rights due diligence underscores our unwavering commitment to upholding human rights at every level of our operations.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the offices of the company are accessible to differently abled employees, workers and visitors

4. Details on assessment of value chain partners:

Category	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	100%
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 4 above.

None

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total electricity consumption (A)	GJ	70,097	59,189
Total fuel consumption (B)	GJ	83,370	74,706
Energy consumption through other sources (C)	GJ	1,01,906	82,793
Total energy consumption (A+B+C)	GJ	2,55,373	2,16,688
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	GJ/₹ Lakhs	3.98	3.61
Energy intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)	85100	90000
(i) Surface water		
(ii) Groundwater	72000	43622
(iii) Third party water		
(iv) Seawater / desalinated water	29200	49378
(v) Others-Rain Water		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	186300	183000
Total volume of water consumption (in kilolitres)	186300	183000
Water intensity per rupee of turnover (Water consumed / turnover)	0.02901	0.0479
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

There is in house ETP and STP process implemented supported with modern machinery imported from Italy.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Mg/Nm3	33	17.8
SOx	Mg/Nm3	18.52	9.69
Particulate matter (PM)	Mg/Nm3	83.2	35.5
Persistent organic pollutants (POP)		-	-
Volatile organic compounds (VOC)		-	-
Hazardous air pollutants (HAP)		-	-
Others – please specify		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	2,08,000	2,68,541
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	31,51,665	33,64,854
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.00052	0.00057
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	4.850	-
E-waste (B)	0.345	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	0.03	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	0.61	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	527	1622.62
Total (A+B + C + D + E + F + G + H)	533	1622.62
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		

Parameter	FY 2023-24	FY 2022-23
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Fully functional ETP and STP

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):
None of our factories or offices withdraw, consume and discharge water in areas of water stress.
2. Please provide details of total Scope 3 emissions & its intensity, in the following format:
Not tracked
3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.
Not Applicable
4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:
No any special initiatives have undertaken by the Company.
5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
We have detailed disaster management plan to cover crucial areas like loss of electricity supply, loss of water supply, failure of key machineries, malicious sabotage, business vulnerabilities, cyber attacks, major break downs, flood, fire, natural disasters etc. Senior executives of the Company are entrusted with each crisis area.
6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
No assessment has been carried out.
7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
No assessment has been carried out.

PRINCIPLE 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
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Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
1
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Texprocil	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.
Not Applicable

Leadership Indicators

1. Details of public policy positions advocated by the entity

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by (Annually/ Half yearly/ Quarterly / Others - please specify)	Web Link, if available
None					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S No.	Name of project for which R&R is ongoing	State	District	No of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
None						

3. Describe the mechanisms to receive and redress grievances of the community.

Any grievances arising in the community, regarding Company's operations, are communicated through direct representation to the HR Department or in other forms. Grievances reported are reviewed, addressed, and communicated suitably. If required the issue is escalated to Senior Management & MD for review.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	12%	1.54%
Directly from within India	87%	83%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	100%	100%
Semi-urban	-	-
Urban	-	-
Metropolitan	-	-

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
No aspirational districts are included in our CSR endeavors			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

Not Applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. Details of beneficiaries of CSR Projects:

S. No.	Please specify unit	No of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1	Healthcare	65	100%
2	Road Development	50000	40%
3	Education	1800	90%
4	Housing	50	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Not Applicable since no interaction with the end consumers

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

- Number of consumer complaints in respect of the following:

Category	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	None		Not Applicable	None		Not Applicable
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

- Details of instances of product recalls on account of safety issues:

Parameter	Number	Reasons for recall
Voluntary recalls	None	Not Applicable
Forced recalls		

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. The Company has an Information Security Policy to take care of cyber security like controls on network access, system administration access, virus protection, data privacy etc. The policy is available to internal stakeholders of the company.

- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
<https://www.kitexgarments.com/>
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
Not Applicable
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
Not Applicable
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
Not Applicable
5. Provide the following information relating to data breaches:
 - a. Number of instances of data breaches along-with impact : Nil
 - b. Percentage of data breaches involving personally identifiable information of customers

Standalone
Financial Statements

Independent Auditor's Report

To the Members of Kitex Garments Limited Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the accompanying standalone financial statements of Kitex Garments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified opinion section of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Company has investments in Kitex USA LLC, an Associate Company, amounting to ₹2,776 lakhs, which has impairment triggers during the year ended March 31, 2024 due to various indicators like continuous losses and negative net-worth at the Associate level. However, the Company has determined the carrying value of investment in said Associate as recoverable. Based on management assessment and internal valuation performed, which is highly dependent on various input data and other external factors contributing to the Associate's ability to turn around and in the absence of corroborative audit evidence to substantiate the reasonableness of the abovementioned unobservable inputs, we are unable to comment on the recoverability of carrying value of investment in Kitex USA, LLC. (Refer Note 2.02.1 to the Standalone financial statements)

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical

responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024 (current year). These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of Inventory

Refer to Note 2.07 to Standalone financial statements.

The total value of inventory as of March 31, 2024, amounted to ₹ 16,409.16 lakhs representing 14.32% of the total assets (March 31, 2023: 11,693.28 Lakhs, 11.58% of the total assets). Inventories are measured the lower of cost and net realisable value.

The Company is an apparel manufacturer and exporter of knitted garments for infants and kids.

The valuation of raw material, semi-finished and finished goods is a comprehensive exercise and is carried out manually. Allocation of indirect production costs is also estimated and loaded as inventory cost, as part of the valuation exercise. This allocation requires judgment and estimation, which are uncertain at the time of such estimation.

Management also applies judgement in identification & determination of obsolete inventories and slow-moving items of stocks and estimates the appropriateness of requisite provisions thereon. On account of the subjective judgment and uncertainties involved above, we considered this as a Key Audit Matter.

We have performed the following audit procedures in relation to Inventory valuation:

- Assessed the accounting policies relating to valuation of Inventory in compliance with Ind AS 2 ("Inventories").
- Assessed the management process of inventory valuation including allocation of overheads to inventory.
- Evaluated the design and implementation and tested the operative effectiveness of relevant internal controls pertaining to valuation of inventory, including the process for write-down of obsolete inventory and the manual inventorisation of indirect production costs.

- Assessed the adequacy and appropriateness of write-downs for excess and/or obsolete inventory in relation to the future demand data, historical usage, historical accuracy of write-downs and management's plans to utilise the inventory.
- Evaluated the significant judgements and estimates made by Management in applying Company's accounting policy in relation to the manual inventorisation of indirect production costs.
- Assessed the adequacy and accuracy of disclosures in the standalone financial statements with respect to inventory in accordance with respective accounting standards and framework.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises Management Report, Director's report along with annexures etc but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair

view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the matter described in the Basis for Qualified Opinion, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books including daily back-up of books of accounts and other books and papers maintained in electronic mode.
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) Except, for the matter described in the Basis of Qualified Opinion section above, in our opinion, the aforesaid standalone financial statements comply

with the Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.41 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv. (1) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 2.46 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note 2.46

to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
- vi. Based on our examination, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

- 3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 24029409BKDEND1411

Place: Chennai
Date: July 15, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2024

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2024 (current year) and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- B The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment were physically verified by the management according to a phased programme designed to cover all items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, some of the asset have been physically verified by Management during the year. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company. The title deeds of immovable properties aggregating to ₹ 261.17 Lakhs as at March 31, 2024, are pledged with the banks and original copies are not available with the Company. The same has been independently confirmed by the bank to us and verified by us.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment and intangible assets during the year. Accordingly, the provisions stated under clause (i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause (i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks/financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements are filed with such Banks/ financial institutions are not in agreement with the books of accounts of the Company. Details of the same are as below.

Particulars	Quarter Ended	Amount as per books of accounts	Amount as per quarterly return/statement	Difference
Inventory	Jun-23	10,555	11,327	(772)
	Sep-23	13,193	14,197	(1004)
	Dec-23	13,708	14,123	(415)
	Mar-24	16,409	15,589	820
Trade Receivables	Jun-23	28,500	26,378	2122
	Sep-23	23,880	24,226	(346)
	Dec-23	23,891	23,653	238
	Mar-24	25,681	24,839	842

- iii. a) According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to any firms or other entities. During the year, Company has provided loans, stood guarantee for subsidiaries companies.

- (A) The details of such loans, advances, guarantee or security(ies) to subsidiaries and Associates are as follows:

	Guarantees	Loans
Aggregate amount granted/provided during the year		
- Subsidiaries	42,686	11.05
Balance Outstanding as at balance sheet date in respect of above cases		
- Subsidiaries	42,686	9,256

During the year the Company has not provided advances and security to any other entity.

- b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given are not prejudicial to the interest of the Company.
- c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the repayment of the principal and payment of interest.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the loans or advances in the nature of loans, granted to Company.
- e) According to the information explanation provided to us, the loans or advances in the nature of loan granted has not fallen due during the year. Accordingly, the provisions stated under clause 3(iii)(e) of the Order are not applicable to the Company.
- f) According to the information explanation provided to us, the Company has not any granted loans or advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions stated under clause (iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed thereunder. Accordingly, the provisions stated under clause (v) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. The provisions of sub-Section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated under clause (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been regularly deposited by the Company with the appropriate authorities in all cases during the year, except the following:-

Undisputed amounts payable in respect of Goods and Services tax, provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears, which were outstanding, as at March 31, 2024, for a period of more than six months from the date they became payable, are as follows :-

Name of the statute	Nature of the dues	Amount (₹in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Advance Income Tax	1056	April 1, 2023 to September 30, 2023	June 15, 2023 and September 15, 2023	Not Paid

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded	Amount Paid	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax dues	1217	109	AY 2016-17 to AY 2020-21	Commissioner of Income Tax (Appeals) Kochi

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause (viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, no money was raised by way of term loans. Accordingly, the provision stated under clause (ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries and associates.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Accordingly, reporting under Clause (ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause (x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.
- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause (xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

- (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act, in clause (xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause (xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one Core Investment Company as a part of its group. Accordingly, the provisions stated under clause (xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 2.42 to the standalone financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in schedule VII of the Act, or to a Special Account as per the provisions of Section 135 of the Act, read with schedule VII to the Act, Accordingly, reporting under clause (xx)(a) and (xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause (xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 24029409BKDEND1411

Place: Chennai

Date: July 15, 2024

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Kitex Garments Limited on the Financial Statements for the year ended March 31, 2023]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Kitex Garments Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Qualified Opinion

In our opinion, except for the possible effects of the material weakness described in Basis for Qualified Opinion section below on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements as at March 31, 2024, and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2024, and these material weakness have effected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements of the Company

Basis for qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness have been identified in the operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements as at March 31, 2024:

The Company's internal control system over impairment evaluation of investment in Associate entity (Refer to the "Basis for Qualified Opinion" section of the main audit report) was not operating effectively due to uncertainties around the judgments and other related assumptions required to be made for estimation of the fair value of investment in Associate entity. This could potentially result in material misstatement of the carrying value of investment of Associate and non-identification of further provision if any required to be made for the obligations on behalf of those entities and its consequential impact, if any in the accompanying standalone financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 24029409BKDEND1411

Place: Chennai

Date: July 15, 2024

Standalone Balance Sheet

as at March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

SI No.	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	2.01A	11,401.28	13,339.03
	(b) Capital work-in-progress	2.01B	2,645.96	2,042.70
	(c) Other intangible assets	2.01C	6.01	50.22
	(d) Financial assets			
	(i) Investments	2.02	33,270.57	29,794.50
	(ii) Loans	2.03	10,549.64	9,245.35
	(iii) Other financial assets	2.04	248.97	246.24
	(e) Non-current tax assets	2.05	275.93	275.93
	(f) Other non-current assets	2.06	556.60	599.17
	Total Non-Current Assets		58,954.96	55,593.14
2	Current assets			
	(a) Inventories	2.07	16,409.16	11,693.28
	(b) Financial assets			
	(i) Trade receivables	2.08	25,681.29	20,346.24
	(ii) Cash and cash equivalents	2.09	4,645.92	4,178.81
	(iii) Bank balances other than (ii) above	2.10	1,942.16	4,128.82
	(iv) Other financial assets	2.11	3,579.58	3,199.94
	(c) Other current assets	2.12	3,353.87	1,812.25
	Total Current Assets		55,611.98	45,359.34
	TOTAL ASSETS		1,14,566.94	1,00,952.48
II	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	2.13	665.00	665.00
	(b) Other equity	2.14	95,635.45	89,824.01
	Total Equity		96,300.45	90,489.01
	Liabilities			
2	Non-current liabilities			
	(a) Other financial liabilities	2.15	918.50	-
	(b) Provisions	2.16	987.67	850.44
	(c) Deferred tax liabilities (net)	2.17	260.85	395.76
	(d) Other non-current liabilities	2.18	77.59	186.76
	Total Non-Current Liabilities		2,244.61	1,432.96
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	2.19	7,652.19	2,500.00
	(ii) Trade payables	2.20		
	- Total outstanding dues of micro enterprises and small enterprises		303.53	348.18
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		4,936.69	3,815.11
	(iii) Other financial liabilities	2.21	507.39	356.27
	(b) Provisions	2.22	409.71	353.80
	(c) Current tax liabilities (net)	2.23	1,914.62	1,180.79
	(d) Other current liabilities	2.24	297.75	476.36
	Total Current Liabilities		16,021.88	9,030.51
	TOTAL EQUITY AND LIABILITIES		1,14,566.94	1,00,952.48
	Summary of material accounting policies	1-1.22		

The accompanying notes are an integral part of standalone financial statements (2.01- 2.48)

As per our separate report of even date attached

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

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Geetha Jeyakumar
Partner
Membership No.029409

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Benni Joseph
Director
DIN: 01219476

CA Bobby Michael
Chief Financial Officer

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808

Place : Chennai
Date : July 15, 2024

Place : Kizhakkambalam
Date : July 15, 2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

Sl No.	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Income			
	(a) Revenue from operations	2.25	61,692.20	55,699.55
	(b) Other income	2.26	2,467.06	4,307.67
	Total Income		64,159.26	60,007.22
II	Expenses			
	(a) Cost of materials consumed	2.27	29,742.81	24,026.44
	(b) Changes in inventories of finished goods and work-in-progress	2.28	(4,228.34)	2,426.87
	(c) Employee benefits expense	2.29	11,939.36	10,906.72
	(d) Finance costs	2.30	733.19	447.17
	(e) Depreciation and amortization expense	2.31	2,070.40	2,120.97
	(f) Other expenses	2.32	13,993.67	11,936.86
	Total Expenses		54,251.09	51,865.03
III	Profit before tax (I - II)		9,908.17	8,142.19
IV	Tax expense:			
	(a) Current tax		3,221.00	2,408.00
	(b) Deferred tax	2.17	(131.60)	(207.63)
	Total Tax Expenses		3,089.40	2,200.37
V	Profit for the year (III - IV)		6,818.77	5,941.82
VI	Other comprehensive (loss)/ income			
	A Items that will not be reclassified to profit or loss			
	(i) Re-measurements of post employment benefit obligations		(18.60)	95.37
	(ii) Fair value changes on equity instruments carried through other comprehensive income		5.45	0.81
	(iii) Income tax relating to items that will not be reclassified to profit or loss		3.31	(24.21)
	Total other comprehensive (loss)/income for the year		(9.84)	71.97
VII	Total comprehensive income for the year (V+VI)		6,808.93	6,013.79
VIII	Earnings per equity share (Face value of ₹ 1 each)	2.33		
	Basic & Diluted in ₹		10.25	8.94
	Summary of material accounting policies	1-1.22		

The accompanying notes are an integral part of standalone financial statements (2.01 - 2.48)

As per our separate report of even date attached

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

Geetha Jeyakumar
Partner
Membership No.029409

Place : Chennai
Date : July 15, 2024

**For and on behalf of the Board of Directors of
Kitex Garments Limited**
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Bobby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date : July 15, 2024

CA Benni Joseph
Director
DIN: 01219476

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808

Standalone Statement of Cash Flow

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

SI No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	Cash Flows from Operating Activities:		
	Net Profit before tax	9,908.17	8,142.19
	Adjustments for:		
	Depreciation and amortisation expense	2,070.40	2,120.97
	Unrealised foreign exchange (gain) / loss (net)	(205.14)	159.21
	Gain on foreign exchange forward contracts	-	158.38
	Interest income	(908.44)	(347.82)
	Deferred grant income	(526.85)	(154.97)
	Loss on sale of property, plant and equipment (net)	(7.49)	-
	Liability no longer required written back	-	(69.54)
	Advances written off	6.03	-
	Provision for expected credit loss	300.00	-
	Interest expense	733.19	447.17
	Operating profit before working capital changes	11,369.87	10,455.59
	Changes in working capital:		
	(Increase)/ Decrease in trade and other receivables	(7,812.56)	14,857.39
	(Increase) in inventories	(4,715.88)	3,760.20
	Increase / (Decrease) in trade, other payables and provisions	634.42	(2004.67)
	Cash generated from operating activities before taxes	(524.15)	27068.51
	Direct taxes paid (net of refunds)	(2,487.17)	(2884.72)
	Net cash (used) / generated from operating activities (A)	(3,011.32)	24183.79
B	Cash Flows from Investing Activities:		
	Purchase of property, plant and equipment and intangible assets, CWIP including capital advances	(599.70)	(726.22)
	Proceeds from sale of property, plant and equipment	12.33	-
	Bank balances not considered as Cash and cash equivalents	2,186.65	(1527.52)
	Purchase of investment in subsidiary	(1,967.70)	(22386.65)
	Interest received	163.59	339.23
	Loans to wholly owned subsidiaries	(11.05)	(26.29)
	Net cash used in investing activities (B)	(215.88)	(24327.45)
C	Cash Flow from Financing Activities:		
	Proceeds/ (repayment) from bank borrowings (net)	5,152.19	(4801.41)
	Interest paid	(460.53)	(491.06)
	Dividend / dividend distribution tax paid	(1,003.32)	(1005.14)
	Net cash flow from / (used in) financing activities (C)	3,688.34	(6297.61)
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	461.14	(6441.27)
	Exchange difference on translation of foreign currency cash and cash equivalents	5.97	(77.41)
	Cash and cash equivalents at the beginning of the year	4,178.81	10,697.49
	Cash and cash equivalents at the end of the year (See note 1.18)	4,645.92	4178.81
	Net increase / (decrease) in cash and cash equivalents	461.14	(6441.27)

The accompanying notes are an integral part of standalone financial statements (2.01- 2.48)

Note:

a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows.

As per our separate report of even date attached

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

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Geetha Jeyakumar
Partner
Membership No.029409

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Benni Joseph
Director
DIN: 01219476

CA Bobby Michael
Chief Financial Officer

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808

Place : Chennai
Date : July 15, 2024

Place : Kizhakkambalam
Date : July 15, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

A Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the reporting year	665.00	665.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	665.00	665.00

B Other Equity

Particulars	Reserves and surplus			Equity instrument through other comprehensive income	Total
	Capital reserve	General reserve	Retained earnings		
Balance as at April 01, 2022	22.10	28,675.00	56,107.57	3.07	84,807.74
Profit for the year	-	-	5,941.80	-	5,941.80
Re-measurements of post employment benefit obligations (net of tax)	-	-	71.16	-	71.16
Fair value changes on equity instruments carried through other comprehensive income (net of tax)	-	-	-	0.81	0.81
Dividends	-	-	(997.50)	-	(997.50)
Transfer to reserves	-	2,000.00	(2,000.00)	-	-
Balance as at March 31, 2023	22.10	30,675.00	59,123.03	3.88	89,824.01
Balance as at April 01, 2023	22.10	30,675.00	59,123.03	3.88	89,824.01
Profit for the year (net of tax)	-	-	6,818.77	-	6,818.77
Re-measurements of post employment benefit obligations (net of tax)	-	-	(13.91)	-	(13.91)
Fair value changes on equity instruments carried through other comprehensive income (net of tax)	-	-	-	4.08	4.08
Dividends	-	-	(997.50)	-	(997.50)
Transfer to reserves	-	2,000.00	(2,000.00)	-	-
Balance as at March 31, 2024	22.10	32,675.00	62,930.39	7.96	95,635.45

The accompanying notes are an integral part of standalone financial statements (2.01 - 2.48)

As per our separate report of even date attached

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

Geetha Jeyakumar
Partner
Membership No.029409

Place : Chennai
Date : July 15, 2024

**For and on behalf of the Board of Directors of
Kitex Garments Limited**
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Bobby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date : July 15, 2024

CA Benni Joseph
Director
DIN: 01219476

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

General Information

Kitex Garments Limited ('the Company') is a Public Company incorporated and domiciled in India having its registered office at Kizhakkambalam, Alwaye, Ernakulam- 683562, Kerala, India. The Company is leading Indian apparel manufacturer and exporter of knitted garments for infants and kids. The Company was incorporated in the year 1992 under erstwhile Companies Act, 1956. Its manufacturing locations are at Kizhakkambalam. It has six wholly owned subsidiaries, one subsidiary and one overseas associate. The Company's equity shares are listed on the Bombay Stock Exchange Limited and The National Stock Exchange India Limited.

The financial statements are approved for issue by the Company's Board of Directors on July 15, 2024.

1. Material Accounting Policies

1.1 Basis of Accounting and Preparation of Standalone Financial Statements

(i) Statement of compliance

The Standalone financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable.

(ii) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis on the accrual basis of accounting, except for the following -

- (a) Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Rounding off amounts

All amounts disclosed in standalone financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

(iv) Use of estimates and judgement

In the preparation of standalone financial statements, the management makes estimates and assumptions in conformity with the Generally Accepted Accounting Principles in India. Such estimates and assumptions are made on reasonable and prudent basis taking into account all available information. However, actual results could differ from these estimates and assumptions and such differences are recognised in the period in which results are ascertained. The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the standalone financial statements are disclosed in Note 1.21.

1.2 Current versus Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

1.3 Property, Plant & Equipment

Property, plant and equipment (except freehold land) are stated at cost of acquisition less accumulated depreciation and impairment if any. Freehold land is carried at historical cost. The Company is adopting the cost model for determining gross carrying amount. Cost comprises of purchase price, inward freight, duties and taxes that are not refundable net of duty credits and any attributable cost of bringing the assets to its working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use at the reporting date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on straight line method based on the useful lives as under:

- (a) Assets (other than capital spares) - based on useful lives prescribed under Schedule II of the Companies Act, 2013.
- (b) Capital spares - based on useful life of each replaced part (2 - 5 years).

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income' or 'Other expenses'.

1.4 Intangible Assets

Cost of software is capitalised as intangible asset consisting of direct cost incurred for acquisition of intangible asset comprising of purchase cost, non refundable duties and taxes and any professional charges and amortised on a straight-line basis over the economic useful life of three years.

The residual values, useful lives and methods of depreciation of intangible assets are reviewed by the management at each financial year and adjusted prospectively, if appropriate.

1.5 Investment in Subsidiaries and Associates

Investment in subsidiaries and associate is measured at cost less provision for impairment.

1.6 Inventories

Inventories are valued at lower of cost or net realisable value. For this purpose, the cost of bought-out inventories comprises of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on First-In, First-Out (FIFO) basis. Cost of Inventory comprises Cost of Purchase, Cost of Conversion and other Costs incurred to bring them to their respective present location and condition. The net realisable value of bought-out inventories is taken at their current replacement value. The cost of manufactured inventories comprises of the direct cost of production plus appropriate fixed and variable production overheads.

1.7 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the standalone financial statements of the entity are measured using the currency of the primary economic environment in

which the entity operates ("functional currency"). The standalone financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Company.

(b) Transactions and balances

Foreign exchange transactions are recorded at the functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary assets and liabilities denominated in foreign currencies existing as on the Balance Sheet date are translated at the functional currency exchange rate prevailing as at the Balance Sheet date. The exchange difference arising from the settlement of transactions during the period and effect of translations of assets and liabilities at the Balance Sheet date are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit and loss are also recognised in Other Comprehensive Income or profit and loss, respectively).

1.8 Leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

1.9 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

1.10 Government Grants

Government grants shall be recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Government grants are not recognised until there is reasonable assurance that

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants related to depreciable assets are presented in the Balance Sheet by setting up the grant as deferred income and are recognised in profit and loss over the periods and in the proportions in which depreciation expense on those assets is recognised and are presented under Other Income.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit and loss of the period in which it becomes receivable and are presented under Other Income/deducted from the related heads of expenditure.

1.11 Financial Instruments

(a) Financial asset

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are measured at amortised cost or fair value through profit or loss account. For purposes of subsequent measurement, financial assets are classified in following categories:

- (a) at amortized cost; or
- (b) at fair value through other comprehensive income; or at fair value through profit or loss.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except

for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

(iii) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(b) Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. Financial guarantees are recognised at fair value.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are de-recognised as well as through the amortisation of effective interest.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

1.12 Revenue Recognition

The Company derives revenues primarily from sale of manufactured fabric and readymade garments.

Revenue is recognized at point in time on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

Other operating revenue - Export incentives: Export Incentives under various schemes are accounted upon fulfilling the conditions established by respective regulations as applicable to the Company and as amended from time to time.

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

Income is recognised at the value or rate prescribed by respective regulations.

Interest income is recognised on accrual basis.

1.13 Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with the provisions of the Income Tax Act, 1961. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period on taxable profits computed in accordance with Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or items related to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Defined contribution plans

The company has defined contribution plans for employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are recognised

as employee benefit expense in the Statement of Profit and Loss for the year.

(c) Defined benefit plans: Gratuity

The net present value of the obligation for gratuity benefits are determined by independent actuarial valuation, conducted annually using the projected unit credit method.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of plan assets. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefits are recognised immediately in Statement of Profit and Loss as past service cost, if any, and net interest on the defined benefit liability/(asset) are recognised in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

(d) Long-term employee benefits: Compensated absences

The company has a scheme for compensated absences for employees, the liability of which is determined based on an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

1.15 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company. The Company's operations predominantly relate to one operating segment i.e. Textile – Infant / Kids Apparel manufacturing.

1.16 Earnings Per Share

Basic/diluted earnings per share is calculated by dividing the net profit and loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/diluted potential equity shares outstanding as at the end of the year, as the case may be.

1.17 Impairment of Non-Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or

Notes to the Standalone Financial Statements

for the year ended March 31, 2024

a group of non-financial assets is impaired. An asset or a cash generating unit is treated as impaired, when the carrying value of assets exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Based on such assessment, impairment loss if any is recognised in the Statement of Profit and Loss for the period in which the asset is identified as impaired.

1.18 Cash and Cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.19 Provisions and Contingent Liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) because of a past event, for which it is probable that a cash outflow will be required, and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material). These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

When the Company expects some or all the provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent liabilities are disclosed when the company has a possible obligation, or a present obligation and it is probable that an outflow of resources will not be required to settle the obligation, or the amount of obligation cannot be measured with sufficient reliability.

1.20 Significant Accounting Judgments, Estimates and Assumptions

The preparation of standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

- (i) Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of

property, plant and equipment and intangible assets at the end of each reporting period.

- (ii) Actuarial valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after considering inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the standalone financial statements.

- (iii) Impairment of assets:

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

- (iv) Recoverability of advances/receivables:

Management reviews its receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics.

1.21 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.01 A - Property, Plant and Equipment- Standalone

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2023	Additions during the year	Disposal / Adjustments	As at March 31, 2024	As at April 1, 2023	Depreciation during the Year	Disposal / Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Freehold Land	492.83	-	-	492.83	-	-	-	-	492.83	492.83
Building	6,850.24	-	-	6,850.24	1,439.24	253.03	-	1,692.27	5,157.97	5,411.00
Plant & Machinery	19,180.53	36.39	-	19,216.92	12,414.17	1,558.87	-	13,973.04	5,243.88	6,766.36
Furniture & Fixtures	235.72	-	-	235.72	179.23	19.55	-	198.78	36.94	56.49
Vehicles	633.71	33.02	28.94	637.79	440.97	57.80	24.11	474.66	163.13	192.74
Office Equipments	592.24	4.52	-	596.76	477.04	79.81	-	556.85	39.91	115.20
Computers	627.57	10.47	-	638.04	616.73	8.27	-	625.00	13.04	10.84
Electrical Equipments	605.21	4.85	-	610.06	311.64	44.84	-	356.48	253.58	293.57
Total	29,218.05	89.25	28.94	29,278.36	15,879.02	2,022.17	24.11	17,877.08	11,401.28	13,339.03

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2022	Additions during the year	Disposal / Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation during the Year	Disposal / Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Freehold Land	492.83	-	-	492.83	-	-	-	-	492.83	492.83
Building	6,850.24	-	-	6,850.24	1,186.90	252.34	-	1,439.24	5,411.00	5,663.34
Plant & Machinery	18,862.64	317.89	-	19,180.53	10,838.56	1,575.61	-	12,414.17	6,766.36	8,024.08
Furniture & Fixtures	235.72	-	-	235.72	159.64	19.59	-	179.23	56.49	76.08
Vehicles	633.71	-	-	633.71	377.90	63.07	-	440.97	192.74	255.81
Office Equipments	589.08	3.16	-	592.24	391.49	85.55	-	477.04	115.20	197.59
Computers	626.80	0.77	-	627.57	585.83	30.90	-	616.73	10.84	40.97
Electrical Equipments	602.99	2.22	-	605.21	266.41	45.23	-	311.64	293.57	336.58
Total	28,894.01	324.04	-	29,218.05	13,806.73	2,072.29	-	15,879.02	13,339.03	15,087.28

2.01 B - Capital Work-in-Progress - Standalone

	GROSS BLOCK (at cost)			
	As at April 1, 2023	Additions/ Adjustments	Capitalisation during the year	As at March 31, 2024
Building under Construction	1,828.26	695.38	-	2,523.64
Plant and Equipment under Installation	214.44	0.28	92.40	122.32
Total	2,042.70	695.66	92.40	2,645.96

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.01 B - Capital Work-in-Progress - Standalone (Contd..)

	GROSS BLOCK (at cost)			
	As at April 1, 2022	Additions/ Adjustments	Capitalisation during the year	As at March 31, 2023
Building under Construction	557.56	1,270.70	-	1,828.26
Plant and Equipment under Installation	604.55	59.11	449.22	214.44
Total	1,162.11	1,329.81	449.22	2,042.70

2.01 C - Other Intangible Assets - Standalone

	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 1, 2023	Additions during the year	Disposal / Adjustments	As at March 31, 2024	As at April 1, 2023	During the Year	Disposal / Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Computer software	283.10	4.03	-	287.13	232.88	48.23	-	281.12	6.01	50.22
Total	283.10	4.03	-	287.13	232.88	48.23	-	281.12	6.01	50.22

	GROSS BLOCK				ACCUMULATED AMORTIZATION				NET BLOCK	
	As at April 1, 2022	Additions during the year	Disposal / Adjustments	As at March 31, 2023	As at April 1, 2022	During the Year	Disposal / Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer software	283.10	-	-	283.10	184.20	48.68	-	232.88	50.22	98.90
Total	283.10	-	-	283.10	184.20	48.68	-	232.88	50.22	98.90

2.01 D - Intangible Assets under Development - Standalone

	CARRYING VALUE			
	As at April 1, 2023	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2024
Software under development	-	-	-	-
Total	-	-	-	-

	CARRYING VALUE			
	As at April 1, 2022	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2023
Software under development	-	-	-	-
Total	-	-	-	-

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.01 Ageing of capital work-in-progress (Tangibles) is as below:

Particulars	Amount in CWIP for a period of				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	695.65	1,329.88	557.57		2,583.10
Projects temporarily suspended				62.86	62.86
Total	695.65	1,329.88	557.57	62.86	2,645.96

Particulars	Amount in CWIP for a period of				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,329.88	557.56	62.86	-	1,950.30
Projects temporarily suspended	-	-	92.40	-	92.40
Total	1,329.88	557.56	155.26	-	2,042.70

2.01A CWIP Completion schedule for whose completion has exceeded original plan has been provided below:

Particulars	To be completed in				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Gents Hostel		2,523.64			2,523.64
Total	-	2,523.64	-	-	2,523.64

2.02 Investments [Non-Current]

Particulars	As at March 31, 2024	As at March 31, 2023
Unquoted		
Investments carried at cost		
Investments in equity instruments of associate company		
4,250,210.09 (4,250,210.09) fully paid-up membership units of USD 1 each in Kitex USA LLC (Refer Note 2.02.1)	2,776.24	2,776.24
Investments in equity instruments of subsidiaries		
1,000,000 (1,000,000) fully paid-up equity shares of ₹10/- each in Kitex Kidswear Limited	100.00	100.00
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Knits Limited	10.00	10.00
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Babywear Limited	10.00	10.00
1,000,000 (1,000,000) fully paid-up equity shares of ₹10/- each in Kitex Littlewear Limited	100.00	100.00
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Packs Limited	10.00	10.00
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Socks Limited	10.00	10.00

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.02 Investments [Non-Current] (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
28,74,27,000 (26,77,50,000) fully paid-up equity shares of ₹10/- each in Kitex Apparel Parks Limited	28,742.70	26,775.00
Fair value of financial guarantee given to subsidiary (Refer Note 2.02.2)	1,502.92	-
Quoted		
Investments carried at fair value through other comprehensive income		
7,000 (7,000) fully paid-up equity shares of ₹2/- each in Punjab National Bank Limited	8.71	3.26
Total	33,270.57	29,794.50
Aggregate amount of unquoted investments	33,261.86	29,791.24
Aggregate amount of quoted investments and market value thereof; (The market value of quoted investments is equal to the carrying value)	8.71	3.26

2.02.1 The Company holds an investment in an Associate, Kitex USA LLC, which amounts to ₹2,776.24 lakhs as on March 31, 2024 (March 31, 2023: ₹ 2,776.24 lakhs). Further, the Associate has been reporting continuous losses and this has fully eroded its net worth as on March 31, 2024. However, the management of the Company has assessed and evaluated the fair valuation of the investments 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. Further, the management of the Company believes the store expansion of above customer in United States, Mexico and Europe will add value to the business of the Associate, which would result in increased projected revenue and higher contribution margin. Hence, based on their assessment and the above business plans, the management of the Company considers that the fair value of the investment in Associate is higher than the carrying value as on March 31, 2024. Accordingly, the management of the Company is confident that no material adjustments would be required to be made to the carrying value of the investments in the associate in the standalone financial statements of the Company for the year ended March 31, 2024.

2.02.2 In terms of loan agreement executed by subsidiary company Kitex Apparel Parks Limited, Company has issued unconditional corporate guarantee to consortium bankers for seventy percentage of loan amount granted to subsidiary company. Company measured and recognised fair valued guarantee provided to subsidiary in accordance with IND AS in standalone financial statements.

2.03 Loans (Non-Current)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Loans to wholly owned subsidiaries(Refer Note 2.03.1)	10,549.64	9,245.35
Total	10,549.64	9,245.35

2.03.1 Company amended agreement on loan granted to subsidiaries on March 30, 2024 thereby extending the due date of payment by further 5 years. Further Company have converted interest dues charged till March 31, 2023 to loan. Loans carry interest rate of 8.13%.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.03 Loans (Non-Current) (Contd..)

2.03.2 Details of loans given covered u/s 186(4) of the Companies Act, 2013

Name of the Company	Rate of Interest	Due Date	Secured/ unsecured	Purpose of Loan	March 31, 2024	March 31, 2023
KITEX KNITS LIMITED	8.13%	March 31, 2030	Unsecured	To facilitate the commencement of manufacturing activities, address urgent business needs, and fulfill contractual and other obligations of the borrower.	2,498.46	2,321.75
KITEX BABYWEAR LIMITED	8.13%	March 31, 2030	Unsecured	To facilitate the commencement of manufacturing activities, address urgent business needs, and fulfill contractual and other obligations of the borrower.	467.44	395.19
KITEX KIDSWEAR LTD	8.13%	March 31, 2030	Unsecured	To facilitate the commencement of manufacturing activities, address urgent business needs, and fulfill contractual and other obligations of the borrower.	2,084.17	1,846.83
KITEX LITTLEWEAR LIMITED	8.13%	March 31, 2030	Unsecured	To facilitate the commencement of manufacturing activities, address urgent business needs, and fulfill contractual and other obligations of the borrower.	3,965.25	3,343.33
KITEX PACKS LIMITED	8.13%	March 31, 2030	Unsecured	To facilitate the commencement of manufacturing activities, address urgent business needs, and fulfill contractual and other obligations of the borrower.	763.98	684.50
KITEX SOCKS LIMITED	8.13%	March 31, 2030	Unsecured	To facilitate the commencement of manufacturing activities, address urgent business needs, and fulfill contractual and other obligations of the borrower.	770.34	653.74
					10,549.64	9,245.35

2.04 Other Financial Assets [Non-Current]

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Security deposit (Refer Note 2.04.1)	224.63	223.95
Bank deposits with maturity more than 12 months	24.34	22.21
Share application money/Advance to Kitex Apparel Parks Limited	-	0.08
Total	248.97	246.24

2.04.1 Deposit account includes deposits held as security ₹224.63 Lakhs (223.95 Lakhs as on March 31, 2023) which are not expected to be refunded in the next 12 months for the purpose of electricity deposit, gas deposit etc.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.05 Non Current Tax Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax receivable	275.93	275.93
Total	275.93	275.93

2.06 Other Non-Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances	231.54	274.12
Balances with government authorities	325.05	325.05
Total	556.60	599.17

2.07 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	3,897.36	3,535.83
Raw materials in transit	93.15	66.16
Work-in-progress	10,248.42	6,023.52
Finished goods [See note 2.07.2]	1,745.11	1,741.66
Stores and spares	374.26	326.11
Stores and spares in transit	50.86	-
Total	16,409.16	11,693.28

2.07.1 Method of valuation of inventories - See note 1.6 of material accounting policies.

2.07.2 During the year ended March 31, 2024- ₹ Nil Lakhs (March 31,2023: 434.28) was recognised as an expense for write down in value of inventories to their net realisable value.

2.07.3 See detailed note 2.19 [a] of pari passu charge on the inventory of the Company.

2.08 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good [See note 2.08.1]	25,981.29	20,346.24
Less: Allowance for credit impairment	300.00	-
Total	25,681.29	20,346.24

2.08.1 (i) Trade receivables includes amounts due from related parties ₹14,816.59 lakhs (March 31, 2023: ₹ 16,598.56 lakhs). See note 2.38.

(ii) Trade receivables are non-interest bearing and are generally on credit terms not exceeding 90 days.

(iii) There are no outstanding receivables due from directors or other officers of the Company. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.08 Trade Receivables (Contd..)

2.08.2 During 2017-18, TOYS "R" US, Inc., a customer of the Company had filed a petition in the Bankruptcy Court in the United States to wind down its US operation. Provision of ₹ 347.03 lakhs was made for the receivables towards loss, if any on recovery of receivables in the same year. After the hearings at the US Bankruptcy court on September 6, 2018 and November 13, 2018, Plan submitted under Chapter 11 was confirmed. The Claim allowed to the company aggregates to 7,539.29 lakhs. Consequently, the provision carried in the books of ₹ 347.03 lakhs was written back during 2018-19. Later, Company has received interim disbursement of ₹ 13.21 lakhs during the year and ₹ 1,890.92 lakhs in earlier years from the liquidator of TOY"R" US, Inc. Trade receivables includes ₹399.77 lakhs (March 31, 2023: ₹407.26 lakhs) receivable from TOYS R US as on March 31, 2024.

2.08.03 Company has accounted receivable denominated in Foreign currency to the tune of ₹8,832.07 lakhs which is outstanding for more than one year. Company has taken active measures to regularise the delay with AD Bank for compliance with the provision of Foreign Exchange Management Act, 1999 (FEMA) read with rules notified therewith.

2.08.4 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from date of invoice					As at March 31, 2024
	<6 month	6 months -1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	16,132.33	603.01	8,845.67	0.27	0.24	25,581.52
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	399.77	399.77
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	(300.00)	-	-	-300.00
Total						25,681.29

Particulars	Outstanding for following periods from date of invoice					As at March 31, 2023
	<6 month	6 months -1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	12,540.53	7,398.18	0.24	0.03	-	19,938.98
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	407.26	407.26
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-
Total						20,346.24

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.09 Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:-		
In current accounts	687.70	3,621.48
In EEFC accounts	3,403.62	547.20
Deposits with maturity of less than 3 months	551.81	-
Cash on hand	2.79	10.13
Total	4,645.92	4,178.81

2.10 Bank balances other than Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks		
In deposit accounts [See note 2.10.1]	1,872.66	4,053.51
In earmarked accounts:		
(a) Unpaid dividend accounts	69.50	75.31
(b) Restricted balance with bank- Dormant	-	-
Total	1,942.16	4,128.82

2.10.1 (i) Balances with banks in deposit accounts held as security against Letter of Credits/ Guarantee, with a maturity period of less than 12 months.

2.11 Other Financial Assets-At amortised Cost

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good-at amortised cost		
Subsidy receivable [see note 2.11.2]	1,116.51	1,116.51
Export incentives receivable	1,716.76	713.32
Rent deposits	15.71	15.71
Interest receivable on deposits	51.90	61.17
Interest receivable on loans to wholly owned subsidiaries	678.70	1,293.24
Total	3,579.58	3,199.95

2.11.1 There are no other current financial assets as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired

2.11.2 Includes Technology upgradation fund scheme subsidy receivable from Ministry of Textiles ₹ 1,116.51 Lakhs (31.03.2023: 1,116.51 Lakhs).

2.12 Other Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received.	469.77	194.67
Balances with government authorities	2,739.07	1,429.65
Advances to staff	7.32	33.72
Prepaid expenses	136.73	153.23
Export entitlements / rebates receivable on export	0.98	0.98
Total	3,353.87	1,812.25

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.13 Equity Share Capital

Particulars	As at	
	March 31, 2024	March 31, 2023
Authorised		
250,000,000 (250,000,000) equity shares of ₹ 1/- each	2,500.00	2,500.00
Issued, subscribed and fully paid-up		
66,500,000 (66,500,000) equity shares of ₹ 1/- each	665.00	665.00
Total	665.00	665.00

2.13.1 Terms / rights attached to equity shareholders

The Company has only one class of shares referred to as equity shares with a face value of ₹ 1/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed / declared by the Board of Directors is subject to approval / regularisation of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

2.13.2 Reconciliation of subscribed equity shares with voting rights at the beginning and at the end of the financial year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
No. of shares as at the beginning of the financial year	6,65,00,000	665.00	6,65,00,000	665.00
Add: Issued during the year	-	-	-	-
No. of shares as at the end of the financial year	6,65,00,000	665.00	6,65,00,000	665.00

2.13.3 Particulars of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of total holding	No. of shares	% of total holding
Mr. Sabu M Jacob	2,27,30,901	34.18	2,27,30,901	34.18
Kitex Childrenswear Limited	1,05,85,822	15.92	1,05,85,822	15.92
Ms. Renjitha Joseph	43,28,100	6.51	43,28,100	6.51
C K G Super Market Limited	36,00,000	5.41	36,00,000	5.41
Ms. Usha C P	34,96,690	5.26		
Mr. Gopinathan C K	-	0.00	36,15,000	5.44

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

2.13.4 Particulars of promoters' shareholding percentage in the Company is as below

Promoters name	As at March 31, 2024		As at March 31, 2023		Change during the Year	
	No. of shares	%	No. of shares	%	No. of shares	%
Sabu M Jacob	2,27,30,901	34.18	2,27,30,901	34.18	0	0.00
Kitex Childrenswear Limited	1,05,85,822	15.92	1,05,85,822	15.92	0	0.00
Renjitha Joseph	43,28,100	6.51	43,28,100	6.51	0	0.00
Boby M Jacob	32,639	0.05	32,639	0.05	0	0.00

2.13.5 Aggregate number of bonus shares Issued during the period of five years immediately preceding the reporting date

Particulars	No. of shares	Rupees in lakhs
Equity shares allotted as fully paid-up bonus shares Financial Year 2017-18	1,90,00,000	190.00

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.14 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve		
Investment subsidy	22.10	22.10
General reserve		
Opening balance	30,675.00	28,675.00
Add: Transfer from retained earnings	2,000.00	2,000.00
Closing balance	32,675.00	30,675.00
Retained earnings		
Opening balance	59,123.03	56,107.57
Add: Profit for the year	6,818.77	5,917.59
Add: Re-measurements of post employment benefit obligations (net of tax)	(13.91)	95.37
	65,927.89	62,120.53
Less:		
Transfer to general reserve	2,000.00	2,000.00
Payment of dividends	997.50	997.50
Closing balance	62,930.39	59,123.03
Equity instrument through other comprehensive income		
Opening balance	3.88	3.07
Add: Fair value changes on equity instruments carried through other comprehensive income (net of tax)	4.08	0.81
Closing balance	7.96	3.88
Total	95,635.45	89,824.01

2.14.1 Description of nature and purpose of each reserve

- (i) **Capital reserve** : Capital reserve denotes investment subsidy received by the Company amounting to ₹ 22.10 lakhs (31.03.2023: ₹ 22.10 lakhs).
- (ii) **General reserve** : General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of comprehensive income.
- (iii) **Equity instruments through other comprehensive income** : This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.
- (iv) **Exchange differences on translating the share of accumulated reserves of the Associate** : The exchange differences arising on translation of the share of accumulated reserve of the Associate from functional currency to presentation currency in accordance with Ind AS 21, the effects of changes in Foreign Exchange Rates

2.15 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Financial guarantee provided to Kitex Apparel Parks Limited (Refer note 2.02.2)	918.50	-
Closing balance	918.50	-

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.16 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity [See note 2.16.2]	801.02	723.32
Provision for compensated absences [See note 2.16.2]	186.65	127.12
Total	987.67	850.44

2.16.1 Short-term provisions of employee benefits is disclosed in note 2.22

2.16.2 Disclosures required under Ind AS 19 - "Employee Benefits"

2.16.2.a Defined contribution plans

During the year, the following amounts have been recognised in the statement of profit and loss on account of defined contribution plans:

Particulars	As at March 31, 2024	As at March 31, 2023
Employers contribution to provident fund	740.71	707.54
Employers contribution to employees' state insurance	163.28	155.65

2.16.2.b Defined benefit plans - gratuity: unfunded obligation

(i) Actuarial assumptions	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.20%	7.30%
Salary escalation rate*	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

*The assumption of future salary escalation takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

	As at March 31, 2024	As at March 31, 2023
(ii) Reconciliation of present value of obligation		
Present value of obligation at the beginning of the year	978.02	1,042.21
Current service cost	163.65	179.74
Interest cost	62.10	55.94
Actuarial (gain)/ loss - financial assumptions	5.61	(68.20)
Actuarial (gain)/ loss - experience adjustments	12.99	(27.17)
Benefits paid	(140.85)	(204.50)
Present value of obligation at the end of the year	1,081.52	978.02
Contributions by the employer	140.85	204.50
Benefits paid	(140.85)	(204.50)
Expected employers' contribution next year	-	-
(iii) Expenses recognized in the statement profit and loss		
Current service cost	163.65	179.74
Interest cost	62.10	55.94
Total expenses recognized in the statement of profit and loss for the year	225.75	235.68

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.16 Provisions (Contd..)

	As at March 31, 2024	As at March 31, 2023
(iv) Expenses recognized in other comprehensive income		
Opening amount recognised in OCI outside profit and loss account	(245.18)	(149.81)
Re-measurements during the period due to		
(a) Changes in financial assumptions	5.61	(68.20)
(b) Experience adjustments	12.99	(27.17)
Total re-measurements included in other comprehensive income (a+b)	18.60	(95.37)
Closing amount recognised in OCI outside profit and loss account	(226.58)	(245.18)
(v) Sensitivity analysis		
Discount rate +50 basis points	-2.54%	(2.80%)
Discount rate -50 basis points	2.69%	2.97%
Salary increase rate +50 basis points	2.65%	2.90%
Salary increase rate -50 basis points	-2.52%	(2.75%)

(vi) Maturity Analysis of the Benefit payments	As at March 31, 2024	As at March 31, 2023
Year 1	280.52	254.70
Year 2	142.72	134.99
Year 3	144.14	119.99
Year 4	118.46	114.01
Year 5	118.98	101.02
Next 5 years and above	945.68	865.84

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.

2.16.2.c Long term employee benefits

Compensated absences (vesting and non-vesting): unfunded obligation

(i) Actuarial Assumptions	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.20%	7.30%
Salary escalation rate*	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

*The assumption of future salary escalation takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

2.17 Deferred Tax Liabilities (Net)

	As at March 31, 2024	As at March 31, 2023
A. Deferred tax liability:		
On excess of net book value over income tax written down value of property, plant and equipment	615.84	738.70
On excess of fair value over cost of investments	1.38	0.01
On foreign exchange forward contracts	-	(39.87)
B. Deferred tax assets :		
On provisions for employee benefits	356.37	303.08
Deferred tax liabilities (net) (A-B)	260.85	395.76

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.17 Deferred Tax Liabilities (Net) (Contd.)

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2024

Particulars	As at April 01, 2023	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2024
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	738.70	(122.86)	-	615.84
On excess of fair value over cost of investments	0.01	0.00	1.37	1.38
On foreign exchange forward contracts	(39.87)	39.87	-	-
B. Deferred tax assets				
On provisions for employee benefits	(303.08)	(48.61)	(4.68)	(356.37)
Deferred tax liabilities (net) (A-B)	395.76	(131.60)	(3.310)	260.85

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2023

Particulars	As at April 01, 2022	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2023
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	823.99	(85.29)	-	738.70
On excess of fair value over cost of quoted equity investments	0.51	(0.71)	0.21	0.01
On excess of interest receivable on fair valuation of Inter corporate loans over the actual interest receivable as per Income tax	32.90	(32.90)	-	-
On foreign exchange forward contracts	58.09	(97.96)	-	(39.87)
B. Deferred tax assets				
On provisions for employee benefits	(336.31)	9.23	24.00	(303.08)
Deferred tax liabilities (net) (A-B)	579.18	(207.63)	24.21	395.76

Reconciliation of effective tax rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	9,908.17	8,142.17
Income tax expense calculated at 25.168%	2,493.69	2,049.22
Tax effect on non-deductible expenses	592.40	175.36
Total	3,086.09	2,224.58
Tax expense as per statement of profit and loss	3,215.09	2,224.58

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (25.168%) payable on taxable profit under the Income Tax Act, 1961.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.18 Other Non-Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred grant on capital subsidy [see note 2.26.1.(iii)]	77.59	186.76
Total	77.59	186.76

2.19 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from Banks (Secured)	7,652.19	2,500.00
Total	7,652.19	2,500.00

Notes to Borrowings :

- (a) The Company has availed export packing credit foreign currency loan for working capital which is secured by first charge over the entire current assets of the Company, both present and future, second charge over immovable fixed assets ie; equitable mortgage over 25.44 acres of the land and building belonging to the Company also hypothecation charge over the other fixed assets of the Company apart from personal guarantee of the Managing Director. The short term loans are repayable on demand and are re-drawable subsequently after repayment.
- (b) The quarterly returns or statements of current assets filed by the Company with banks are not in agreement with the books of accounts. Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions are as follows:

Name of bank	Quarter	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
State Bank of India	Mar-24	Inventory	16,409.00	15,589.00	820.00	Note 2.19(b).1
State Bank of India	Dec-23	Inventory	13,708.00	14,123.00	(415.00)	Note 2.19(b).1
State Bank of India	Sep-23	Inventory	13,193.00	14,197.00	(1,004.00)	Note 2.19(b).1
State Bank of India	Jun-23	Inventory	10,555.00	11,327.00	(772.00)	Note 2.19(b).1
State Bank of India	Mar-24	Trade Receivables	25,681.29	24,839.00	842.29	Note 2.19(b).1
State Bank of India	Dec-23	Trade Receivables	23,890.64	23,653.00	237.64	Note 2.19(b).1
State Bank of India	Sep-23	Trade Receivables	23,880.10	24,226.00	(345.90)	Note 2.19(b).1
State Bank of India	Jun-23	Trade Receivables	28,499.99	26,378.00	2,121.99	Note 2.19(b).1

- (b). 1 Provisional figures are submitted to the Banks before finalisation of Books.
- (c) The average interest rate is 5.94% per annum (31.03.2023: 5.25%)
- (d) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (e) **Terms and Conditions**

Nature	Currency	Lenders Name	Repayment	Existing Interest Rate	Security
Export Packing Credit	INR	State Bank of India	Upto 270 days	6.13%	Note 2.19 (a)
Export Packing Credit	INR	Axis bank	Upto 180 days or expiry of contracts/export letters of credit for shipment, whichever is earlier	5.90%	Secured in line with existing banks.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.20 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	303.53	348.18
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,936.69	3,815.11
Total	5,240.22	4,163.29

2.20.1 Trade Payables – ageing analysis and segregation of MSME / Other payables & Disputed Payables

Particulars	Not due	Outstanding for following periods from due date of payment				As at March 31, 2024
		<1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) MSME	303.53	-	-	-	-	303.53
(ii) Others	4829.04	31.05	10.41	9.90	56.29	4,936.69
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-	-
Total	5,132.57	31.05	10.41	9.90	56.29	5,240.22

Particulars	Not due	Outstanding for following periods from due date of payment				As at March 31, 2023
		<1 Year	1-2 Year	2-3 Year	>3 Year	2-3 Year
(i) MSME	348.18	-	-	-	-	348.18
(ii) Others	3794.19	-	8.53	4.78	7.62	3,815.11
(iii) Disputed dues MSME	-	-	-	-	-	-
(iv) Disputed dues others	-	-	-	-	-	-
Total	4,142.37	-	8.53	4.78	7.62	4,163.29

2.20.2 The Company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Intimations have been received from some of the suppliers regarding their status under the said Act as at March 31, 2024, based on which, principal amount unpaid to such suppliers as at the year end aggregating to ₹303.53 lakhs (31.03.2023 : ₹348.18 lakhs) has been included under Trade payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material.

Disclosures required under the Micro, Small and Medium Enterprises Development Act 2006 are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
a. Principal amount remaining unpaid but not due as at the year end.	303.53	348.18
b. Interest due thereon and remaining unpaid as at the year end.	-	-
c. Interest paid by the Company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.20 Trade Payables (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
e. Interest accrued and remaining unpaid as at the year end.	-	-
f. Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	303.53	348.18

2.21 Other Financial Liabilities

Current

Particulars	As at March 31, 2024	As at March 31, 2023
Retention money payable	160.43	117.76
Unpaid dividend	69.17	74.98
MTM forward contracts	-	158.38
Financial Guarantee Provided to Kitex Apparel Parks Limited (Refer note 2.02.2)	277.79	-
Other financial liabilities	-	5.15
Total	507.39	356.27

2.22 Short-Term Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity [See note 2.15.2]	280.51	254.70
Provision for compensated absences [See note 2.15.2]	129.20	99.10
Total	409.71	353.80

2.23 Current Tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax payable [net of advance tax ₹ 1740 lakhs (₹ 1600 lakhs)]	1,914.62	1,180.79
Total	1,914.62	1,180.79

2.24 Other Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	180.69	186.61
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	49.70	154.97
Advance from customers	27.31	88.71
Other Current Liabilities	40.05	46.07
Total	297.75	476.36

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.25 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products	57,665.27	52,835.87
A	57,665.27	52,835.87
Other operating revenues		
Export entitlements	2,905.21	2,116.05
Job work charges	637.08	648.27
Scrap sales	473.52	47.61
Others**	11.12	51.75
B	4,026.93	2,863.68
Revenue from operations	(A+B) 61,692.20	55,699.55

**Others include sample development charges, Sale of samples and discounts received

2.25.1 Timing of revenue recognition

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recognised at a point in time	61,692.20	55,699.55
Total	61,692.20	55,699.55

2.26 Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	908.44	347.82
Dividend Received	0.04	0.05
Rent received [see note- 2.38.2D]	40.21	41.74
Net gain on foreign currency transactions and translations	765.53	3,693.55
Gain on foreign exchange forward contracts	56.81	
Deferred grant income [see note 2.26.1(iii)]	220.22	154.97
Provision no longer required written back	-	69.54
Other non-operating incomes :		
(a) Gain on sale of property, plant and equipment (net)	7.49	-
(b) Other Miscellaneous Income	468.32	-
Total	2,467.06	4,307.67

2.26.1 The Company is in receipt of the Government Grant/Assistance as defined under Ind AS 20 – 'Accounting for Government Grants and Disclosure of Government Assistance' as under:

- (i) Grants in the nature of Merchandise Export Incentive Scheme, Rebate of State & Central Taxes and Levies, Remission on Duties and Taxes on Exported Products and Duty Drawback are disclosed under the head 'Export Entitlements' in other operating revenue.
- (ii) Grants in the nature of re-imbursement of cost towards capital asset under the Technology Upgradation Fund Scheme (TUFS) and Integrated Skill Development Scheme (ISDS) Project which is disclosed as deferred grant. The amount is disclosed under the head 'Other Income' in the proportions in which depreciation expense on those assets is recognised.
- (iii) Grants in the nature of re-imbursement of interest cost on borrowings under the TUFS is disclosed under the head 'Other Income'.
- (iv) EPCG authorisation is obtained by the Company from Directorate General of Trade as import duty waiver over procurement of capital goods defined in Foreign Trade Policy 2015-20. The company has deferred the grant in the books and it will be amortised in the books as and when the conditions attached (export obligation) to authorisations are fulfilled.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.27 Cost of Materials Consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	3,601.99	5,043.13
Add: Purchases	30,131.32	22,585.30
Less: Inventory at the end of the year	3,990.50	3,601.99
Total	29,742.81	24,026.44

2.28 Changes in Inventories of Finished Goods and Work-in-Progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Finished goods	1,741.66	246.09
Work-in-progress	6,023.52	9,945.96
	7,765.18	10,192.05
Less: Inventories at the end of the year		
Finished goods	1,745.11	1,741.66
Work-in-progress	10,248.42	6,023.52
	11,993.53	7,765.18
Net decrease / (increase)	(4,228.35)	2,426.87

2.29 Employee Benefits Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries & wages	9,601.86	8,594.40
Contribution to provident and other funds (Refer note 2.16.2.a)	903.99	863.19
Gratuity expenses (Refer note 2.16.2.b)	225.75	235.68
Staff welfare expenses	1,207.76	1,213.45
Total	11,939.36	10,906.72

2.30 Finance Costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on export packing credit	524.38	291.67
Other borrowing cost	61.02	32.78
Interest on income tax	147.79	122.72
Total	733.19	447.17

2.31 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment [See note 2.01A]	2,022.17	2,072.29
Amortisation of intangible assets [See note 2.01C]	48.23	48.68
Total	2,070.40	2,120.97

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.32 Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Processing charges	3,172.95	2,577.23
Consumption of stores and spares	1,354.57	541.68
Power and fuel	3,292.60	2,875.91
Repairs		
- Building	60.04	9.41
- Plant & machinery	466.28	308.57
- Others	411.40	374.43
Other production expenses	270.83	206.75
Testing charges	234.43	158.81
Forwarding and transport on sales	277.97	1,164.89
Insurance	129.40	138.14
Rent [See note 2.40]	111.66	124.41
Rates and taxes	45.42	132.36
Travelling and conveyance	116.00	200.10
Payments to auditors [See note 2.32.2]	21.96	21.53
Advertisement and sales promotion	195.01	62.33
Professional and consultancy charges	108.17	128.87
Provision for Expected Credit Loss	300.00	-
Donation [See note 2.32.1]	1,678.50	152.31
Expenses on corporate social responsibility activities [See note 2.31.3]	516.44	511.10
Loss on foreign exchange forward contracts	-	1,332.19
Miscellaneous expenses	1,230.05	915.84
Total	13,993.68	11,936.86

2.32.1 Contribution to political parties as per section 182 of Companies Act, 2013 (Included in Donation) for the year ended March 31, 2024

Donation to Political parties - ₹78.5 lakhs

Electoral bonds (In Accordance with the Electoral Bond Scheme notified by the Government of India - ₹1600 lakhs)

2.32.2 Payments to auditors (Net of Goods and Service Tax)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Statutory audit fees	20.50	20.50
(b) Other services		
- Others	0.52	-
- Reimbursement of expenses	1.46	0.45
Total	22.48	20.95

2.32.3 Details of expenses on corporate social responsibility activities

- Gross amount required to be spent by the Company during the year ₹ 228.03 lakhs (31.03.2023: ₹269.20 lakhs) towards CSR compliance as per Companies Act.
- Amount Unspent from previous years : Nil
- Amount approved by the Board to be spent during the year- ₹228.03 lakhs (31.03.2023 : ₹269.20 lakhs)

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.32 Other Expenses (Contd..)

(d) Amount spent during the financial year on :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	516.44	511.10
Total	516.44	511.10

(e) Details of excess CSR expenditure

Nature of Activity	Balance excess as at 01 April 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess to be carried over as at 31 March 2024*
Agriculture and infrastructure development assistance	-	228.03	516.44	-

* As per records filed with MCA.

(f) CSR Expenditure incurred with Related Parties

Name	Nature of Relationship	For the year ended March 31, 2024	For the year ended March 31, 2023
Twenty 20 Kizhakkambalam Association	Enterprises owned or significantly influenced by key management personal or their relatives	515.00	500.00

2.33 Earnings per equity share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year	6,689.77	5,941.82
Weighted average number of equity shares of ₹ 1/- each (fully paid-up)	6,65,00,000	6,65,00,000
Earnings per equity share - Basic & Diluted in ₹	10.06	8.94

2.34 Segment Reporting

The Company's operations predominantly relate to one operating segment i.e. Textile – Infant / Kids Apparel manufacturing. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence, no separate segment information has been furnished herewith.

2.34.1 Information about products and services: The Company earns revenue from only a single group of product and service viz. Textile Business comprising of sale of garments and fabrics products / services.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.34 Segment Reporting (Contd..)

2.34.2 Information regarding geographical revenue is as follows:

Revenue from external customers	For the year ended March 31, 2024	For the year ended March 31, 2023
India	10,394.51	13,461.93
Outside India		
- The United States (US)	39,129.22	36,535.73
- Others	8,141.54	2,838.22
Sale of products	57,665.27	52,835.88

2.34.3 The following table gives details in respect of percentage of revenue generated from the top customer and revenue from transactions with customers amounting to more than 10 percent or more of the Company's revenue.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
No of customers who contribute to more than 10 percent of the Company's revenue	3	3
Revenue from top customer	30,121.14	22,769.98
Revenue from customers contributing to more than 10 percent of the Company's revenue	53,269.60	51,573.39

2.35 Fair Value Measurement

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

Fair value hierarchy of financial instruments measured at fair value on a recurring basis is as follows:

Particulars	Fair value hierarchy (level)	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	1	8.71	3.26
Financial asset measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	2	0.00	-158.38

There have been no transfers between levels during the period

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.35 Fair Value Measurement (Contd..)

Category wise classification of financial instruments is as follows:

Particulars	See note	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	2.02	8.71	3.26
Financial assets measured at amortised cost			
Non current :			
(i) Security deposits	2.04	224.63	223.95
(ii) Loans to wholly owned subsidiaries	2.04	10,549.64	9,245.35
(iii) Other Financial Assets	2.04	-	0.08
Current :			
(i) Trade receivables	2.08	25,681.29	20,346.24
(ii) Cash and cash equivalents	2.09	4,645.92	4,178.81
(iii) Bank balances other than (ii) above	2.10	1,942.16	4,128.82
(iv) Other financial assets	2.11	3,579.58	3,199.94
Financial assets measured at cost			
Non current			
(i) Investments in equity shares - Unquoted	2.02	31,758.94	29,791.24
		78,390.87	71,117.69
Financial liabilities measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	2.21	-	158.38
Financial Liabilities measured at amortised cost			
Current			
(i) Borrowings	2.19	7,652.19	2,500.00
(ii) Trade payables	2.20	5,240.22	4,163.29
(iii) Other financial liabilities	2.21	507.39	197.89
Non Current			
(i) Other financial liabilities	2.15	918.50	-
		14,318.30	7,019.56

2.36 Financial Risk Management - Objectives and Policies

The Company has a well managed risk management framework, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

1) Liquidity risk

Liquidity risk is the risk that the Company will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has sound financial strength represented by its aggregate current assets as against aggregate current liabilities and its strong equity base and low working capital debt. In such circumstances, liquidity risk does not exist.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.36 Financial Risk Management - Objectives and Policies (Contd..)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Maturities of financial liabilities As at March 31, 2024	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,652.19	-	-	7,652.19
Trade payable	5,229.81	10.41	-	5,240.22
Other financial liabilities (current)	507.39	-	-	507.39
Other financial liabilities (non current)	-	773.94	144.56	918.50

Maturities of financial liabilities As at March 31, 2023	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2,500.00	-	-	2,500.00
Trade payable	4,154.76	8.53	-	4,163.29
Other financial liabilities	197.89	-	-	197.89

2) Market risk

As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible.

a) Foreign currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risks.

- i) The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Assets		
USD	297.38	171.87
HKD	0.02	0.01
EUR	0.00	0.00
Liabilities		
EUR	1.73	5.65
USD	10.56	1.25
GBP	0.28	

ii) Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant.

Particulars	Impact in statement of profit and loss for 1% change	
	March 31, 2024	March 31, 2023
INR/USD (Net receivable)	239.13	140.28
INR/EUR (Net payable)	1.55	5.06
INR/GBP (Net Payable)	0.29	-
INR/HKD (Net payable)	0.00	-

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.36 Financial Risk Management - Objectives and Policies (Contd..)

b) Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of the loans and borrowings effected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows :

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Variable rate instruments		
Financial liability - Loans repayable on demand from banks	7,652.19	2,500.00
Financial liability	7,652.19	2,500.00

Cash flow sensitivity for variable rate instruments

Particulars	Impact on Profit or (Loss)	
	March 31, 2024	March 31, 2023
Sensitivity		
50 BPS increase in rate	38.26	12.50
50 BPS decrease in rate	(38.26)	(12.50)

3) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers (including related parties) to which the Company grants credit terms in the normal course of the business.

Movement in expected credit loss allowance on trade receivables	As at	As at
	March 31, 2024	March 31, 2023
Balance at the beginning of the year.	-	-
Loss allowance Provided during the year	300.00	-
Balance at the end of the year	300.00	-

2.37 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

As at March 31, 2024, the Company has only one class of equity shares and is virtually debt-free. The company is not subject to any externally imposed capital requirements.

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.37 Capital Management (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
Equity attributable to share holders	96,171.45	90,489.01
Borrowings	7,652.19	2,500.00
Less: Cash and cash equivalents	4,645.92	4,178.81
Net debt	3,006.27	(1,678.81)
Total capital (equity + debt)	99,177.72	88,810.20
Net debt to capital ratio	0.030	(0.019)

2.38 Related Party Disclosure

Disclosure of transactions with related parties as required by Ind AS 24 - Related Party Disclosures for the year ended March 31, 2024

2.38.1 List of related parties

A Key managerial personnel

- (i) Mr. Sabu M Jacob, Managing Director
- (ii) Ms. Sindhu Chandrasekharan, Whole Time Director
- (iii) Mr. Bobby Michael, Chief Financial Officer
- (iv) Ms. Dayana Joseph, Company Secretary (w.e.f. September 4, 2023)

B Enterprise owned or significantly influenced by key management personnel or their relatives

- (i) Kitex Childrenswear Limited
- (ii) Kitex Limited
- (iii) Anna Aluminium Company Private Limited
- (iv) Kitex Herbals Limited
- (v) Kitex Building Systems Limited (earlier Kitex Apparels Limited)
- (vi) Kitex Infantswear Limited
- (vii) Twenty 20 Kizhakkambalam Association
- (viii) Kitex Building Systems LLC
- (ix) Sara Spices Private Limited

C Associate enterprise

- (i) Kitex USA LLC

D Wholly owned subsidiary companies

- (i) Kitex Littlewear Limited
- (ii) Kitex Kidswear Limited
- (iii) Kitex Knits Limited
- (iv) Kitex Socks Limited
- (v) Kitex Packs Limited
- (vi) Kitex Babywear Limited

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

E Subsidiary

Kitex Apparel Parks Limited

2.38.2 The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

A Enterprises owned or significantly influenced by key management personal or their relatives	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Kitex Childrenswear Limited		
Revenue from sale of goods and services (including expenses recovered)	10,244.27	13,441.43
Purchases of goods and services (including reimbursements)	2,809.42	2,145.40
(ii) Kitex Limited		
Revenue from sale of goods and services (including expenses recovered)	100.69	138.02
Purchases of goods and services (including reimbursements)	61.31	10.18
(iii) Anna Aluminium Company Private Limited		
Revenue from sale of goods and services (including expenses recovered)	0.60	-
Purchases of goods and services (including reimbursements)	1.32	5.88
(iv) Twenty 20 Kizhakkambalam Association		
Donation paid	515.00	500.00
(v) Sara Spices Private Limited		
Spices Purchase	63.68	-
B Key management personnel	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Mr. Sabu M Jacob		
Remuneration paid	496.27	331.61
(ii) Ms. Sindhu Chandrasekharan		
Remuneration paid	25.22	21.01
(iii) Mr. Boby Michael		
Remuneration paid	46.10	46.00
(iv) Ms. Dayana Joseph (w.e.f. september 4, 2023)		
Remuneration paid	7.05	-
C Associate enterprise	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Kitex USA LLC		
Sale of readymade garments	1,371.08	22,769.98
Sales commission paid	976.40	720.12
D Subsidiary companies	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Kitex Littlewear Limited		
IND AS Reversal Investment	-	146.63
Loan given/(refunded)	1.85	-11.56
Rent income (excluding taxes)	1.20	1.51
Interest income	272.63	-

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

D Subsidiary companies	For the year ended March 31, 2024	For the year ended March 31, 2023
(ii) Kitex Kidswear Limited		
IND AS Reversal Investment	-	43.74
Loan given/(refunded)	1.88	-3.76
Rent income (excluding taxes)	1.20	1.51
Interest income	150.63	-
(iii) Kitex Knits Limited		
IND AS Reversal Investment	-	36.26
Loan given	1.84	37.60
Rent income (excluding taxes)	1.20	1.51
Interest income	189.34	-
(iv) Kitex Socks Limited		
IND AS Reversal Investment	-	26.36
Loan given	1.80	1.58
Rent income (excluding taxes)	1.20	1.51
Interest income	53.36	-0.01
(v) Kitex Packs Limited		
IND AS Reversal Investment	-	11.15
Loan given	1.87	3.68
Rent income (excluding taxes)	1.20	1.51
Interest income	55.87	-
(vi) Kitex Babywear Limited		
IND AS Reversal Investment	-	16.34
Loan given/(refunded)	1.80	-1.24
Rent income (excluding taxes)	1.20	1.51
Interest income	32.28	-
(vii) Kitex Apparel Parks Limited		
Investment	1,967.70	26,775.00
Revenue from Sale of goods and services (including exp recovered)	161.70	-
Rent income (excluding taxes)	1.20	-
Fair value of guarantee given (IND AS adjustment)	1,502.93	-
Advance Received/(paid)	0.03	(0.08)
Corporate guarantees given to Banks for loans taken by a subsidiary company Kitex Apparel Parks Limited for setting up of manufacturing facility.*	42,686.12	-

* The terms are in compliance with Section 186(7) of the Companies Act, 2013.

2.38.3 Outstanding amounts carried in the balance sheet as at March 31, 2024

A Enterprises owned or significantly influenced by key management personnel or their relatives:

Name of related party	As at March 31, 2024	As at March 31, 2023
(i) Kitex Childrenswear Limited		
Trade receivables	4,589.48	6,759.76
(ii) Kitex Limited		
Trade receivables	1.99	32.11
(iii) Anna Aluminium Company Private Limited		
Advances to supplier	-	0.61
Trade payables	-	2.10
(iv) Sara Spices Private Limited		
Trade payables	5.83	-

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

B Key management personnel

Name of related party	As at March 31, 2024	As at March 31, 2023
(i) Mr. Sabu M Jacob		
Remuneration payable	393.27	816.09
(ii) Ms. Sindhu Chandrasekharan		
Remuneration payable	1.85	1.11

C Associate enterprise

Name of related party	As at March 31, 2024	As at March 31, 2023
(i) Kitex USA LLC		
Trade receivables	10,225.12	9,806.68
Kitex USA LLC Trade Payable	780.66	
Net carrying value of investment	2,776.24	2,776.24

D Investment in wholly owned subsidiaries (Refer Note 2.02 for investment schedule)

Name of related party	As at March 31, 2024	As at March 31, 2023
Kitex Littlewear Limited	100.00	100.00
Kitex Kidswear Limited	100.00	100.00
Kitex Knits Limited	10.00	10.00
Kitex Socks Limited	10.00	10.00
Kitex Packs Limited	10.00	10.00
Kitex Babywear Limited	10.00	10.00

E Unsecured loan receivable from wholly owned subsidiaries (Refer Note 2.03.1 for amendment in terms of loan)

Name of related party	As at March 31, 2024	As at March 31, 2023
Kitex Littlewear Limited	3,965.25	3,343.33
Kitex Kidswear Limited	2,084.17	1,846.83
Kitex Knits Limited	2,498.46	2,321.75
Kitex Socks Limited	770.34	653.74
Kitex Packs Limited	763.98	684.50
Kitex Babywear Limited	467.44	395.20

F Interest income receivable using government bond yield rate on loan to wholly owned subsidiaries

Name of related party	As at March 31, 2024	As at March 31, 2023
Kitex Littlewear Limited	245.36	620.07
Kitex Kidswear Limited	135.56	235.46
Kitex Knits Limited	170.41	174.87
Kitex Socks Limited	48.03	114.79
Kitex Packs Limited	50.29	77.60
Kitex Babywear Limited	29.05	70.45

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

G Subsidiary -Kitex Apparel Parks Limited

Name of related party	As at March 31, 2024	As at March 31, 2023
FV of financial guarantee given (IND AS adjustment)	1,196.29	-
Investment in subsidiary (including FV of Guarantee)	30,245.63	26,775.00
Corporate guarantees given to Banks for loans taken by a subsidiary company Kitex Apparel Parks Limited for setting up of manufacturing facility.	42,686.12	-
Payable to Subsidiary	0.03	-

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions

2.39 From the current financial year, Company have stopped undertaking forward contracts to hedge foreign currency exposure.

2.39.1 The particulars of forward contracts entered into by the Company and outstanding as at Balance Sheet date is as under:

Currency	As at March 31, 2024		As at March 31, 2023	
	Foreign currency	INR	Foreign currency	INR
Export receivables				
USD	-	-	164.85	13,553.48

2.39.2 The particulars of hedged export receivables / payables as at balance sheet date is as under:

Currency	As at March 31, 2024		As at March 31, 2023	
	Foreign currency	INR	Foreign currency	INR
Export Receivables				
USD	-	-	164.85	13,553.48

2.39.3 The particulars of un hedged items as at Balance Sheet date is as under:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Foreign currency	INR	Foreign currency	INR
Assets				
EUR	-	0.27	-	0.27
USD	297.38	24,793.43	81.87	6,730.99
HKD	0.02	0.26	-	0.06
Liabilities				
EUR	1.73	155.77	5.65	506.70
USD	10.56	880.58	1.25	102.53
GBP	0.28	28.96	-	-

2.40 Lease Accounting

Operating Lease

Office premises are hired on operating lease. The lease term is renewable every year at the option of the Company. There is no escalation clause in the lease agreement. All of the material lease agreements entered by the Company are for term less than one year, hence Company have opted for the exception from the requirements of IND AS 116. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	As at March 31, 2024	As at March 31, 2023
Amount charged to statement of profit and loss account during the year		
Rent for premises	84.16	94.17
Rent for equipment	27.50	30.25
Total	111.66	124.42

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.41 The details of provisions, contingent liabilities and contingent assets are as required under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets for the year ended March 31, 2024.

2.41.1 Contingent liabilities not provided for:

Particulars	As at March 31, 2024	As at March 31, 2023
1. Claims against the Company not acknowledged as debts being demand raised against the Company, disputed on Appeal before various Appellate authorities.		
(i) PF and ESI [Paid under protest include ₹ 225.74 lakhs (31.03.2023: ₹ 225.74 lakhs)]	-	822.97
(ii) Income tax dues [Paid under protest include ₹ 108.57 lakhs (31.03.2023: ₹ 108.57 lakhs)]	318.35	318.35
2. Bank guarantees	2,095.54	2,093.39
3. Corporate guarantees given to Banks for loans taken by a subsidiary company Kitex Apparel Parks Limited for setting up of manufacturing facility.	42,686.12	-
Total	45,100.01	3,234.71

2.41.2 The Company has purchased capital assets under Export Promotion Capital Goods license against which the Company has an export obligation of six times of duty saved. Contingent liability, to the extent of duty saved in respect of EPCG is ₹77.59 Lakhs (₹137.06 Lakhs). The export obligation to be fulfilled as per license is upto six years from date of issue of EPCG licence.

2.41.3 The above demands are disputed by the Company and matters pending in appeal before appellate authorities in various stages. In the opinion of the management and based on legal advice received the company is hopeful of getting full relief and hence no provision has been made thereof.

2.42 Financial Ratios

Ratio	As at March 31, 2024	As at March 31, 2023	Variance	Reason (If variation is more than 25%)
(a) Current Ratio, (times) (Total current assets/Current liabilities) [Current Assets= Inventories + Trade Receivable + Cash & bank balances+ Other Current Assets] [Current liabilities: Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Provisions + Other Current Liability]	3.44	5.02	-31%	The working capital borrowing increased due to deployment of existing surplus funds for Telangana investment resulting in deterioration of Current ratio.
(b) Debt-Equity Ratio*, (times) (Net debt / Average equity) [Net debt: Non-current borrowings - Cash and cash equivalents] [Equity: Equity share capital + Other equity]	NA	NA	NA	
(c) Debt Service Coverage Ratio,* [EBIT/ Net finance charges + Scheduled principal repayments of non-current borrowings] [EBIT: Profit before taxes +/- Exceptional items + Net finance charges] [Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]	NA	NA	NA	

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.42 Financial Ratios (Contd..)

Ratio	As at March 31, 2024	As at March 31, 2023	Variance	Reason (If variation is more than 25%)
(d) Return on Equity Ratio (%) (Profit after tax (PAT) / Average Equity) [Equity: Equity share capital + Other equity]	7.17%	6.75%	6%	
(e) Inventory turnover ratio (in days) (Average inventory/Cost of materials consumed +Changes in inventories of finished goods, work in progress per day)	201.01	173.32	16%	
(f) Trade Receivables turnover ratio (in days) (Average trade receivables/Turnover per day) [Turnover: Revenue from operations]	145.67	178.79	-19%	
(g) Trade payables turnover ratio (in days) Average Trade Payables / Cost of materials consumed +Changes in inventories of finished goods, work in progress)*365 [Average Trade Payables: (Opening Trade Payables + Closing Trade Payables)/2]	67.26	71.23	-6%	
(h) Net capital turnover ratio (in days) (Average working capital/Turnover)*365 [Working capital: Current assets - Current liabilities] [Turnover: Revenue from operations]	235	238	-1%	
(i) Net profit ratio (%) (Net profit after tax / Turnover) [Turnover: Revenue from operations]	10.84%	10.67%	2%	
(j) Return on Capital employed (%) (EBIT / Capital Employed) [Capital Employed: Total Assets - Current Liabilities] [EBIT: Profit before taxes +/(-) Exceptional items + Net finance charges]	9.31%	9.34%	0%	

*This ratio isnt applicable since entity has no long term borrowings

2.43 Capital & Other Commitments

Estimated amount of contract remaining to be executed on capital account (net of advances): ₹ 578.66 lakhs (31.03.2023: ₹1306.48 lakhs).

2.44 In the opinion of the Directors, short term loans and advances and other current assets, have the value at which they are stated in the balance sheet, if realised in the ordinary course of business.

2.45 Subsequent event

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable tax deducted at source (TDS). On May 20, 2024 Board of Directors of the Company have proposed a final dividend of ₹1.50 per share in respect of the year ended March 31, 2024 subject to the approval of shareholders at the Annual General Meeting. The proposal if approved, would result in a cash outflow of approximately ₹997.50 Lakhs.

2.46 Note on Ultimate Beneficiaries

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

Notes Forming Part of Standalone Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.46 Note on Ultimate Beneficiaries (Contd..)

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2.47 Other Disclosures

- (a) Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956. - The Company does not have any transactions or relationships with any struck off Companies
- (b) Details of Benami Property held - The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (c) Undisclosed income - The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year / previous year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (d) Registration of charges or satisfaction with Registrar of Companies - The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (e) Details of Crypto Currency or Virtual Currency - The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (f) Compliance with approved Scheme(s) of Arrangements - The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (g) The Code on Social Security 2020 - The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.
- (h) Compliance with number of layers of companies - The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

2.48 Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's disclosure.

As per our separate report of even date attached

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

**For and on behalf of the Board of Directors of
Kitex Garments Limited**
CIN: L18101KL1992PLC006258

Geetha Jeyakumar
Partner
Membership No.029409

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Benni Joseph
Director
DIN: 01219476

CA Boby Michael
Chief Financial Officer

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808

Place : Chennai
Date : July 15, 2024

Place : Kizhakkambalam
Date : July 15, 2024

STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS

(For audit report with modified opinion on Standalone Audited Financial Statements for the year ended March 31, 2024 as stipulated in Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015)

(₹ in Lakhs except for Earnings Per Share)

I	Sl No	Particulars	Audited Figures(as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	64,159.26	64,159.26
	2	Total Expenditure	54,251.09	54,251.09
	3	Net Profit/(Loss)	6,818.77	6,818.77
	4	Earnings Per Share	10.25	10.25
	5	Total Assets	1,14,566.94	1,14,566.94
	6	Total Liabilities	18,266.49	18,266.49
	7	Net Worth	96,300.45	96,300.45
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification:			
	a. Details of Audit Qualification:			
	The Company has investments in Kitex USA LLC, an Associate Company, amounting to ₹2,776.24 lakhs, which has impairment triggers during the year ended March 31, 2024 due to various indicators like continuous losses and negative net-worth at the Associate level. However, the Company has determined the carrying value of investment as recoverable, based on management assessment and internal valuation performed, which is highly dependent on various input data and other external factors contributing to the associate's ability to turn around. In the absence of corroborative audit evidence to substantiate the reasonableness of the above mentioned unobservable inputs, we are unable to comment on the recoverability of carrying value of investment in Kitex USA, LLC. (Refer Note 07 to the standalone financial results)			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of Qualification: First Time			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	i. Management's estimation on the impact of audit qualification: NA			
	ii. If management is unable to estimate the impact, reasons for the same: The Company has performed fair valuation of the aforementioned investment considering change in business plan, forecasted future revenue and contribution and determined fair value which exceed carrying value. Management is confident of achieving the forecasted results based on recent development and current external factors affecting the business.			
	iii. Auditors' Comments on (i) or (ii) above: No further comments			

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

For **Kitex Garments Limited**
CIN: L18101KL1992PLC006258

Geetha Jeyakumar
Partner
Membership No.029409

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Benni Joseph
Chairman of Audit Committee
DIN: 01219476

CA Boby Michael
Chief Financial Officer

Place: Kizhakkambalam
Date: 20.05.2024

Consolidated
Financial Statements

Independent Auditor's Report

To the Members of Kitex Garments Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Kitex Garments Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company, and its subsidiaries together referred to as "the Group"), its associate, which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries and associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate as at March 31, 2024, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the consolidated financial statements for the year ended March 31, 2024 (current year). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of Inventory

Refer to Note 2.06 'Inventories' to the consolidated financial statements.

The total value of inventory as of March 31, 2024 amounted to ₹ 16,409.16 lakhs representing 8.52% of the total assets (March 31, 2023: ₹ 11,693.28 Lakhs, 10.32% of the total assets). Inventories are measured at the lower of cost and net realisable value.

The Company is an apparel manufacturer and exporter of knitted garments for infants and kids.

The valuation of raw material, semi-finished and finished goods is a comprehensive exercise and is carried out manually. Allocation of indirect production costs is also estimated and loaded as inventory cost, as part of the valuation exercise. This allocation requires judgment and estimation, which are uncertain at the time of such estimation.

Management also applies judgement in identification & determination of obsolete inventories and slow-moving items of stocks and estimates the appropriateness of requisite provisions thereon. On account of the subjective judgment and uncertainties involved above, we considered this as a Key Audit Matter.

We have performed the following audit procedures in relation to Inventory valuation:

- Assessed the accounting policies relating to valuation of Inventory in compliance with Ind AS 2 ("Inventories").
- Assessed the management process of inventory valuation including allocation of overheads to inventory.
- Evaluated the design and implementation and tested the operative effectiveness of relevant internal controls pertaining to valuation of inventory, including the process for write-down of obsolete inventory and the manual inventorisation of indirect production costs.
- Assessed the adequacy and appropriateness of write-downs for excess and/or obsolete inventory in relation to the future demand data, historical usage, historical accuracy of write-downs and management's plans to utilise the inventory.
- Evaluated the significant judgements and estimates made by Management in applying Company's accounting policy in relation to the manual inventorisation of indirect production costs.

- Assessed the adequacy and accuracy of disclosures in the consolidated financial statements with respect to inventory in accordance with respective accounting standards and framework.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management report, Director's report along with annexures etc but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for assessing

the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- We did not audit the financial statements of 6 subsidiaries, whose financial statements reflect total assets of ₹9,255.61 lakhs as at March 31, 2024, total revenues of ₹6.68 lakhs and net cash flows amounting to ₹3.10 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ Nil lakhs for the year ended March 31, 2024 as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other

auditors on the separate Financial Statements of the subsidiaries and associate referred to in the Other Matters section above we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors including daily back-up of books of accounts and other books and papers maintained in electronic mode.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate— Refer Note 2.41 to the consolidated financial statements.
 - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- iv.
 1. The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 2.45 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entities, including foreign entities, with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 2. The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the Note 2.45 to consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - i. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated

in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

- v. On the basis of our verification and on consideration of the reports of the statutory auditors of subsidiaries that are Indian companies under the Act, we report that:
 - i The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
 - vi. Based on our examination, the Holding Company and the respective auditors of the subsidiaries which are companies incorporated in India

whose financial statements have been audited under the Act, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The audit trail feature has been operated throughout the year for all transactions recorded in the accounting software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries did not come across any instance of the audit trail feature being tampered with.

- 2. In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary companies incorporated in India, the remuneration paid by the Holding company and such subsidiaries to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.
- 3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 24029409BKDENE6118

Place: Chennai
Date: July 15, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management and Board of Directors.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the

disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 24029409BKDENE6118

Place: Chennai

Date: July 15, 2024

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Kitex Garments Limited on the consolidated Financial Statements for the year ended March 31, 2024

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls reference to consolidated financial statements of Kitex Garments Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal financial controls with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management and Board of Director's Responsibility for Internal Financial Controls

The respective Management and the Board of Directors of the Holding Company and its subsidiary Companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note

on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's

assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk

that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to six subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 24029409BKDENE6118

Place: Chennai

Date: July 15, 2024

Consolidated Balance Sheet

as at March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

Sl No.	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	2.01A	24,409.91	26,325.31
	(b) Capital work-in-progress	2.01B	88,597.10	29,221.36
	(c) Other intangible assets	2.01C	6.01	50.22
	(d) Financial assets			
	(i) Investments	2.02	8.70	3.26
	(ii) Other financial assets	2.03	1,711.64	886.07
	(e) Non-current tax assets	2.04	275.93	275.93
	(f) Other non-current assets	2.06	19,343.28	10,489.39
	Total Non-Current Assets		1,34,352.57	67,251.54
2	Current assets			
	(a) Inventories	2.06	16,409.16	11,693.28
	(b) Financial assets			
	(i) Trade receivables	2.07	25,681.29	20,346.24
	(ii) Cash and cash equivalents	2.08	4,981.26	4,552.33
	(iii) Bank balances other than (ii) above	2.09	1,942.16	5,528.82
	(iv) Other financial assets	2.10	2,900.88	1,906.70
	(c) Other current assets	2.11	6,244.65	2,119.72
	Total Current Assets		58,159.40	46,147.09
	TOTAL ASSETS		1,92,511.97	1,13,398.63
II	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	2.12	665.00	665.00
	(b) Other equity	2.13	89,793.67	85,167.89
	(c) Non-controlling interest	2.37A	12,754.25	11,841.89
	Total Equity		1,03,212.92	97,674.78
	Liabilities			
2	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	2.14	60,467.48	-
	(b) Provisions	2.15	987.67	850.44
	(c) Deferred tax liabilities (net)	2.16	260.85	395.76
	(d) Other non-current liabilities	2.17	11,378.15	5,335.24
	Total Non-Current Liabilities		73,094.15	6,581.44
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	2.18	7,652.19	2,500.00
	(ii) Trade payables	2.19		
	- Total outstanding dues of micro enterprises and small enterprises		303.53	348.18
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,206.61	3,831.69
	(iii) Other financial liabilities	2.20	320.26	428.97
	(b) Provisions	2.21	409.71	353.80
	(c) Current tax liabilities (net)	2.22	1,914.62	1,180.79
	(d) Other current liabilities	2.23	397.98	498.98
	Total Current Liabilities		16,204.90	9,142.41
	TOTAL EQUITY AND LIABILITIES		1,92,511.97	1,13,398.63
	Summary of material accounting policies	1-1.22		

The accompanying notes are an integral part of consolidated financial statements (2.01- 2.48)

As per our separate report of even date attached

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

Geetha Jeyakumar
Partner
Membership No.029409

**For and on behalf of the Board of Directors of
Kitex Garments Limited**
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Bobby Michael
Chief Financial Officer

CA Benni Joseph
Director
DIN: 01219476

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808

Place : Chennai
Date : July 15, 2024

Place : Kizhakkambalam
Date : July 15, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

SI No.	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
I	Income			
	(a) Revenue from operations	2.24	61,692.20	55,699.55
	(b) Other income	2.25	1,424.99	4,405.69
	Total Income		63,117.19	60,105.24
II	Expenses			
	(a) Cost of materials consumed	2.26	29,742.81	24,026.44
	(b) Changes in inventories of finished goods and work-in-progress	2.27	(4,228.34)	2,426.87
	(c) Employee benefits expense	2.28	11,947.51	10,906.72
	(d) Finance costs	2.29	733.19	447.17
	(e) Depreciation and amortization expense	2.30	2,070.74	2,120.97
	(f) Other expenses	2.31	14,178.82	12,251.55
	Total Expenses		54,444.73	52,179.72
III	Profit before tax (I - II)		8,672.46	7,925.52
IV	Tax expense:			
	(a) Current tax		3,221.00	2,408.00
	(b) Deferred tax	2.16	(131.59)	(174.72)
	Total Tax Expenses		3,089.41	2,233.28
V	Profit for the year (III - IV)		5,583.05	5,692.24
VI	Other comprehensive (loss)/ income			
A	Items that will not be reclassified to profit or loss			
	(i) Re-measurements of post employment benefit obligations		(18.60)	95.37
	(ii) Fair value changes on equity instruments carried through other comprehensive income		5.45	0.81
	(iii) Income tax relating to items that will not be reclassified to profit or loss		3.31	(24.21)
	Total other comprehensive (loss)/income for the year		(9.84)	71.97
VII	Total comprehensive income for the year (V+VI)		5,573.21	5,764.21
VIII	Profit/(Loss) for the year attributable to:			
	Equity holders of the parent		5,633.11	5,755.40
	Non-controlling interests		(50.06)	(63.16)
IX	Other comprehensive (Loss)/Income for the year attributable to:			
	(a) Equity holders of the Holding Company		(9.84)	71.97
	(b) Non-controlling interest		-	-
X	Total comprehensive income for the year attributable to:			
	Equity holders of the parent		5,623.27	5,827.37
	Non-controlling interests		(50.06)	(63.16)
XI	Earnings per equity share (Face value of ₹ 1 each)	2.32		
	Basic & Diluted in ₹		8.47	8.65
	Summary of material accounting policies	1-1.22		

The accompanying notes are an integral part of consolidated financial statements (2.01 - 2.48)

As per our separate report of even date attached

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

Geetha Jeyakumar
Partner
Membership No.029409

Place : Chennai
Date : July 15, 2024

**For and on behalf of the Board of Directors of
Kitex Garments Limited**
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Bobby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date : July 15, 2024

CA Benni Joseph
Director
DIN: 01219476

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

Sl No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A	Cash Flows from Operating Activities:		
	Net Profit before tax	8,672.46	7,925.52
	Adjustments for:		
	Depreciation and amortisation expense	2,070.40	2,120.97
	Unrealised foreign exchange (gain) / loss (net)	(205.14)	159.21
	Gain on foreign exchange forward contracts	-	158.38
	Interest income	(154.33)	(347.82)
	Deferred grant income	(526.85)	(154.97)
	Loss on sale of property, plant and equipment (net)	(7.49)	-
	Liability no longer required written back	-	(69.54)
	Advances written off	6.03	-
	Provision for expected credit loss	300.00	-
	Interest expense	733.19	447.17
	Operating profit before working capital changes	10,888.27	10,238.92
	Changes in working capital:		
	(Increase)/ Decrease in trade and other receivables	(7,902.88)	13,898.25
	(Increase) in inventories	(4,715.88)	3,760.20
	Increase / (Decrease) in trade, other payables and provisions	392.12	4,520.32
	Cash (used in) / generated from operating activities before taxes	(1,338.37)	32,417.69
	Direct taxes paid (net of refunds)	(2,487.17)	(2,884.72)
	Net cash (used in) / generated from operating activities (A)	(3,825.54)	29,532.97
B	Cash Flows from Investing Activities:		
	Purchase of property, plant and equipment and intangible assets, CWIP including capital advances	(61,700.87)	(41,602.44)
	Proceeds from sale of property, plant and equipment	12.33	-
	Bank balances not considered as Cash and cash equivalents	786.65	(127.52)
	Interest received	163.59	339.23
	Net cash used in investing activities (B)	(60,738.30)	(41,390.73)
C	Cash Flow from Financing Activities:		
	Proceeds/ (repayment) from bank borrowings (net)	66,132.36	(4,801.41)
	Interest paid	(460.53)	(491.06)
	Dividend / dividend distribution tax paid	(1,003.32)	(1,005.14)
	Proceeds from issuance of shares	318.30	12,000.00
	Net cash flow from financing activities (C)	64,986.81	5,702.39
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	422.97	(6,155.37)
	Exchange difference on translation of foreign currency cash and cash equivalents	5.97	(77.40)
	Cash and cash equivalents at the beginning of the year	4,552.32	10,785.09
	Cash and cash equivalents at the end of the year (See note 1.18)	4,981.26	4,552.32
	Net increase / (decrease) in cash and cash equivalents	422.97	(6,155.37)

The accompanying notes are an integral part of consolidated financial statements (2.01 - 2.48)

Note:

a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows.

As per our separate report of even date attached

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

**For and on behalf of the Board of Directors of
Kitex Garments Limited**
CIN: L18101KL1992PLC006258

Geetha Jeyakumar
Partner
Membership No.029409

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Benni Joseph
Director
DIN: 01219476

CA Bobby Michael
Chief Financial Officer

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808

Place : Chennai
Date : July 15, 2024

Place : Kizhakkambalam
Date : July 15, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

A Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the reporting year	665.00	665.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	665.00	665.00

B Other Equity

Particulars	Reserves and surplus			Others		Equity attributable to the shareholders of the Company	Non controlling interests	Total equity
	Capital reserve	General reserve	Retained earnings	Exchange difference on translating the share of accumulated reserves of the associate	Equity instrument through other comprehensive income			
Balance as at April 01, 2022	22.10	28,675.00	51,880.23	(30.37)	3.07	80,550.03	-	80,550.03
Profit for the year	-	-	5,755.40	-	-	5,755.40	(63.16)	5,692.24
Re-measurements of post employment benefit obligations (net of tax)	-	-	71.16	-	-	71.16	-	71.16
Fair value changes on equity instruments carried through other comprehensive income (net of tax)	-	-	-	-	0.81	0.81	-	0.81
Adjustments on account of consolidation	-	-	(212.02)	-	-	(212.02)	11,905.05	11,693.03
Dividends	-	-	(997.50)	-	-	(997.50)	-	(997.50)
Transfer to reserves	-	2,000.00	(2,000.00)	-	-	-	-	-
Balance as at March 31, 2023	22.10	30,675.00	54,497.27	(30.37)	3.88	85,167.89	11,841.89	97,009.78

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

B Other Equity (Contd..)

Particulars	Reserves and surplus			Others		Equity attributable to the shareholders of the Company	Non controlling interests	Total equity
	Capital reserve	General reserve	Retained earnings	Exchange difference on translating the share of accumulated reserves of the associate	Equity instrument through other comprehensive income			
Balance as at April 01, 2023	22.10	30,675.00	54,497.27	(30.37)	3.88	85,167.89	11,841.89	97,009.78
Profit for the year (net of tax)	-	-	5,633.11	-	-	5,633.11	(50.06)	5,583.05
Re-measurements of post employment benefit obligations (net of tax)	-	-	(13.91)	-	-	(13.91)	-	(13.91)
Fair value changes on equity instruments carried through other comprehensive income (net of tax)	-	-	-	-	4.08	4.08	-	4.08
Adjustments on account of consolidation	-	-	-	-	-	-	962.42	962.42
Dividends	-	-	(997.50)	-	-	(997.50)	-	(997.50)
Transfer to reserves	-	2,000.00	(2,000.00)	-	-	-	-	-
Balance as at March 31, 2024	22.10	32,675.00	57,118.97	(30.37)	7.96	89,793.67	12,754.25	1,02,547.92

The accompanying notes are an integral part of consolidated financial statements (2.01 - 2.48)

As per our separate report of even date attached

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

Geetha Jeyakumar
Partner
Membership No.029409

Place : Chennai
Date : July 15, 2024

**For and on behalf of the Board of Directors of
Kitex Garments Limited**
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Bobby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date : July 15, 2024

CA Benni Joseph
Director
DIN: 01219476

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

General Information

Kitex Garments Limited ('the Holding Company'), its subsidiaries (collectively, "the Group") and associate is primarily involved in manufacturer and export of knitted garments for infants and kids. The Holding Company is a Public Company incorporated and domiciled in India having its registered office at Kizhakkambalam, Alwaye, Ernakulam- 683562, Kerala, India. The Holding Company has been incorporated under the provisions of Companies Act, 1956 and its equity shares are listed on the Bombay Stock Exchange Limited and The National Stock Exchange India Limited in India.

1. Material Accounting Policies

1.1 Basis of Consolidation

This financial statements incorporate the financial statements of the Holding Company, subsidiary companies and entities controlled by the Group (hereinafter referred as "consolidated financial statements").

Consolidation of a subsidiary commences when the Holding Company obtains control over the subsidiary

and ceases when the Holding Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary.

Total net comprehensive income of subsidiaries is attributed to the owners of the Holding Company and to the non-controlling interests

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

Investments in associate

An associate is an entity over which the Group has significant influence and results of associate is included in consolidated financial statements to extend of investment held by Group

Subsidiary companies included in consolidated financial statements are tabled below:

Name of the Company's	Relationship	Country of incorporation	Ownership interest March 31, 2024	Ownership interest March 31, 2023
Kitex Babywear Limited	Wholly owned subsidiary	India	100%	100%
Kitex Kidswear Limited	Wholly owned subsidiary	India	100%	100%
Kitex Knits Limited	Wholly owned subsidiary	India	100%	100%
Kitex Littlewear Limited	Wholly owned subsidiary	India	100%	100%
Kitex Packs Limited	Wholly owned subsidiary	India	100%	100%
Kitex Socks Limited	Wholly owned subsidiary	India	100%	100%
Kitex Apparel Parks Limited	Subsidiary	India	70%	69.05%

The associate company which are included in the Consolidation and the Group's ownership interest are as under:

Name of the body corporate	Relationship	Country of incorporation	Ownership interest March 31, 2024	Ownership interest March 31, 2023
Kitex USA LLC	Associate	United States	50%	50%

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

1.2 Basis of Preparation of Consolidated Financial Statements

(i) Statement of compliance

The Consolidated Financial Statements of the Group and its associate have been prepared in accordance with Indian Accounting Standard ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules 2015, as amended read with section 133 of the Companies Act ("the Act") and other relevant provisions of the Act.

(ii) Basis of measurement

The Consolidated financial statements have been prepared on a historical cost basis on the accrual basis of accounting, except for the following -

- (a) Financial assets and liabilities that is measured at fair value;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Rounding off amounts

All amounts disclosed in consolidated financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

(iv) Use of estimates

In the preparation of consolidated financial statements, the management makes estimates and assumptions in conformity with the Generally Accepted Accounting Principles in India. Such estimates and assumptions are made on reasonable and prudent basis taking into account all available information. However actual results could differ from these estimates and assumptions and such differences are recognised in the period in which results are ascertained. The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.21.

1.3 Current versus Non-Current Classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies

Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

1.4 Property, Plant & Equipment

Property, plant and equipment (except freehold land) are stated at cost of acquisition less accumulated depreciation and impairment if any. Freehold land is carried at historical cost. The Group is adopting the cost model for determining gross carrying amount. Cost comprises of purchase price, inward freight, duties and taxes that are not refundable net of duty credits and any attributable cost of bringing the assets to its working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably.

Capital work in progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use at the reporting date.

Depreciation methods, estimated useful lives

Depreciation on Property, plant and equipment is provided on Straight Line Method based on the useful lives as under:

- (a) Assets (other than capital spares) - based on useful lives prescribed under Schedule II of the Companies Act, 2013
- (b) Capital spares - based on useful life of each replaced part (2 - 5 years).

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income' or 'Other expenses'.

1.5 Intangible Assets

Cost of software is capitalised as intangible asset consisting of direct cost incurred for acquisition of intangible asset comprising of purchase cost, non refundable duties and taxes and any professional charges and amortised on a straight-line basis over the economic useful life of three years.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

The residual values, useful lives and methods of depreciation of intangible assets are reviewed by the management at each financial year and adjusted prospectively, if appropriate.

1.6 Inventories

Inventories are valued at lower of cost or net realisable value. For this purpose, the cost of bought-out inventories comprises of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on First-In, First-Out (FIFO) basis. Cost of Inventory comprises Cost of Purchase, Cost of Conversion and other Costs incurred to bring them to their respective present location and condition. The net realisable value of bought out inventories is taken at their current replacement value. The cost of manufactured inventories comprises of the direct cost of production plus appropriate fixed and variable production overheads.

1.7 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the consolidated financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Group.

(b) Transactions and balances

Foreign exchange transactions are recorded at the functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary assets and liabilities denominated in foreign currencies existing as on the Balance Sheet date are translated at the functional currency exchange rate prevailing as at the Balance Sheet date. The exchange difference arising from the settlement of transactions during the period and effect of translations of assets and liabilities at the Balance Sheet date are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit

and loss are also recognised in Other Comprehensive Income or profit and loss, respectively).

1.8 Leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

1.9 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

1.10 Government Grants

Government grants shall be recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to depreciable assets are presented in the balance sheet by setting up the grant as deferred income and are recognised in profit and loss over the periods and in the proportions in which depreciation expense on those assets is recognised and are presented under Other Income.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit and loss of the period in which it becomes receivable and are presented under Other Income/ deducted from the related heads of expenditure.

1.11 Financial Instruments

(a) Financial asset

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

- (a) at amortized cost; or
- (b) at fair value through other comprehensive income; or at fair value through profit or loss.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

- (iii) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(b) Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised

cost using the Effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are de-recognised as well as through the amortisation of effective interest.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

1.12 Revenue Recognition

The Group derives revenues primarily from sale of manufactured fabric and readymade garments.

Revenue is recognized at a point in time on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products.

Other operating revenue - Export incentives: Export Incentives under various schemes are accounted upon fulfilling the conditions established by respective regulations as applicable to the Group and as amended from time to time.

Income is recognised at the value or rate prescribed by respective regulations.

Interest income is recognised on accrual basis.

1.13 Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with the provisions of the Income Tax Act, 1961. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period on taxable profits computed in accordance with Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or items related to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Defined contribution plans

The group has defined contribution plans for employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are recognised as employee benefit expense in the Statement of Profit and Loss for the year.

(c) Defined benefit plans: Gratuity

The net present value of the obligation for gratuity benefits are determined by independent actuarial valuation, conducted annually using the projected unit credit method.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of plan assets. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefits are recognised immediately in Statement of Profit and Loss as past service cost, if any, and net interest on the defined benefit liability/(asset) are recognised in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

(d) Long-term employee benefits: Compensated absences

The group has a scheme for compensated absences for employees, the liability of which is determined

based on an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

1.15 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group. The Group's operations predominantly relate to one operating segment i.e. Textile – Infant / Kids Apparel manufacturing.

1.16 Earnings Per Share

Basic/diluted earnings per share is calculated by dividing the net profit and loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/diluted potential equity shares outstanding as at the end of the year, as the case may be.

1.17 Impairment of Non-financial Assets

The Group assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. An asset or a cash generating unit is treated as impaired, when the carrying value of assets exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Based on such assessment, impairment loss if any is recognised in the Statement of Profit and Loss for the period in which the asset is identified as impaired.

1.18 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.19 Provisions and Contingent Liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) because of a past event, for which it is probable that a cash outflow will be required, and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2024

When the Group expects some or all the provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liabilities are disclosed when the group has a possible obligation, or a present obligation and it is probable that an outflow of resources will not be required to settle the obligation, or the amount of obligation cannot be measured with sufficient reliability.

1.20 Significant Accounting Judgments Estimates and Assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

(i) Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

(ii) Actuarial valuation:

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after considering inflation, seniority, promotion and other relevant

factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the consolidated financial statements.

(iii) Impairment of assets:

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(iv) Recoverability of advances/receivables:

Management reviews its receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics.

1.21 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.01 A - Property, Plant and Equipment

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2023	Additions during the year	Disposal / Adjustments	As at March 31, 2024	As at April 1, 2023	Depreciation during the Year	Disposal / Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Freehold Land	13,479.10	3.25	-	13,482.35	-	-	-	-	13,482.35	13,479.10
Building	6,850.24	-	-	6,850.24	1,439.24	253.03	-	1,692.27	5,157.97	5,411.00
Plant & Machinery	19,180.53	53.14	-	19,233.67	12,414.17	1,558.88	-	13,973.05	5,260.62	6,766.37
Furniture & Fixtures	235.72	-	-	235.72	179.23	19.55	-	198.78	36.94	56.49
Vehicles	633.71	33.02	28.94	637.79	440.97	57.80	24.11	474.66	163.13	192.74
Office Equipments	592.24	4.52	-	596.76	477.04	79.81	-	556.85	39.91	115.20
Computers	627.57	13.17	-	640.74	616.73	8.60	-	625.33	15.41	10.84
Electrical Equipments	605.21	4.85	-	610.06	311.64	44.84	-	356.48	253.58	293.57
Total	42,204.32	111.95	28.94	42,287.33	15,879.02	2,022.51	24.11	17,877.42	24,409.91	26,325.31

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2022	Additions during the year	Disposal / Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation during the Year	Disposal / Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Freehold Land	9,614.77	3,864.33	-	13,479.10	-	-	-	-	13,479.10	9,614.77
Building	6,850.24	-	-	6,850.24	1,186.90	252.34	-	1,439.24	5,411.00	5,663.34
Plant & Machinery	18,862.64	317.89	-	19,180.53	10,838.56	1,575.61	-	12,414.17	6,766.37	8,024.08
Furniture & Fixtures	235.72	-	-	235.72	159.64	19.59	-	179.23	56.49	76.08
Vehicles	633.71	-	-	633.71	377.90	63.07	-	440.97	192.74	255.81
Office Equipments	589.08	3.16	-	592.24	391.49	85.55	-	477.04	115.20	197.59
Computers	626.80	0.77	-	627.57	585.83	30.90	-	616.73	10.84	40.97
Electrical Equipments	602.99	2.22	-	605.21	266.41	45.23	-	311.64	293.57	336.58
Total	38,015.95	4,188.37	-	42,204.32	13,806.73	2,072.29	-	15,879.02	26,325.31	24,209.22

2.01 B - Capital Work-in-Progress

	GROSS BLOCK (at cost)				
	As at April 1, 2023	Additions/ Adjustments	Net Interest Cost	Capitalisation during the year	As at March 31, 2024
Capital Work-in-Progress	29,221.36	56,919.14	2,549.00	92.40	88,597.10
Total	29,221.36	59,468.14		92.40	88,597.10

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.01 B - Capital Work-in-Progress (Contd..)

	GROSS BLOCK (at cost)				
	As at April 1, 2022	Additions/ Adjustments	Net Interest Cost	Capitalisation during the year	As at March 31, 2023
Capital Work-in-Progress	1,162.11	28,508.47	-	449.22	29,221.36
Total	1,162.11	28,508.47		449.22	29,221.36

2.01 C - Other Intangible Assets

	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 1, 2023	Additions during the year	Disposal / Adjustments	As at March 31, 2024	As at April 1, 2023	During the Year	Disposal / Adjustments	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Computer software	283.10	4.03	-	287.13	232.88	48.23	-	281.12	6.01	50.22
Total	283.10	4.03	-	287.13	232.88	48.23	-	281.12	6.01	50.22

(Rupees in Lakhs)

	GROSS BLOCK				ACCUMULATED AMORTIZATION				NET BLOCK	
	As at April 1, 2022	Additions during the year	Disposal / Adjustments	As at March 31, 2023	As at April 1, 2022	During the Year	Disposal / Adjustments	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Computer software	283.10	-	-	283.10	184.20	48.68	-	232.88	50.22	98.90
Total	283.10	-	-	283.10	184.20	48.68	-	232.88	50.22	98.90

2.01 Ageing of capital work-in-progress (Tangibles) is as below:

Particulars	Amount in CWIP for a period of				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	59,468.14	28,508.54	557.56	-	88,534.24
Projects temporarily suspended	-	-	-	62.86	62.86
Total	59,468.14	28,508.54	557.56	62.86	88,597.10

Particulars	Amount in CWIP for a period of				As at March 31, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	28,508.54	557.56	62.86	-	29,128.96
Projects temporarily suspended	-	-	92.40	-	92.40
Total	28,508.54	557.56	155.26	-	29,221.36

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.01A CWIP Completion schedule for whose completion has exceeded original plan has been provided below:

Particulars	To be completed in				As at March 31, 2024
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Gents Hostel		2,523.64			2,523.64
Total	-	2,523.64	-	-	2,523.64

2.02 Investments [Non-Current]

Particulars	As at March 31, 2024	As at March 31, 2023
Unquoted		
Investments carried at cost		
Investments in equity instruments of associate company		
4,250,210.09 (4,250,210.09) fully paid-up membership units of USD 1 each in Kitex USA LLC (Refer Note 2.02.1)	2,776.24	2,776.24
Less:- Share of accumulated reserve	(2,776.24)	(2,776.24)
	-	-
Quoted		
Investments carried at fair value through other comprehensive income		
7,000 (7,000) fully paid-up equity shares of ₹2/- each in Punjab National Bank Limited	8.70	3.26
Total	8.70	3.26
Aggregate amount of unquoted investments	-	-
Aggregate amount of quoted investments and market value thereof; (The market value of quoted investments is equal to the carrying value)	8.70	3.26

2.03 Other Financial Assets [Non-Current]

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Security deposit (Refer Note 2.04.1)	224.63	223.95
Bank deposits with maturity more than 12 months	24.34	22.21
Advances Given	-	0.08
Other Financial Assets	1,462.67	639.83
Total	1,711.64	886.07

2.03.1 Deposit account includes deposits held as security ₹224.63 Lakhs (223.95 Lakhs as on March 31, 2023) which are not expected to be refunded in the next 12 months for the purpose of electricity deposit, gas deposit etc.

2.04 Non Current Tax Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax receivable	275.93	275.93
Total	275.93	275.93

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.05 Other Non-Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances	19,018.23	10,164.34
Balances with government authorities	325.05	325.05
Total	19,343.28	10,489.39

2.06 Inventories

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials	3,897.36	3,535.85
Raw materials in transit	93.15	66.16
Work-in-progress	10,248.42	6,023.53
Finished goods [See note 2.06.2]	1,745.11	1,741.65
Stores and spares	374.26	326.11
Stores and spares in transit	50.86	-
Total	16,409.16	11,693.30

2.06.1 Method of valuation of inventories - See note 1.6 of material accounting policies.

2.06.2 During the year ended March 31, 2024- ₹ Nil Lakhs (March 31,2023: 434.28) was recognised as an expense for write down in value of inventories to their net realisable value.

2.06.3 See detailed note 2.19 [a] of pari passu charge on the inventory of the Group.

2.07 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good [See note 2.08.1]	25,981.29	20,346.24
Less: Allowance for credit impairment	300.00	-
Total	25,681.29	20,346.24

2.07.1 (i) Trade receivables includes amounts due from related parties ₹14,816.59 lakhs (March 31, 2023: ₹ 16,598.56 lakhs). See note 2.38.

(ii) Trade receivables are non-interest bearing and are generally on credit terms not exceeding 90 days.

(iii) There are no outstanding receivables due from directors or other officers of the Group. No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

2.07.2 During 2017-18, TOYS "R" US, Inc., a customer of the Group had filed a petition in the Bankruptcy Court in the United States to wind down its US operation. Provision of ₹ 347.03 lakhs was made for the receivables towards loss, if any on recovery of receivables in the same year. After the hearings at the US Bankruptcy court on September 6, 2018 and November 13, 2018, Plan submitted under Chapter 11 was confirmed. The Claim allowed to the Group aggregates to 7,539.29 lakhs. Consequently, the provision carried in the books of ₹ 347.03 lakhs was written back during 2018-19. Later, Group has received interim disbursement of ₹ 13.21 lakhs during the year and ₹ 1,890.92 lakhs in earlier years from the liquidator of TOY"R" US, Inc. Trade receivables includes ₹399.77 lakhs (March 31, 2023: ₹407.26 lakhs) receivable from TOYS R US as on March 31, 2024.

2.07.03 Group has accounted receivable denominated in Foreign currency to the tune of ₹8,832.07 lakhs which is outstanding for more than one year. Group has taken active measures to regularise the delay with AD Bank for compliance with the provision of Foreign Exchange Management Act, 1999 (FEMA) read with rules notified therewith.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.07 Trade Receivables (Contd..)

2.07.4 Trade Receivables ageing schedule

Particulars	Outstanding for following periods from date of invoice					As at March 31, 2024
	<6 month	6 months -1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	16,132.33	603.01	8,845.67	0.27	0.24	25,581.52
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	399.77	399.77
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	(300.00)	-	-	(300.00)
Total						25,681.29

Particulars	Outstanding for following periods from date of invoice					As at March 31, 2023
	<6 month	6 months -1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	12,540.53	7,398.18	0.24	0.03	-	19,938.98
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	407.26	407.26
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Less: Allowance for expected credit loss	-	-	-	-	-	-
Total						20,346.24

2.08 Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks:-		
In current accounts	1,023.04	3,995.00
In EEFC accounts	3,403.62	547.20
Deposits with maturity of less than 3 months	551.81	-
Cash on hand	2.79	10.13
Total	4,981.26	4,552.33

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.09 Bank balances other than Cash and Cash Equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balance with banks		
In deposit accounts [See note 2.10.1]	1,872.66	5,453.51
In earmarked accounts:		
(a) Unpaid dividend accounts	69.50	75.31
(b) Restricted balance with bank- Dormant	-	-
Total	1,942.16	5,528.82

2.09.1 (i) Balances with banks in deposit accounts held as security against Letter of Credits/ Guarantee, with a maturity period of less than 12 months.

2.10 Other Financial Assets-At amortised Cost

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good-at amortised cost		
Subsidy receivable [see note 2.11.2]	1,116.51	1,116.51
Export incentives receivable	1,716.76	713.31
Rent deposits	15.71	15.71
Interest receivable on deposits	51.90	61.17
Total	2,900.88	1,906.70

2.10.1 There are no other current financial assets as at March 31, 2024 and March 31, 2023 which have significant increase in credit risk or which are credit impaired

2.10.2 Includes Technology upgradation fund scheme subsidy receivable from Ministry of Textiles ₹ 1,116.51 Lakhs (31.03.2023: 1,116.51 Lakhs).

2.11 Other Current Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received.	469.77	194.67
Balances with government authorities	2,739.07	1,429.65
Advances to staff	7.32	33.72
Prepaid expenses	136.73	153.23
Export entitlements / rebates receivable on export	0.98	0.98
Other Current Assets	2,890.78	307.47
Total	6,244.65	2,119.72

2.12 Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
Authorised		
250,000,000 (250,000,000) equity shares of ₹ 1/- each	2,500.00	2,500.00
Issued, subscribed and fully paid-up		
66,500,000 (66,500,000) equity shares of ₹ 1/- each	665.00	665.00
Total	665.00	665.00

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.12 Equity Share Capital (Contd..)

2.12.1 Terms / rights attached to equity shareholders

The holding Company has only one class of shares referred to as equity shares with a face value of ₹ 1/- each. Each holder of equity share is entitled to one vote per share. The holding Company declares and pays dividends in Indian Rupees. The dividend proposed / declared by the Board of Directors is subject to approval / regularisation of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

2.12.2 Reconciliation of subscribed equity shares with voting rights at the beginning and at the end of the financial year

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
No. of shares as at the beginning of the financial year	6,65,00,000	665.00	6,65,00,000	665.00
Add: Issued during the year	-	-	-	-
No. of shares as at the end of the financial year	6,65,00,000	665.00	6,65,00,000	665.00

2.12.3 Particulars of shareholders holding more than 5% shares in the holding Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of total holding	No. of shares	% of total holding
Mr. Sabu M Jacob	2,27,30,901	34.18	2,27,30,901	34.18
Kitex Childrenswear Limited	1,05,85,822	15.92	1,05,85,822	15.92
Ms. Renjitha Joseph	43,28,100	6.51	43,28,100	6.51
C K G Super Market Limited	36,00,000	5.41	36,00,000	5.41
Ms. Usha C P	34,96,690	5.26		
Mr. Gopinathan C K	-	0.00	36,15,000	5.44

As per records of the group, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

2.12.4 Particulars of promoters' shareholding percentage in the holding Company is as below

Promoters name	As at March 31, 2024		As at March 31, 2023		Change during the Year	
	No. of shares	%	No. of shares	%	No. of shares	%
Sabu M Jacob	2,27,30,901	34.18	2,27,30,901	34.18	0	0.00
Kitex Childrenswear Limited	1,05,85,822	15.92	1,05,85,822	15.92	0	0.00
Renjitha Joseph	43,28,100	6.51	43,28,100	6.51	0	0.00
Boby M Jacob	32,639	0.05	32,639	0.05	0	0.00

2.12.5 Aggregate number of bonus shares Issued during the period of five years immediately preceding the reporting date

Particulars	No. of shares	Rupees in lakhs
Equity shares allotted as fully paid-up bonus shares Financial Year 2017-18	1,90,00,000	190.00

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.13 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve		
Investment subsidy	22.10	22.10
General reserve		
Opening balance	30,675.00	28,675.00
Add: Transfer from retained earnings	2,000.00	2,000.00
Closing balance	32,675.00	30,675.00
Retained earnings		
Opening balance	54,497.28	51,880.23
Add: Profit for the year	5,583.05	5,692.23
Add: Adjustment relating to NCI	50.06	(173.05)
Add: Re-measurements of post employment benefit obligations (net of tax)	(13.91)	95.37
	60,116.48	57,494.78
Less:		
Transfer to general reserve	2,000.00	2,000.00
Payment of dividends	997.50	997.50
Closing balance	57,118.98	54,497.28
Equity instrument through other comprehensive income		
Opening balance	3.88	3.07
Add : Fair value changes on equity instruments carried through other comprehensive income (net of tax)	4.08	0.81
Closing balance	7.96	3.88
Total	89,824.04	85,198.26
Exchange difference on translating the share of accumulated reserve of the associate		
Opening balance	(30.37)	(30.37)
Add: Exchange differences on translation relating to associate	-	-
Closing balance	(30.37)	(30.37)
Total	89,793.67	85,167.89

2.13.1 Description of nature and purpose of each reserve

- (i) **Capital reserve** : Capital reserve denotes investment subsidy received by the Group amounting to ₹ 22.10 lakhs (31.03.2023: ₹ 22.10 lakhs).
- (ii) **General reserve** : General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of comprehensive income.
- (iii) **Equity instruments through other comprehensive income** : This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

2.14 Non current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
(a) Term loan from Banks (Refer note below)	60,467.48	-
Total	60,467.48	-

2.14.1 Fair Valuation of guarantee given by NCI was adjusted to the term loan balance to the tune of ₹512.7 lakhs for the year ended March 31, 2024.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.14 Non current borrowings (Contd..)

2.14.2 Term loan from Banks

Group have availed consortium loan to the sanctioned limit of ₹2023 Crores wide Facility Agreement dated January 5, 2023. The said consortium was initially led by State Bank of India but was replaced by Axis Bank Limited vide Supplementary Agreement dated April 24, 2024.

Term loan from Banks was taken during the financial year 2023-24 and interest is chargeable at six months SBI MCLR Rate (7.7% to 8.45%). The loan is repayable in 28 quarterly instalments starting from October 1, 2025.

As per the facility Agreement, the said Loan was taken for the purpose of part financing the project cost. The Group has used such borrowings for the purposes as stated in the Facility agreement.

Details of securities of term loan from Banks:

- (a) First ranking charge by way of mortgage over the immovable properties (both present and future) of one of the subsidiary company.
- (b) First charge over the movable assets of one of the subsidiary Company, including but not limited to movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets both present and future.
- (c) Assignment/charge (to the extent permitted) by way of Security Interest of:
 - (i) All the rights, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in Project Documents (to which the Company is a party), as amended, varied or supplemented from time to time,
 - (ii) All the rights, title, interest, benefits, claims and demands whatsoever, of one of the subsidiary company under the Insurance Contracts and Clearances, procured by one of the subsidiary company or procured by any of its contractors favouring the subsidiary company, in relation to the Project,
 - (iii) All the rights, title, interest, benefits, claims and demands whatsoever, of one of the Company in any letters of credit, guarantees, performance bonds etc. Provided/submitted by the counter parties to the Project Documents.
- (d) First ranking Security Interest over all intangible assets on one of the subsidiary company, including but Not limited to the goodwill and Intellectual Property Rights, uncalled capital etc of the subsidiary company, both present and future.
- (e) First ranking Security Interest over all present and future current assets (including but Not limited to book debts, operating cash flows, receivables, stock in trade, raw materials, finished goods etc. commissions, revenues and the Subsidy Amount.
- (f) 'First ranking Security Interest over the Accounts to be opened for routing the Project Cash flows and its sub-accounts including Debt Service Reserve Account and any other reserve and other bank accounts and its sub-accounts of the one of the subsidiary Company wherever Maintained that may be opened in accordance with the Finance Documents and the Trust and Retention Account Agreement, or any of the other Transaction Documents And all funds from time to time deposited therein, the receivables and all Permitted Investments or other securities.
- (g) First ranking Security Interest over subordinated debt of the one of the subsidiary Company, if any, raised For the purpose of equity infusion, or any other purpose in respect of the Projects.
- (h) An unconditional corporate guarantee from the Sponsors of one of the subsidiary company guaranteeing the Facility and All Obligations in relation thereto.
- (i) A non-disposal undertaking from the Sponsors to hold at least 51% (Fifty One Percent) Of the total paid up and voting share capital of the one of the subsidiary Company till the Final Settlement Date.
- (j) Till the Final Settlement Date, one of the subsidiary Company undertakes to notify the Facility Agent in writing of all its acquisitions of immoveable properties as soon as practicable and not later than 3 (three) months from the date of acquisition thereafter to make out a marketable title to the satisfaction of the Facility Agent and mortgage the same in favour of the Security Trustee for the benefit of the Lenders within the timelines agreed in such and form and manner acceptable to the Facility Agent.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.15 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity [See note 2.16.2]	801.02	723.32
Provision for compensated absences [See note 2.16.2]	186.65	127.12
Total	987.67	850.44

2.15.1 Short-term provisions of employee benefits is disclosed in note 2.22

2.15.2 Disclosures required under Ind AS 19 - "Employee Benefits"

2.15.2.a Defined contribution plans

During the year, the following amounts have been recognised in the statement of profit and loss on account of defined contribution plans:

Particulars	As at March 31, 2024	As at March 31, 2023
Employers contribution to provident fund	740.71	707.54
Employers contribution to employees' state insurance	163.28	155.65

2.15.2.b Defined benefit plans - gratuity: unfunded obligation

(i) Actuarial assumptions	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.20%	7.30%
Salary escalation rate*	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

*The assumption of future salary escalation takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

	As at March 31, 2024	As at March 31, 2023
(ii) Reconciliation of present value of obligation		
Present value of obligation at the beginning of the year	978.02	1,042.21
Current service cost	163.65	179.74
Interest cost	62.10	55.94
Actuarial (gain)/ loss - financial assumptions	5.61	(68.20)
Actuarial (gain)/ loss - experience adjustments	12.99	(27.17)
Benefits paid	(140.85)	(204.50)
Present value of obligation at the end of the year	1,081.52	978.03
Contributions by the employer	140.85	204.50
Benefits paid	(140.85)	(204.50)
Expected employers' contribution next year	-	-
(iii) Expenses recognized in the statement profit and loss		
Current service cost	163.65	179.74
Interest cost	62.10	55.94
Total expenses recognized in the statement of profit and loss for the year	225.75	235.68

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.15 Provisions (Contd..)

	As at March 31, 2024	As at March 31, 2023
(iv) Expenses recognized in other comprehensive income		
Opening amount recognised in OCI outside profit and loss account	(245.17)	(149.81)
Re-measurements during the period due to		
(a) Changes in financial assumptions	5.61	(68.20)
(b) Experience adjustments	12.99	(27.17)
Total re-measurements included in other comprehensive income (a+b)	18.60	(95.37)
Closing amount recognised in OCI outside profit and loss account	(226.57)	(245.18)
(v) Sensitivity analysis		
Discount rate + 50 basis points	-2.54%	(2.80%)
Discount rate - 50 basis points	2.69%	2.97%
Salary increase rate + 50 basis points	2.65%	2.90%
Salary increase rate - 50 basis points	-2.52%	(2.75%)

(vi) Maturity Analysis of the Benefit payments	As at March 31, 2024	As at March 31, 2023
Year 1	280.52	254.70
Year 2	142.72	134.99
Year 3	144.14	119.99
Year 4	118.46	114.01
Year 5	118.98	101.02
Next 5 years and above	945.68	865.84

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.

2.15.2.c Long term employee benefits

Compensated absences (vesting and non-vesting): unfunded obligation

(i) Actuarial Assumptions	As at March 31, 2024	As at March 31, 2023
Discount rate (per annum)	7.20%	7.30%
Salary escalation rate*	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

*The assumption of future salary escalation takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

2.16 Deferred Tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
A. Deferred tax liability :		
On excess of net book value over income tax written down value of property, plant and equipment	615.84	738.70
On excess of fair value over cost of investments	1.38	0.01
On foreign exchange forward contracts	-	(39.87)
B. Deferred tax assets :		
On provisions for employee benefits	356.37	303.08
Deferred tax liabilities (net) (A-B)	260.85	395.76

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.16 Deferred Tax Liabilities (Net) (Contd..)

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2024

Particulars	As at April 01, 2023	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2024
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	738.70	(122.86)	-	615.84
On excess of fair value over cost of investments	0.01	0.00	1.37	1.38
On foreign exchange forward contracts	(39.87)	39.87	-	-
B. Deferred tax assets				
On provisions for employee benefits	(303.08)	(48.61)	(4.68)	(356.37)
Deferred tax liabilities (net) (A-B)	395.76	(131.60)	(3.310)	260.85

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2023

Particulars	As at April 01, 2022	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2023
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	823.99	(85.29)	-	738.70
On excess of fair value over cost of quoted equity investments	0.51	(0.71)	0.21	0.01
On excess of interest receivable on fair valuation of Inter corporate loans over the actual interest receivable as per Income tax	32.90	(32.90)	-	-
On foreign exchange forward contracts	58.09	(97.96)	-	(39.87)
B. Deferred tax assets				
On provisions for employee benefits	(336.31)	9.23	24.00	(303.08)
Deferred tax liabilities (net) (A-B)	579.18	(207.63)	24.21	395.76

Reconciliation of effective tax rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	8,672.46	7,925.52
Income tax expense calculated at 25.168%	2,182.68	2,049.22
Tax effect on non-deductible expenses	592.40	175.36
Total	2,775.09	2,224.58
Tax expense as per statement of profit and loss	3,086.10	2,257.49

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (25.168%) payable on taxable profit under the Income Tax Act, 1961.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.17 Other Non-Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred grant on capital subsidy [see note 2.26.1.(iii)]	11,378.15	5,335.24
Total	11,378.15	5,335.24

2.18 Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Loans repayable on demand from Banks (Secured)	7,652.19	2,500.00
Total	7,652.19	2,500.00

Notes to Borrowings :

- (a) The group has availed export packing credit foreign currency loan for working capital which is secured by first charge over the entire current assets of the holding Company, both present and future, second charge over immovable fixed assets ie; equitable mortgage over 25.44 acres of the land and building belonging to the holding Company also hypothecation charge over the other fixed assets of the holding Company apart from personal guarantee of the Managing Director. The short term loans are repayable on demand and are re-drawable subsequently after repayment.
- (b) The quarterly returns or statements of current assets filed by the group with banks are not in agreement with the books of accounts. Reconciliation of quarterly returns or statements of current assets filed with banks or financial institutions are as follows:

Name of bank	Quarter	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
State Bank of India	Mar-24	Inventory	16,409.00	15,589.00	820.00	Note 2.18(b).1
State Bank of India	Dec-23	Inventory	13,708.00	14,123.00	-415.00	Note 2.18(b).1
State Bank of India	Sep-23	Inventory	13,193.00	14,197.00	-1,004.00	Note 2.18(b).1
State Bank of India	Jun-23	Inventory	10,555.00	11,327.00	-772.00	Note 2.18(b).1
State Bank of India	Mar-24	Trade Receivables	25,681.29	24,839.00	842.29	Note 2.18(b).1
State Bank of India	Dec-23	Trade Receivables	23,890.64	23,653.00	237.64	Note 2.18(b).1
State Bank of India	Sep-23	Trade Receivables	23,880.10	24,226.00	-345.90	Note 2.18(b).1
State Bank of India	Jun-23	Trade Receivables	28,499.99	26,378.00	2,121.99	Note 2.18(b).1

- (b). 1 Provisional figures are submitted to the Banks before finalisation of Books.
- (c) The average interest rate is 5.94% per annum (31.03.2023: 5.25%)
- (d) The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(e) Terms and Conditions

Nature	Currency	Lenders Name	Repayment	Existing Interest Rate	Security
Export Packing Credit	INR	State Bank of India	Upto 270 days	6.13%	Note 2.19 (a)
Export Packing Credit	INR	Axis bank	Upto 180 days or expiry of contracts/export letters of credit for shipment, whichever is earlier	5.90%	Secured in line with existing banks.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.19 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	303.53	348.18
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,206.61	3,831.69
Total	5,510.14	4,179.87

2.19.1 Trade Payables – ageing analysis and segregation of MSME / Other payables & Disputed Payables

Particulars	Not due	Outstanding for following periods from due date of payment				As at March 31, 2024
		<1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) MSME	303.53	-	-	-	-	303.53
(ii) Others	4829.04	31.05	10.41	9.90	56.29	5,206.61
(iii) Disputed dues MSME		-	-	-	-	-
(iv) Disputed dues others		-	-	-	-	-
Total	5,132.57	31.05	10.41	9.90	56.29	5,510.14

Particulars	Not due	Outstanding for following periods from due date of payment				As at March 31, 2023
		<1 Year	1-2 Year	2-3 Year	>3 Year	2-3 Year
(i) MSME	348.18	-	-	-	-	348.18
(ii) Others	3810.77	-	8.53	4.78	7.62	3,831.69
(iii) Disputed dues MSME		-	-	-	-	-
(iv) Disputed dues others		-	-	-	-	-
Total	4,158.95	-	8.53	4.78	7.62	4,179.87

2.19.2 The group has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Intimations have been received from some of the suppliers regarding their status under the said Act as at March 31, 2024, based on which, principal amount unpaid to such suppliers as at the year end aggregating to ₹303.53 lakhs (31.03.2023 : ₹348.18 lakhs) has been included under Trade payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material.

Disclosures required under the Micro, Small and Medium Enterprises Development Act 2006 are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
a. Principal amount remaining unpaid but not due as at the year end.	303.53	348.18
b. Interest due thereon and remaining unpaid as at the year end.	-	-
c. Interest paid by the group in terms of Section 16 of Micro, Small & Medium Enterprises Development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.19 Trade Payables (Contd..)

Particulars	As at March 31, 2024	As at March 31, 2023
e. Interest accrued and remaining unpaid as at the year end.	-	-
f. Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	303.53	348.18

2.20 Other Financial Liabilities -Current

Particulars	As at March 31, 2024	As at March 31, 2023
Retention money payable	160.43	117.76
Unpaid dividend	69.17	74.98
MTM forward contracts	-	158.38
Other financial liabilities	90.66	77.85
Total	320.26	428.97

2.21 Short-Term Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for gratuity [See note 2.15.2]	280.51	254.70
Provision for compensated absences [See note 2.15.2]	129.20	99.10
Total	409.71	353.80

2.22 Current Tax Liabilities (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax payable [net of advance tax ₹ 1740 lakhs (₹ 1600 lakhs)]	1,914.62	1,180.79
Total	1,914.62	1,180.79

2.23 Other Current Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	180.69	209.23
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	49.70	154.97
Advance from customers	27.31	88.71
Other Current Liabilities	140.28	46.07
Total	397.98	498.98

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.24 Revenue from operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products	57,665.27	52,835.87
A	57,665.27	52,835.87
Other operating revenues		
Export entitlements	2,905.21	2,116.05
Job work charges	637.08	648.27
Scrap sales	473.52	47.61
Others**	11.12	51.75
B	4,026.93	2,863.68
Revenue from operations	(A+B) 61,692.20	55,699.55

**Others include sample development charges, Sale of samples and discounts received

2.24.1 Timing of revenue recognition

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue recognised at a point in time	61,692.20	55,699.55
Total	61,692.20	55,699.55

2.25 Other Income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income	154.33	347.82
Dividend Received	0.04	0.05
Rent received [see note- 2.38.2D]	31.81	31.81
Net gain on foreign currency transactions and translations	765.53	3,693.55
Gain on foreign exchange forward contracts	56.81	
Deferred grant income [see note 2.26.1 (iii)]	220.22	154.97
Provision no longer required written back	-	69.54
Other non-operating incomes :		
(a) Gain on sale of property, plant and equipment (net)	7.49	-
(b) Other Miscellaneous Income	188.76	107.95
Total	1,424.99	4,405.69

2.25.1 The group is in receipt of the Government Grant/Assistance as defined under Ind AS 20 – 'Accounting for Government Grants and Disclosure of Government Assistance' as under:

- (i) Grants in the nature of Merchandise Export Incentive Scheme, Rebate of State & Central Taxes and Levies, Remission on Duties and Taxes on Exported Products and Duty Drawback are disclosed under the head 'Export Entitlements' in other operating revenue.
- (ii) Grants in the nature of re-imburement of cost towards capital asset under the Technology Upgradation Fund Scheme (TUFS) and Integrated Skill Development Scheme (ISDS) Project which is disclosed as deferred grant. The amount is disclosed under the head 'Other Income' in the proportions in which depreciation expense on those assets is recognised.
- (iii) Grants in the nature of re-imburement of interest cost on borrowings under the TUFS is disclosed under the head 'Other Income'.
- (iv) EPCG authorisation is obtained by the Group from Directorate General of Trade as import duty waiver over procurement of capital goods defined in Foreign Trade Policy 2015-20. The Group has deferred the grant in the books and it will be amortised in the books as and when the conditions attached (export obligation) to authorisations are fulfilled.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.26 Cost of Materials Consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	3,601.99	5,043.13
Add: Purchases	30,131.32	22,585.30
Less: Inventory at the end of the year	3,990.50	3,601.99
Total	29,742.81	24,026.44

2.27 Changes in Inventories of Finished Goods and Work-in-Progress

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Finished goods	1,741.66	246.09
Work-in-progress	6,023.52	9,945.96
	7,765.18	10,192.05
Less: Inventories at the end of the year		
Finished goods	1,745.11	1,741.66
Work-in-progress	10,248.41	6,023.52
	11,993.52	7,765.18
Net decrease / (increase)	(4,228.34)	2,426.87

2.28 Employee Benefits Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries & wages	9,601.86	8,594.40
Contribution to provident and other funds (Refer note 2.16.2.a)	903.99	863.19
Gratuity expenses (Refer note 2.16.2.b)	225.75	238.37
Staff welfare expenses	1,215.91	1,210.76
Total	11,947.51	10,906.72

2.29 Finance Costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on export packing credit	524.38	291.67
Other borrowing cost	61.02	32.78
Interest on income tax	147.79	122.72
Total	733.19	447.17

2.30 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment [See note 2.01A]	2,022.51	2,072.29
Amortisation of intangible assets [See note 2.01C]	48.23	48.68
Total	2,070.74	2,120.97

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.31 Other Expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Processing charges	3,172.95	2,577.23
Consumption of stores and spares	1,354.57	541.68
Power and fuel	3,292.67	2,875.91
Repairs		
- Building	60.04	9.41
- Plant & machinery	466.28	308.57
- Others	411.40	374.43
Other production expenses	270.83	206.75
Testing charges	234.43	158.81
Forwarding and transport on sales	277.97	1,164.89
Insurance	129.40	138.14
Rent [See note 2.40]	121.55	129.85
Rates and taxes	50.61	134.45
Travelling and conveyance	140.59	226.01
Payments to auditors [See note 2.32.2]	24.78	23.30
Advertisement and sales promotion	195.01	62.33
Professional and consultancy charges	161.42	155.81
Provision for Expected Credit Loss	300.00	-
Donation [See note 2.32.1]	2,193.50	652.31
Expenses on corporate social responsibility activities [See note 2.31.3]	1.44	11.10
Loss on foreign exchange forward contracts	-	1,332.19
Miscellaneous expenses	1,319.38	1,168.38
Total	14,178.82	12,251.55

2.31.1 Contribution to political parties as per section 182 of Companies Act, 2013 (Included in Donation) for the year ended March 31, 2024

Donation to Political parties - ₹78.5 lakhs

Electoral bonds (In Accordance with the Electoral Bond Scheme notified by the Government of India - ₹1600 lakhs)

2.31.2 Payments to auditors (Net of Goods and Service Tax)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Statutory audit fees	23.22	22.27
(b) Other services		
- Others	0.52	-
- Reimbursement of expenses	1.56	0.83
Total	25.30	23.10

2.31.3 Details of expenses on corporate social responsibility activities

- Gross amount required to be spent by the group during the year ₹ 228.03 lakhs (31.03.2023: ₹269.20 lakhs) towards CSR compliance as per Companies Act.
- Amount Unspent from previous years : Nil
- Amount approved by the Board to be spent during the year- ₹228.03 lakhs (31.03.2023 : ₹269.20 lakhs)

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.31 Other Expenses (Contd..)

(d) Amount spent during the financial year on :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	516.44	511.10
Total	516.44	511.10

(e) Details of excess CSR expenditure

Nature of Activity	Balance excess as at 01 April 2023	Amount required to be spent during the year	Amount spent during the year	Balance excess to be carried over as at 31 March 2024*
Agriculture and infrastructure development assistance	-	228.04	516.44	-

* As per records filed with MCA.

(f) CSR Expenditure incurred with Related Parties

Name	Nature of Relationship	For the year ended March 31, 2024	For the year ended March 31, 2023
Twenty 20 Kizhakkambalam Association	Enterprises owned or significantly influenced by key management personal or their relatives	515.00	500.00

2.32 Earnings per equity share

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit for the year	5,633.11	5,755.40
Weighted average number of equity shares of ₹ 1/- each (fully paid-up)	6,65,00,000	6,65,00,000
Earnings per equity share - Basic & Diluted in ₹	8.47	8.65

2.33 Segment Reporting

The Group's operations predominantly relate to one operating segment i.e. Textile – Infant / Kids Apparel manufacturing. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as one operating segment. Hence, no separate segment information has been furnished herewith.

2.33.1 Information about products and services: The Group earns revenue from only a single group of product and service viz. Textile Business comprising of sale of garments and fabrics products / services.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.33 Segment Reporting (Contd..)

2.33.2 Information regarding geographical revenue is as follows:

Revenue from external customers	For the year ended March 31, 2024	For the year ended March 31, 2023
India	10,394.51	13,461.93
Outside India		
- The United States (US)	39,129.22	36,535.73
- Others	8,141.54	2,838.22
Sale of products	57,665.27	52,835.88

2.33.3 The following table gives details in respect of percentage of revenue generated from the top customer and revenue from transactions with customers amounting to more than 10 percent or more of the Group's revenue.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
No of customers who contribute to more than 10 percent of the group's revenue	3	3
Revenue from top customer	30,121.14	22,769.98
Revenue from customers contributing to more than 10 percent of the group's revenue	53,269.60	51,573.38

2.34 Fair Value Measurement

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

Fair value hierarchy of financial instruments measured at fair value on a recurring basis is as follows:

Particulars	Fair value hierarchy (level)	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	1	8.70	3.26
Financial asset measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	2	0.00	-158.38

There have been no transfers between levels during the period

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.34 Fair Value Measurement (Contd..)

Category wise classification of financial instruments is as follows:

Particulars	See note	As at March 31, 2024	As at March 31, 2023
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	2.02	8.70	3.26
Financial assets measured at amortised cost			
Non current :			
(i) Security deposits	2.03	224.63	223.95
(ii) Bank deposits	2.03	24.34	22.21
(iii) Other Financial Assets	2.03	1,462.67	639.91
Current :			
(i) Trade receivables	2.07	25,681.29	20,346.24
(ii) Cash and cash equivalents	2.08	4,981.26	4,552.33
(iii) Bank balances other than (ii) above	2.09	1,942.16	5,528.82
(iv) Other financial assets	2.11	2,900.88	1,906.70
		37,225.93	33,223.42
Financial liabilities measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	2.20	-	158.38
Financial Liabilities measured at amortised cost			
Current			
(i) Borrowings	2.18	7,652.19	2,500.00
(ii) Trade payables	2.19	5,510.14	4,179.87
(iii) Other financial liabilities	2.20	320.26	270.59
Non Current			
(i) Borrowings	2.14	60,467.48	-
		73,950.07	7,108.84

2.35 Financial Risk Management - Objectives and Policies

The Group has a well managed risk management framework, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

1) Liquidity risk

Liquidity risk is the risk that the Group will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has sound financial strength represented by its aggregate current assets as against aggregate current liabilities and its strong equity base and low working capital debt. In such circumstances, liquidity risk does not exist.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Maturities of financial liabilities As at March 31, 2024	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,652.19	-	60,980.17	68,632.36
Trade payable	5,499.73	10.41	-	5,510.14
Other financial liabilities (current)	320.26	-	-	320.26

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.35 Financial Risk Management - Objectives and Policies (Contd..)

Maturities of financial liabilities As at March 31, 2023	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2,500.00	-	-	2,500.00
Trade payable	4,171.34	8.53	-	4,179.87
Other financial liabilities	270.59	-	-	270.59

2) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks.

a) Foreign currency risk

The Group undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risks.

- i) The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Assets		
USD	297.38	171.87
HKD	0.02	0.01
EUR	0.00	0.00
Liabilities		
EUR	1.73	5.65
USD	10.56	1.25
GBP	0.28	-

ii) Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant.

Particulars	Impact in statement of profit and loss for 1% change	
	March 31, 2024	March 31, 2023
Sensitivity		
INR/USD (Net receivable)	239.13	140.28
INR/EUR (Net payable)	1.55	5.06
INR/GBP (Net Payable)	0.29	-
INR/HKD (Net payable)	0.00	-

b) Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of the loans and borrowings effected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows :

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate instruments		
Financial liability - Loans repayable on demand from banks	71,132.36	2,500.00
Financial liability	71,132.36	2,500.00

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.35 Financial Risk Management - Objectives and Policies (Contd..)

Cash flow sensitivity for variable rate instruments

Particulars	Impact on Profit or (Loss)	
	March 31, 2024	March 31, 2023
Sensitivity		
50 BPS increase in rate	355.66	12.50
50 BPS decrease in rate	(355.66)	(12.50)

3) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers (including related parties) to which the Group grants credit terms in the normal course of the business.

Movement in expected credit loss allowance on trade receivables	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	-	-
Loss allowance Provided during the year	300.00	-
Balance at the end of the year	300.00	-

2.36 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Group when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Group funds its operations through internal accruals. The Group aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

Particulars	As at March 31, 2024	As at March 31, 2023
Equity attributable to share holders	90,458.67	85,832.89
Borrowings	71,132.36	2,500.00
Less: Cash and cash equivalents	4,981.26	4,552.32
Net debt	66,151.10	(2,052.32)
Total capital (equity + debt)	1,56,609.77	83,780.57
Net debt to capital ratio	0.422	(0.024)

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.37 Additional information as required under the General Instructions for Preparation of Consolidated Financial Statements to Schedule III Division II to the Companies Act, 2013

Name of the entity	As at March 31, 2024		As at March 31, 2023	
	Net assets, i.e., total assets - total liabilities		Net assets, i.e., total assets - total liabilities	
	As a % of consolidated net assets	Amount in lakhs	As a % of consolidated net assets	Amount in lakhs
Parent	93.30%	96,300.44	92.64%	90,489.01
subsidiaries	39.22%	40,480.97	0.38	36,977.01
Associate (Investment as per equity method):				
Kitex USA LLC	(2.69)%	(2,776.24)	(2.84)%	(2,776.24)
Non Controlling interest in all subsidiaries	12.36%	12,754.25	12.12%	11,841.89
Elimination on account of consolidation	(42.19)%	(43,546.50)	(39.78)%	(38,856.89)
Total	100.00%	1,03,212.92	100.00%	97,674.78

Name of the entity	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Share in profit or loss		Share in profit or loss	
	As a % of consolidated profit	Amount in lakhs	As a % of consolidated profit	Amount in lakhs
Parent	122.13%	6,818.78	104.38%	5,941.82
Subsidiaries3	(15.74)%	(879.05)	(2.70)%	(153.52)
Associate (Investment as per equity method):				
Kitex USA LLC	-	-	-	-
Non Controlling interest in all subsidiaries	(0.90)%	(50.06)		(63.16)
Elimination on account of consolidation	(5.49)%	(306.62)	(0.58)%	(32.90)
Total	100.00%	5,583.05	101.11%	5,692.24

Name of the entity	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Share in other comprehensive income		Share in other comprehensive income	
	As a % of consolidated other comprehensive income	Amount in lakhs	As a % of consolidated other comprehensive income	Amount in lakhs
Parent	100.00%	(9.84)	100.00%	71.97
Wholly owned subsidiaries	-	-	-	-
Associate (Investment as per equity method):				
Kitex USA LLC	-	-	-	-
Non Controlling interest in all subsidiaries	-	-	-	-
Elimination on account of consolidation	-	-	-	-
Total	100.00%	(9.84)	100.00%	71.97

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.37 Additional information as required under the General Instructions for Preparation of Consolidated Financial Statements to Schedule III Division II to the Companies Act, 2013 (Contd..)

2.37A Non controlling interests

The subsidiaries of the Group having non-controlling interests, all of which have been included in these consolidated financial statements, are as follows:

Name of entity	Place of business/ country of incorporation	Proportion of Ownership interest held by the group		Proportion of Ownership interest held by non-controlling interests	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Kitex Apparel Parks Limited	India	70%	69.05%	30.00%	30.95%

Information regarding NCI	March 31, 2024	March 31, 2023
Accumulated balances of NCI	12,754.25	11,841.89
loss allocated to NCI	(50.06)	(63.16)

Summarised financial information in relation to Kitex Apparel Parks Ltd. before intra-group eliminations, is presented below together with amounts attributable to NCI:

Summarised balance sheet	Kitex Apparel Parks Limited	
	March 31, 2024	March 31, 2023
Current Assets	3,205.42	2,040.05
Current Liability	407.66	110.99
Net Current Assets	2,797.76	1,929.06
Non-current Assets	1,10,304.15	41,483.41
Non-current Liabilities	70,571.73	5,148.48
Net Non-current Assets	39,732.42	36,334.93
Net Assets	42,530.18	38,263.99
Accumulated non-controlling interests	12,754.25	11,841.89

Summarised Statement of Profit or Loss	Kitex Apparel Parks Limited	
	March 31, 2024	March 31, 2023
other expenses	340.45	307.68
loss before tax	(166.86)	(204.07)
Income tax	-	-
loss for the year	(166.86)	(204.07)
Other comprehensive income	-	-
Total comprehensive income	(166.86)	(204.07)
loss allocated to NCI	(50.06)	(63.16)

Summarised Cash flows	Kitex Apparel Parks Limited	
	March 31, 2024	March 31, 2023
Cash flow from operating activities	-2,476.83	-395.03
Cash flow from investing activities	-60,830.62	-30,319.97
Cash flow from financing activities	63,266.18	30,887.04
Net increase /(decrease) in cash and cash equivalents	-41.27	172.04

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.37 Additional information as required under the General Instructions for Preparation of Consolidated Financial Statements to Schedule III Division II to the Companies Act, 2013 (Contd..)

2.37B Investments accounted using equity method

Name of entity	Place of business/ country of incorporation	% Ownership interest		Carrying Value of Investments	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Kitex USA LLC	USA	50%	50%	-	-

Group has 50% investment in Kitex USA LLC, which is considered material to the group

Summarised financial information in respect of Kitex USA LLC

Particulars	As at / For the year ended March 31, 2024	As at / For the year ended March 31, 2023
Current assets	4,614.30	6,704.79
Non current assets	481.96	468.76
Current liabilities	10,612.75	10,453.07
Revenue from operations	5,189.77	21,160.67
Loss for the period	(2,194.12)	(1,979.20)
Other comprehensive income	-	-
Total comprehensive loss	(2,194.12)	(1,979.20)

2.38 Related Party Disclosure

Disclosure of transactions with related parties as required by Ind AS 24 - Related Party Disclosures for the year ended March 31, 2024

2.38.1 List of related parties

A Key managerial personnel

- (i) Mr. Sabu M Jacob, Managing Director
- (ii) Ms. Sindhu Chandrasekharan, Whole Time Director
- (iii) Mr. Boby Michael, Chief Financial Officer
- (iv) Ms. Dayana Joseph, Company Secretary (w.e.f. September 4, 2023)

B Enterprise owned or significantly influenced by key management personnel or their relatives

- (i) Kitex Childrenswear Limited
- (ii) Kitex Limited
- (iii) Anna Aluminium Company Private Limited
- (iv) Kitex Herbals Limited
- (v) Kitex Building Systems (earlier Kitex Apparels Limited)
- (vi) Kitex Infantswear Limited
- (vii) Twenty 20 Kizhakkambalam Association
- (viii) Kitex Building Systems LLC
- (ix) Sara Spices Private Limited

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

C Associate enterprise

- (i) Kitex USA LLC

2.38.2 The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

A Enterprises owned or significantly influenced by key management personal or their relatives	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Kitex Childrenswear Limited		
Revenue from sale of goods and services (including expenses recovered)	10,244.27	13,441.43
Purchases of goods and services (including reimbursements)	2,809.42	2,145.40
(ii) Kitex Limited		
Revenue from sale of goods and services (including expenses recovered)	100.69	138.02
Purchases of goods and services (including reimbursements)	61.31	10.18
(iii) Anna Aluminium Company Private Limited		
Revenue from sale of goods and services (including expenses recovered)	0.60	-
Purchases of goods and services (including reimbursements)	1.32	5.88
(iv) Twenty 20 Kizhakkambalam Association		
Donation paid	515.00	500.00
(v) Sara Spices Private Limited		
Spices Purchase	63.68	-
(VI) Twenty 20 Kizhakkambalam Association		
Community welfare activity	515.00	500.00

B Key management personnel	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Mr. Sabu M Jacob		
Remuneration paid	496.27	331.61
(ii) Ms. Sindhu Chandrasekharan		
Remuneration paid	25.22	21.01
(iii) Mr. Boby Michael		
Remuneration paid	46.10	46.00
(iv) Ms. Dayana Joseph (w.e.f. September 4, 2023)		
Remuneration paid	7.05	-

C Associate enterprise	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Kitex USA LLC		
Sale of readymade garments	1,371.08	22,769.98
Sales commission paid	976.40	720.12

2.38.3 Outstanding amounts carried in the balance sheet as at March 31, 2024

A Enterprises owned or significantly influenced by key management personnel or their relatives:

Name of related party	As at March 31, 2024	As at March 31, 2023
(i) Kitex Childrenswear Limited		
Trade receivables	4,589.48	6,759.76

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

Name of related party	As at March 31, 2024	As at March 31, 2023
(ii) Kitex Limited		
Trade receivables	1.99	32.11
(iii) Anna Aluminium Company Private Limited		
Advances to supplier	-	0.61
Trade payables	-	2.10
(iv) Sara Spices Private Limited		
Trade payables	5.83	-

B Key management personnel

Name of related party	As at March 31, 2024	As at March 31, 2023
(i) Mr. Sabu M Jacob		
Remuneration payable	393.27	816.09
(ii) Ms. Sindhu Chandrasekharan		
Remuneration payable	1.85	1.11

C Associate enterprise

Name of related party	As at March 31, 2024	As at March 31, 2023
(i) Kitex USA LLC		
Trade receivables	10,225.12	9,806.68
Kitex USA LLC Trade Payable	780.66	
Net carrying value of investment	2,776.24	2,776.24

2.39 From the current financial year, Group have stopped undertaking forward contracts to hedge foreign currency exposure.

2.39.1 The particulars of forward contracts entered into by the Group and outstanding as at Balance Sheet date is as under:

Currency	As at March 31, 2024		As at March 31, 2023	
	Foreign currency	INR	Foreign currency	INR
Export receivables				
USD	-	-	311.96	23,648.77

2.39.2 The particulars of hedged export receivables / payables as at balance sheet date is as under:

Currency	As at March 31, 2024		As at March 31, 2023	
	Foreign currency	INR	Foreign currency	INR
Export Receivables				
USD	-	-	311.96	23,648.77

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.39 (Contd..)

2.39.3 The particulars of un hedged items as at Balance Sheet date is as under:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Foreign currency	INR	Foreign currency	INR
Assets				
EUR	-	0.27	-	0.27
USD	297.38	24,793.43	81.87	6,730.99
HKD	0.02	0.26	-	0.06
Liabilities				
EUR	1.73	155.77	5.65	506.70
USD	10.56	880.58	1.25	102.53
GBP	0.28	28.96	0.28	28.03

2.40 Lease Accounting

Operating Lease

Office premises are hired on operating lease. The lease term is renewable every year at the option of the Group. There is no escalation clause in the lease agreement. All of the material lease agreements entered by the Group are for term less than one year, hence Group have opted for the exception from the requirements of IND AS 116. There are no restrictions imposed by lease arrangements. There are no subleases.

Particulars	As at March 31, 2024	As at March 31, 2023
Amount charged to statement of profit and loss account during the year		
Rent for premises	84.16	94.17
Rent for equipment	27.50	30.25
Total	111.66	124.42

2.41 The details of provisions, contingent liabilities and contingent assets are as required under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets for the year ended March 31, 2024.

2.41.1 Contingent liabilities not provided for:

Particulars	As at March 31, 2024	As at March 31, 2023
1. Claims against the Group not acknowledged as debts being demand raised against the Company, disputed on Appeal before various Appellate authorities.		
(i) Income tax dues [Paid under protest include ₹ 108.57 lakhs (31.03.2023: ₹ 108.57 lakhs)]	318.35	318.35
2. Bank guarantees	2,095.54	2,093.39
Total	45,671.70	3,234.71

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.41 (Contd..)

2.41.2 The Group has purchased capital assets under Export Promotion Capital Goods license against which the Group has an export obligation of six times of duty saved. Contingent liability, to the extent of duty saved in respect of EPCG is ₹6229.67 Lakhs (₹150.98 Lakhs). The export obligation to be fulfilled as per license is upto six years from date of issue of EPCG licence.

2.41.3 The above demands are disputed by the Group and matters pending in appeal before appellate authorities in various stages. In the opinion of the management and based on legal advice received the Group is hopeful of getting full relief and hence no provision has been made thereof.

2.42 Capital & Other Commitments

Estimated amount of contract remaining to be executed on capital account (net of advances): ₹ 578.66 lakhs (31.03.2023: ₹2271.68 lakhs).

2.43 In the opinion of the Directors, short term loans and advances and other current assets, have the value at which they are stated in the balance sheet, if realised in the ordinary course of business.

2.44 Subsequent event

Dividends declared by the holding Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable tax deducted at source (TDS). On May 20, 2024 Board of Directors of the holding Company have proposed a final dividend of ₹1.50 per share in respect of the year ended March 31, 2024 subject to the approval of shareholders at the Annual General Meeting. The proposal if approved, would result in a cash outflow of approximately ₹997.50 Lakhs.

2.45 Note on Ultimate Beneficiaries

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries).

The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2.46 Other Disclosures

- (a) Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
 - The Group does not have any transactions or relationships with any struck off Companies
- (b) Details of Benami Property held - The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (c) Undisclosed income - The Group does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year / previous year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2024

(All amounts are stated in lakhs unless stated otherwise)

2.46 Other Disclosures (Contd..)

- (d) Registration of charges or satisfaction with Registrar of Companies - The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (e) Details of Crypto Currency or Virtual Currency - The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (f) Compliance with approved Scheme(s) of Arrangements - The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- (g) The Code on Social Security 2020 - The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.
- (h) Compliance with number of layers of companies - The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

2.47 Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's disclosure.

As per our separate report of even date attached

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

Geetha Jeyakumar
Partner
Membership No.029409

Place : Chennai
Date : July 15, 2024

**For and on behalf of the Board of Directors of
Kitex Garments Limited**
CIN: L18101KL1992PLC006258

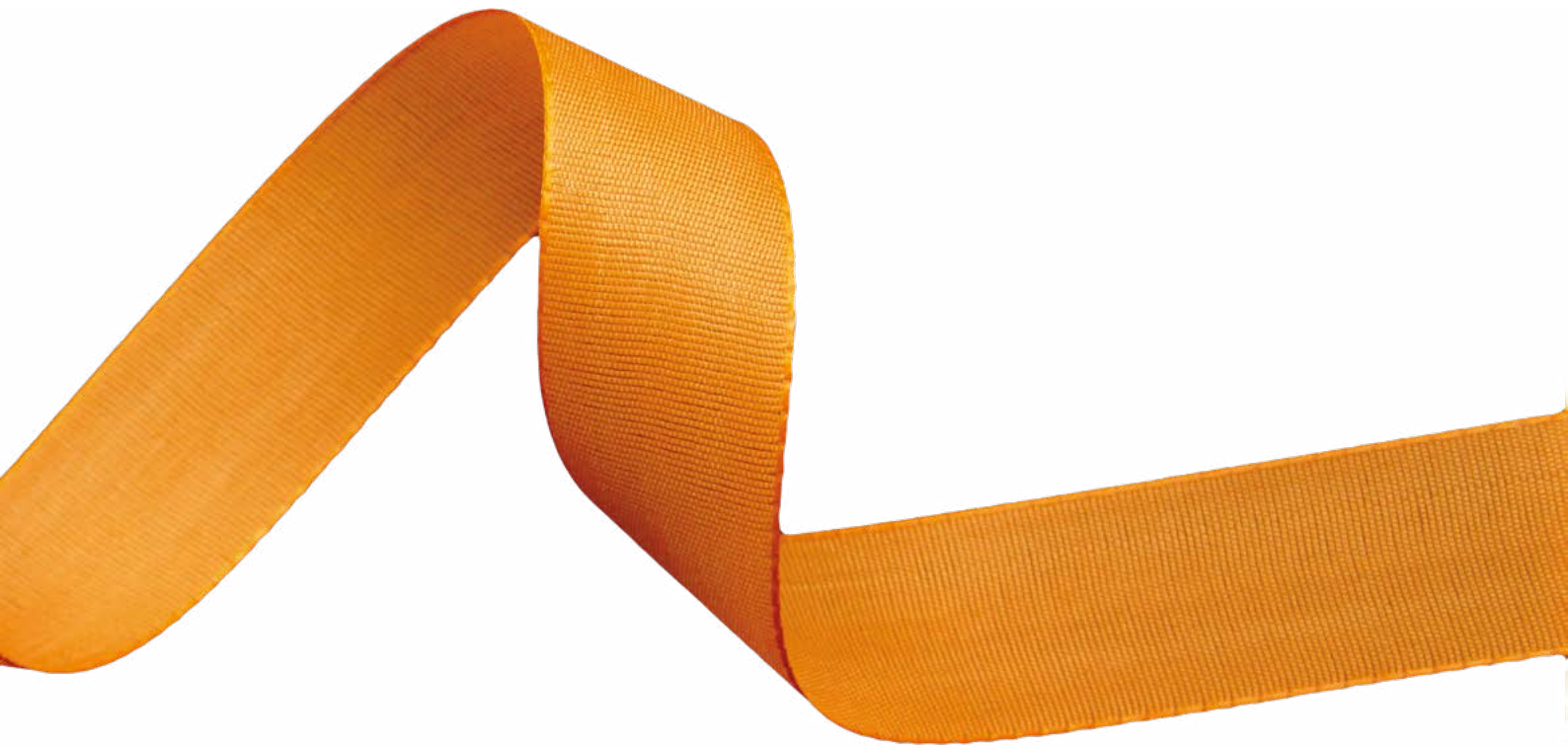
Sabu M Jacob
Chairman & Managing Director
DIN:00046016

CA Bobby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date : July 15, 2024

CA Benni Joseph
Director
DIN: 01219476

CS Dayana Joseph
Company Secretary
ICSI M.No.A61808



KITEX

Registered Office & Factory

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