



Sustaining Excellence.
Reaching New Horizons.
Realizing New Potential.

KITEX GARMENTS LIMITED
Annual Report 2024-25

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.



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Scan the QR code to
know more about us



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At Kitex Garments, our journey has always been defined by an unrelenting focus on excellence—delivering superior quality every step of the way. As one of the world’s leading manufacturers of infant apparel, we have sustained our leadership by continually refining our processes, embracing cutting-edge technology and upholding the highest quality standards. This pursuit of excellence has enabled us to consistently meet the evolving expectations of our global clientele and empowered us to build lasting trust with some of the most renowned international brands.

A photograph of a woman with long brown hair, wearing a mustard-colored knit sweater and large hoop earrings, hugging a child from behind. The child is wearing a white sweater. They are outdoors in a grassy area with a blurred green background.

As we look ahead, we are expanding our horizons through capacity enhancement, stronger R&D focus and innovative product development. Our efforts are directed towards creating next-generation apparel solutions that respond to shifting market needs while reinforcing our position as a reliable, forward-looking partner.

At the same time, we remain deeply committed to realising new potential beyond business performance. Guided by our core ethos of care, we are shaping a sustainable future by investing in environmentally responsible practices, prioritising community well-being and building a culture of compassion.

Together, these pillars of excellence, expansion and purpose are propelling us into the next phase of growth—where Kitex stands stronger than ever before, ready to sustain excellence, reach new horizons and realise its full potential.

About us

Expanding Horizons, Excelling in Every Stitch

We are among the world's largest manufacturers of infant apparel, headquartered in Kerala, India, with an expanding footprint in men's, women's, and unisex apparel. Since our inception in 1992, we have developed end-to-end, vertically integrated capabilities spanning yarn to finished garments. Our state-of-the-art facilities combine advanced global machinery with sustainable manufacturing practices, achieving an industry-leading manufacturing efficiency of 85 per cent.

We serve leading international brands, supported by strong design, quality and compliance credentials. With strategic expansions in Telangana and the merger of Kitex Childrenswear Limited, we are positioned to enhance scale, transparency and long-term value for stakeholders.

We operate under a yarn to garments model as a fully export-oriented unit, serving major clients across the USA and European markets. Within three years of inception, we were listed on the National Stock Exchange and the Bombay Stock Exchange in 1995.

32

YEARS OF EXPERTISE

3,50,000 sq ft

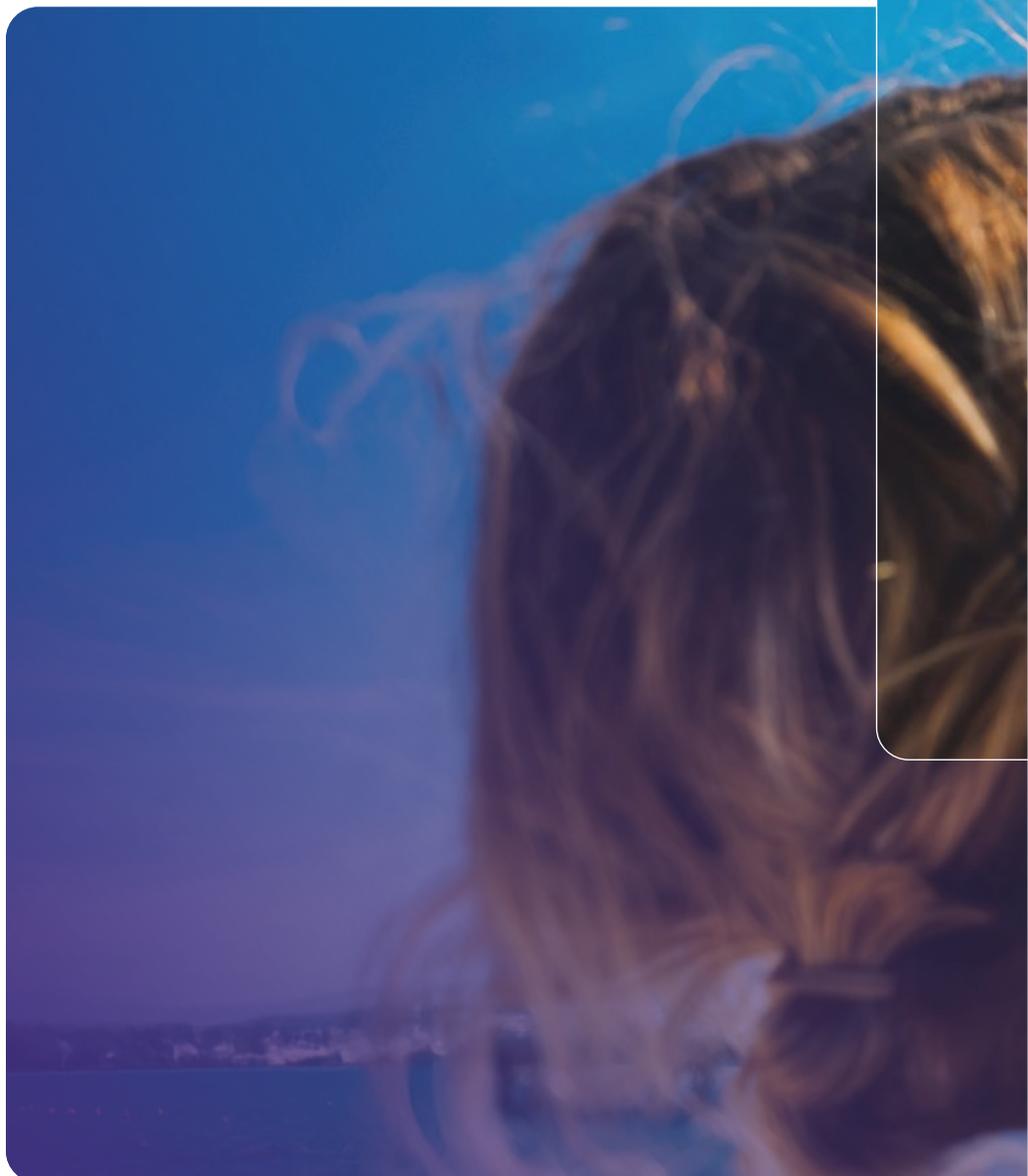
MANUFACTURING AREA

4,32,000 No's

CAPACITY PER DAY

50 tonnes per day

TEXTILE CAPACITY

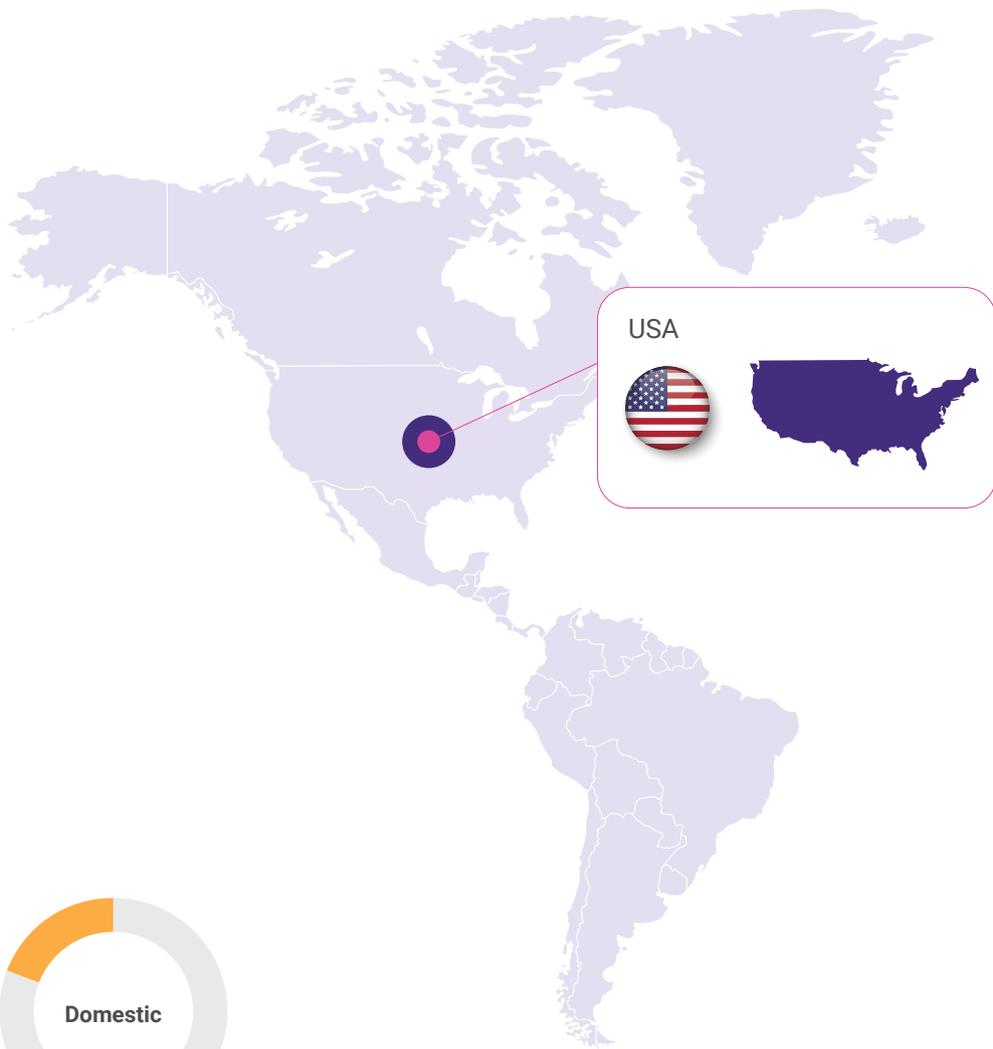




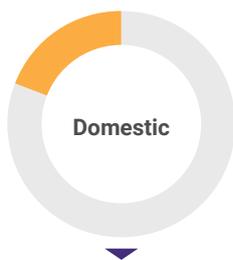
Geographic Footprint

Global Fabric of Growth

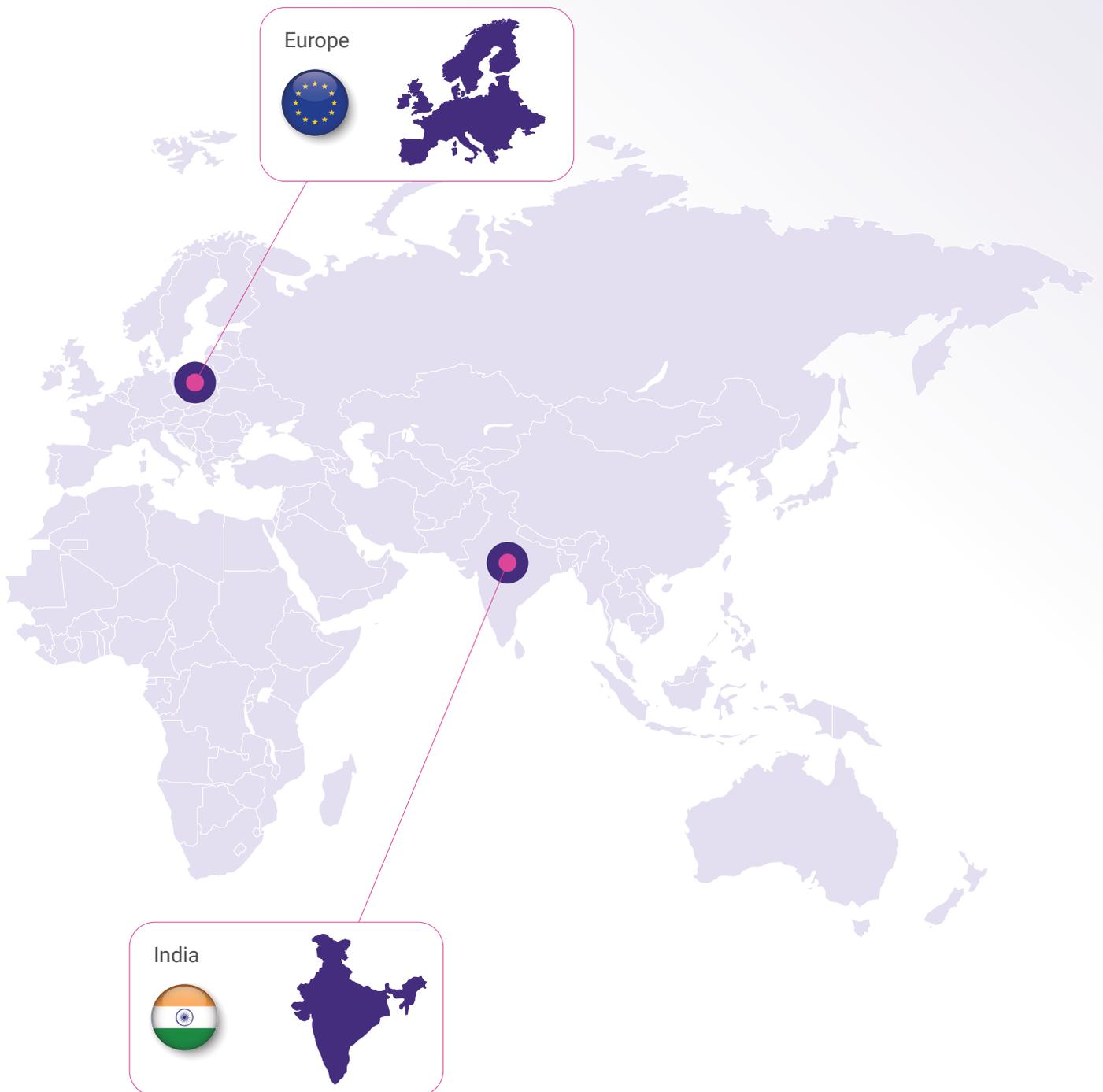
We operate across multiple continents with a strong presence built on advanced manufacturing capabilities and strategic partnerships. Our global reach enables us to serve diverse markets efficiently, delivering garments that consistently meet the quality standards expected by customers worldwide.



80.72%

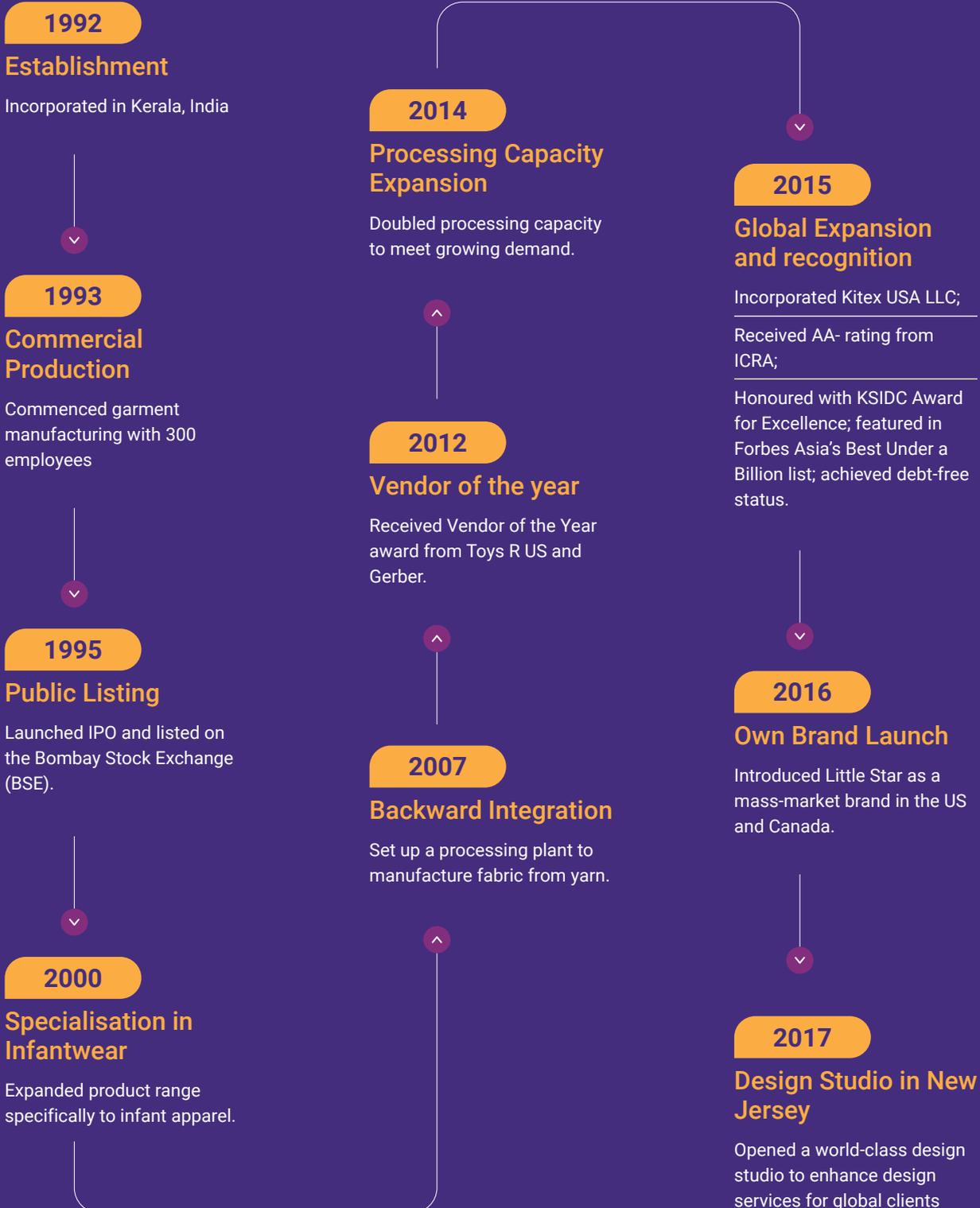


19.28%



Our journey

Shaping a Journey of Excellence



2021

Telangana Expansion

Initiated a new integrated manufacturing project with an investment of ₹3,550 Crores.

355000 Lakhs

App: Project cost

70:30

Funding pattern

250000 Lakhs

Term loans

105000 Lakhs

Equity

Warangal & Sitarampur

Plant locations

Production started in April 2025

Warangal

2025

Merger and New Capacity

Initiated merger of textile division of Kitex Childrenswear Ltd to the Company

Production at Warangal

Commenced production at Phase I at Warangal facility under KAPL

Launch of Littele Star USA brand in Indian Market

Initiated the launch of globally trusted "Little Star" USA brand in the Indian market



Chairman and Managing Director's Message

Our sharp focus on process efficiencies and cost optimisation translated into strong bottom-line growth, with Profit After Tax reaching ₹15,295.33 lakhs, a significant rise from the previous fiscal.



Dear Shareholders,

The fiscal year has been about sustained performance amidst a dynamic environment. Throughout the journey, we have been realising new potentials, reaching new horizons and thereby adhering to being the world's leading manufacturer of infant apparel. We have been consistently pushing the bar higher with regard to the requirements of our customers and seeking newer ways to create value for them.

Our theme for this year is more than a motto; it is the narrative of our journey at Kitex Garments Limited. For over three decades, our identity has been forged through a commitment to excellence. This foundation has not only established us as one of the world's most trusted manufacturers of infant apparel but also serves as our compass while navigating a dynamic global landscape.

Navigating a Shifting Global and Indian Landscape

The fiscal year 2024-25 unfolded against a backdrop of global economic resilience, even as geopolitical realignments and evolving trade policies reshaped the business environment. For the global apparel industry, these shifts have presented a unique inflection point. The continued acceleration of the 'China +1' sourcing strategy by major international brands has created a significant opportunity for manufacturing hubs like India.

Even amidst a difficult trading landscape unveiling with the USA, the Indian economy continues to demonstrate remarkable strength, driven by robust domestic consumption and a stable policy environment. The nation's textile and apparel sector stands as a key beneficiary of this momentum. At Kitex, we are strategically aligned with these macroeconomic tailwinds. Our vertically integrated value chain, competitive

manufacturing capabilities, and a proven track record of compliance and quality position us perfectly to capitalise on this favourable industry shift and contribute to India's growing stature as a global sourcing destination of choice.

A Year of Exceptional Performance

I am proud to report that fiscal year 2024-25 was a year of landmark achievements for Kitex Garments. Our focused execution and operational discipline culminated in a record-breaking financial performance. We achieved an operating revenue of ₹98,280.46 lakhs, a substantial increase over the previous year, reflecting deeper penetration into key export markets, sustained trust of our global clients and excellence in performance.

Our sharp focus on process efficiencies and cost optimisation translated into strong bottom-line growth, with Profit After Tax reaching ₹15,295.33 lakhs, a significant rise from the previous fiscal. In keeping with our commitment to share this success with you, our valued shareholders, the Board of Directors is pleased to recommend a final dividend of 50% of face value of ₹1 each per equity share.

Beyond these financial milestones, our non-financial performance continues to set industry benchmarks. We have consistently maintained a manufacturing efficiency of 85%, a figure that stands well above the global average of 55%. This is a direct testament to our state-of-the-art infrastructure and the skill of our dedicated workforce.

Strategic Milestones and Our Vision for the Future

This fiscal year was pivotal in laying the groundwork for our next phase of transformative growth. A cornerstone of this strategy was the successful

commencement of commercial production at Phase I of our integrated manufacturing facility in Warangal, Telangana, under Kitex Apparel Parks Limited (KAPL). This world-class facility represents a quantum leap in our production capacity. With Phase II in Hyderabad scheduled to become operational in March 2027, these new parks will significantly augment our global supply capabilities.

Recognizing the immense potential of India's domestic market, we have taken a significant strategic step by launching our globally trusted US brand, "Little Star," in India. This move allows us to diversify our revenue streams while bringing international standards of quality, safety, and design to Indian consumers.

Looking ahead, our strategy is clear and ambitious. We are focused on aggressively expanding our global market share, aspiring to cater to at least 1% of the US apparel requirements by leveraging India's competitive advantages. Furthermore, the proposed merger with Kitex Childrenswear Limited will consolidate our operations, enhance synergies, and unlock greater long-term value for our shareholders.

Our Commitment to ESG and Community

At Kitex, our core ethos of 'We Care' is deeply embedded in our business philosophy. We believe that sustainable growth is the only true measure of success. Our manufacturing philosophy is anchored in a zero-discharge, zero-pollution framework. This past year, our focused efforts yielded a 32.50% reduction in energy consumption and a 25% reduction in greenhouse gas emissions, underscoring our commitment to environmental stewardship.

Our responsibility extends to the communities we serve. In fiscal year 2024-25, we dedicated ₹2.40 crores towards Corporate Social Responsibility initiatives, with a primary focus on infrastructure development, housing, education, and women empowerment. We believe in creating shared value and contributing meaningfully to societal progress.

In Gratitude

Our remarkable journey and achievements would be unimaginable without the passion and dedication of our employees. They are the true architects of our success, and I extend my deepest and most sincere gratitude to each member of the Kitex family.

I also wish to thank our customers, suppliers, and banking partners for their continued partnership. Finally, to you, our shareholders, thank you for your steadfast trust and confidence in our vision. As we look to the future, we are more energized than ever to continue building on our legacy, delivering sustainable growth, and creating lasting value for all.

Warm regards,

Sabu M Jacob

Chairman and Managing Director
Kitex Garments Limited

Kitex Garments Ltd Announcement

Strategic Launch of “Little Star” USA Brand in India

Kitex Garments Ltd., the world’s second largest manufacturer of infant and children’s apparel, proudly announces the launch of its globally trusted USA brand “Little Star”, in the Indian market. This strategic move marks a significant milestone as Kitex enters India’s rapidly growing domestic kidswear sector after decades of leadership as a premier global exporter.



Little Star

by Kitex USA



Bringing American-Grade Quality to Indian Families

Little Star, a renowned American brand trusted by millions of parents in the USA, is now available to Indian consumers. Indian families can expect international quality products that meet the highest standards of safety, comfort and style, qualities demanded by discerning parents in the US. With a rising demand among Indian parents for premium, reliable kidswear, Little Star is well-positioned to capture significant market share by offering top-tier products that are premium yet accessible.



Omnichannel Rollout with Digital-First Momentum

Recognising the transformative role of digital India, Kitex will launch Little Star across multiple leading online platforms. This online-first approach allows for accelerated brand recognition, broader market reach, and agility in capturing demand. Backed by its proven operational excellence, Kitex is targeting an ambitious revenue milestone of ₹ 1,000 crores annually within the next two to three years for the Little Star brand in India—highlighting its growth vision and execution capability.



Delivering Excellence, Expanding Access

The Little Star collection with a wide range of apparel for newborns, infants and children, combining comfort, playful design and certified skin safe materials that meet globally benchmarked standards. Leveraging Kitex's cost leadership and production scale, the brand ensures that premium quality remains affordable and accessible to Indian families.



Navigating Global Headwinds, Building for the Future

As U.S. authorities impose higher tariffs on textile imports from India, Kitex's strategic entry into its home market represents a move towards diversification. By establishing a robust presence in India, Kitex is proactively mitigating risks from external trade barriers and reinforcing business sustainability while channeling its global expertise to benefit Indian consumers and investors.



Harnessing India's High-Growth Potential

India's infant and children's wear market is projected to reach ₹ 1,46,763 crores by 2030, driven by a robust CAGR of 3% in infant wear and 2.6% for children's wear, outpacing the mature, slower-growing U.S. segment. With a birth rate 1.5 times that of the US, India records nearly 24 million live births annually, approximately six times the number in the United States. This demographic strength underscores the growing demand for high-quality apparel, positioning Little Star to capture significant market share in the coming years.



Commitment to Shareholders and India's Future

With this launch, Kitex not only affirms its confidence in India's consumer market but also underscores its commitment to value creation, resilience and long-term profitability for its investors. The phased rollout of Little Star will begin in major cities via leading e-commerce platforms, followed by expansion into retail channels, strategically blending digital and offline growth engines to maximise reach and impact.

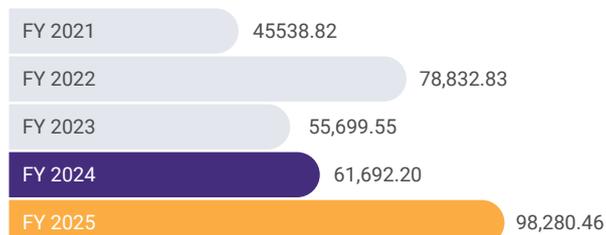
Performance scorecard

Evolving, Expanding, Excelling in Numbers

Revenue from operations

(₹ in Lakhs)

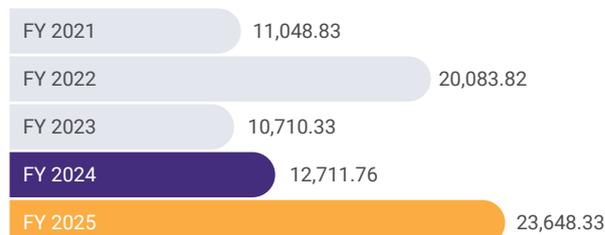
98,280.46



EBITDA

(₹ in Lakhs)

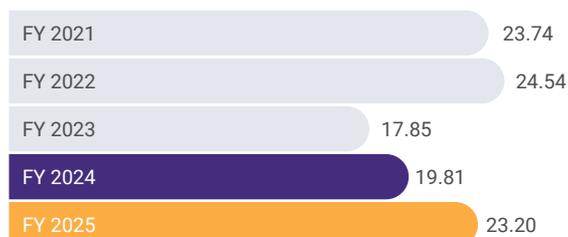
23,648.33



EBITDA

(in %)

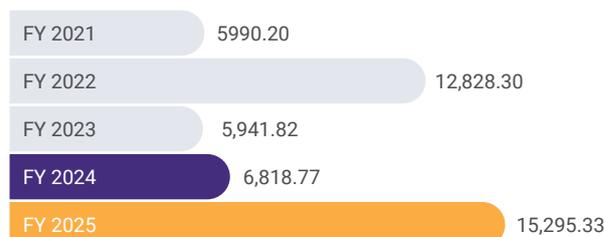
23.20



PAT

(₹ in Lakhs)

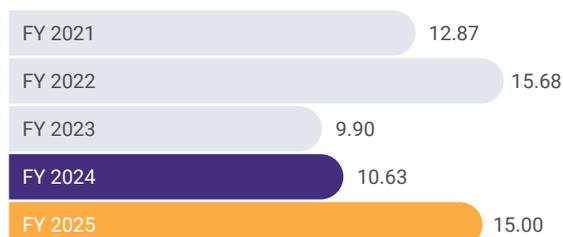
15,295.33



PAT margin

(₹ in Lakhs)

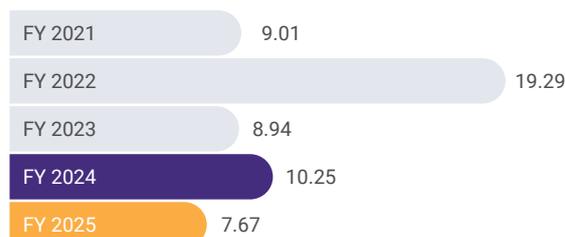
15.00



EPS

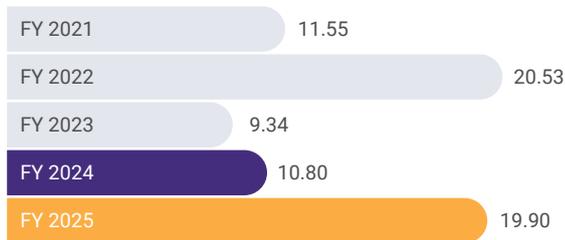
(in ₹/share)

7.67

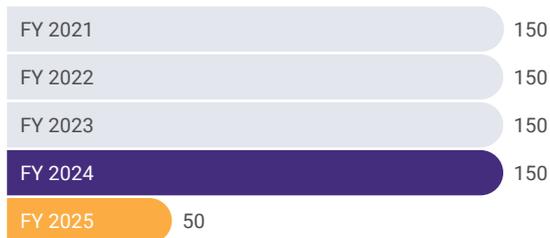


Return on capital Employed ROCE

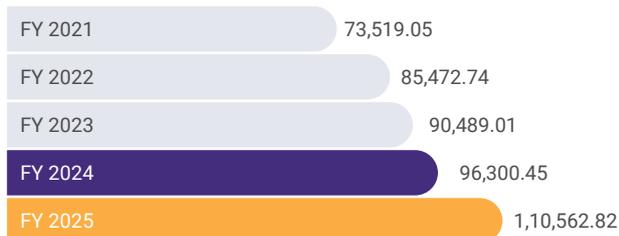
(%)

19.90**Dividend**

(%)

50**Net Worth**

(₹ in Lakhs)

1,10,562.82

Design and Product Development

Design that Evolves, Development that Excels

We focus on creating designs that reflect evolving customer preferences and market trends. Our experienced team works on developing new materials and utilises advanced manufacturing techniques to ensure quality and compliance with sustainability standards.

We tailor our products to meet the specific requirements of our global clientele while also exploring new market segments. Through our Telangana facility, we are expanding into adult wear, polyester products and brushed fleece fabrics. These developments are complemented by specialised designs for the entire family, helping broaden our product acceptance. Our own brand, Little Star, developed through our associate company in the USA, continues to strengthen our presence in international markets.



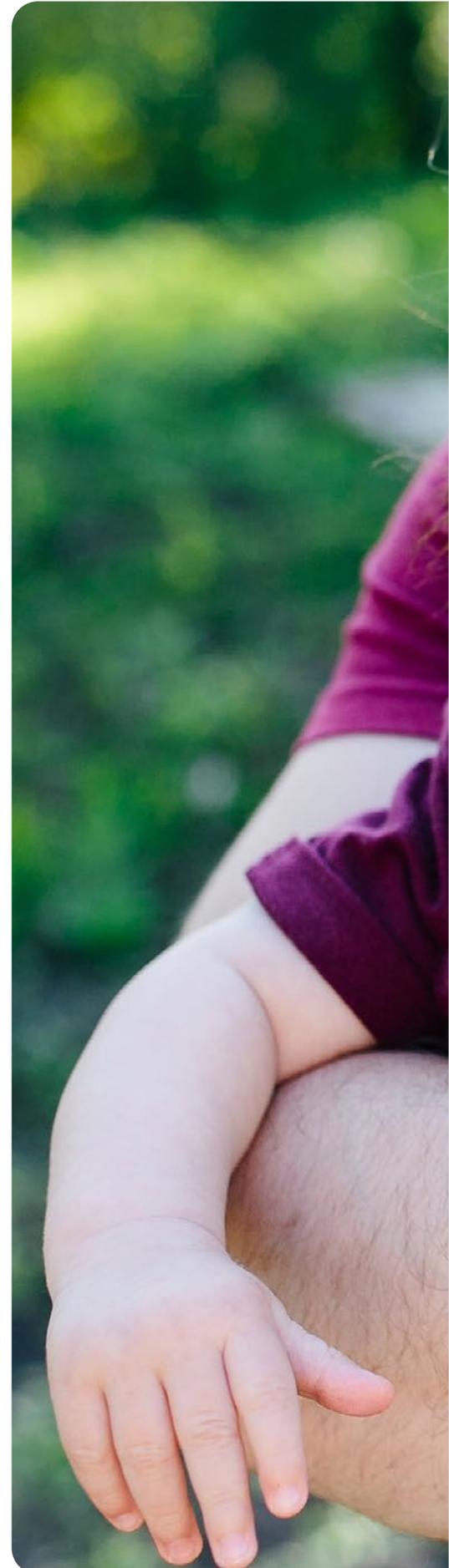
Technology Integration

We invest in modern technology to enhance manufacturing efficiency and minimise environmental impact. Our initiatives include water recycling systems, waste reduction processes and advanced machinery for precision production. We source high-quality accessories from trusted suppliers, ensuring our products are safe for young users and free from harmful chemicals.



Sustainability Initiatives

We are committed to sustainable production, supported by advanced Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP). These systems ensure efficient water recycling and responsible waste management, minimising environmental impact while promoting circularity in our operations. Continuous investment in technology and staff training supports our goal of integrating sustainability across all stages of operations.

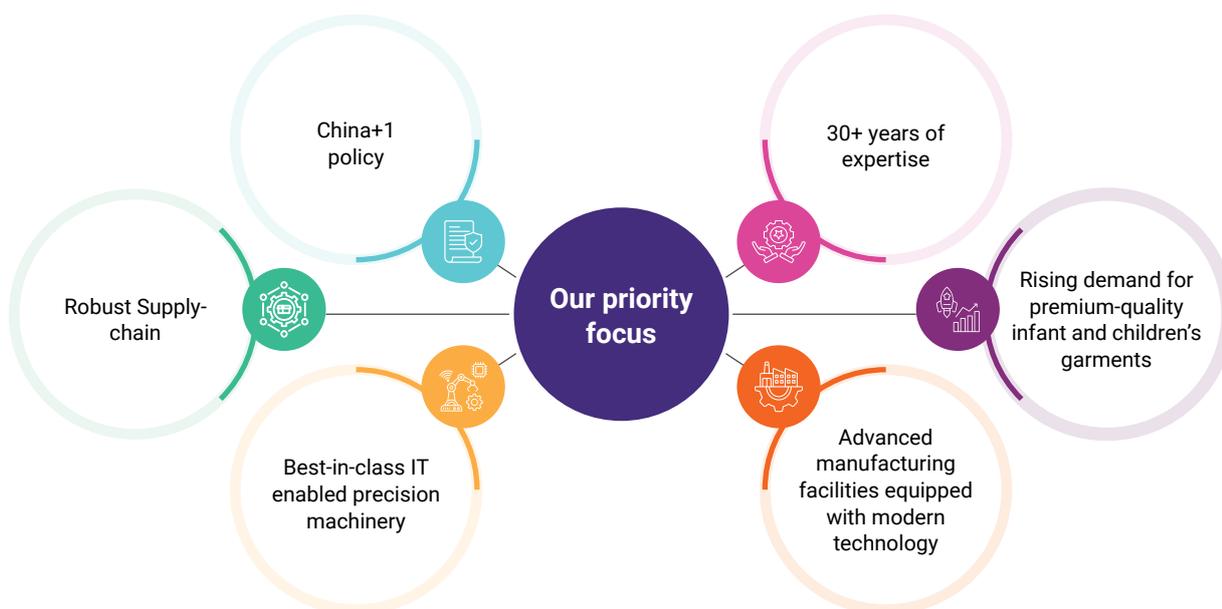




Operational excellence

Excellence Engineered Every Day

We continue to strengthen our position as a leading manufacturer in the infant wear segment by combining advanced infrastructure, global-standard processes, and a skilled workforce. Our operations are supported by modern manufacturing units equipped with technology sourced from leading countries, enabling precision, consistency and scale.



Our Growth drivers

Capacity Expansion

Significant investments in modern production facilities to cater to increased demand from global buyers seeking reliable, lower-tariff suppliers.

Market Share Growth

Targeting 1 percent of US textile garment requirements, representing a meaningful share of potential Indian exports to the US.

Market diversification

Targeting European and Indian markets as growth driver as well as risk mitigation measure.

Favourable Global Trade Shifts

Benefiting from the China+1 policy and supply chain realignments due to geopolitical and regional instabilities

Quality control

We work to enhance product quality and precision through structured initiatives. Our senior team participates in textile seminars held at overseas to remain updated on the latest trends and technologies. We focus on improving cost efficiency through systematic motion and time studies.

Comprehensive quality control is applied at every stage of production, covering procurement, processing, garment manufacturing and final checks such as protruding snap legs, metal detection etc. We continue to adopt modern machinery and upgrade raw materials, including dyes and colours, to strengthen the quality of our products.

Logistics and supply chain

Our logistics and distribution approach are designed to improve efficiency and reduce costs through planned procurement and controlled inventory levels. By working with scheduled orders, we maintain optimal stock levels and minimise holding costs.

An integrated inventory management system tracks materials and products from procurement to processing, cutting, garmenting, and finishing. Most of our exports operate on a Free on-Board basis, which helps limit logistical complexities. These measures ensure a smooth and cost-effective movement of products to our customers.

Our value creation drivers

05

INTERNATIONAL BUYERS

54%

FEMALES ENGAGED

5

GLOBAL CERTIFICATIONS

200

SUPPLIERS ENGAGED

₹ 82,287.59 lakhs

EXPORT REVENUE

Global accreditations

Global Stamps Approval for Kitex

| | | | | |
|--|---|--|---|---|
|  <p>Global Organic Textile Standard (GOTS)</p> <p>Leading textile processing standard for Organic Fibers</p> |  <p>OEK-TEX Standard 100</p> <p>Benchmark for textile safety, from yarn to finished product</p> |  <p>Worldwide Responsible Accredited Production</p> <p>World's largest factory-based certification programme for manufacturers of clothing</p> |  <p>Supplier Compliance Audit Network</p> <p>Eliminate difficulties in auditing with suppliers</p> |  <p>Supplier Qualification Program</p> <p>Evaluation of supplier performance and promote continuous improvement</p> |
|--|---|--|---|---|

Our People

The Fabric of Our Future



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 towards 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 unlimited 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.

610

STAFF MEMBERS

4,648

WORKERS

Our workforce is central to everything we do. We focus on creating an environment where every individual has the opportunity to contribute, grow and thrive. With a diverse team representing multiple states across India, we work as one unit towards shared goals, supported by inclusive policies and robust development programmes.



Inclusive and Diverse Workplace

We recognise the value of a workplace where people from different backgrounds and experiences work together as equals. Our policies encourage diversity at all levels, with specific measures to support women in leadership roles. We promote a culture where mutual respect, equal opportunity and fair treatment are embedded in everyday operations.

54%

FEMALE EMPLOYEES



Learning and Development

We believe in equipping our people with the skills and knowledge they need to excel. Training programmes cover compliance, technical skills, quality management and personal development. Each programme is customised to individual roles, ensuring relevance and effectiveness.

360
hours per worker

MAN-HOURS OF TRAINING
CONDUCTED

Workplace health and safety

Safety is integrated into our operational and human resource practices. A dedicated Health and Safety Committee monitors compliance and implements preventive measures. Our on-site clinic provides regular health check-ups, and a 24/7 medical response facility ensures quick access to treatment. An ambulance service is always on standby to address emergencies promptly.

Well-being and Facilities

We provide complimentary, hygienic accommodation and meals for all employees. Dormitory facilities are designed separately for male and female staff, with female housing managed by trained security personnel. Our fully automated canteen operates around the clock, serving nutritious meals to support the well-being of our workforce.



Corporate Social Responsibility

Creative Heading to come

We support socio-economic progress by engaging in a range of Corporate Social Responsibility initiatives. Our efforts focus on enabling underprivileged communities to improve their living standards. Through our CSR programmes, we aim to promote economic growth while creating a meaningful impact on overall social well-being.

₹ 2.40
Crores

CSR EXPENDITURE

Infrastructure and housing development

We contribute to community infrastructure development by creating facilities for essential services, including access to safe drinking water, housing, rural development and road construction. Our housing projects are designed to provide residents with a secure and healthy living environment.

₹ 2.37 Crores

EXPENDITURE FOR
INFRASTRUCTURE DEVELOPMENT

Public

BENEFICIARIES



Women Empowerment

We extend support to kudumbasree units to that promote women empowerment. Our projects are designed to improve the standard of living of village women through self employment. This will also support the family of those employed women.

5

LIVES TOUCHED



Environment

Shaping a Cleaner Tomorrow

A young girl with long brown hair, wearing a white dress with a colorful floral pattern and a pink hat, stands outdoors next to a large tree trunk. She is smiling and looking towards the camera. The background is a lush green park with trees and grass.

We place strong emphasis on environmental sustainability, focusing on the conservation of natural resources, responsible consumption and the promotion of circular economy practices. Our approach includes engaging employees, suppliers and other stakeholders to adopt environment-friendly measures and ensuring compliance with all applicable regulatory standards. Through continuous evaluation of our operations, we work towards aligning our activities with long-term environmental stewardship goals.

Energy Consumption

We have continued to lower our energy use by integrating advanced systems and machines designed for greater efficiency compared to conventional equipment. Our environment management system tracks and analyses consumption patterns, enabling a systematic approach to energy savings. Awareness programmes and technical training sessions are conducted to reinforce the importance of energy conservation across our facilities.

32.50%

REDUCTION IN ENERGY CONSUMPTION

Greenhouse Gas Emissions

We remain focused on reducing our carbon footprint by adopting cleaner technologies and optimising resource usage. The implementation of heat recovery systems and energy-efficient machinery has helped curb emissions while reducing fuel and electricity requirements. We are also increasing the use of renewable energy within our operations.

25%

REDUCTION IN GREENHOUSE GAS EMISSIONS



Water Consumption

We follow responsible water management practices, including the use of harvested rainwater to limit dependence on external water sources. Our water treatment processes meet international quality standards, and upgraded machinery in bleaching and dyeing activities uses less water than conventional alternatives.

68.27%

REDUCTION IN WATER CONSUMPTION



Waste Management

We manage waste responsibly by segregating it into biodegradable and non-biodegradable categories and ensuring safe disposal through authorised vendors. Effluent treatment and sewage treatment plants support our water management efforts, while continuous monitoring ensures compliance and efficiency in waste disposal.



Governance

Excelling in Ethical Stewardship

We uphold high standards of corporate governance, embedding ethical conduct, transparency and accountability in our operations. Our governance framework, led by the Board of Directors, ensures accurate and timely disclosure of financial information, effective communication and strong relationships with stakeholders.

Board Members

Our Board members oversee management and operational activities, provide guidance during critical situations and safeguard the interests of stakeholders. The Board Committees play a key role in monitoring and reviewing the organisation's ongoing activities to ensure effective governance.

3

INDEPENDENT DIRECTORS

35 years

AVERAGE EXPERIENCE OF BOARD MEMBERS



Board of Directors

Mr. Sabu M Jacob
Chairman & Managing Director



Mr. C P Philipose
Independent Director



Mr. A K Mathew
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
Mrs. Sindhu Chandrasekharan - Executive Director
Mr. K L V Narayanan – Non Executive Director
Mr. C P Philipose – Independent Director
Mr. A K Mathew – Independent Director
Mrs. Sumi Francis – Independent Director

BOARD COMMITTEES

Audit Committee

Mr. C P Philipose - Chairman
Mr. A K Mathew - Member
Mrs. Sumi Francis - Member

Nomination and Remuneration Committee

Mr. C P Philipose – 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
Mr. A K Mathew – Member

Risk Management Committee

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

CSR Committee

Mr. Sabu M Jacob - Chairman
Mr. K L V Narayanan - Member
Mr. C P Philipose – Member
Mr. A K Mathew – 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. Venkatachalam & Aiyer & Co., Chartered Accountants Kochi

SECRETARIAL AUDITORS

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

INCOME TAX CONSULTANTS

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

BANKERS

State Bank of India
Axis Bank Limited
Punjab National Bank

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
National Stock Exchange of India Limited, Mumbai

Statutory Reports



Management Discussion and Analysis

Economic review

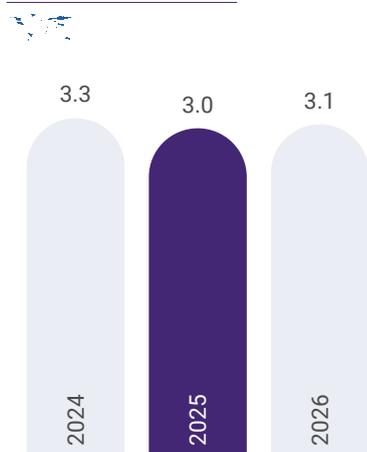
Global economy¹

The global economy exhibited notable resilience, growing by 3.3% in CY2024 despite enduring headwinds, such as geopolitical instability, realignments in global trade and tighter fiscal conditions. The US economy expanded by 2.8% in CY2024, fuelled by robust consumer spending, sustained labour market strength and real income growth. The European economy continued to navigate the dual challenges of tight monetary conditions and lingering geopolitical uncertainties. The economic momentum in China was supported by trade tailwinds and public spending. Despite this, the economy faced challenges in its property sector. Advanced economies posted a modest growth of 1.8%, while Emerging Markets and Developing Economies (EMDEs) remained the principal drivers of expansion, achieving a growth rate of 4.3%. One of the crucial developments of the year was the broad-based moderation in global headline inflation, which eased from 6.6% in CY2023 to 5.7% in CY2024. However, the pace of disinflation varied across regions- advanced economies showed steady progress towards inflation targets, while emerging markets continued to grapple with inflationary pressures due to currency fluctuations and supply chain inefficiencies.

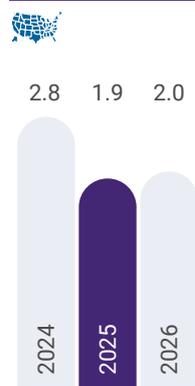
Amid persistent geopolitical tensions, including the Russia-Ukraine war and conflict in the Middle East, global trade began to exhibit signs of recovery. This was supported by resilient consumption trends, public investments and coordinated policy action in major economies. However, merchandise trade growth remained inconsistent, hampered by shifting tariff structures, restrictive trade measures and climate-related events that disrupted global logistics and trade corridors.

GDP growth projections in CY (%)

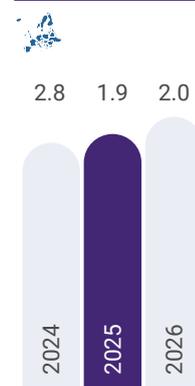
WORLD



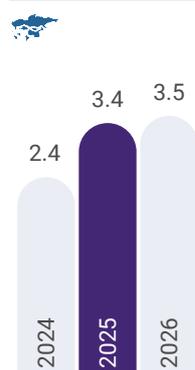
UNITED STATES



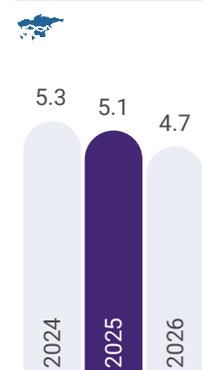
EURO AREA



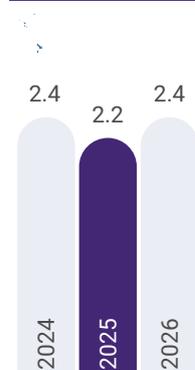
MIDDLE EAST AND CENTRAL ASIA



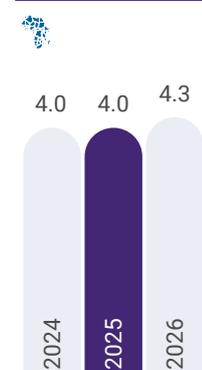
EMERGING AND DEVELOPING ASIA



LATIN AMERICA AND THE CARIBBEAN



SUB-SAHARAN AFRICA

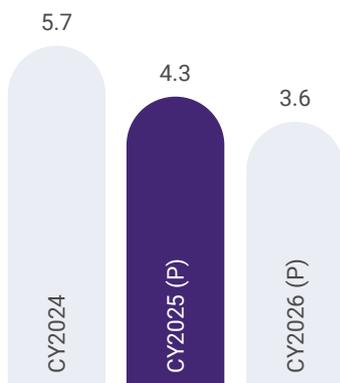


¹ <https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>

Outlook

Global growth prospects for the near-term remains cautiously optimistic. The International Monetary Fund (IMF) projects global GDP growth at 3.0% in CY2025 and 3.1% in CY2026. This outlook is supported by sustained consumer demand and the gradual easing of monetary policies as inflation continues to moderate. Headline inflation is expected to decline further to 4.3% in CY2025. Central banks are expected to recalibrate their stance towards more accommodative monetary conditions, aiding global liquidity and investment flows.

Global headline inflation



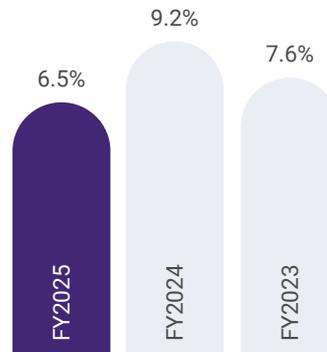
Going forward, global trade dynamics are anticipated to remain sensitive to policy decisions, especially with impending tariff revisions and realignments by major economies. In this context, businesses across sectors are expected to strengthen regional partnerships, diversify sourcing channels and invest in supply chain resilience to mitigate emerging risks. Emerging markets, driven by rising consumption and expanding manufacturing ecosystems are set to contribute substantially towards shaping global economic momentum. The interplay of macroeconomic adaptability, digital transformation and sustainability alignment will define the next chapter of global growth and competitiveness.

Indian economy

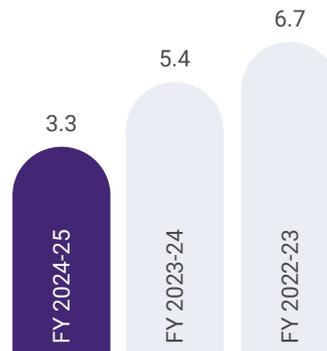
The economy of India continued to outperform its global peers, registering a real GDP growth of 6.5% in FY2024-25, as per the Second Advance Estimates from the Ministry of Statistics and Programme Implementation (MoSPI).² This momentum reflects sustained economic resilience amid global uncertainties, including geopolitical tensions in Europe and the Middle East, as well as volatility in commodity markets. The year witnessed a broad-based recovery in rural demand supported by a record Kharif harvest, enhanced public welfare expenditure and favourable weather conditions. While the manufacturing sector contended with elevated input costs and muted global demand,

Private Final Consumption Expenditure (PFCE) registered a 7.6% growth, propelled by sustained domestic consumption and improved household sentiment.³ Capital formation remained strong, driven by robust government infrastructure investments.

India's GDP Growth



Headline Inflation Over the Years (in %)



Headline inflation moderated to 3.3% in March 2025, well within the Reserve Bank of India's target range.⁴ The economic landscape was further bolstered by easing food inflation and prudent monetary interventions by the RBI. Notably, urban inflation slightly increased while rural inflation recorded a sharp decline, narrowing the rural-urban disparity in price levels.

Outlook

India's growth outlook remains favourable, supported by strong domestic demand, structural reforms and a sustained focus on infrastructure-led development. With continued emphasis on high-capacity utilisation, productivity enhancement and public investment in sectors, such as transport, digital connectivity and agriculture, the economy is poised for steady growth in the coming years. The Union Budget's allocation of ₹11.21 lakh crore, representing 3.1% of the GDP towards capital expenditure for FY2025-26 is anticipated to augment private investment and expedite job creation.⁵

² https://www.mospi.gov.in/sites/default/files/press_release/PRESS-NOTE-ON-SAE-2024-25-Q3-2024-25-FRE-2023-24-and-FE-2022-23-M1.pdf

³ https://www.mospi.gov.in/sites/default/files/press_release/PRESS-NOTE-ON-SAE-2024-25-Q3-2024-25-FRE-2023-24-and-FE-2022-23-M1.pdf

⁴ https://www.mospi.gov.in/sites/default/files/press_release/CPI_PR_15Apr25.pdf

⁵ <https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2098353>

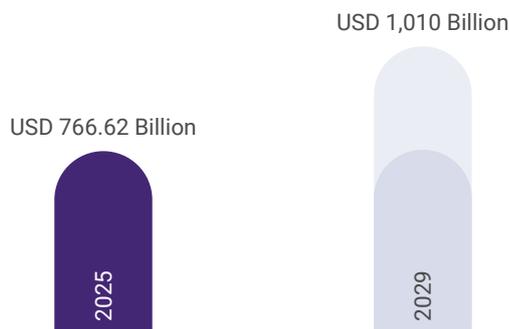
The nation, currently among the top four economies globally, is set to ascend to the third-largest position by FY2028, with a projected GDP of \$5 trillion.⁶ Recent tax relief measures for salaried individuals and middle-income households are expected to catalyse urban consumption, while enhanced allocations for rural development and skilling will support inclusive growth. As inflation stabilises and global volatility recedes, India's economic fundamentals are expected to sustain investor confidence and long-term business momentum.

Industry overview

Global apparel industry

The global apparel industry remains on a strong growth trajectory, with the market expected to scale approximately \$766.62 billion in CY2025 and further ascend to \$1,010 billion by CY2029 at a CAGR of 7.2%.⁷ This momentum is fuelled by the proliferation of e-commerce, heightened digitisation and the continued emergence of new consumer segments, especially in developing regions. Advancements, such as the integration of Artificial Intelligence (AI) for design and demand forecasting, blockchain for supply chain transparency, immersive online shopping experiences and a growing inclination towards eco-conscious materials have become integral to the sector's evolution.

Global apparel market



Amid evolving geopolitical realignments, intensifying trade barriers and escalating input costs, global brands are progressively diversifying beyond China towards India, Vietnam, Bangladesh and nearshoring markets like Mexico and Turkey. The China +1 strategy has become integral to mitigating operational risks, managing cost volatility and ensuring compliance with evolving ESG imperatives. Substantial new investment and export volume shifts towards alternative sourcing hubs is being noted.

Sustainability and circularity have become foundational mandates for global brands, driven by both shifting customer sensibilities and stringent EU regulatory mandates. The industry faces strict requirements for traceability, recycled content, decarbonisation and supply chain transparency. In response, major brands are directing capital towards eco-friendly fibres, cleaner production processes and circular business models.

Imports of textile and apparel into USA⁸

(USD billion)

| Particulars | 2023 | 2024 |
|-------------|-------|-------|
| World | 104.9 | 107.7 |
| ASEAN | 26.4 | 28.2 |
| China | 25.2 | 26.1 |
| Vietnam | 15.3 | 16.3 |
| Bangladesh | 7.5 | 7.5 |
| India | 9 | 9.6 |

Growth drivers

Expanding middle class and urbanisation

The sustained expansion of the global middle class, particularly in emerging economies continues to serve as a fundamental driver of growth for the apparel industry. Rising urbanisation, coupled with increasing disposable incomes are creating consumer demand for apparel across diverse price segments. Demographic transitions and a youthful population with evolving style priorities are creating diverse product demand in emerging economies.

Shift in global sourcing patterns

Shifting global equations, recalibrated trade policies changes and the growing adoption of China +1 strategies are compelling global brands to diversify their sourcing frameworks. India is increasingly emerging as a sourcing destination of choice, facilitated by competitive labour costs, favourable trade agreements and improving ease of doing business.

Recent tariff realignments in the US have created an uncertainty for Indian exporters, with India's apparel tariffs standing significantly lower than those of China but higher than Bangladesh, Cambodia and Vietnam. However a positive turn around expected in the ongoing discussions with US Government

Growing focus on sustainability and compliance

Sustainability imperatives have become a core consideration for global brands and consumers alike. Ascending demand for organic, ethically sourced and eco-conscious products is reshaping sourcing and manufacturing practices. Apparel exporters with international certifications and transparent, traceable supply chains are fast emerging as preferred partners in global procurement networks.

E-commerce expansion

The exponential growth of online retail is altering the global apparel ecosystem. Digital-first consumers, faster fulfilment cycles and the proliferation of direct-to-consumer (D2C) brands are pushing manufacturers to reorient their supply chains with greater agility, shorter turnaround times and digitised production systems. Rapid penetration of online channels is transforming the consumer journey, with digital sales comprising an increasing share of global apparel revenues. Enhanced ERP systems, omnichannel experiences, social commerce and predictive data analytics are being utilised by brands to enhance personalisation and elevate consumer journey and service.

⁶ <https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf>

⁷ https://www.researchandmarkets.com/reports/5939571/apparel-market-report?srltid=AfmBOopjmq2FjEMvjTy6SgBqt8azMaB5yJy_CX50hbH1vweNBnEC0Uhn

⁸ <https://www.trade.gov/data-visualization/us-textile-apparel-imports-category-or-country>

Indian apparel industry⁹

India’s apparel and textiles industry continues to anchor itself firmly within the nation’s economic framework, with steadily rising exports and global relevance. The sector is a significant driver of employment, providing direct jobs to upwards of 45 million people across manufacturing, logistics and allied services including a large proportion of women and rural populations, making it the second-largest employment provider in the country after agriculture. Strong domestic demand propelled by expanding middle-income demographic, shifting consumption habits and expedited urbanisation is driving market expansion. Formalisation of supply chains and swift growth of organised retail are further bolstering growth. The total market size of India’s textile and apparel sector is projected to rise to \$350 billion by 2030.

India is the 2nd largest producer and consumer of cotton in the world

India’s total textile and apparel exports stood at USD 34.4 billion in 2023-24. Apparel constitutes the largest segment within India’s textile value chain, accounting for an estimated 42% of total textile and apparel exports, with the United States and European Union collectively representing around 47% of export destinations.



Government-led initiatives in India are opening fresh opportunities by advancing diversification, encouraging innovation and emphasising man-made fibres, technical textiles and sustainable manufacturing. Further, India is among countries producing all five principal natural fibres including cotton, jute, silk, wool and linen and is channelling its investments towards both natural and synthetic fibres to meet the dynamic requirements of global clients.

India contributes an estimated 24% to global cotton production

India’s fully integrated textile ecosystem, spanning raw fibre to finished garment and its abundant, economically efficient workforce have positioned India with a fully integrated value chain from fibre to finished products and a large, cost-efficient workforce. India continues to be a preferred sourcing hub for global fashion brands. The industry’s strategic position is further strengthened by geographic diversification, robust export capabilities and sustained policy support, placing it at a pivotal point for accelerated growth.

Major policy support, including the Make in India initiative, Production Linked Incentive (PLI) schemes and the establishment of integrated textile parks under the PM MITRA programme, has augmented investment, efficiency and technology modernisation across the sector. These advancements, combined with a relatively favourable tariff regime and a substantial pipeline of trade agreements, enable Indian apparel manufacturers to compete effectively in an evolving global landscape.

⁹ <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2117470>

India's textile and apparel export in the last 5 years¹⁰
(USD million)



India's top ten export markets of textile and apparel products including handicraft¹¹

| Country | Export 2023-24 (USD million) | % Share |
|--|------------------------------|-------------|
| USA | 10,047 | 28% |
| EU-27 | 6,985 | 19% |
| BANGLADESH PR | 2,816 | 8% |
| U ARAB EMTS | 2,019 | 6% |
| UK | 2,015 | 6% |
| CHINA PRP | 1,133 | 3% |
| SRI LANKA DSR | 696 | 2% |
| TURKEY | 665 | 2% |
| AUSTRALIA | 660 | 2% |
| SAUDI ARAB | 551 | 2% |
| Rest of world | 8,287 | 23% |
| Total Textiles and Apparel (incl. Handicraft) Exports | 35,874 | 100% |

Government initiatives¹²

The Government of India has intensified its focus on making the textile and apparel sector globally competitive through a comprehensive array of policy measures, infrastructure investments and targeted incentive schemes. These interventions play a crucial role in powering the sector's modernisation, export readiness and long-term resilience.

A prominent milestone for FY2025-26 is the announcement in the Union Budget of an outlay of ₹5,272 crores for the Ministry of Textiles, representing a 19% increase over the previous year's allocation. This significant budgetary enhancement underlines the government's commitment to expanding technology adoption, cluster development, export promotion and skill-building initiatives across the textile value chain.

Production Linked Incentive (PLI) Scheme

This marquee initiative, with an outlay of ₹10,683 crore, is strategically designed to catalyse domestic production of Man-Made Fibre (MMF) garments, fabrics and technical textiles. The scheme incentivises large-scale investment, seeks to expedite technological infusion and enhance India's global competitiveness in high-growth and value-added textile verticals.

PM MITRA Parks (Mega Integrated Textile Region and Apparel Parks)

With a financial commitment of ₹4,445 crore until 2027-28, the PM MITRA scheme envisions the creation of seven world-class textile parks across key states in India. These integrated parks will offer cutting-edge, plug-and-play infrastructure encompassing spinning, weaving, processing and garmenting to reduce logistics costs, enhance competitiveness and enable globally scalable supply chains for apparel exports.

Amended Technology Upgradation Fund Scheme (ATUFS)

Designed to promote modernisation across the MSME-driven textile sector, ATUFS offers capital subsidies for the adoption of emerging technologies. With a total allocation of ₹17,822 crore, the scheme accelerates the adoption of advanced machinery, elevates productivity and strengthens India's overall export readiness in competitive global markets.

Samarth (Scheme for capacity building in textile sector)

This comprehensive skill development programme is aimed at bridging the talent gap in the textile and apparel value chain. Samarth focuses on empowering women and rural youth through industry-relevant training. With over 4.78 lakh trainees registered and 3.82 lakh placed by March 2025, Samarth is supporting both job creation and sectoral modernisation.

Opportunities and Threats

Opportunities

Export growth

India's apparel exports are poised for robust growth, buoyed by global supply chain realignments under the China +1 strategy, political instability in competing hubs, such as Bangladesh and favourable tariff differentials in key markets like the US. As global buyers shift away from higher-tariff or less stable countries, Indian exporters are well positioned to capitalise on this opportunity and expand market share and volume growth.

Rising domestic demand

The Indian apparel market, valued at over USD 110 billion in 2024, continues to grow at a steady pace on the back of an expanding middle class, rising discretionary incomes and an increasingly fashion-conscious youth demographic. Accelerated urbanisation and rural penetration are providing robust demand across value and premium segments.

Policy and infrastructure support

Government initiatives, such as the Production Linked Incentive (PLI) Scheme for textiles, PM MITRA integrated textile parks and the Samarth Skill Development Programme are attracting large-scale investments, propelling capacity expansion and employment generation. These programmes are expected to enhance India's global competitiveness and attract long-term capital into the sector.

¹⁰ <https://texmin.nic.in/sites/default/files/India%E2%80%99s%20Export%20%28Principal%20Commodity%20wise%29%20in%20the%20last%205%20years.pdf>

¹¹ <https://texmin.nic.in/sites/default/files/Indias%20Top%20Ten%20Export%20Markets%20of%20Textile%20Apparel%20products.pdf>

¹² <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2117470>

Integrated value chain

India's ability to offer a complete, vertically integrated textile value chain—from raw material to finished product confers a distinct competitive edge. It positions the nation to benefit from end-to-end cost and quality control, rapid scaling and targeted product innovation across cotton, jute, silk, wool and technical textiles.

Abundant skilled labour and training

India's demographic advantage, with an expansive and skilled workforce, presents a structural opportunity to support both domestic growth and export expansion. Focus on women and rural employment further enhances inclusive capacity building.

Threats

Global economic and trade uncertainty

The apparel export sector remains susceptible to macroeconomic headwinds, such as high inflation in key markets like the US and Europe and evolving trade frameworks. A downturn in global demand or the imposition of adverse tariff regimes can directly impact export volumes and profitability.

Competition from low-cost economies

India faces formidable competition from countries, such as Bangladesh, Vietnam and Cambodia, which offer lower labour costs, preferential trade access and targeted incentives. In the absence of sustained policy support and efficiency upgrades, Indian manufacturers may struggle to retain market share in strategically important geographies.

Company overview

Kitex Garments Limited is globally recognised as one of the foremost manufacturers of infant and children's apparel, renowned for its strong export orientation and vertically integrated operations that span the entire garment value chain. The Company's strength lies in its advanced manufacturing technology, stringent quality benchmarks and ESG-driven processes, which collectively position it as a preferred partner of global retail giants.

The Company's robust infrastructure, a daily production capacity of 432,000 garments and integrated textile processing support its expansive global presence. The Company generates 78% of its aggregate revenue through exports. Kitex's ongoing strategic investments in innovation, sustainability and capacity augmentation, as well as major projects in Telangana, are fuelling its ambitions to capture greater global market share and diversify into adjacent product categories.

31+

Years of expertise

50

tons per day

Textile capacity

Operational highlights

Strategic expansion

The Company marked a crucial milestone with the successful commencement of commercial production at Phase I of its Warangal facility in April 2025 under Kitex Apparel Parks Limited (KAPL). This represents a major leap in its long-term capacity expansion strategy. The Phase II, located in Hyderabad is scheduled to become operational in March 2027. At full operational capacity, these projects are envisioned to generate annual revenues of ₹5,000 crore, create employment opportunities for nearly 25,000 individuals and substantially augment the group's global supply capabilities.

Portfolio diversification

Kitex continued to broaden its product and market footprint by diversifying into cotton, polyester, blended garments, polar fleece, men's and ladies' wear and essential packaging materials. The Company supplies to the top 20 global brands and leverages India's favourable export tariff framework, which offers distinct cost advantages over key competitors in China, Vietnam and Cambodia. Its competitive edge is further strengthened by a suite of industry certifications, including GOTS, OEKO-TEX and WRAP, ensuring alignment with the stringent compliance requirements of international buyers.

Consolidated financial performance

- During FY25, the Company recorded an operating revenue of ₹98,280.46 lakhs, marking a substantial growth over the previous year's ₹61,692.20 lakhs. This sharp increase highlights the Company's successful execution of expansion initiatives, improved capacity utilisation and deeper penetration in key export markets. The operational scale-up was further bolstered by sustained demand from leading global clients in the infant and children's apparel segment.
- EBITDA for the year stood at ₹23,648.33 lakhs, reflecting a considerable elevation of 86.04% compared to ₹12,711.76 lakhs in FY24. The year-on-year improvement in EBITDA can be primarily attributed to higher revenue realisation, operating leverage and sustained emphasis on process efficiencies and cost optimisation.
- Profit after tax for the year reached ₹ 15,295.33 lakhs, representing substantial bottom-line growth as compared to ₹ 6,818.77 lakhs in the previous fiscal.
- The Company reported basic and diluted earnings per share of ₹ 7.67 for FY25. The Board of Directors has recommended a final dividend of ₹0.50 per equity share of ₹1 face value, subject to approval by the shareholders at the ensuing annual general meeting.

- Kitex Garments continued to maintain a strong balance sheet, supported by healthy cash flows and disciplined capital allocation towards facility expansion, technology upgrades and vertical integration. The Company remains well-placed for future growth, backed by prudent financial management and sustained investments aligned with its long-term growth objectives.

Revenue

| (INR in lakhs) | FY 25 | FY 24 | Change |
|-------------------|-----------|-----------|-----------|
| Operating revenue | 98,280.46 | 61,692.20 | 36,588.26 |
| Other income | 3,660.96 | 2,467.06 | 1,193.90 |

Cost of materials

| (INR in lakhs) | FY 25 | FY 24 | Change |
|--|-----------|-----------|-----------|
| Cost of raw materials consumed (including Purchase of stock in trade and Changes in inventories of FG, traded goods and WIP) | 42,244.62 | 25,514.47 | 16,730.14 |
| Operating revenue | 98,280.46 | 61,692.20 | 36,588.26 |
| Cost of materials / Operating revenue | 42.98% | 41.36% | 1.63% |

Employee benefits

| (INR in lakhs) | FY 25 | FY 24 | Change |
|-------------------|-----------|-----------|----------|
| Employee benefits | 15,833.66 | 11,939.36 | 3,894.30 |
| % of Revenue | 16.11% | 19.35% | -3.24% |

Finance costs

| (INR in lakhs) | FY 25 | FY 24 | Change |
|----------------|----------|--------|--------|
| Finance costs | 1,401.72 | 733.19 | 668.53 |
| % of Revenue | 1.43% | 1.19% | 0.24% |

Depreciation and amortisation

| (INR in lakhs) | FY 25 | FY 24 | Change |
|-------------------|----------|----------|---------|
| Depreciation cost | 1,571.67 | 2,070.40 | -498.73 |
| % of Revenue | 1.60% | 3.36% | -1.76% |

Other expenses

| (INR in lakhs) | FY 25 | FY 24 | Change |
|----------------|-----------|-----------|----------|
| Other expenses | 20,214.82 | 13,993.67 | 6,221.15 |
| % of Revenue | 20.57% | 22.68% | -2.11% |

Income tax

| (INR in lakhs) | FY 25 | FY 24 | Change |
|-------------------------------|-----------|----------|-----------|
| Income tax | 5,379.61 | 3,089.41 | 2,290.21 |
| Profit before tax | 20,674.94 | 9,908.17 | 10,766.77 |
| Tax as % of Profit before tax | 26.02% | 31.18% | -5.16% |

Credit rating

During the year, India Ratings & Research Private Limited has assigned the credit rating of the Company as follows:

| Loan facility | Rating as of March 2025 |
|---|-------------------------|
| Fund-based working capital limit | IND A/Stable/IND A1 |
| Non-fund-based working capital limit | IND A/Stable/IND A1 |
| Proposed fund based working capital limit | IND A/Stable/IND A1 |

Key ratios

| Ratios | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Current Ratio, (times) | 2.47 | 3.44 |
| Return on Equity Ratio (%) | 13.83 | 7.17 |
| Inventory turnover ratio (in days) | 157 | 201.01 |
| Trade Receivables turnover ratio (in days) | 117 | 145.67 |
| Trade payables turnover ratio (in days) | 61 | 72 |
| Net capital turnover ratio (in days) | 337 | 243 |
| Net profit ratio (%) | 15.00 | 11.00 |
| Return on Capital employed (%) | 19.90 | 10.00 |

Risk and mitigation

| Risks | Description | Mitigation |
|---|--|---|
|  Financial Risks | Volatility in foreign exchange and interest rates can affect the Company's profitability, heighten borrowing costs and impede planned capital expenditure or expansion initiatives. | The Company follows a proactive financial risk management policy aligned with the Board-approved guidelines. To address currency fluctuations, hedging strategies are employed, while interest rate exposure is managed through a conservative funding approach and cost-effective borrowing practices. |
|  Commodity Price Risks | Instability in global supply chains price variability in raw material prices, especially cotton and other textile inputs, pose a significant risk to the Company's cost structure and pricing strategy. | The Company actively mitigates this risk through strategic sourcing arrangements, forward contracts and strong vendor partnerships. Its reputation for quality and value enables flexibility in pricing, while brand positioning in key markets helps absorb short-term cost shocks. |
|  Regulatory Risks | Non-compliance with evolving domestic and international regulations including those pertaining to labour laws, environment and trade policies could result in penalties, reputational harm and operational disruptions. | The Company undertakes regular internal audits and consults legal experts to stay updated on regulatory changes. Comprehensive compliance checks are embedded across its operational protocols, supplemented by third-party audits and customer-driven assessments. |
|  Human Resource Risks | Operating within a competitive labour market, the Company faces challenges in attracting, retaining and developing skilled professionals, which is critical to sustaining innovation and operational efficiency. | A structured human capital strategy is in place. This approach encompasses skill development, performance-linked rewards and leadership grooming. The Company also collaborates with institutions such as the Integrated Skill Development Scheme (ISDS) to create a future-ready talent pipeline. |
|  Strategic Risks | Long-term risks arising from capital allocation decisions, market expansion initiatives and potential misalignment with consumer trends can affect the Company's growth trajectory. | To navigate these risks, the Company regularly reviews its growth roadmap and monitors macroeconomic shifts to recalibrate its expansion priorities. |
|  Environmental and Sustainability Risks | The growing emphasis on sustainability among global consumers, regulators and brand partners could diminish the Company's competitiveness if environmental standards are not met. Non-compliance with ESG norms may result in reduced access to premium markets and erode investor confidence. | The Company has embraced a zero-discharge, zero-pollution manufacturing philosophy. All dyes and chemicals used are organic and are sourced from certified suppliers. Manufacturing operations adhere to global ESG norms, supported by industry-leading sustainability certifications and full traceability from farm to finish. |

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 2024-25.

Human resource

The Company's Human Resource strategy continues to prioritise building a productive, inclusive and future-ready work environment. As of March 31, 2025, the Company employed 5258 individuals, with a significant representation of women, reflecting its resolute commitment to diversity, equity and inclusion.

The Company continues to uphold pay equity across all levels to ensure fairness and transparency in its compensation practices. Its HR architecture is geared towards establishing a culture of continuous learning, professional development and employee well-being. With an emphasis on industrial harmony and collaborative engagement, the Company strives to build a motivated workforce capable of supporting its rapid expansion and evolving business aspirations.

Outlook

Kitex Garments Limited is expected to enter a new phase of transformative growth, facilitated by substantial investments

in capacity augmentation, sustained global demand and an increasingly favourable sourcing landscape for Indian apparel exporters. FY2025 witnessed the successful commissioning of the Group's state-of-the-art, fully integrated manufacturing facility at Warangal (Phase I) under Kitex Apparel Parks Limited (KAPL), with Phase II at Hyderabad envisioned to commence operations by 2027. Together, these facilities represent a cumulative investment of ₹3,550 crore and are equipped with world-class infrastructure, imported and automated machinery and seamless vertical integration from raw material procurement to finished goods.

Strategically aligned with major shifts in the global supply chain landscape including the acceleration of the China +1 strategy, evolving US tariff structures that favour Indian production and diversification efforts by leading international brands- Kitex is firmly placed to capture incremental export market share. The Company aspires to cater to at least 1% of US apparel requirements, leveraging India's competitive tariff advantage and Kitex's industry certifications, ESG-compliant manufacturing practices and proven reliability. The Group's integrated value chain, focus on sustainability and track record for social responsibility combined with a diversified product portfolio spanning cotton, polyester, blends and new fashion segments ensure its preparedness to meet the dynamic requirements of global clients. With an expanded operational footprint, resilient order visibility and sustained government policy support, the Company is well placed to deliver sustained, profitable growth as a preferred supplier to the world's leading apparel brands.

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 33rd Annual General Meeting of the Members of Kitex Garments Limited will be held on Wednesday, September 17, 2025 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 (both Standalone and Consolidated Financial Statements) of the Company for the year ended March 31, 2025 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 ₹ 0.50 per fully paid-up Ordinary (equity) Share of face value ₹ 1/- each for the Financial Year 2024-25 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 ₹ 0.50/- (Fifty Paise 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, 2025 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 Mr. Sabu M Jacob (DIN: 00046016), 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, Mr. Sabu M Jacob (DIN: 00046016), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS

4. RE-APPOINTMENT OF MR. SABU M JACOB (DIN: 00046016) AS CHAIRMAN AND MANAGING 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 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 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 for the re-appointment of Mr. Sabu M Jacob (DIN: 00046016) as Chairman and Managing Director of the Company in the capacity as Key Managerial Personnel for a term of 3 years effective from August 16, 2025 till August 15, 2028 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto and forming part of this notice with a liberty to Board of Directors (hereinafter referred to as the “Board” which shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and/or remuneration as it may deem fit within the limits specified in Schedule V to the Act including any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT in any financial year during the tenure of Mr. Sabu M Jacob, Managing 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.”

5. RE-APPOINTMENT OF MRS. SUMI FRANCIS (DIN: 08950675) AS AN INDEPENDENT DIRECTOR FOR THE SECOND TERM

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, 152 and other applicable provisions of the Companies Act, 2013 ('the Act'), if any, read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Regulation 17, 25 and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, and the Articles of Association of the Company, as well as based on recommendation of the Nomination and Remuneration Committee, Mrs. Sumi Francis (DIN: 08950675), who was appointed as an Independent Director of the Company at the 29th Annual General Meeting of the Company for a period of five years, i.e., from November 13, 2020 to November 12, 2025 and who is eligible for re-appointment and meets the criteria for independence as provided in Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second consecutive term of five years, i.e., from November 13, 2025 to November 12, 2030 (both days inclusive)."

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

6. APPOINTMENT OF M/S. SVJS & ASSOCIATES, COMPANY SECRETARIES AS THE SECRETARIAL AUDITOR OF THE COMPANY

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 204 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof) upon the recommendation of the Board of Directors of the Company, M/s. SVJS & Associates, Practicing Company Secretaries, Kochi (Peer Review No. 6215/2024) be and is

hereby appointed as the Secretarial Auditor of the Company, for a term of 5 (five) consecutive years commencing from financial year 2025-26 till financial year 2029-30 on such terms and conditions including remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditors."

7. INCREASE IN AUTHORISED SHARE CAPITAL AND CONSEQUENT ALTERATION TO THE CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION

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 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof, for the time being in force) and the relevant rules framed there under and the Articles of Association of the Company, consent of members of the Company be and is hereby accorded to increase the authorized share capital of the Company from ₹ 25,00,00,000 (Rupees Twenty Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) equity shares of ₹1/- each (Rupee One only) to ₹ 50,00,00,000 (Rupees Fifty Crores only) divided into 50,00,00,000 (Fifty Crores) equity shares of ₹1/- each (Rupee One only) each ranking pari-passu in all respect with the existing equity shares of the Company."

"RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 and the relevant rules framed thereunder, the existing Clause V of the Memorandum of Association of the Company be and is hereby altered and substituted by the following as new Clause V:

"V. The Authorised Share Capital of the Company is ₹ 50,00,00,000/- (Rupees Fifty Crores only) divided into 50,00,00,000 (Fifty Crores) Equity Shares of ₹1/- (Rupee One only) each."

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

8. TO APPROVE CAPITAL RAISING BY WAY OF ISSUANCE OF EQUITY SHARES BY WAY OF QUALIFIED INSTITUTIONS PLACEMENT ("QIP")

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

"RESOLVED THAT pursuant to Sections 23, 42, 62(1) (c), 179 and other applicable provisions, if any, of the Companies Act, 2013 and the applicable rules made thereunder including the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including

any amendment(s), statutory modification(s), or re-enactment(s) thereof for the time being in force and in accordance with the provisions of the memorandum of association and articles of association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations") and the Foreign Exchange Management Act, 1999 and the regulations made thereunder including the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry Government of India from time to time, each as amended, the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited (the "Stock Exchanges") where the equity shares of face value of ₹ 1 each of the Company (the "Equity Shares") are listed, subject to completion of ongoing scheme of arrangement between Kitex Garments Limited and Kitex Childrenswear Limited and their respective shareholders and creditors, and subject to other applicable statutes, laws, regulations, rules, notifications or circulars or guidelines promulgated or issued from time to time by the Ministry of Finance, Ministry of Corporate Affairs ("MCA"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Stock Exchanges, Registrar of Companies, Kerala at Ernakulam ("RoC"), the Government of India ("GOI") and such other governmental/ statutory/ regulatory authorities in India or abroad ("Appropriate Authorities"), and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and/ or sanctions as may be necessary or required from SEBI, the Stock Exchanges, RBI, MCA, GOI, RoC, or any other concerned governmental/ statutory/regulatory authority in India or abroad, and subject to such terms, conditions, or modifications as may be prescribed or imposed while granting such approvals, permissions, consents, and/ or sanctions by any of the aforesaid Appropriate Authorities, which may be agreed to by the Board of Directors of the Company ("Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter to be constituted for the time being, for exercising the powers conferred on the Board by this resolution), the approval of the members of the Company be and is hereby accorded to create, offer, issue, and allot such number of Equity Shares (hereinafter collectively referred to as "Securities") (including with provisions for reservations on firm and/ or competitive basis, or such part of issue and for such categories of persons as may be permitted) through one or more of the permissible modes including but not limited to private placement, qualified institutions placement ("QIP"), and follow on public offer or a combination thereof, to any eligible investors, including, resident and/ or non-resident/foreign investors (whether institutions and/ or incorporated bodies and/ or trusts or otherwise)/foreign portfolio investors/mutual funds/

pension funds/venture capital funds/ banks/alternate investment funds/Indian and/ or multilateral financial institutions, insurance companies and any other category of persons or entities who/which are authorised to invest in Securities of the Company as per extant regulations/ guidelines or any combination of the above as may be deemed appropriate by the Board in its absolute discretion (whether or not such investors are Members of the Company, to all or any of them, jointly and/ or severally), for cash, in one or more tranches, for an aggregate amount of up to ₹ 3,000 Crores (Rupees Three Thousand Crores Only) (inclusive of such discount or premium to market price or prices permitted under applicable law), on such other terms and conditions as may be mentioned in the offer document and/ or placement document and/ or private placement offer letter (along with the application form) and/ or such other documents/ writings/ circulars/ memoranda to be issued by the Company in respect of the proposed issue, as permitted under applicable laws and regulations, in such manner, and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion may deem fit and appropriate and without requiring any further approval or consent from the Members, considering the prevailing market conditions and/ or other relevant factors, and wherever necessary, in consultation with the book running lead managers and/ or other advisors appointed by the Company and the terms of the issuance as may be permitted by SEBI, the Stock Exchanges, RBI, MCA, GOI, RoC, or any other concerned governmental/ statutory/regulatory authority in India or abroad, together with any amendments and modifications thereto ("Issue")."

RESOLVED FURTHER THAT in the event the Issue is undertaken by way of a QIP, following provisions of Chapter VI of the SEBI ICDR Regulations shall apply:

1. QIP to be undertaken pursuant to the special resolution passed at meeting of the shareholders of the Company.
2. the allotment of Securities shall only be made to Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations;
3. the allotment of the Securities, or any combination of the Securities as may be decided by the Board and subject to applicable laws, shall be completed within 365 days from the date of passing of the special resolution of the shareholders of the Company or such other time as may be allowed under the SEBI ICDR Regulations, Companies Act 2013, and/ or applicable and relevant laws/guidelines, from time to time;
4. the Securities under the QIP shall be offered and allotted in dematerialized form and shall be allotted on fully paid up basis.
5. the tenure of the convertible or exchangeable Securities (if any) issued through the QIP shall not exceed sixty months from the date of allotment;

6. the Securities to be created, offered, issued and allotted in terms of this resolution shall rank pari-passu in all respects including entitlement to dividend, with the existing Equity Shares of the Company, as may be provided under the terms of issue and in accordance with the placement document(s);
7. the Securities allotted in the QIP shall not be eligible for sale by the respective allottee for a period of 1 year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations;
8. no single allottee shall be allotted more than 50% of the proposed QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations; It is clarified that QIBs belonging to same group or under same control shall be deemed to be single allottee;
9. no partly paid-up Equity Shares shall be issued/allotted;
10. no allotment shall be made, either directly or indirectly, to any QIB who is a promoter or any person related to promoter in terms of the SEBI ICDR Regulations; and
11. the Company shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed in the SEBI ICDR Regulations, from the date of prior QIP made pursuant to one or more special resolutions."

"RESOLVED FURTHER THAT in accordance with Regulation 171 of the SEBI ICDR Regulations, the 'Relevant Date' for determination of the floor price of the Equity Shares to be issued pursuant to QIP shall be the date of meeting in which the Board decides to open the QIP."

"RESOLVED FURTHER THAT in case the issue is made pursuant to QIP, it shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Regulation 176(1) of the SEBI ICDR Regulations ("Floor Price"), and the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the SEBI ICDR Regulations, as may be applicable. However, pursuant to the proviso under Regulation 176(1) of SEBI ICDR Regulations, the Board, at its absolute discretion, may offer a discount, of not more than 5% or such other percentage as may be permitted under applicable law on the Floor Price;"

"RESOLVED FURTHER THAT in accordance with Regulation 179 of the SEBI ICDR Regulations, a minimum of 10% of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs and that no allotment shall be made directly or indirectly to any QIB who is a promoter or any person related to promoters of the Company."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any, of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and the Board or a committee thereof subject to applicable laws, regulations and guidelines be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose of such Securities that are not subscribed."

"RESOLVED FURTHER THAT for the purpose of giving effect to creation, offer, issue, allotment or listing of the Securities pursuant to the offering, the Board be and is hereby authorized, to take all actions and do all such acts, deeds, actions and sign such documents as may be required in furtherance of, or in relation to, or ancillary to, the offering, including but not limited to the negotiation, finalization and approval of the draft as well as final offer document(s), placement document, and any addenda or corrigenda thereto with the Regulatory Authorities, as may be required, placement agreement, escrow agreement, monitoring agency agreement, agreement with the depositories and other necessary agreements, memorandum of understanding, deeds, general undertaking/indemnity, certificates, consents, communications, affidavits, applications (including those to be filed with regulatory authorities, if any) (the "Transaction Documents") (whether before or after execution of the Transaction documents) together with all other documents, agreements, instruments, letters and writings required in connection with, or ancillary to, the Transaction Documents (the "Ancillary Documents") as may be required or necessary for the aforesaid purpose, including to sign and/or dispatch all forms, filings, documents and notices to be signed, submitted and/or dispatched by it under or in connection with the documents to which it is a party as well as to execute any amendments to the Transaction Documents and the Ancillary Documents, and to determine the form and manner of the offering, identification and class of the Investors to whom the Securities are to be offered, utilization of the issue proceeds and if the issue size exceeds ₹ 100 crore, the Board must make arrangements for the use of proceeds of the issue to be monitored by a credit rating agency registered with SEBI, in accordance with SEBI."

"RESOLVED FURTHER THAT in pursuance of the aforesaid resolution, the Securities to be created, offered, issued, and allotted shall be subject to the provisions of the memorandum of associations and articles of association of the Company and any Equity Shares that may be created, offered, issued and allotted under the Issue shall rank pari-passu in all respects including dividend with the existing Equity Shares of the Company."

“RESOLVED FURTHER THAT the issue and allotment of securities, if any, made to NRIs, FPIs and/or other eligible foreign investors pursuant to this resolution shall be subject to the approval of the RBI under the Foreign Exchange Management Act, 1999 as may be applicable but within the overall limits as set forth thereunder.”

“RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted under the Issue or as may be necessary in accordance with the terms of the Issue.”

“RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board to open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate (to the extent permitted by law) all or any of the powers herein conferred by this resolution to any Committee of the Board, or any such persons as it may deem fit in its absolute discretion, with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the offering and settle any questions or difficulties that may arise in this regard to the offering”.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized on behalf of the Company to do such acts, deeds, matters and take all steps as may be necessary including without limitation, for determining the terms and conditions of the Issue including among other things, the date of opening and closing of the Issue, the class of investors to whom the Securities are to be issued, determination of the number of Securities, tranches, issue price, finalisation and approval of offer document, placement document, preliminary or final, listing, premium/discount, permitted under applicable law (now or hereafter), allotment of Securities, listing of securities at Stock Exchanges and to sign and execute all deeds, documents, undertakings, agreements, papers, declarations and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, the placement document or the offer document, placement agreement, escrow agreement and any other documents as may be required, approve and finalise the bid cum application form and confirmation of allocation notes, seek any consents and approvals as may be required, provide such declarations, affidavits, certificates, consents and/ or authorities as required from time to time, finalize utilisation of the proceeds of the Issue, give instructions or directions and/or settle all questions, difficulties or doubts that may

arise at any stage from time to time, and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by the SEBI, the MCA, the book running lead manager(s), or other authorities or intermediaries involved in or concerned with the Issue and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the shareholders or otherwise, and that all or any of the powers conferred on the Company and the Board pursuant to this resolution may exercise to that end and intend that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board or any committee constituted by the Board to exercise its powers, in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers pertaining to the QIP in such manner as they may deem fit to any Committee of the Board, with powers to further delegate any of such powers to any of the Director(s) and/or Official(s) of the Company or any other person(s), with or without such condition(s) or stipulation(s) or in any manner, as such Committee may deem fit in its absolute discretion.”

“RESOLVED FURTHER THAT the approval of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized to approve, finalise, execute, ratify, and/or amend/ modify agreements and documents, including any power of attorney, agreements, contracts, memoranda, documents, etc. in connection with the appointment of any intermediaries and/or advisors (including for marketing, obtaining in-principle approvals, listing, trading and appointment of book running lead managers, underwriters, guarantors, depositories, custodians, legal counsel, monitoring agency, bankers, trustees, stabilizing agents, advisors, registrars and all such agencies as may be involved or concerned with the Issue) and to remunerate them by way of commission, brokerage, fees, costs, charges and other expenses in connection therewith.”

9. 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/0155 dated 11.11.2024, 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, 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 ₹ 3,600 Crores (Rupees Three Thousand and Six Hundred Crores only) for a period not exceeding fifteen months from the 33rd 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."

10. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS WITH KITEX CHILDRENSWEAR LIMITED

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

"RESOLVED THAT 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/0155 dated 11.11.2024, read with Company's policy on materiality of and dealing with Related Party Transactions and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors of the Company to enter into a Contract(s)/ Transaction(s)/ Arrangement(s) with Kitex Childrenswear Limited, a related party within the meaning of Sec 2(76) of the Act and Reg 2(1)(zb) of Listing Regulations, for such transactions as given in the explanatory statement on such terms and conditions as Board may deem fit, upto a

maximum aggregate amount of ₹ 400 Crores (Rupees Four Hundred Crores only) for a period not exceeding fifteen months from the 33rd 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."

11. 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 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/0155 dated 11.11.2024, 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 ₹ 300 Crores (Rupees Three Hundred Crores only) for a period not exceeding fifteen months from the 33rd 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.”

12. 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 an 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 33rd 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.”

13. 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 an 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 ₹ 2,800 Crores (Rupees Two Thousand and Eight Hundred Crores only) for a period not exceeding fifteen months from the 33rd 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 04, 2025

Dayana Joseph
Company Secretary
Mem No: ACS 61808

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

Ministry of Corporate Affairs ("MCA") vide its Circular dated September 19, 2024 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, 2025 without the physical presence of the members at a common venue. Accordingly, the 33rd 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 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 SEBI Circulars, latest being SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 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 15, 2025, whose e-mail addresses are registered with the Company/Depositories.

Members may note that the Notice and Annual Report for FY 2024-25 will also be available on the Company's website www.kitexgarments.com, 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.

In compliance with Regulation 36(1)(b) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), a letter providing the web-link, including the path, where complete details of the Annual Report is available is being sent to those members whose e-mail addresses are not registered with the Company/RTA/Depositories.

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, 11, 12 and 13 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 5 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 10, 2025 to September 17, 2025 (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 up to the date of Annual General Meeting. 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 16, 2025 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 10, 2025;
- ii. To all Members whose names appear in the Registrar of Members of the Company after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on September 10, 2025;

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders with effect from April 01, 2020, and the Company is required to deduct tax at source from dividends paid to the members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance act, 2020 and the amendments thereof.

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

relogged 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. Moreover, SEBI vide its circular no. SEBI/HO/MIRSD/ MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025, has decided to open a special window only for the purpose of re-lodgement of transfer deeds, which were lodged prior to the deadline of April 01, 2019 and rejected/returned/not attended due to deficiency in the documents/process/or otherwise, for a period of six months from July 07, 2025 till January 06, 2026. The shares that are re-lodged for transfer during the aforesaid period 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 Registrar and Transfer Agent, M/s. Cameo Corporate Services Limited ("Cameo") at Subramanian Building, No. 1, Club House Road, Chennai - 600002, Tamil Nadu, Tel: 044-40020741, 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 that 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 its Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 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 respective RTA. 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 Changes

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:** register/update the details in prescribed Form ISR-1 and other relevant forms with RTA of the Company by writing to them at M/s. Cameo Corporate Services Limited ("Cameo") at Subramanian Building, No. 1, Club House Road, Chennai - 600002, Tamil Nadu. Shareholders may download the prescribed forms from the Company's website at <https://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, 2017 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, 2025 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, 2025 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 2025-26, 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., September 01, 2025. 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 making an application to the IEPF Authority in Form No. IEPF-5 available on <https://www.iepf.gov.in/>.
- v. Details of dividend declared for the financial years from 2017-18 onwards are given below:

| Financial Year | Declared on | Dividend yield | Amount paid per equity share (₹) | Due date for transfer to IEPF |
|-------------------|-------------|----------------|----------------------------------|-------------------------------|
| 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 |
| 2023-24 (Final) | 28.09.2024 | 150% | 1.50 | 02.11.2031 |

- vi. The Company had released an Advertisement dated May 21, 2025 in National Daily viz., The Hindu 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 May 20, 2025 to the shareholders concerned whose dividend remains unpaid or unclaimed for a period of seven (7) consecutive years since 2018, 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.
- vii. For any communication, the shareholders may also send requests to the Company's investor e-mail IDs: investor@kitexgarments.com or sect@kitexgarments.com

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 Sunday, September 14, 2025 (9:00 a.m. I.S.T.) and ends on Tuesday, September 16, 2025 (5:00 p.m. I.S.T.). During this period, members holding shares either in physical form or in dematerialised form, as on Wednesday, September 10, 2025, 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.

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, 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

8. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after 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 atleast 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. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
10. Mr. Sreekumar P S, 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.
11. 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.
12. 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
13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM 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) i.e. www.evotingindia.com.

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

THE INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

- i. The remote e-voting period commences on Sunday, September 14, 2025 (9:00 a.m. I.S.T.) and ends on Tuesday, September 16, 2025 (5:00 p.m. I.S.T.). During this period, members holding shares either in physical form or in dematerialised form, as on Wednesday, September 10, 2025, 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 the latest SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11.11.2024, 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.

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

- iv. In terms of latest SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11.11.2024 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 | Login Method |
|--|---|
| 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 CDSL 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 e-voting is in progress as per the information provided by company. On clicking the e-voting 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 cdsl 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. 4) For OTP based login you can click on https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client ID, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 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 |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | 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. |

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

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at 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 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. MR. SABU M JACOB

| | |
|---|--|
| Name of Director | Mr. Sabu M Jacob |
| Date of Birth and Age | 11.05.1962; 63 years of age |
| Qualification | BA Economics |
| Experience and expertise in specific functional areas | Mr. Sabu M. Jacob (DIN: 00046016) has been involved in the promotion and the Management of the Company as Managing Director right from its inception. He is having more than 30 years of experience in the field of garments industry. |
| Directorship held in other Companies | <ul style="list-style-type: none"> • Kitex Garments Limited as Chairman & Managing Director • Kitex Apparel Parks Limited as Managing Director • Kitex Childrenswear Limited as Director • Kitex Babywear Limited as Director • Kitex Kidswear Limited as Director • Kitex Knits Limited as Director • Kitex Littlewear Limited as Director • Kitex Building Systems 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 |
| Listed entities from which the person has resigned in the past three years | 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 | 16.08.1993 |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company | Not related to the 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 | Kitex Childrenswear Limited: <ul style="list-style-type: none"> • CSR Committee as the Chairman Kitex Infantswear Limited: <ul style="list-style-type: none"> • Audit Committee as the Member • Nomination and Remuneration Committee as the Member |
| Shareholdings in the Company | 34.18% holding |

B. MRS. SUMI FRANCIS

| | |
|---|---|
| Name of Director | Mrs. Sumi Francis |
| Date of Birth and Age | 21.06.1981; 44 years of age |
| Qualification | Post Graduate Diploma in Business Administration (PGDBA) |
| Experience and expertise in specific functional areas | Worked in Educational, Insurance and manufacturing sectors over 10 years in Savoy Global, Kitex Garments Limited (worked in Kitex Garments Ltd from the year 2003 till 2007) to name a few, where she independently handled the Operations, Social Compliance, HR department in the senior management level. |
| Directorship held in other Companies | None |
| Listed entities other than Kitex Garments Limited in which the person holds Directorships and Committee Membership | None |
| Listed entities from which the person has resigned in the past three years | 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. 5 of explanatory statement. |
| Date of first appointment on the Board | 13.11.2020 |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the company | Not related to the 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 recommending for the re-appointment of Mrs. Sumi Francis considered her contribution to the Board for the previous term of five years. Her experience in different departments in different organizations has given an advantage to contribute strategies that will align with the strategic vision of the Company. |

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

Item No. 4

The Board of Directors of the Company (“the Board”), at its meeting held on June 23, 2025 has, subject to approval of members, re-appointed Mr. Sabu M Jacob (DIN: 00046016) as Chairman and Managing Director of the Company for a period of 3 (three) years from the expiry of his present term, i.e., with effect from August 16, 2025 till August 15, 2028, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board.

Upon his appointment, Mr. Sabu M Jacob would be considered as a Key Managerial Personnel (“KMP”) pursuant to Section 203 of the Act and will be liable to retire by rotation pursuant to Section 152(6) of the Act.

Mr. Sabu M Jacob has confirmed that he is not disqualified from being appointed as Director in terms of the provisions of Section 164(1) and (2) of the Act. Mr. Sabu M Jacob has provided his consent for such appointment and has also confirmed that he is not debarred from holding the office of Director by virtue

of any SEBI order or any such authority, pursuant to circulars dated June 20, 2018 issued by the BSE Limited and the National Stock Exchange of India Limited, pertaining to the enforcement of SEBI orders regarding the appointment of Directors by the listed companies.

Members’ approval is sought for the re-appointment of and remuneration payable to Mr. Sabu M Jacob as a Chairman and Managing 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 Mr. Sabu M Jacob are as under:

A. REMUNERATION IN CASE OF ADEQUATE PROFITS:

1. Basic Salary: ₹ 9 lakhs per month
2. Perquisites:
 - a) Contribution to Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961

- b) Gratuity payable at a rate not exceeding half month's salary for each completed year of service, and
- c) Encashment of leave at the end of the tenure.

For the purposes of calculating the ceiling on remuneration, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such Rule, the same shall be evaluated at actual cost.

3. Commission, subject to the conditions that the total remuneration consisting of salary, allowances, perquisites and commission shall not exceed 5% of the net profit of the Company for any financial year computed in accordance with the provisions of the Companies Act, 2013.
4. Subject to the provision of Regulation 17(6)(e) of SEBI (LODR) Regulations, 2015, the annual remuneration payable to Chairman and Managing Director of the company, exceeds ₹ 5 Crores or 2.5% of the net profits of the Company as calculated under Section 198 of the Act whichever is higher and but remuneration including commission payable shall not exceed 5% of the net profit of the Company for any financial year computed in accordance with the provisions of the Companies Act, 2013.

B. MINIMUM REMUNERATION IN CASE OF LACK OR INADEQUACY OF PROFITS:

In the event of inadequacy of profits under Sections 197, 198 of the Act in any financial year during the tenure of appointment, Mr. Sabu M Jacob, the Managing Director shall be entitled to minimum remuneration comprising of salary, perquisites and allowances as detailed above.

C. GENERAL:

1. The perquisites shall be valued in terms of the actual expenditure. However, where such actual expenditure cannot be ascertained, such perquisites shall be valued as per the Income Tax Rules.
2. The Chairman & Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which he is a Member.
3. The Chairman & Managing Director shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Sabu M. Jacob under Section 190 of the Act. Details of Mr. Sabu M. Jacob are provided elsewhere in this Notice of AGM, pursuant to the provisions of (i) the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 and (ii) Secretarial Standard on General Meetings issued by the ICSI.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday up to the date of the AGM.

Except Mr. Sabu M. Jacob and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, in the Resolution as set out in Item No. 4 of this Notice.

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

Item No. 5

Mrs. Sumi Francis was appointed as an Independent Director at the 29th Annual General Meeting held on September 07, 2021 for a period of 5 years, effective from November 13, 2020 until November 12, 2025. She is eligible for re-appointment for a second term of 5 years, starting from November 13, 2025 until November 12, 2030.

Following the performance evaluation of Mrs. Sumi Francis and considering the significant contributions made by her during her tenure as an Independent Director, as well as the belief that her continued association would be beneficial to the Company, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee (NRC), at their meeting held on June 23, 2025, re-appointed Mrs. Sumi Francis (DIN: 08950675) as a Non-Executive Independent Director of the Company for a second term of five years, from November 13, 2025 to November 12, 2030, not liable to retire by rotation, subject to the approval of the Members by way of a Special Resolution.

The profile and specific areas of expertise of Mrs. Sumi Francis are provided as part of this Notice.

The Company has received a notice under Section 160(1) of the Act proposing her candidature for the office of Director of the Company. The Company has received the consent from Mrs. Sumi Francis to act as a Director and declaration that she meets the criteria of independence provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties as an Independent Director of the Company. She has also confirmed that she is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Mrs. Sumi Francis has also confirmed that she is not disqualified from being appointed as Director under the provisions of Section 164 of the Act and is not debarred from holding the office of

Director by virtue of any order of the Securities and Exchange Board of India or any other such authority.

In the opinion of the Board, Mrs. Sumi fulfills the conditions for her appointment as an Independent Director as specified in the Act, Rules and the SEBI regulations. Mrs. Sumi is independent of the management and possesses appropriate skills, experience and knowledge.

The terms and conditions of her re-appointment is available for inspection by the Members at the registered office of the Company and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday up to the date of the AGM.

Except Mrs. Sumi Francis and her relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, in the Resolution as set out in Item No. 5 of this Notice.

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 at its meeting held on April 10, 2025, based on recommendation of the Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has approved the appointment of M/s. SVJS & Associates, Practicing Company Secretaries, a peer reviewed firm (Firm Registration Number: P2008KE017900) as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members.

The appointment of Secretarial Auditors shall be in terms of the amended Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

M/s. SVJS & Associates is a Firm of Practicing Company Secretaries established in the year 2008, SVJS strives for sustained excellence in the field of compliance and governance practice, by being a true blend of the traditional and modern value systems, practices and culture. SVJS is headed by 5 Partners, who together bring to the fore more than 100 years of experience in compliance and governance management. Being an ISO certified Firm, there is a constant endeavor within SVJS to review and improve existing areas of service, while at the same time adding new areas of service, keeping in sight changing times and the turbulent business environment. In December 2021, SVJS was conferred the award for the Best Firm of Practicing Company Secretaries by the Institute of Company Secretaries of India (ICSI), New Delhi, as part of the National Awards for excellence in Corporate Governance for the year 2021.

M/s. SVJS & Associates has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations. The services to be rendered by M/s. SVJS & Associates as Secretarial

Auditors is within the purview of the said regulation read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

M/s. SVJS & Associates has appointed for an annual remuneration of ₹ 3,90,000 plus tax as applicable and on such terms and conditions including variation in remuneration as may be mutually agreed between the Board of Directors and M/s. SVJS & Associates. In addition to the secretarial audit, M/s. SVJS & Associates shall provide such other services in the nature of certifications and other professional work as permitted by the Companies Act, 2013 and SEBI Regulations and as approved by the Board of Directors.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday up to the date of the AGM.

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

Item No. 7

The existing authorised share capital of the Company is ₹25,00,00,000 (Rupees Twenty Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) equity shares of ₹ 1/- (Rupee One only) each.

In order to facilitate future requirements of the Company, including issue of further shares (such as for rights issue, bonus issue, conversion of securities, or raising capital), it is proposed to increase the authorised share capital of the Company from ₹25,00,00,000 to ₹ 50,00,00,000 by creation of additional 25,00,00,000 (Twenty Five Crores) equity shares of ₹ 1/- (Rupee One only) each.

Consequently, it is also proposed to alter Clause V (Capital Clause) of the Memorandum of Association of the Company, as required under Sections 61 and 64 of the Companies Act, 2013.

The Board of Directors, at its meeting held on 04th August 2025 has approved the said increase in the authorised share capital and the consequent alteration to the Memorandum of Association of the Company, subject to the approval of the shareholders.

None of the Directors/Key Managerial Personnel of the Company or any of their relatives are concerned or interested in the above proposed resolution.

Relevant documents in respect of the said items would be made available, for inspection by the members at the Registered Office of the Company and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday 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

Kitex Garments Limited was established in 1992 and evolved into one of the world's largest manufacturers of infant wear, serving global giants like Walmart, Carters, Gerber, and Amazon. By the early 2000s, Kitex had built state-of-the-art vertically integrated manufacturing facilities in Kerala, allowing complete control over spinning, knitting, dyeing, and finishing—ensuring consistent quality and efficiency. The company is expanding its operations into the state of Telangana to strengthen its business presence. Further the Company anticipates growth opportunities in its existing operations and continues to evaluate various avenues for organic and inorganic expansion. Accordingly, the Company intends to shore up adequate resources to meet its funding requirements.

Hence, our Company intends to undertake a capital raise by way of one or more qualified institutions placement to eligible investors through an issuance of equity shares and use the proceeds from the Issue, towards the capital expenditure, repayment of existing borrowings, long term working capital requirements for our Group Companies and general corporate purposes, provided that the amount to be utilised for general corporate purposes alone shall not exceed 25% of the gross proceeds of the Issue.

While the amounts proposed to be utilised against each of the objects have been specified, there may be a deviation of +/- 10% depending upon future circumstances, in terms of NSE notice No. NSE/ CML/2022/56 and BSE notice No. 20221213-47 each dated December 13, 2022, as the objects are based on management estimates and other commercial and technical factors. Accordingly, the same is dependent on a variety of factors such as financial, market conditions, business performance and strategy, competition and other external factors, which may not be within the control of the Company and may result in modifications to the proposed schedule for utilisation of the Net Proceeds at the discretion of the Board and/or such Committee, subject to compliance with applicable laws.

Accordingly, as approved by the board of directors of the Company ("Board") at their meeting held on August 04, 2025 and in order to fulfill the aforesaid objects of the Company, it is hereby proposed to have an enabling approval for raising funds by way of issuance of equity shares of face value ₹ 1 each ("Equity Shares"), (hereinafter referred to as "Securities") in one or more tranches, in terms of the applicable regulations and as permitted under the applicable laws, in such manner in consultation with the BRLM and/or other advisor(s) or otherwise, for an aggregate amount up to ₹ 3,000 Crores (Rupees Three Thousand Crores Only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities) at such price or prices as may be permissible under applicable law by way of one or more qualified institutions placement ("QIP") in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any amendment, modification, variation or re-enactment thereof) ('SEBI ICDR Regulations'). The issue of Securities may be at such price, whether at prevailing market price(s) or at a premium or discount to market price as may be permitted under applicable law and to such classes of

investors as the Board (including any duly authorized committee thereof) may in its absolute discretion decide, having due regard to the prevailing market conditions and any other relevant factors and wherever necessary, in consultation with BRLM and other agencies that may be appointed by the Company, subject to the SEBI ICDR Regulations, Companies Act, 2013 and other applicable guidelines, notifications, rules and regulations.

The Board (including any committee of the Board constituted for the aforesaid purpose thereof) may at their discretion adopt any one or more of the mechanisms prescribed above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the members of the Company. The proposed issue of capital is subject to, inter alia, the applicable statutes, rules, regulations, guidelines, notifications, circulars and clarifications, as amended from time to time, issued by the Securities and Exchange Board of India, the BSE and National Stock Exchange ("Stock Exchanges"), Reserve Bank of India, Ministry of Corporate Affairs, Government of India, Registrar of Companies, Kerala at Ernakulam to the extent applicable, and any other approvals, permits, consents and sanctions of any regulatory/ statutory authorities and guidelines and clarifications issued thereon from time to time. The proposed issue of capital is subject to completion of ongoing scheme of arrangement between Kitex Garments Limited and Kitex Childrenswear Limited and their respective shareholders and creditors.

The Issue is made through a qualified institutions placement shall be undertaken in terms of the SEBI ICDR Regulations as follows :

1. the allotment of Securities shall only be made to qualified institutional buyers ("QIBs") as defined under SEBI ICDR Regulations;
2. the allotment of the Securities shall be completed within 365 days from the date of passing of the special resolution in accordance with the SEBI ICDR Regulations and applicable laws;
3. a minimum of 10% of the Securities shall be allotted to mutual funds and if mutual funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion may be allotted to other QIBs;
4. the "relevant date" for the purposes of pricing of the Securities to be issued and allotted in the proposed QIP shall be the date of the meeting in which the Board or any committee of Board constituted for the aforesaid purpose decides to open the proposed QIP of equity shares as provided under the SEBI ICDR Regulations;
5. the equity shares of the same class, which are proposed to be allotted through qualified institutions placement, have been listed on a stock exchange for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the special resolution;
6. An issuer shall be eligible to make a qualified institutions placement if any of its promoters or directors is not a fugitive economic offender.

7. no single allottee shall be allotted more than 50% of the QIP size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations. It is clarified that qualified institutional buyers belonging to the same group or who are under same control shall be deemed to be a single allottee;
8. the Securities to be offered and allotted shall be in dematerialized form and shall be allotted on fully paid up basis;
9. issue of Equity Shares to be made by way of a QIP in terms of Chapter VI of the SEBI ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations (the "QIP Floor Price"), with the authority to the Board or such Committee to offer a discount of not more than 5% as permitted under SEBI ICDR Regulations on the QIP Floor Price;
10. the Securities allotted shall not be eligible for sale by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted from time to time; and
11. The Company shall not undertake any subsequent QIP until the expiry of two weeks from the date of the QIP to be undertaken pursuant to the special resolution passed at this meeting.

Further, Section 62(1)(c) of the Companies Act, 2013 provides that when it is proposed to increase the issued capital of a company by allotment of further equity shares, such further equity shares shall be offered to the existing members of such company and to any persons other than the existing members of the company by way of a special resolution. Since the special resolution proposed in the business of the notice may result in the issuance of Equity Shares of the Company to the existing members of the Company and to persons other than existing members of the Company, approval of the members of the Company is being sought pursuant to the provisions of Section 62(1)(c) and other applicable provisions of the Act as well as applicable rules notified by the Ministry of Corporate Affairs and in terms of the provisions of SEBI ICDR Regulations.

In terms of Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company can make a private placement of its securities under the Companies Act, 2013 only after receipt of prior approval of its members by way of a Special Resolution. Consent of the members would therefore be necessary pursuant to the aforementioned provisions of the Companies Act, 2013 read with applicable provisions of the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended for issuance of Securities. The Equity Shares allotted pursuant to the issue shall rank in all respects pari passu with the existing Equity Shares of the Company.

The Equity Shares to be allotted would be listed on the Stock Exchanges. The offer/issue/allotment would be subject to the availability of the regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the

discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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 and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday up to the date of the AGM.

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

Item No. 9

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 31.03.2025, KAPL is having paid up capital of ₹ 601.79 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 33rd 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/0155 dated 11.11.2024, are as follows:

| S. No | Description | Details of proposed RPTs between the Company and KAPL |
|-------|---|--|
| 1 | Summary of information provided by the Management to the Audit Committee for approval of the proposed RPT | |
| 1.a. | Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise). | <p>KAPL is a Subsidiary of the Company wherein 70% of investment 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> |
| 1.b. | Type, material terms, monetary value and particulars including tenure and value of the proposed RPTs | <p>The Company and KAPL have entered into/ propose to be entered into the following RPTs for a period not exceeding fifteen months from the 33rd Annual General Meeting, for an aggregate value not exceeding ₹ 3,600 Crores:</p> <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. | <p>(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.</p> <p>(ii) such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis</p> | <p>359.51%</p> <p>KAPL is yet to commence the operations.</p> |
| 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: | Not applicable |
| | <ul style="list-style-type: none"> - Nature of indebtedness, - Cost of funds and - Tenure | |

| S. No | Description | Details of proposed RPTs between the Company and KAPL |
|-------|--|---|
| 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 |
| 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. | Name of the Director or KMP who is related | Mr. Sabu M Jacob Mrs. Sindhu Chandrasekharan |
| 3. | Nature of relationship | Mr. Sabu M. Jacob is the Chairman & Managing Director of Kitex Garments Limited (KGL) also holds position as Managing Director of KAPL. He is the promoter for both the companies. Mrs. Sindhu Chandrasekharan, Whole Time Director of Kitex Garments Limited is also a Director of KAPL. |
| 4. | Monetary Value | The estimated aggregate transaction value for the matters proposed in the resolution shall not exceed ₹ 3,600 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 33 rd 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 June 23, 2025 and 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 31.03.2025, the Company together with Kitex Childrenswear Limited being promoters of the Company are holding 601789995 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 and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday up to the date of the AGM.

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

Item No. 10

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 33rd 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/0155 dated 11.11.2024, are as follows:

| S. No | Description | Details of proposed RPTs between the Company and KCL |
|-------|--|---|
| 1 | Summary of information provided by the Management to the Audit Committee for approval of the proposed RPT | |
| 1.a. | Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise). | <p>KCL is a promoter group company of Kitex Garments Limited.</p> <p>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.</p> <p>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.</p> |

| S. No | Description | Details of proposed RPTs between the Company and KCL |
|-------|---|---|
| 1.b. | Type, material terms, monetary value and particulars of the proposed RPTs | <p>The Company and KCL have entered into/ propose to enter into the following RPTs for a period not exceeding fifteen months from the 33rd Annual General Meeting for an aggregate value not exceeding ₹ 400 Crores:</p> <p>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</p> |
| 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. | 39.95% |
| 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 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 |
| 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 ₹ 400 Crores for KCL. |
| 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 33 rd 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 June 23, 2025 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. 10.

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 and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday up to the date of the AGM.

The Board recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval by the members.

Item No. 11

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 33rd 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/0155 dated 11.11.2024, are as follows:

| S. No | Description | Details of proposed RPTs between the Company and KUL |
|-------|--|---|
| 1 | Summary of information provided by the Management to the Audit Committee for approval of the proposed RPT | |
| 1.a. | Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise). | KUL is an Associate company of Kitex Garments Limited. KUL is into Purchase and sale of Garments by the company as these are dependent on the requirement of both companies for its products from time to time and the ability to supply of specified material by these companies. However, such transactions would be in the ordinary course of the company's business and at the arm's length basis. KUL falls within the related party definition of the Company and are interested in the company to the extent of their shareholding of the Company. |
| 1.b. | Type, material terms, monetary value and particulars of the proposed RPTs | The Company and KUL have entered into/ propose to enter into the following RPTs for a period not exceeding fifteen months from the 33 rd Annual General Meeting for an aggregate value not exceeding ₹ 300 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. | 29.96% |
| 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: - 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. |

| S. No | Description | Details of proposed RPTs between the Company and KUL |
|-------|---|--|
| 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 ₹ 300 Crores for KUL. |
| 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 33 rd 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 June 23, 2025 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, 2025, 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 and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday up to the date of AGM.

The Board recommends the Ordinary Resolution set out at Item No.11 of the Notice for approval by the members.

Item No. 12

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/0155 dated 11.11.2024 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

| S. No | Description | Details of proposed RPTs between 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 33 rd 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 | 39.95% KAPL is yet to commence its operations |
| 2 | Justification for the proposed RPTs and that it is in the interest of the listed entity | KAPL 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: - 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 |

| S. No | Description | Details of proposed RPTs between KAPL and KBS L.L.C-FZ |
|-------|--|---|
| 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 June 23, 2025 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, 2025, Kitex Childrenswear Limited is holding 4000 shares of 500 AED as well as KCL is the holding company of the said 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 and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday 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. 12 of the Notice for approval by the Members.

Item No. 13

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/0155 dated 11.11.2024 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

| S. No | Description | Details of proposed RPTs between 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). | <p>KCL is a promoter group company of Kitex Apparel Parks Limited</p> <p>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.</p> <p>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.</p> |
| 1.b. | Type, material terms, monetary value and particulars of the proposed RPTs | <p>KAPL and KCL have entered into/ propose to enter into the following RPTs for a period not exceeding fifteen months from the 33rd Annual General Meeting for an aggregate value not exceeding ₹ 2,800 Crores:</p> <ul style="list-style-type: none"> • Investments, • Loans, • Guarantee, • Security, • Fabric sales & purchase, • Materials sales & purchase • Job work and <p>such other transactions including corporate guarantee against consortium to the extent of ₹ 2023 crores availed of by Kitex Apparel Parks Limited.</p> |
| 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 | <p>279.62%</p> <p>KAPL is yet to commence its operations</p> |
| 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: - 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 | <p>Investments in KAPL</p> <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. <p>Repayment Schedule: Not Applicable</p> |

| S. No | Description | Details of proposed RPTs between KAPL and KCL |
|-------|--|--|
| 3.e. | The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT. | To meet working capital requirements of KAPL |
| 4 | Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder. | The pricing mechanism of RPTs would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/ or services. Valuation report or other external report, as may be applicable, shall be obtained by the parties concerned. In the case of reimbursements/ recoveries, same would be basis actual cost incurred. |
| 5 | Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship | Mr. Sabu M Jacob and Mrs. Sindhu Chandrasekharan. Mr. Sabu M. Jacob is the Chairman & Managing Director of Kitex Garments Limited (KGL) also holds position as Managing Director of KAPL 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 June 23, 2025 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.

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. 13. As on 31.03.2025, the Company together with Kitex Childrenswear Limited being promoters of the Company are holding 601789995 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 and electronically between 11.00 a.m and 3.00 p.m from Monday to Friday 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. 13 of the Notice for approval by the Members.

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

Kizhakkambalam
August 04, 2025

Dayana Joseph
Company Secretary
Mem No: ACS 61808

Directors' Report

Dear Members,

Your Directors are pleased to present the 33rd Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2025.

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, 2025 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, 2025 is summarized below:

(₹ in Lakhs)

| Particulars | Standalone | | Consolidated | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
| Sales and other Income | | | | |
| Revenue from operations | 98,280.46 | 61,692.20 | 98,280.46 | 61,692.20 |
| Other Income | 3,660.96 | 2,467.06 | 1,854.11 | 1,424.99 |
| Total Revenue | 101,941.42 | 64,159.26 | 100,134.57 | 63,117.19 |
| Profit Before Interest, Depreciation and Tax | 23,648.33 | 12,711.76 | 21,930.44 | 11,476.39 |
| Less: Finance Charges | 1,401.72 | 733.19 | 1,401.72 | 733.19 |
| Depreciation | 1,571.67 | 2,070.40 | 1,574.50 | 2,070.74 |
| Net Profit Before Tax | 20,674.94 | 9,908.17 | 18,954.22 | 8,672.46 |
| Less: Provision for Tax | 5,379.61 | 3,089.40 | 5,379.62 | 3,089.41 |
| Net Profit After Tax | 15,295.33 | 6,818.77 | 13,574.60 | 5,583.05 |
| Share of Profit/ (Loss) of Associates | - | - | - | - |
| Net Profit after share of profit of Associates | 15,295.33 | 6,818.77 | 13,574.60 | 5,583.05 |
| Balance of Profit brought forward | 62,896.45 | 59,109.12 | 57,383.72 | 54,533.44 |
| Balance available for appropriation | 78,191.78 | 65,927.89 | 70,958.32 | 60,116.48 |
| 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 |
| Issue of Bonus Shares | 1,330.00 | - | 1,330.00 | - |
| Surplus carried to Balance Sheet | 73,864.28 | 62,930.39 | 66,630.82 | 57,118.98 |

3. FINANCIAL PERFORMANCE

The Company continues to maintain its market leadership in Infants wear across US markets during the year under review. We are glad to inform that the Company achieved its record turnover in the history during the fiscal year. Global market trends favours Indian Textile Industry. Drive to find alternate source from China provides huge opportunity for India. Recent turmoils in Bangladesh has exposed the risk in sourcing of garments from there. The recent Trade agreement signed with UK will open up huge market for Indian Textiles Industry. Kitex Group vision to expand capacity has given it an edge as the capacity available in India is limited and the lead time to add capacity is longer. We expect to capture the huge opportunities available and will continue our record growth in the coming years also.

During this year we have added few more leading buyers both from USA and Europe to strengthen our exports and as future potential partners in our future journey.

STANDALONE PERFORMANCE

On standalone basis, your company reported a turnover of ₹101,941.42 lakhs ie., a 58.89% increase over the previous financial year. Cost of goods sold as a percentage to revenue from operations increased to 42.98% as against 41.35% in the previous year due to increased production. Employee cost as a percentage to revenue from operations decreased to 16.11% (₹15,833.66 lakhs) as against 19.35% (₹11,939.36 lakhs) in the previous year. The operating profit stood at ₹ 20,674.94 lakhs compared with ₹ 9,908.17 lakhs in the previous year, a jump of 108.67% over previous year. The net profit for the year was ₹ 15,295.33 lakhs as against

₹ 6,818.77 lakhs reported in the previous year, a growth of 124.31% over previous year. The EPS from continuing operations for the reporting year was ₹7.67 as against ₹ 3.42 reported in the previous year.

CONSOLIDATED PERFORMANCE

On consolidated basis, total revenue for the financial year under review was ₹100,134.57 lakhs as against ₹63,117.19 lakhs for the previous financial year, a growth of 58.65%. Profit before tax was ₹18,954.22 lakhs and net profit after tax was ₹13,574.60 lakhs for the financial year under review as against ₹8,672.46 lakhs and ₹5,583.05 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 2.75 lakhs pieces of infant's apparel per day and dispatches as a whole container to clients in US.

4. PERFORMANCE HIGHLIGHTS OF SUBSIDIARY & ASSOCIATE COMPANY

● ASSOCIATE COMPANY

As on March 31, 2025, 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" Infants wear in US and Canada.

Your company has also sold products worth ₹3,396.85 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 joint venture to take care of the expansion at Telangana along with Kitex Childrenswear Limited in the ratio 70:30 investment ratio.

Further, pursuant to the provisions of Section 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 e-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 terms 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 2024-25 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 ₹0.50 paise per share (50%), subject to deduction of income tax at source for the year ended March 31, 2025 on equity shares of Re. 1/- each fully paid-up. The total outgo on account of dividend inclusive of taxes for FY 2024-25 is ₹997.50 lakhs (PY ₹ 997.50 lakhs) which represents a payout of 6.52 % 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 URL at: http://www.kitexgarments.com/wp-content/uploads/2017/05/KGL_Dividend-Policy_2017.pdf

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. ISSUE OF BONUS SHARES

Your Directors are pleased to inform that during the year under review, your Company issued 13,30,00,000 bonus equity shares of ₹1/- each in the ratio of 2:1. Accordingly, the paid-up share capital of the Company was increased from ₹ 6,65,00,000 to ₹ 19,95,00,000.

8. SHARE CAPITAL

Increase in Authorized Share Capital

The Board of Directors at their meeting held on August 04, 2025 approved and has resolved to seek approval from the shareholders at the ensuing Annual General Meeting for increase in Authorized Share Capital of the Company from ₹25,00,00,000 (Rupees Twenty Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity Shares of Re.1/- each (Rupee One only) to ₹50,00,00,000

(Rupees Fifty Crores only) divided into 50,00,00,000 (Fifty Crores) Equity Shares of Re.1/- (Rupee One only) each and consequent alteration of Clause V of Memorandum of Association of the Company

The paid-up equity share capital as on 31st March, 2025, was ₹1995.00 lakhs consisting of 19,95,00,000 equity shares of Re. 1/- each fully paid-up.

9. 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.

10. CORPORATE DEVELOPMENT

Scheme of Arrangement – Kitex Childrenswear Limited

During FY 2024-25, your Directors approved a Scheme of Arrangement (“the Scheme”) between Kitex Childrenswear Limited (“KCL”), your Company and their respective shareholders and creditors. The Scheme provides for demerger of the Textile Business Division of KCL into your Company.

KCL is primarily engaged in apparel business specialized in premium infants wear and Childrenswear. Under the Scheme, your Company will issue 9706 shares of face value of ₹1/- each for every 100 equity shares of KCL of face value ₹1/- each to the shareholders of KCL as on the record date as defined in the Scheme, resulting in the issuance of 9,21,97,779 new equity shares of your Company. The transaction will enable your company to optimize business operations, achieve economies of scale, create operational efficiency, common pool of production and better utilization of resources.

The merger is in advanced stage of approval with stock exchanges and SEBI and we expect the same to conclude by end of December 2025.

The proposed scheme of arrangement will bring greater agility, enabling a more focused approach to execution and value creation, delivering superior experiences for customers, rewarding careers for employees, and long-term returns for shareholders.

11. 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, 2025, 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, 2025 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.

12. 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 ₹6,08,739.00 for the financial year 2016-17 to Investors Education Protection Fund (IEPF) on August 22, 2024. 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 ₹7,02,827.00 pertaining to interim dividend in 2017-18 to Investors Education Protection Fund (IEPF) on December 20, 2024. 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 sale proceeds of fractional shares

Your Company has transferred the sale proceeds of fractional bonus shares issued in the year of 2017 amounting to ₹32,997.00 which were not encashed for a period of seven years has transferred to Investor Education and Protection Fund (‘IEPF’) pursuant to the provisions of Sec 125(2) of the Companies Act, 2013.

c. Transfer of shares underlying unpaid dividend

The Board of Directors at its meeting held on May 20, 2024, transmitted 11,676 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 October 30, 2024, transmitted 13,805 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 23 shareholders whose unclaimed/ unpaid dividend pertaining to FY 2016-17 and the equity shares were the shares of 24 shareholders whose unclaimed/ unpaid dividend pertaining to interim dividend in 2017-18 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 2017-18 will be transferred to IEPF account on or before October 01, 2025 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.

13. CAPITAL EXPENDITURE

As on 31st March, 2025, the Gross Fixed Assets stood at ₹29,275.46 Lakhs and net fixed assets of ₹10,153.21 Lakhs. Additions during the year amount to ₹339.77 Lakhs.

14. FUTURE PROSPECTS

Our major future prospects is planned through our expansion in the state of Telangana through our subsidiary Kitex Apparel Parks Ltd. The total project cost planned is approximately ₹3550 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 ₹1425 Crores already spent against ₹1770 Crores planned and production commenced in April 2025. In Sitarampur consideration towards land has already been fully paid and land documentation expected immediately. ₹92 Crores

has been totally spent against this Project. Commercial production for this Project is planned in March 2027.

In view of the China plus 1 policy, political instability in Bangladesh and the recent Trade agreement signed with UK, Indian Textile Industry is expected to benefit considerably, as there will be a major shift of textiles demand to India. Your Company is at a major advantage due to advanced stage of Implementation of Telangana Project.

15. CREDIT RATING

During the year under review, India Ratings, the Credit Rating Agency assigned the rating of the Company as "IND A Stable for the company's long term borrowings and assigned the rating of IND A1 for the Company's short term borrowings.

16. QUALITY AND ACCOLADES

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

17. CHANGE IN THE NATURE OF BUSINESS

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

18. LISTING

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

19. 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.

20. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134 (3) (a) of the Act, the Annual Return as on March 31, 2025 is available on the website of the Company at: www.kitexgarments.com.

21. SECRETARIAL STANDARD

The Company complies with all applicable secretarial standards.

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

The Company had given a Corporate Guarantee of ₹ 2000 Crores during the financial year 22-23 and enhanced the same to ₹ 2023 Crores during the financial year 23-24 pursuant to the provisions of Section 185 and 186 of the Act and SEBI (LODR) Regulations, 2015. However, loan amount of ₹ 10,634.77 Lakhs and Investments of ₹ 45,141.54 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.

23. 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) Mr. A K Mathew (DIN: 02437778) was appointed as Non-Executive Independent Director of the Company for a term of 5 years with effect from August 14, 2024. His appointment was approved by the members at the last Annual General Meeting (AGM).
- (ii) Mrs. Sindhu Chandrasekharan (DIN: 06434415) was re-appointed as Whole-Time Director of the Company for a term of 5 years effective from March 16, 2025. Her re-appointment was approved by the members at the last Annual General Meeting (AGM).
- (iii) Mr. Benni Joseph ceased to be the Independent Director of the Company upon successful completion of his tenure on January 11, 2025. The Board places on record its appreciation towards valuable contribution made by him during his tenure as Director of the Company.
- (iv) Mr. Sabu M. Jacob (DIN: 00046016) is sought to be re-appointed as Chairman and Managing Director of the Company effective from August 16, 2025 till August 15, 2028 based on recommendation of Nomination and Remuneration Committee and the Board had in its meeting held on June 23, 2025 approved the same, subject to the approval of shareholders at the ensuing Annual General Meeting.
- (v) Mrs. Sumi Francis (DIN: 08950675) was appointed as the Non-Executive Independent Director of the Company at the 29th Annual General Meeting held on September 07, 2021 for a period of five years. The said period of five years ends on November 12, 2025. Considering the past performance of Mrs. Sumi Francis as Director of the Company, her consent and necessary disclosures to continue as Independent Director of the Company and that she continues to meet criteria of Independence, the Board of Directors, on June 23, 2025, had approved her re-appointment as Independent Director of the Company for the second term from November 13, 2025 to November 12, 2030, subject to approval of the shareholders and has recommended her re-appointment for approval of the shareholders in the forthcoming Annual General Meeting by way of Special Resolution.
- (vi) In accordance with Articles of Association, Mr. Sabu M Jacob (DIN: 00046016), executive director of the Company will be retiring at the ensuing Annual General Meeting and being eligible, seek reappointment. Item seeking his re-appointment

along with his detailed profile has been included in the notice convening the AGM.

There is no change in the Board of Directors & Key Managerial Personnel of your company during the financial year 2024-25 except as mentioned above.

The Company has received declaration of Independence as stipulated under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act, 2013. Based on the confirmation/disclosure received from the directors, the Non-Executive Directors namely Mr. C. P. Philipose, Mr. A. K. Mathew and Mrs. Sumi Francis are treated as independent as on March 31, 2025.

In the opinion of the Board, the Independent Directors are persons with integrity, expertise and experience in the relevant functional areas. The Independent Directors of the Company have registered themselves with the data bank maintained by Indian Institute of Corporate Affairs (IICA). In terms of Section 150 of the Companies Act, 2013 read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, Mr. C. P. Philipose and Mr. A. K. Mathew are exempted from undertaking the online proficiency self assessment test and Mrs. Sumi Francis has successfully qualified the online proficiency self assessment test, conducted by the IICA.

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.

24. 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 20, 2025 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 and met on February 14, 2025 to review and recommend the above mentioned Scheme of Arrangement. The details of familiarization program conducted for Independent Directors of your Company are available on your Company's website www.kitexgarments.com.

25. 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 www.kitexgarments.com. 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.

The policy has been amended to incorporate the changes that took place during the year under review.

26. 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.

27. 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.

28. 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 Panchayats 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.

During the year under review, there has been no change to the CSR policy.

29. 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.

30. 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.

31. 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.

32. 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 Chairman 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.

33. 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 e-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. 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.

34. 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. Venkatachalam 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.

35. 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.

36. 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.

37. AUDITORS

37.1. 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 the second term of 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 have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI. The Audit Committee reviews the independence and objectivity of the Auditors and the effectiveness of the Audit process.

The Auditors' Report on the Company's Standalone and Consolidated Financial Statements contain qualification, reservation, disclaimer or adverse remarks.

37.2. 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 and Consolidated Financial Statements.

37.3. 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 Board has re-appointed M/s. SVJS & Associates, Practicing Company Secretaries, Kochi to conduct the Secretarial Audit for the financial year 2024-25. The Audit Report issued by the Secretarial Auditors for the said FY form part of this Report and is set out in **Annexure - E** which is self-explanatory.

The explanations on the observations given by the Secretarial Auditors in their Audit Report are as follows: Company has paid fines imposed by both the stock exchanges for delayed compliance of Regulation 17(1A) of the Listing Regulations and Company has taken steps to ensure compliance of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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, 2025 is annexed herewith as **Annexure - E1**. The Secretarial Audit Report of KAPL does not contain any qualification, reservation or adverse remark.

Further, pursuant to amended Regulation 24A of SEBI Listing Regulations, and subject to your approval being sought as the ensuing AGM M/s. SVJS & Associates, Practicing Company Secretaries, Kochi, (Peer Review Certificate No. 6215/2024 dated November 11, 2024) has been appointed as a Secretarial Auditor to undertake the Secretarial Audit of your Company for the first term of five consecutive financial years from FY 2025-26 till FY 2029-30. M/s. SVJS & Associates, Practicing Company Secretaries, Kochi has confirmed that they are not disqualified to be appointed as a Secretarial Auditor and is eligible to hold office as Secretarial Auditor of your Company.

37.4. INTERNAL AUDITORS

M/s. K. Venkatachalam Aiyer & Co, Chartered Accountants continue to be the Internal Auditors of your company for the financial year 2024-25.

38. 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.

39. 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 of sexual harassment received in the year: **Nil**
- No. of complaints disposed off during the year: **Nil**
- No. of cases pending for more than ninety days: **Nil**

- No. of complaints pending as on end of the financial year: **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, 2024 under the Act with District officer.

40. 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.

41. 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:

- 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.
- The Company has complied with the applicable provisions of Maternity Benefit Act, 1961.
- 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.

42. 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

Sabu M Jacob

Chairman & Managing Director
(DIN: 00046016)

Kizhakkambalam
June 23, 2025

ANNEXURE – A TO THE DIRECTOR'S REPORT

Form No. 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**1. Details of Subsidiaries**

(Amount in lakhs)

| Block I | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|-----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| CIN/ any other registration number of subsidiary company | U18100TG20 21PLC157154 | U18204KL20 18PLC055316 | U18109KL20 18PLC055151 | U18209KL20 18PLC055318 | U18109KL20 18PLC054849 | U25209KL20 18PLC055321 | U18109KL20 18PLC055319 |
| Name of the Subsidiary | Kitex Apparel Parks Limited | Kitex Babywear Limited | Kitex Kidswear Limited | Kitex Knits Limited | Kitex Littlewear Limited | Kitex Packs Limited | Kitex Socks Limited |
| Date since when subsidiary was acquired | 18.11.2021 | 29.10.2018 | 17.10.2018 | 29.10.2018 | 25.09.2018 | 29.10.2018 | 29.10.2018 |
| Provisions pursuant to which the company has become a subsidiary (Section 2(87)(i)/ Section 2(87)(ii)) | 2(87)(ii) | 2(87)(ii) | 2(87)(ii) | 2(87)(ii) | 2(87)(ii) | 2(87)(ii) | 2(87)(ii) |
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 | 31.03.2025 |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | INR NA | INR NA | INR NA | INR NA | INR NA | INR NA | INR NA |
| Share Capital | 60179.00 | 10.00 | 100.00 | 10.00 | 100.00 | 10.00 | 10.00 |
| Reserves and Surplus | (1235.38) | (163.55) | (612.08) | (600.62) | (1306.75) | (218.91) | (257.74) |
| Total Assets | 168314.09 | 386.40 | 1895.99 | 2303.73 | 3357.59 | 675.45 | 640.98 |
| Total Liabilities | 109370.47 | 539.95 | 2408.07 | 2894.35 | 4564.34 | 884.36 | 888.72 |
| Investments | - | - | - | - | - | - | - |
| Turnover | 2.11 | - | 5.44 | - | 2.82 | - | - |
| Profit before taxation | (995.56) | (40.05) | (169.95) | (206.38) | (324.88) | (64.34) | (64.84) |
| Provision for taxation | - | - | - | - | - | - | - |
| Profit after taxation | (995.56) | (40.05) | (169.95) | (206.38) | (324.88) | (64.34) | (64.84) |
| Proposed Dividend | - | - | - | - | - | - | - |
| % of shareholding | 70% | 100% | 100% | 100% | 100% | 100% | 100% |

2. Number of subsidiaries which are yet to commence operations

| Sl. No. | CIN /any other registration number | Names of subsidiaries which are yet to commence operations |
|---------|------------------------------------|--|
| 1 | U18100TG2021PLC157154 | Kitex Apparel Parks Limited |

3. Number of subsidiaries which have been liquidated or have ceased to be a subsidiary 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)

4. Name of Associate/Joint Venture

(Amount in Lakhs)

| Block I | |
|---|--|
| 1 Name of Associates or Joint Ventures | KITEX USA LLC |
| 2 Latest Audited Balance Sheet Date | 31.03.2025 |
| 3 Date on which the Associate or Joint Venture was associated or acquired | 04.04.2015 |
| 4 Shares of Associate or Joint Ventures held by the company on the year end | |
| A Number | 4250210.09 shares |
| B Amount of Investment in associate or Joint venture (₹ in Lakhs) | 2776.24 |
| C Extent of Holding (in percentage) | 50% |
| 5 Description of how there is significant influence | More than 20% of total share capital held by the Company |
| 6 Reason why the associate/joint venture is not consolidated | Not applicable |
| 7 Net worth attributable to shareholding as per latest audited Balance sheet (₹ in Lakhs) | (2401.83) |
| 8 Profit or Loss for the year | |
| A Considered in consolidation (₹ in Lakhs) | No |
| B Not Considered in Consolidation | NA |

5. Number of associates or joint ventures which are yet to commence operations: Nil**6. Number of associates or joint ventures which have been liquidated or have ceased to be associate or joint venture during the year: Nil**For and on behalf of the Board of Directors of
Kitex Garments Limited**Sabu M Jacob**Chairman & Managing Director
(DIN: 00046016)**Sindhu Chandrasekharan**Whole-Time Director
(DIN: 06434415)June 23, 2025
Kizhakkambalam**Boby Michael**

Chief Financial Officer

Dayana JosephCompany Secretary
(Mem No: A61808)

ANNEXURE – B TO THE DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES – 2024-25

(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 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., July 15, 2024 and October 30, 2024. The CSR Committee was reconstituted during the fiscal year and the revised constitution as on March 31, 2025 is as under:

| 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 |
| 5 | Mr. A K Mathew [§] | Member- Independent, Non-Executive | 2 | 0 |

*Ceased to be a member of the Committee w.e.f January 12, 2025

[§]Appointed as a member of the Committee w.e.f January 12, 2025

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.

June 23, 2025
Kizhakkambalam

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

C P Philipose
Member
CSR Committee
(DIN: 01125157)

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 arm's length transactions under fourth proviso thereto]

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

There are no contracts or arrangements, or transactions entered into by the Company during the year ended March 31, 2025, which are not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis

| Name(s) of the related party and nature of relationship | Kitex Childrenswear Limited | Kitex Apparel Parks Limited | Kitex USA LLC |
|---|---|---|---|
| CIN or FCRN or LLPIN or FLLPIN or PAN/Passport for individuals or any other registration number | U18101KL1991PLC006048 | U18100TG2021PLC157154 | 0450005261 |
| Nature of relationship | Enterprises owned or significantly influenced by key management personnel or their relatives | Subsidiary Company | Associate Company |
| Nature of contracts/ arrangements/ transactions | Sale or purchase of goods or materials, leasing of property, availing or rendering of services including expenses recovered etc | Sale or purchase of goods or materials, leasing of property, availing or rendering of services including expenses recovered etc | Sale or purchase of goods or materials, availing or rendering of services etc |
| Duration of the contracts / arrangements/ transactions | On ongoing basis | On ongoing basis | On ongoing basis |
| Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount | In tune with market parameters. Annual amount of ₹ 159.88 Crores | In tune with market parameters. Annual amount of ₹ 9.47 Crores | Based on Transfer Pricing Guidelines. Annual amount of ₹ 49.67 Crores |
| Date of approval by the Board | July 15, 2024 | July 15, 2024 | July 15, 2024 |
| Amount paid as advances, if any | Nil | Nil | Nil |

Note:

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 Directors of
Kitex Garments Limited

Sabu M Jacob

Chairman & Managing Director
(DIN: 00046016)

June 23, 2025
Kizhakkambalam

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 kWp 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 31.03.2025 | Year Ended 31.03.2024 |
|--------------------------|--------------------------|--------------------------|
| Electricity | | |
| Purchased | | |
| Units (KWH) | 21981555 | 19451340 |
| Total Amount (₹) | 16,53,59,902 | 14,64,05,085 |
| Cost/Unit (₹/KWH) | 7.52 | 7.53 |
| Own generation | | |
| Through Diesel Generator | | |
| Units (KWH) | 44251 | 20121 |
| Total Amount (₹) | 21,17,209 | 7,63,408 |
| Cost/Unit (₹/KWH) | 47.85 | 37.94 |
| Fuel | | |
| a) Furnace Oil | | |
| Quantity (KL) | 2272 | 2031 |
| Total Amount(₹) | 12,00,45,670 | 9,91,17,073 |
| Cost/Unit (₹/KL) | 52,839 | 48,796 |
| b) Firewood | | |
| Quantity (MT) | 25576 | 22095 |
| Total Amount(₹) | 10,35,48,610 | 7,90,39,410 |
| Cost/Unit (₹/MT) | 4,049 | 3,577 |
| c) Diesel | | |
| Quantity (KL) | 49.00 | 43.00 |
| Total Amount(₹) | 45,69,642 | 39,34,735 |
| Cost/Unit (₹/KL) | 93,258 | 92,582 |

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 an 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 on 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 farics 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 farics 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:

| Sl. No. | Particulars | 2024-25 | 2023-24 |
|---------|---|-----------|-----------|
| 1 | Earnings on account of Exports | 77,327.27 | 47,270.76 |
| 2 | Outgo on account of Imports & Expenditure | 7,044.13 | 4,697.58 |

For and on behalf of the Board of Directors of
Kitex Garments Limited

June 23, 2025
Kizhakkambalam

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

ANNEXURE – E TO THE DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2025

[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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2025, 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 31.03.2025 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) 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.
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (f) 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 BSE 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:

- Mr. Amparyil Kurien Mathew (DIN: 02437778) aged 81 years was appointed as an Additional Director (Non-Executive Independent Director) of the Company on 14.08.2024 and the special resolution was passed only on 28.09.2024 which is not in accordance with the requirements of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Mr. Saji Kurian, one of the designated persons of the Company has traded in the securities of the Company during the quarter ended June 2024 and December 2024 which aggregated to a traded value in excess of ten lakh rupees during both calendar quarters. Further, no intimation in this regard is seen made to stock exchanges which is not in accordance with Regulation 7 (2) (a) and (b) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- Trading by Mr. Saji Kurian in excess of ₹10 lakhs is not seen intimated to stock exchanges which is not in accordance with Clause 13 of schedule B of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- Certain acquisitions and change in holding are not seen disclosed by acquirer under regulation 29(1), 29(2) and 29 (3) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the Company and stock exchanges.

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. Subject to the aforesaid, 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 (other than as mentioned below);
- Foreign technical collaborations.

During the aforesaid period, the Board of Directors of the Company, after considering the recommendation and report of the Audit Committee and the Committee of Independent Directors, at its meeting held on 14.02.2025, have approved a Scheme of Arrangement between Kitex Childrenswear Limited and Kitex Garments Limited and their respective shareholders and creditors. The Scheme, inter alia, provides for demerger of the Textile Business Division of Kitex Childrenswear Limited into Kitex Garments Limited.

The Scheme and the Proposed Transaction is, inter alia, subject to receipt of requisite approvals from statutory and regulatory authorities, including from the Stock Exchanges, the Securities and Exchange Board of India, the jurisdictional National Company Law Tribunal and the shareholders and creditors of the Demerged Company and the Resulting Company.

The Company has, among other things, passed the following resolutions at its Annual General Meeting held on 28.09.2024:

- Approval to advance any loan or give guarantee or provide security under section 185 of the Companies Act, 2013 which shall not at any time exceed the aggregate limit of ₹2500 Crores.
- Approval of material related party transactions with Kitex Apparel Parks Limited upto a maximum aggregate amount of ₹3,000 Crores for a period not exceeding fifteen months from the 32nd 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 32nd 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 32nd Annual General Meeting.
- Approval of material related party transactions 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 upto a maximum aggregate amount of ₹400 Crores for a period not exceeding fifteen months from the 32nd Annual General Meeting.

- Approval of material related party transactions of identified Subsidiary of the Company, Viz, Kitex Apparel Parks Limited (KAPL) with Kitex Childrenswear Limited, related parties of the company upto a maximum aggregate amount of ₹2,500 Crores for a period not exceeding fifteen months from the 32nd Annual General Meeting.

The Company has passed the following resolutions vide Postal Ballot dated 29/12/2024:

- Approval of Bonus Issue of 13,30,00,000 Equity shares of ₹ 1/- each to existing equity shareholders aggregating to a sum of ₹ 13,30,00,000 /- in the proportion of 2:1 i.e. 2 (Two) New fully paid Equity Share for every 1 (One) existing Equity Share held as on record date. The bonus shares were allotted at board meeting held on 20.01.2025.
- To make Investments, give Loans, guarantees and provide security under Section 186 of the Companies Act, 2013 upto ₹ 3000 Crores over and above 60% of the paid up

capital, free reserves and securities premium account or 100% of free reserves and securities premium account whichever is more.

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. 6215/2024
UDIN: F003067G000644213

For **SVJS & Associates**
Company Secretaries

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

Kochi
23.06.2025

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 2025 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. 6215/2024
UDIN: F003067G000644213

For **SVJS & Associates**
Company Secretaries

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

Kochi
23.06.2025

ANNEXURE – E1 TO THE DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2025

[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

Plot No. B1, B2, B3, B4, B5 & B6,
Kakatiya Mega Textile Park, Shayampet,
Dharmaram (Warangal), Warangal,
Geesugonda, Telangana, India, 506330

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 31.03.2025, 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 31.03.2025 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 during the period:

1. The Board of Directors had at their meeting held on 14/08/2024 passed a resolution pursuant to Section 62 (1) (a) of the Companies Act, 2013 to offer and issue 10,26,52,500 equity shares of face value of ₹10/- each on rights basis. The Board of directors allotted 9,14,60,295 equity shares of face value of ₹10/- each on 18/09/2024.
2. The Board of Directors had at their meeting held on 20/01/2025 passed a resolution pursuant to Section 62 (1) (a) of the Companies Act, 2013 to offer and issue 5,02,07,030 equity shares of face value of ₹10/- each on rights basis. The Board of directors allotted 5,00,00,000 equity shares of face value of ₹10/- each on 10/02/2025.
3. The Board of Directors had at their meeting held on 14/02/2025 passed a resolution pursuant to Section 62 (1) (a) of the Companies Act, 2013 to offer and issue 11,04,14,059 equity shares of face value of ₹10/- each on rights basis. The Board of directors allotted 4,97,19,705 equity shares of face value of ₹10/- each on 29/03/2025.
4. The members at the Annual General Meeting held on 28/09/2024, in accordance with the provisions of Section 94 of Companies Act, 2013, passed a resolution to keep all

the registers and returns required to be maintained by the Company under Section 88 and 92 of the Companies Act, 2013 at the Corporate Office of the Company located at P B No. 5, Kizhakkambalam, Aluva, Cochin – 683562, Kerala.

5. The members at the Extra Ordinary General Meeting held on 28/01/2025, in accordance with the provisions of Section 12 of Companies Act, 2013, passed a resolution to to shift the registered office of the Company from H No. 15-10-196/2, Pothana Road, Ramannapet, Warangal, Telangana - 506002 to Plot No. B1, B2, B3, B4, B5 & B6, Kakatiya Mega Textile Park, Shayampet, Geesugonda, Warangal, Telangana – 506330, w.e.f. 28.01.2025.

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. 6215/2024
UDIN: F003067G000644213

For **SVJS & Associates**
Company Secretaries

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

Kochi
23.06.2025

Annexure A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To

The Members

Kitex Apparel Parks Limited

Plot No. B1, B2, B3, B4, B5 & B6,

Kakatiya Mega Textile Park, Shayampet,

Dharmaram (Warangal), Warangal,

Geesugonda, Telangana, India, 506330

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 2025 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. 6215/2024

UDIN: F003067G000644213

For **SVJS & Associates**

Company Secretaries

CS. Vincent P. D.

Managing Partner

FCS: 3067

CP No: 7940

Kochi

23.06.2025

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:

| Sr 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 | 70.29 |
| 2 | Mrs. Sindhu Chandrasekharan [#] | Executive Director | 19.53 |

[#] Excluding commission and performance based variable incentive

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:

| Sr No. | Name | Designation | % increase/(decrease) in the remuneration |
|--------|------------------------------|------------------------------|---|
| 1 | Mr. Sabu M Jacob* | Chairman & Managing Director | Nil |
| 2 | Mrs. Sindhu Chandrasekharan* | Executive Director | Nil |
| 3 | Mr. Boby Michael* | Chief Financial Officer | Nil |
| 4 | Ms. Dayana Joseph* | Company Secretary | 10% |

*Excluding commission and performance based variable incentive

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: 13.04%

4. The number of permanent employees on the roll of the Company: 5258

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 point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentile increase in salaries of non - managerial personnel: 23.35%

Average percentile increase in salaries of managerial personnel: 105.36%

6. Affirmation that the remuneration is as per the remuneration policy of the Company

The remuneration paid during the financial year ended March 31, 2025 is as per the Remuneration policy of the Company.

For and on behalf of the Board of Directors of
Kitex Garments Limited

June 23, 2025
Kizhakkambalam

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

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 | 63 | Graduate | Employee | Managing Director | 16.08.1993 | 40 | 10,59,66,817.00 | 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 Directors of
Kitex Garments Limited

Sabu M Jacob

Chairman & Managing Director
(DIN: 00046016)

June 23, 2025
Kizhakkambalam

Corporate Governance Report

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2025 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 meet 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, 2025 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, 2025 are given below:

| Sl. No. | Name | Date of Appointment | Category of Director | Directorship in other Indian Public Limited Companies (excluding KGL) | No. of Board 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 | - | 2 | - | 6,81,92,703 |
| 2 | Mrs. Sindhu Chandrasekharan (DIN: 06434415) | 16.03.2015 | Executive Director (Woman Director) | 9 | 1 | 3 | - | - |
| Non Executive Independent Directors | | | | | | | | |
| 3 | Mr. C P Philipose (DIN: 01125157) | 20.07.2015 | Non-Executive Independent Director | 2 | 2 | 2 | - | - |
| 4 | Mr. A K Mathew (DIN: 02437778) | 14.08.2024 | Non-Executive Independent Director | 1 | - | 2 | - | - |
| 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
- 5) Mr. Benni Joseph who was a member in the Board of Directors of the Company from the beginning of the financial year 2024-2025 ceased as Independent Director w.e.f. January 12, 2025.

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 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 2024-25, the Board met 10 times. The meetings were held on May 20, 2024, July 15, 2024, August 14, 2024, September 27, 2024, October 30, 2024, November 22, 2024, January 20, 2025, February 14, 2025, March 03, 2025 and March 06, 2025. 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

| Name of the Director | Category | Meetings held during the year | No of board meetings attended | Attendance at the AGM held on September 28, 2024 |
|-------------------------------|---------------|-------------------------------|-------------------------------|--|
| Mr. Sabu M Jacob | Chairman & MD | 10 | 10 | Yes |
| Ms. Sindhu Chandrasekharan | ED | 10 | 10 | Yes |
| Mr. Benni Joseph [§] | ID | 10 | 6 | Yes |
| Mr. C P Philipose | ID | 10 | 10 | Yes |
| Mr. K L V Narayanan | NED | 10 | 10 | Yes |
| Mr. A K Mathew [#] | ID | 10 | 7 | NA |
| Mrs. Sumi Francis | ID | 10 | 10 | Yes |

Meetings held during the year are expressed as number of meetings eligible to attend.

[§] Ceased as an Independent Director of the Company w.e.f January 12, 2025

[#] Appointed as a Director of the Company w.e.f August 14, 2024

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/ her 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/ her 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/2025/04/KGL-ID-Training-FY2025.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 members and members of the senior management personnel 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. K. L. V. Narayanan, Mr. Benni Joseph, Mr. C. P. Philipose, Mr. A. K. Mathew, Mrs. Sindhu Chandrasekharan and Mrs. Sumi Francis |
| Technical Operations and knowledge on Production, Processing, Quality and Marketing of Infants apparel Management, Strategy, Sales, Marketing, Administration Technical Operations related to the Company's business | Mr. Sabu M. Jacob, Mr. K. L. V. Narayanan and Mr. C. P. Philipose. Mr. Sabu M. Jacob, Mr. K. L. V. Narayanan, Mr. C. P. Philipose, Mr. A. K. Mathew, Mrs. Sindhu Chandrasekharan and Mrs. Sumi Francis |

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 has reconstituted during the fiscal year and comprised of three independent directors as on March 31, 2025 viz., Mr. C P Philipose as the Chairman, Mr. A K Mathew and Mrs. Sumi Francis as members of the Committee.

• MEETINGS AND ATTENDANCE

The Audit Committee met 7 times during the financial year 2024-25. The maximum gap between two meetings was not more than 120 days. The Committee met on May 20, 2024, July 15, 2024, August 14, 2024, October 30, 2024, February 14, 2025, March 03, 2025 and March 06, 2025. The requisite quorum was present at all the meetings. The Audit Committee Chairman was present at the 32nd Annual General Meeting of the Company.

Details of attendance of Audit Committee members are as follows:

| Name | Status | No of meetings held during the year | No of meetings attended |
|--------------------------------|----------|-------------------------------------|-------------------------|
| Mr. Benni Joseph [§] | Chairman | 7 | 4 |
| Mr. C P Philipose [#] | Chairman | 7 | 7 |
| Mr. A K Mathew [*] | Member | 7 | 3 |
| Mrs. Sumi Francis | Member | 7 | 7 |

[§] Ceased to be a member of the Committee w.e.f January 12, 2025

[#] Appointed as Chairman of the Committee w.e.f January 12, 2025

^{*}Appointed as a member of the Committee w.e.f January 12, 2025

Mr. Boby Michael, Chief Financial Officer is the permanent invitee to the Audit Committee Meetings. The Independent Auditors of the Company are also invited to the Audit Committee meeting. The Company Secretary is the Secretary to the Committee.

- **TERMS OF REFERENCE**

- 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 Company 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.
 - Approval or subsequent modification of transactions of the Company with related parties.
 - Scrutiny of inter-corporate loans and investments.
 - Valuation of undertakings or assets of the Company 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 ₹ 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 has reconstituted during the fiscal year and comprises of 3 non-executive directors as on March 31, 2025. Mr. C P Philipose 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 Regulation 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 August 14, 2024 and February 14, 2025. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

| Name | Status | No of meetings held during the year | No of meetings attended |
|--------------------------------|----------|-------------------------------------|-------------------------|
| Mr. Benni Joseph [§] | Chairman | 2 | 1 |
| Mr. C P Philipose [#] | Chairman | 2 | 1 |
| Mr. K L V Narayanan | Member | 2 | 2 |
| Mrs. Sumi Francis | Member | 2 | 2 |

[§] Ceased to be a member of the Committee w.e.f January 12, 2025

[#] Appointed as Chairman of the Committee w.e.f January 12, 2025

• 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 and is available on the Company's website at www.kitexgarments.com

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 meetings 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:

| 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 | - | - | 9,51,66,817 | - | - | 10,59,66,817 |
| Ms. Sindhu Chandra-sekharan | 16.03.2020 to 15.03.2025 and re-appointed for another term from 16.03.2025 to 15.03.2030 (5 years) | 25,44,230 | - | - | 2,82,692 | 21,600 | - | 28,48,522 |
| Mr. Benni Joseph | 12.01.2020 to 11.01.2025 (5 years) | - | - | - | - | - | 3,25,000 | 3,25,000 |
| Mr. C P Philipose | 10.06.2021 to 09.06.2026 (5 years) | - | - | - | - | - | 4,60,000 | 4,60,000 |
| Mr. A K Mathew | 14.08.2024 to 13.08.2029 (5 years) | - | - | - | - | - | 2,85,000 | 2,85,000 |
| Mrs. Sumi Francis | 13.11.2020 to 12.11.2025 (5 years) | - | - | - | - | - | 4,40,000 | 4,40,000 |
| Mr. K.L.V. Narayanan | Director liable to retire by rotation | - | - | - | - | - | 3,85,000 | 3,85,000 |

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**

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 Chairman was evaluated after seeking the inputs from all the Directors other than the Board Chairman, on the basis of the criteria such as Chairman'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 Chairman and the Chairman of Nomination and Remuneration Committee. The Board Chairman 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.

2. B.3. STAKEHOLDERS RELATIONSHIP COMMITTEE

- **COMPOSITION**

The Committee has reconstituted during the fiscal year and consists of 4 Directors as on March 31, 2025 viz., Mr. K. L. V. Narayanan as the Chairman, Mr. Sabu M. Jacob, Mr. A K Mathew and Mrs. 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 July 15, 2024 and February 14, 2025. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

| Name | Status | No of meetings held during the year | No of meetings attended |
|-------------------------------|----------|-------------------------------------|-------------------------|
| Mr. K L V Narayanan | Chairman | 2 | 2 |
| Mr. Sabu M Jacob | Member | 2 | 2 |
| Mr. Sindhu Chandrasekharan | Member | 2 | 2 |
| Mr. Benni Joseph [§] | Member | 2 | 1 |
| Mr. A K Mathew [#] | Member | 2 | 1 |

[§] Ceased to be a member of the Committee w.e.f January 12, 2025

[#] Appointed as a member of the Committee w.e.f January 12, 2025

• 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.

Summary of investor complaints received and redressed is as below:

| | |
|--|---|
| Number of complaints outstanding as on April 1, 2024 | 0 |
| Number of complaints received during the year ended March 31, 2025 | 2 |
| Number of complaints resolved during the year ended March 31, 2025 | 2 |
| Number of complaints pending as on March 31, 2025 | 0 |

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 has reconstituted during the fiscal year and consists of 3 directors as on March 31, 2025, viz., Mr. Sabu M. Jacob as the Chairman, Mrs. Sindhu Chandrasekharan and Mr. C P Philipose 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 04, 2024 and October 30, 2024. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

| Name | Status | No of meetings held during the year | No of meetings attended |
|--------------------------------|----------|-------------------------------------|-------------------------|
| Mr. Sabu M Jacob | Chairman | 2 | 2 |
| Mr. Sindhu Chandrasekharan | Member | 2 | 2 |
| Mr. Benni Joseph [§] | Member | 2 | 2 |
| Mr. C P Philipose [#] | Member | 2 | 0 |

[§] Ceased to be a member of the Committee w.e.f January 12, 2025

[#] Appointed as a member of the Committee w.e.f January 12, 2025

- **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;

year and comprises Mr. Sabu M. Jacob as the Chairman, Mr. K. L. V. Narayanan, Mr. A K Mathew and Mr. C. P. Philipose as the members as on March 31, 2025. 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 has reconstituted during the fiscal

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 July 15, 2024 and October 30, 2024. Attendance at CSR Committee meetings is as below:

| Name | Status | No of meetings held during the year | No of meetings attended |
|-------------------------------|----------|-------------------------------------|-------------------------|
| Mr. Sabu M Jacob | Chairman | 2 | 2 |
| Mr. K L V Narayanan | Member | 2 | 2 |
| Mr. Benni Joseph [§] | Member | 2 | 2 |
| Mr. C P Philipose | Member | 2 | 2 |
| Mr. A K Mathew [#] | Member | 2 | 0 |

[§] Ceased to be a member of the Committee w.e.f January 12, 2025

[#] Appointed as a member of the Committee w.e.f January 12, 2025

2. B.6. INDEPENDENT DIRECTORS’ MEETING

During the year under review, the Independent Directors met 2 times during the year on January 20, 2025 and February 14, 2025 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.
- To review the draft scheme of arrangement between the Company and Kitex Childrenswear Limited and their respective shareholders and creditors for recommendation to the Board of Directors

All the Independent Directors were present at this meeting.

2. B.7. SENIOR MANAGEMENT

As on date of this report, the details of Senior Management Personnel are as follows:

| Name | Designation |
|-----------------------------|---|
| Mrs. Sindhu Chandrasekharan | Executive Director & Assistant Vice President (Finance) |
| Mr. Saji Kurian | Assistant Vice President (Manufacturing) |
| Mr. I A K Menon | General Manager (Business Analyst) |
| Mr. Shakthivel | General Manager (Processing) |
| Mr. Bobby Michael | Chief Financial Officer |
| Ms. Dayana Joseph | Company Secretary |

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 | 32 nd | 2024 | 28.09.2024 | 11:00 A.M | <ul style="list-style-type: none"> • Appointment of Mr. A K Mathew (DIN: 02437778) as an Independent Director • Approval to advance any loan or give guarantee or provide security under Section 185 of the Companies Act, 2013 | Through Video Conferencing (VC)/ Other Audio Visual Means (OVAM) |
| 2 | 31 st | 2023 | 30.09.2023 | 11:00 A.M | Nil | |
| 3 | 30 th | 2022 | 29.08.2022 | 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. 2024-25, 2023-24 and 2022-23.

POSTAL BALLOT

During FY 2024-25, the Company sought the approval of the shareholders by way of postal ballots, through notice dated November 22, 2024 on the following Special/Ordinary Resolution(s):

| Sl. No. | Name of the Resolution | Type of Resolution |
|---------|--|---------------------|
| 1 | Issue of Bonus Shares | Ordinary Resolution |
| 2 | To make investments, give loans, guarantees, and provide security under Section 186 of the Companies Act, 2013 | Special Resolution |

The Board of Directors had appointed Mr. Jayan K (Membership No. FCS-8154, CPNo. 7363) Partner of SVJS & Associates, Company Secretaries, Kochi as the Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner.

| | |
|--|--|
| Date of Postal Ballot Notice : 22.11.2024 | Voting period : 30.11.2024 to 29.12.2024 |
| Date of declaration of result : 30.12.2024 | Date of Approval : 29.12.2024 |

| Name of the resolution | Type of resolution | No of votes polled | Votes cast in favor | | Votes cast against | |
|--|---------------------|--------------------|---------------------|--------|--------------------|------|
| | | | No of votes | % | No of votes | % |
| Issue of Bonus Shares | Ordinary Resolution | 46740654 | 46740151 | 100.00 | 503 | 0.00 |
| To make investments, give loans, guarantees, and provide security under Section 186 of the Companies Act, 2013 | Special Resolution | 46739649 | 46176242 | 98.79 | 563407 | 1.21 |

The Special/Ordinary Resolution(s) were passed with requisite majority. The details of the results were published in the leading newspapers and are available on the company's website www.kitexgarments.com.

Procedure for Postal Ballot

All postal ballots were carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder, Regulation 44 of the Listing Regulations and applicable circulars issued by the MCA and SEBI from time to time.

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 exchanges 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.

The Company organizes analysts or institutional investors meet in between. Presentations made to institutional investors and financial analysts are submitted to the stock exchanges and also uploaded on the Company's website.

5. GENERAL SHAREHOLDER INFORMATION:

5.1. ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2024-25

| | |
|--------------------------------|--|
| Day and Date | Wednesday, September 17, 2025 |
| Time | 11.00 A.M |
| Venue | Through Video Conferencing (VC)/ Audio Visual Means (AVM) |
| Financial Year | April 1, 2024 to March 31, 2025 |
| Book Closure | September 10, 2025 to September 17, 2025 |
| Last date for Receipt of Proxy | Not Applicable since the meeting is done virtually. |
| E-voting starts | Sunday, September 14, 2025 at 9.00 A.M |
| E-voting ends on | Tuesday, September 16, 2025 at 5.00 P.M |
| E-voting at AGM | E-voting facility shall also remain open during the AGM and 15 minutes after AGM |
| Results of E-Voting on | On or before September 19, 2025 |
| Dividend payment date | On or before October 16, 2025 |

5.2. TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING MARCH 31, 2026

The tentative dates for Board Meeting for consideration of quarterly financial results are as follows:

| | |
|--|---|
| Un-audited Q1 ending June 30, 2025 | on or before 2 nd week of August, 2025 |
| Un-audited Q2 and half year ending September 30, 2025 | on or before 2 nd week of November, 2025 |
| Un-audited Q3 and nine months ending December 31, 2025 | on or before 2 nd week of February, 2026 |
| Audited Results for the year ending March 31, 2026 | on or before 4 th week of May, 2026 |

5.3. DETAILS OF STOCK EXCHANGES WHERE LISTED

The equity shares of the Company are listed with the following stock exchanges:

| Name and Address of Stock Exchange | ISIN |
|--|--------------|
| BSE Ltd (BSE) P J Towers, Dalal Street, Mumbai – 400001, Maharashtra | INE602G01020 |
| National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra(E), Mumbai - 400051, Maharashtra | |

The annual listing fees have been paid for the Financial Year 2024-25.

5.4. SHARE TRANSFER SYSTEM

The Board has delegated the authority for approving transfer, transmission etc. to the Share Transfer Committee.

Almost the entire equity shares capital of the Company is held in dematerialized form. The Company's shares are compulsorily traded in dematerialized form and are available for trading with both the depositories i.e, National Securities Depository Limited and Central Depository Services (India) Limited. The shareholders can hold the Company's shares with any depository participant registered with the depositories.

In terms of the amended Regulation 40(1) of SEBI Listing Regulations, with effect from April 1, 2019, securities of listed companies can be transferred only in dematerialized form. Accordingly, the shares held in physical form will not be transferred unless they are converted into dematerialized form. Transfers of equity shares in

electronic form are effected through the depository system with no involvement of the Company.

A Company Secretary in practice carried out on a quarterly basis reconciliation of the share capital audit of the Company confirming that the total issued / paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. A copy of these certificates so received is submitted to both the Stock Exchanges viz. NSE and BSE.

All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to RTA of the Company at the address given below.

There was no instance of suspension of trading in Company's shares during FY 2024-25.

5.5. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2025

| Range | No. of Shareholders | No. of Shares held | % of shareholding |
|------------------|---------------------|--------------------|-------------------|
| 1 and 5000 | 79562 | 26519938 | 13.29 |
| 5001 and 10000 | 807 | 5754750 | 2.88 |
| 10001 and 20000 | 365 | 5028952 | 2.52 |
| 20001 and 30000 | 126 | 3107443 | 1.56 |
| 30001 and 40000 | 48 | 1725373 | 0.86 |
| 40001 and 50000 | 34 | 1500600 | 0.76 |
| 50001 and 100000 | 63 | 4727467 | 2.37 |
| 100001 and Above | 58 | 151135477 | 75.76 |
| Total | 81063 | 199500000 | 100.00 |

5.6. DEMATERIALIZATION 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, 2025, 19,88,30,000 equity shares of the company, constituting 99.66% were in dematerialized form. Pattern of holding is as follows:

| Pattern of holding | No of shares |
|--------------------|------------------|
| NSDL | 160150205 |
| CDSL | 38679795 |
| Physical | 670000 |
| Total | 199500000 |

5.7. CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2025

| Category | No. of Shareholders | No. of Shares held | % Shareholding |
|----------------------|---------------------|--------------------|----------------|
| Resident | 77646 | 62188299 | 31.17 |
| NRI | 2387 | 3032102 | 1.52 |
| Corporate Body | 229 | 45104828 | 22.61 |
| Clearing Member | 22 | 412206 | 0.21 |
| FPI | 32 | 1796404 | 0.90 |
| Banks/Trusts/HUF | 736 | 2181638 | 1.09 |
| Alternative Inv Fund | 5 | 1726524 | 0.87 |
| IEPF | 1 | 1783079 | 0.89 |
| Directors/ Relatives | 5 | 81274920 | 40.74 |
| Total | 81063 | 199500000 | 100.00 |

5.8. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS:

As of March 31, 2025, the Company does not have any outstanding GDRS or ADRS or warrants or convertible instruments, which are likely to have an impact on the equity of the Company.

5.9. COMMODITY PRICE 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. The Company has managed foreign exchange risk in accordance with the policies of the Company. There were no material exchange rate risks in the context of the Company's Foreign Exchange exposures. The Company's exposure to market risks for commodities and currencies is detailed in Note No. 2.36, under the head 'Financial Risk Management - Objectives and Policies', forming part of Notes to Financial Statements.

5.10. PLANT LOCATION: Kizhakkambalam, Aluva, Ernakulam - 683561

5.11. ADDRESS FOR CORRESPONDENCE

| REGISTERED OFFICE | REGISTRAR AND SHARE TRANSFER AGENT |
|---|--|
| <p>Kitex Garments Limited (CIN: L18101KL1992PLC006528) Building No. VI/496, Kizhakkambalam, Vilangu P.O, Aluva, Ernakulam – 683561, Kerala Tel: 0484 2585000 E-mails: sect@kitexgarments.com Website: www.kitexgarments.com</p> | <p>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</p> |

5.12. CREDIT RATING

The credit rating of the Company assigned by India Ratings & Research Private Limited, as of March 2025, is as follows:

| Instrument Description | Rating assigned along with Outlook/Watch |
|---|--|
| Fund-based working capital limit | IND A/Stable/IND A1 |
| Non-fund-based working capital limit | IND A/Stable/IND A1 |
| Proposed fund based working capital limit | IND A/Stable/IND A1 |

6. OTHER DISCLOSURE

6.1. RELATED PARTY TRANSACTIONS

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations, as amended, during the year under review were on an arm's length pricing basis and in the ordinary course of business. These have been approved by the Audit Committee. Certain transactions repetitive in nature through omnibus route by the Audit Committee. Further, the shareholders approved all the material related party transactions for financial year 24-25, vide Ordinary Resolution passed by the Shareholders at the 32nd AGM of the Company held on September 28, 2024.

The policy on materiality of related party transactions and on dealing with related party transactions is available on the website of the Company at www.kitexgarments.com.

Details of transactions with related parties as specified in Indian Accounting Standards ('IND AS 24') have been reported in the Financial Statements. During the year under review, there was no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company.

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/2025/07/KGL_Material-Subsidiary-Policy-24-25.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

The 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 in the year 2023-24 and no guarantees were given by the subsidiaries of the Company. However, loan amount of ₹ 85.13 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

BSE Limited and National Stock Exchange of India Limited has imposed a fine of ₹ 1,06,200 (incl. GST) each on the Company in November 2024 for obtaining delayed approval for appointment of Non-Executive Independent Director who attained the age of seventy-five years. The Company has paid the fine within the prescribed time. Apart from the above, no strictures or penalties have been imposed on the Company 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.kitexgarments.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. No specific compliance of non-mandatory requirements have been implemented by 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/2025/07/KGL_Material-Subsidiary-Policy-24-25.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 the Company and its subsidiaries, on a consolidated basis, to M/s. MSKA & Associates, Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor is a part thereof is ₹ 29.80 Lakhs.

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. 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 29, 2025 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 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 demat 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 interim dividend declared during the financial year 2017-18 to the Investor Education and Protection Fund as applicable. Details of such unclaimed/ unpaid dividend transferred upto 2017-18 (interim dividend) 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 encashed their dividend warrant(s) for the financial years 2017-18 (final dividend) to 2023-24, 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 2017-18 must be claimed by the concerned shareholders on or before July 31, 2025 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 31.03.2025 | Unclaimed dividend as % to total dividend | Date of declaration | Last dated for claiming the dividend prior to its transfer to IEPF |
|-------------------|---|-------------------------------------|---|---------------------|--|
| 2017-18 (Final) | 2144 | 6,54,540.75 | 1.31 | 28.07.2018 | 01.09.2025 |
| 2018-19 (Final) | 1154 | 10,77,741.00 | 1.08 | 28.08.2019 | 02.10.2026 |
| 2019-20 (Interim) | 1058 | 10,87,791.00 | 1.09 | 11.02.2020 | 18.03.2027 |
| 2020-21 (Final) | 1499 | 9,35,439.00 | 0.94 | 07.09.2021 | 12.10.2028 |
| 2021-22 (Final) | 1383 | 9,39,688.50 | 0.94 | 29.08.2022 | 03.10.2029 |
| 2022-23 (Final) | 1263 | 7,80,224.50 | 0.78 | 30.09.2023 | 04.11.2030 |
| 2023-24 (Final) | 1476 | 12,59,338.00 | 1.26 | 28.09.2024 | 02.11.2031 |

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 |
|----------------|---|--|--|---|--------------------------------|
| 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 |
| 2016-17 | 44 | 3081 | 322 | 78,000 | 13,02,297.00 |

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 Aadhar 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, 2025 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, 2024 | 264 | 2,28,480 |
| Number of Shares credited to Unclaimed Suspense Account pursuant to Bonus Issue during FY 2024-25 | 457 | 18,42,098 |
| Number of shareholders who approached listed entity for transfer of shares from suspense account during the FY 2024-25 | 2 | 2400 |
| Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account during FY 2024-25 | 2 | 2400 |
| Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2025 | 719 | 20,68,178 |

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.

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, 2025 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**

Sabu M Jacob

Chairman & Managing Director
(DIN: 00046016)

June 23, 2025
Kizhakkambalam

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 statements and the cash flow statement for the year ended March 31, 2025 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 are 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**

Sabu M Jacob

Chairman and Managing Director
(DIN: 00046016)

Bobby Michael

Chief Financial Officer

May 29, 2025
Kizhakkambalam

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, 2025** as stipulated in Regulation 17 to 27 and clause (b) to (i) and (t) 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, 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, 2025 except that:

- Mr. Amparyil Kurien Mathew (DIN: 02437778) aged 81 years was appointed as an Additional Director (Non-Executive Independent Director) of the Company on 14.08.2024 and the special resolution was passed only on 28.09.2024 which is not in accordance with the requirements of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. 6215/2024
UDIN: F003067G000644191

For **SVJS & Associates**
Company Secretaries

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

Kochi
23.06.2025

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, 2025** 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. Amprayil Kurien Mathew | 02437778 | 14/08/2024 |
| 5. | Mr. Kalpathy Lekshmi Venkitanarayanan Narayanan | 01273573 | 04/04/2013 |
| 6. | Ms. Sindhu Chandrasekharan | 06434415 | 16/03/2015 |
| 7. | Ms. Sumi Francis | 08950675 | 13/11/2020 |

*ceased on 11.01.2025 on account of having completed term.

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. 6215/2024
UDIN: F003067G000644180

For **SVJS & Associates**
Company Secretaries

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

Kochi
23.06.2025

Business Responsibility & Sustainability Reporting



A SECTION

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 : 2024-25
10. Name of the Stock Exchange(s) where shares are listed : BSE Limited & National Stock Exchange of India Limited
11. Paid-up Capital : ₹ 19,95,00,000
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 | 0484-2585310 |
| Email ID | bobymichael@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)

14. Name of assurance provider: Not Applicable
 15. Type of assurance obtained: Not Applicable

II. Products/services

16. 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 | 96.40% |

17. 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 | 10% |
| 2 | Garments | 18101 | 76% |

III. Operations

18. 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 |

19. 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?

80.72%

- 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

20. 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) | 610 | 501 | 82 | 109 | 18 |
| 2. | Other than Permanent (E) | 0 | 0 | 0 | 0 | 0 |
| 3. | Total employees (D + E) | 610 | 501 | 82 | 109 | 18 |
| WORKERS | | | | | | |
| 4. | Permanent (F) | 4648 | 1932 | 42 | 2716 | 58 |
| 5. | Other than Permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | Total workers (F + G) | 4648 | 1932 | 42 | 2716 | 58 |

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) | 4 | 3 | 75 | 1 | 25 |
| 5. | Other than permanent (G) | 0 | 0 | 0 | 0 | 0 |
| 6. | Total differently abled workers (F+G) | 4 | 3 | 75 | 1 | 25 |

21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|-----------|
| | | No. (B) | % (B / A) |
| Board of Directors | 6 | 2 | 33.33 |
| Key Management Personnel | 4 | 2 | 50 |

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

| | FY 2024-25 | | | FY 2023-24 | | | FY 2022-23 | | |
|---------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 20 | 21 | 20 | 20 | 32 | 22 | 32 | 23 | 31 |
| Permanent Workers | 78 | 70 | 74 | 59 | 70 | 66 | 62 | 73 | 69 |

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (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

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**

(ii) Turnover (in ₹ Lakhs) : **98,280.46**

(iii) Net worth (in ₹ Lakhs) : **110,562.82**

VII. Transparency and Disclosures Compliances

25. 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 2024-25 | | | FY 2023-24 | | |
|---|--|--|--|---------|--|--|---------|
| | | 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 | - |
| Employees and workers | Yes http://www.kitexgarments.com/wp-content/uploads/2017/02/WHISTLE-BLOWER-POLICY-revised-30.01.2017.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 | - |

26. 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 |
| 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 |

B
SECTION

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 |

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | | | | | | | | | |
|--|---|-----|-----|-----|-----|-----|-----|-----|-----|--|-----|-----|-----|-----|-----|-----|-----|-----|
| 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. | <ul style="list-style-type: none"> ● Worldwide Responsible Accredited Production (WRAP) ● 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 | | | | | | | | | | | | | | | | | |
| 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. | <p>Yes. Risk Management Committee</p> <p>The Committee comprises of :</p> <ul style="list-style-type: none"> ● Mr. Sabu M Jacob, Chairman & Managing Director ● Mrs. Sindhu Chandrasekharan, Whole-Time Director ● Mr. C P Philipose, Independent Director <p>The Committee monitors and approves risk management and sustainability framework, reviews progress on a regular basis among others</p> | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | |

| 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) | | | | | | | | | |

C
SECTION

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

1. 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% |

2. 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 INR) | Brief of the Case | Has an appeal been |
| Penalty/ Fine | None | NA | NA | NA | NA |
| Settlement | None | NA | NA | NA | NA |
| Compounding fee | None | NA | NA | NA | NA |

| Monetary | | | | |
|--------------|-----------------|---|-------------------|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | None | NA | NA | NA |
| Punishment | None | 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:

| | FY 2024-25 | FY 2023-24 |
|-----------|------------|------------|
| Directors | None | None |
| KMPs | None | None |
| Employees | None | None |
| Workers | None | None |

6. Details of complaints with regard to conflict of interest:

| | FY 2024-25 | | FY 2023-24 | |
|--|------------|---------|------------|---------|
| | 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.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

| Category | FY 2024-25 | FY 2023-24 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 60 | 60 |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2024-25 | FY 2023-24 |
|--|---|------------|------------|
| Concentration of Purchases -Procurement/ Purchase Department | a. Purchases from trading houses as percentage of total purchases | - | - |
| | b. Number of trading houses where purchases are made from | - | - |
| | c. Purchases from top 10 trading houses as percentage of total purchases from trading houses | - | - |
| Concentration of Sales | a. Sales to dealers/distributors as percentage of total sales | - | - |
| | b. Number of dealers/distributors to whom sales are made | - | - |
| | c. Sales to top 10 dealers/distributors as percentage of total sales to dealers/ distributors | - | - |
| Share of RPTs in | a. Purchases (Purchases with related parties/ Total Purchases) | 18.93% | 9.74% |
| | b. Sales (Sales to related parties/Total Sales) | 13.10% | 16.78% |
| | c. Loans & advances (Loans & advances given to related parties/Total loans & advances) | 100% | 100% |
| | d. Investments (Investments in related parties/Total Investments made) | 99.99% | 99.99% |

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 | %age 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

1. 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 | |

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) : Yes
 b. If yes, what percentage of inputs were sourced sustainably? : Not available
3. 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.
4. 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

1. 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.

2. 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

3. 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

4. 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

5. 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 | 501 | 238 | 48 | 238 | 48 | 0 | 0 | - | - | - | - |
| Female | 109 | 59 | 54 | 59 | 54 | 109 | 100 | - | - | - | - |
| Total | 610 | 297 | 49 | 297 | 49 | 109 | - | - | - | - | - |
| 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 workers | | | | | | | | | | | |
| Male | 1932 | 1878 | 97 | 1878 | 97 | 0 | 0 | - | - | - | - |
| Female | 2716 | 2716 | 100 | 2716 | 100 | 2716 | 100 | - | - | - | - |
| Total | 4648 | 4594 | 99 | 4594 | 99 | 2716 | - | - | - | - | - |
| Other than Permanent workers | | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| Total | - | - | - | - | - | - | - | - | - | - | - |

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

| Category | FY 2024-25 | FY 2023-24 |
|--|------------|------------|
| Cost incurred on well-being measures as a percentage of total revenue of the company | 14.60% | 18.00% |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2024-25 | | | FY 2023-24 | | |
|-------------------------|--|--|--|--|--|--|
| | 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 | 14 | 99 | Y | 22 | 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.

| Gender | Permanent employees | | Permanent workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | - | - | - | - |
| Female | 100% | 100% | 100% | 100% |
| Total | 100% | 100% | 100% | 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 2024-25 | | | FY 2023-24 | | |
|----------------------------------|--|---|-------|--|---|-------|
| | 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 | 610 | 0 | NA | 614 | 2 | 0.32 |
| Female | - | - | - | - | - | - |

| Category | FY 2024-25 | | | FY 2023-24 | | |
|--------------------------------|--|---|-------|--|---|-------|
| | 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 Workers | | | | | | |
| Male | 4648 | 0 | NA | 4337 | 4 | 0.092 |
| Female | | 0 | | | 7 | 0.16 |

8. Details of training given to employees and workers:

| Category | FY 2023-24 | | | | | FY 2023-24 | | | | |
|------------------|-------------|-------------------------------|------------|----------------------|-----------|-------------|-------------------------------|------------|----------------------|-----------|
| | 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 | 501 | 501 | 82 | - | - | 514 | 408 | 85 | - | - |
| Female | 109 | 109 | 18 | - | - | 100 | 72 | 15 | - | - |
| Total | 610 | 610 | 100 | - | - | 614 | 480 | 100 | - | - |
| Workers | | | | | | | | | | |
| Male | 1932 | 1932 | 42 | - | - | 1781 | 2225 | 45 | - | - |
| Female | 2716 | 2716 | 58 | - | - | 2556 | 2753 | 55 | - | - |
| Total | 4648 | 4648 | 100 | - | - | 4337 | 4978 | 100 | - | - |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2024-25 | | | FY 2023-24 | | |
|------------------|-------------|-------------|------------|-------------|-------------|------------|
| | Total (A) | No. (B) | % (B / A) | Total (C) | No. (D) | % (D / C) |
| Employees | | | | | | |
| Male | 501 | 501 | 100 | 514 | 514 | 100 |
| Female | 109 | 109 | 100 | 100 | 100 | 100 |
| Total | 610 | 610 | 100 | 614 | 614 | 100 |
| Workers | | | | | | |
| Male | 1932 | 1932 | 100 | 1781 | 1781 | 100 |
| Female | 2716 | 2716 | 100 | 2556 | 2556 | 100 |
| Total | 4648 | 4648 | 100 | 4337 | 4337 | 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. Details of safety related incidents, in the following format:

| Safety Incident/Number | Category | FY 2024-25 | FY 2023-24 |
|--|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | - | - |
| | Workers | - | - |
| Total recordable work-related injuries | Employees | - | - |
| | Workers | 9 | 9 |
| 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:

| Benefits | FY 2024-25 | | | FY 2023-24 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | 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:

| | % 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

3. 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

4. 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

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|--|
| Health and safety practices | 100% |
| Working Conditions | 100% |

6. 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

1. 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.

2. 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 |
| 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 |

| 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 |
|-------------------------------------|--|--|---|---|
| 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 2024-25 | | | FY 2023-24 | | |
|------------------------|-------------|--|------------|-------------|--|------------|
| | Total (A) | No. of employees / workers covered (B) | % (B / A) | Total (C) | No. of employees / workers covered (D) | % (D / C) |
| Employees | | | | | | |
| Permanent | 610 | 523 | 86 | 614 | 486 | 79 |
| Other than permanent | - | - | - | - | - | - |
| Total Employees | 610 | 523 | 86 | 614 | 486 | 79 |
| Workers | | | | | | |
| Permanent | 4648 | 4648 | 100 | 4337 | 4337 | 100 |
| Other than permanent | - | - | - | - | - | - |
| Total Workers | 4648 | 4648 | 100 | 4337 | 4337 | 100 |

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2023-24 | | | | | FY 2023-24 | | | | |
|-----------------------------|------------|-----------------------|---------|------------------------|---------|------------|-----------------------|---------|------------------------|---------|
| | 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 | 501 | - | - | 501 | 100 | 514 | - | - | 514 | 100 |
| Female | 109 | - | - | 109 | 100 | 100 | - | - | 100 | 100 |
| Other than Permanent | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |
| Workers | | | | | | | | | | |
| Permanent | | | | | | | | | | |
| Male | 1932 | - | - | 1932 | 100 | 1781 | - | - | 1781 | 100 |
| Female | 2716 | - | - | 2716 | 100 | 2556 | - | - | 2556 | 100 |
| Other than Permanent | | | | | | | | | | |
| Male | - | - | - | - | - | - | - | - | - | - |
| Female | - | - | - | - | - | - | - | - | - | - |

3. Details of remuneration/salary/wages, in the following format:

- a. Median remuneration / wages:

| Gender | Permanent employees | | Permanent workers | |
|---------------------------|---------------------|---|-------------------|---|
| | 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 | 46,16,833 | 2 | 1,74,395 |

| Gender | Permanent employees | | Permanent workers | |
|----------------------------------|---------------------|---|-------------------|---|
| | Number | Median remuneration/ salary/ wages of respective category | Number | Median remuneration/ salary/ wages of respective category |
| Employees other than BoD and KMP | 748 | 40000 | 131 | 28596 |
| Workers | 3280 | 12742 | 4519 | 11938 |

Notes:

*Remuneration to BoD includes only remuneration to Executive Directors who are included in the KMP of the Company

- b. Gross wages paid to females as % of total wages paid by the entity, in the following format

| Particulars | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Gross wages paid to females as % of total wages | 54% | 54% |

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:

| | FY 2024-25 | | | FY 2023-24 | | |
|--------------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | 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. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| Particulars | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | - | - |
| Complaints on POSH as a % of female employees / workers | - | - |
| Complaints on POSH upheld | - | - |

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 which 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 facilities 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 2024-25 | FY 2023-24 |
|---|------------|-----------------|-----------------|
| Total electricity consumption (A) | GJ | 79,293 | 70,097 |
| Total fuel consumption (B) | GJ | 93,299 | 83,370 |
| Energy consumption through other sources (C) | GJ | 1,17,958 | 1,01,906 |
| Total energy consumption (A+B+C) | GJ | 2,90,550 | 2,55,373 |
| Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) | GJ/₹ Lakhs | 2.85 | 3.98 |
| 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 2024-25 | FY 2023-24 |
|---|---------------|----------------|
| Water withdrawal by source (in kilolitres) | | |
| (i) Surface water | 73,237 | 85,100 |
| (ii) Groundwater | | |
| (iii) Third party water | | |
| (iv) Seawater / desalinated water | | |
| (v) Others-Rain Water | 20,123 | 72,000 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 93,360 | 157,100 |
| Total volume of water consumption (in kilolitres) | 93,360 | 157,100 |
| Water intensity per rupee of turnover (Water consumed / turnover) | 0.95 | 2.55 |
| 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 2024-25 | FY 2023-24 |
|-------------------------------------|---------------------|------------|------------|
| NOx | Mg/Nm ³ | 30.5 | 33 |
| SOx | Mg/Nm ³ | 14 | 18.52 |
| Particulate matter (PM) | Mg/Nm ³ | 81.1 | 83.2 |
| Persistent organic pollutants (POP) | | - | - |
| Volatile organic compounds (VOC) | | - | - |

| Parameter | Please specify unit | FY 2024-25 | FY 2023-24 |
|--------------------------------|---------------------|------------|------------|
| 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 | Unit | FY 2024-25 | FY 2023-24 |
|--|---------------------------------|------------|------------|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 1,72,480 | 2,08,000 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 36,78,500 | 31,51,665 |
| Total Scope 1 and Scope 2 emissions per rupee of turnover | | 0.00039 | 0.00052 |
| 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 2024-25 | FY 2023-24 |
|--|----------------|------------|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 6.60 | 4.850 |
| E-waste (B) | 0.260 | 0.345 |
| Bio-medical waste (C) | - | - |
| Construction and demolition waste (D) | - | - |
| Battery waste (E) | 0.0041 | 0.03 |
| Radioactive waste (F) | - | - |
| Other Hazardous waste. Please specify, if any. (G) | 0.315 | 0.61 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 755.79 | 527 |
| Total (A+B + C + D + E + F + G + H) | 762.96 | 533 |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 62.575 | - |
| (ii) Re-used | 700.2 | - |
| (iii) Other recovery operations | - | - |
| Total | 762.775 | - |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 36.865 | - |
| (ii) Landfilling | 0.231 | - |
| (iii) Other disposal operations | - | - |
| Total | 37.096 | - |

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 |
|-----------------------------------|----------------------|------|---|--|-------------------|
| Nil | | | | | |

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 | | | | |

13. 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

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

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 Board (Annually Half yearly/ Quarterly / Others – please specify) | Web Link, if available |
|--------|-------------------------|-----------------------------------|--|--|------------------------|
|--------|-------------------------|-----------------------------------|--|--|------------------------|

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 INR) |
|--------|--|-------|----------|--|--------------------------|---|
| 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 2024-25 | FY 2023-24 |
|--|------------|------------|
| Directly sourced from MSMEs/ small producers | 14% | 12% |
| Directly from within India | 86% | 87% |

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 2024-25 | FY 2023-24 |
|--------------|------------|------------|
| 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 INR) |
|---|-------|-----------------------|-----------------------|
| 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. | CSR Project | No of persons benefitted from CSR projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|------------------|--|--|
| 1 | Self employment | 5 | 100% |
| 2 | Road Development | 70000 | 40% |

PRINCIPLE 9 

Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
 Not Applicable since no interaction with the end consumers
2. 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 | |

3. Number of consumer complaints in respect of the following:

| | FY 2024-25 | | Remarks | FY 2023-24 | | 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 | | | | | | |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | None | Not Applicable |
| Forced recalls | | |

5. 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.

6. 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

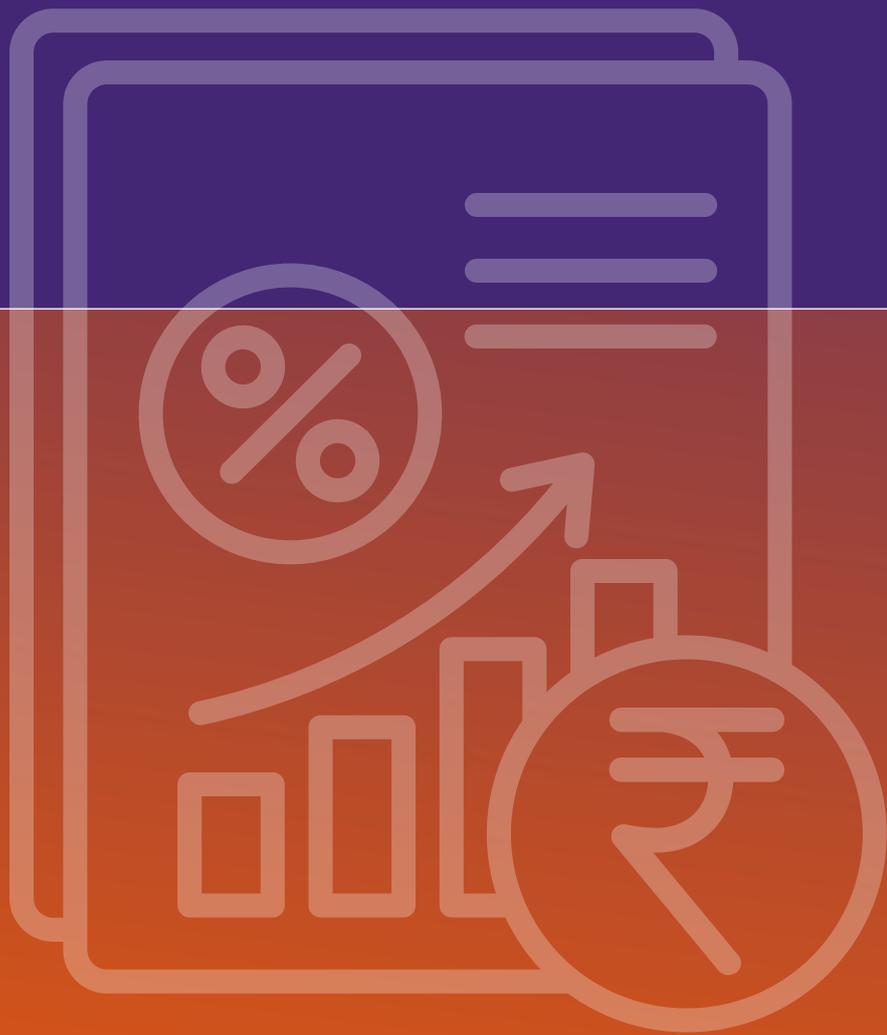
7. Provide the following information relating to data breaches:

- c. Number of instances of data breaches: 0
- d. Percentage of data breaches involving personally identifiable information of customers: 0
- e. Impact, if any, of the data breaches: 0

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 : Nil

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, 2025, 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, 2025, 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 an investment in Kitex USA LLC, an Associate Company amounting to Rs 2,776.24 lakhs (March 31, 2024: Rs 2,776.24 lakhs), which is incurring losses and this has fully eroded its net worth as on that date. The Company also has trade receivables amounting to Rs.12,277.57 lakhs as at March 31, 2025 (March 31, 2024: Rs.10,225.12 lakhs) due from the aforesaid Associate. The management of the Company has determined the carrying value of investment and outstanding trade receivables from the said Associate as good and recoverable based on valuations performed and future projected cash flows, considering proposed changes in the business plan, forecasted future revenue growth and increased margin contributions. For the year ended March 31, 2025, the management of the Company has not been able to provide corroborative evidence to substantiate the reasonableness of the above-mentioned unobservable inputs. Accordingly, we are unable to comment on the recoverability of the carrying value of the investment in Kitex USA, LLC and Trade Receivables due from Kitex USA, LLC as at March 31, 2025. (Refer Note 2.02.1 to the standalone financial Statements).

This matter was also qualified in our report on the standalone financial statements for the year ended March 31, 2024.

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, 2025 (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. In addition to the matter described in the Basis for Qualified Opinion section 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, 2025, amounted to Rs. 18,949.15 lakhs representing 13.59% of the total assets (March 31, 2024: 16,409.16 Lakhs, 14.32% 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 the Director’s report along with annexures 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.

Auditors’ 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 except, for the possible effect of the matter described in the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. 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 except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g)
 - 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, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in Basis for Qualified opinion, paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - 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 2.41.1 of 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, 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.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on examination which included test checks, the Company has used two accounting softwares for maintaining its books of accounts and payroll records during the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility. The audit trail feature was enabled and has been operated throughout the year for all relevant transactions recorded except that
- In absence of the Independent Service Auditors report (SOC 2 report), we are unable to comment on the audit trail feature at database level for the accounting software which is maintained by the third party software service provider.
 - Audit trail feature was not enabled in one of the accounting software throughout

the year as explained in Note 2.47 to the financial statements

Further, during the course of our audit, except for the above, we did not come across any instance of audit trail feature being tampered.

Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in prior year.

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

Place: Chennai
Date: June 23, 2025

Membership No. 029409
UDIN: 25029409BMMIRA2307

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, 2025

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, 2025 (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.

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

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 25029409BMMIRA2307

Place: Chennai

Date: June 23, 2025

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2025

[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 assets 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 Rs 261.17 Lakhs as at March 31, 2025, 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) During any point of time of the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores rupees, in aggregate from Banks and financial institutions on the basis of security of current assets. Refer note 2.19 to the standalone financial statements.

Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly statements filed with such Banks are not in agreement with the books of accounts of the Company. Details of the same are as below.

| Quarter | Particulars of Securities Provided | Amount as per books of account (Rs in Lakhs) | Amount as reported in the quarterly statement (Rs in Lakhs) | Amount of difference (Rs in Lakhs) |
|---------|------------------------------------|--|---|------------------------------------|
| Mar-25 | Inventory | 18,949.15 | 21,006.75 | -2,057.60 |
| Dec-24 | Inventory | 23,344.34 | 23,344.00 | 0.34 |
| Sep-24 | Inventory | 22,748.74 | 22,749.00 | -0.26 |
| Jun-24 | Inventory | 17,834.50 | 17,462.00 | 372.50 |
| Mar-25 | Trade Receivables | 33,953.52 | 34,855.00 | -901.48 |
| Dec-24 | Trade Receivables | 34,811.30 | 35,439.55 | -628.25 |
| Sep-24 | Trade Receivables | 29,785.00 | 30,265.85 | -480.85 |
| Jun-24 | Trade Receivables | 29,959.96 | 20,510.11 | 9,449.85 |

- iii. a) According to the information and explanations provided to us, has not provided loans, guarantee or security or provided advances in nature of loans to firms or other entities. The Company has provided loans and guarantees to subsidiaries and associate company.

(A) The details of such loans, advances, guarantee to subsidiaries and Associate company are as follows:

(Rs in Lakhs)

| | Guarantees |
|--|-------------------|
| Aggregate amount granted/provided during the year | |
| - Subsidiaries | 21,713.36 |
| Balance Outstanding as at balance sheet date in respect of above cases | |
| - Subsidiaries | 64,399.36 |

(Rs in Lakhs)

| | Loans |
|--|--------------|
| Aggregate amount granted/provided during the year | |
| - Subsidiaries | 85.12 |
| Balance Outstanding as at balance sheet date in respect of above cases | |
| - Subsidiaries | 10,634.77 |

- 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 and guarantees provided 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 there under. 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, 2025, 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 and the records examined by us, in our opinion, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

Undisputed amounts payable in respect these statutory dues in arrears, which were outstanding, as at March 31, 2025, 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 (Rs in Lakhs) | Period to which the amount relates | Due Date | Date of Payment |
|----------------------|--------------------|----------------------|-------------------------------------|-------------------------------------|-----------------|
| Income Tax Act, 1961 | Advance Income Tax | 1231.40 | April 1, 2024 to September 30, 2024 | June 15 2024 and September 15, 2024 | Not paid |

- (b) According to the information and explanations given to us and the records examined by us, details of statutory dues referred to in sub clause (a) above which have not been deposited as on March 31, 2025, 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 | Name of the statute |
|----------------------|-----------------|-----------------|-------------|------------------------------------|--------------------------------------|----------------------|
| Income Tax Act, 1961 | Income Tax Dues | 1,922.06 | 108.58 | AY 2014-15 to AY 2020-21 | Commissioner of Income tax (Appeals) | Income Tax Act, 1961 |

- 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: 25029409BMMIRA2307

Place: Chennai

Date: June 23, 2025

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2025

[Referred to in paragraph 2(g) 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, 2025]

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, 2025 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, 2025, and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2025, 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, 2025, 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 weaknesses have been identified in the operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements as at March 31, 2025:

The Company's internal control system over the evaluation of impairment in investment in an Associate Company and trade receivables balances (Refer to the "Basis for Qualified Opinion" section of the main audit report) was not operating effectively. This could potentially result in material misstatement of the carrying value of investment in Associate and the trade receivables due from the said Associate, and the nonidentification of further provision if any.

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

Place: Chennai
Date: June 23, 2025

Membership No. 029409
UDIN: 25029409BMMIRA2307

Standalone Balance Sheet

as at March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

| Sl No. | Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|-----------|--|----------|-------------------------|-------------------------|
| I | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, plant and equipment | 2.01A | 10,153.21 | 11,401.28 |
| | (b) Capital work-in-progress | 2.01B | 3,440.81 | 2,645.96 |
| | (c) Other intangible assets | 2.01C | 1.65 | 6.01 |
| | (d) Financial assets | | | |
| | (i) Investments | 2.02 | 45,454.90 | 33,270.57 |
| | (ii) Loans | 2.03 | 10,634.77 | 10,549.64 |
| | (iii) Other financial assets | 2.04 | 228.96 | 248.97 |
| | (e) Non-current tax assets | 2.05 | 248.91 | 275.93 |
| | (f) Deferred Tax Asset (Net) | 2.17 | 437.14 | - |
| | (g) Other non-current assets | 2.06 | 544.95 | 556.60 |
| | Total Non-Current Assets | | 71,145.30 | 58,954.96 |
| 2 | Current assets | | | |
| | (a) Inventories | 2.07 | 18,949.15 | 16,409.16 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 2.08 | 33,953.52 | 25,681.29 |
| | (ii) Cash and cash equivalents | 2.09 | 3,507.60 | 4,645.92 |
| | (iii) Bank balances other than (ii) above | 2.10 | 2,675.35 | 1,942.16 |
| | (iv) Other financial assets | 2.11 | 4,589.89 | 3,579.58 |
| | (c) Other current assets | 2.12 | 4,574.40 | 3,353.87 |
| | Total Current Assets | | 68,249.91 | 55,611.98 |
| | TOTAL ASSETS | | 1,39,395.21 | 1,14,566.94 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | (a) Equity share capital | 2.13 | 1,995.00 | 665.00 |
| | (b) Other equity | 2.14 | 1,08,567.82 | 95,635.45 |
| | Total Equity | | 1,10,562.82 | 96,300.45 |
| | Liabilities | | | |
| 2 | Non-current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Other financial liabilities | 2.15 | - | 918.50 |
| | (ii) Provisions | 2.16 | 1,168.96 | 987.67 |
| | (iii) Deferred tax liabilities (net) | 2.17 | - | 260.85 |
| | (iv) Other non-current liabilities | 2.18 | 77.59 | 77.59 |
| | Total Non-Current Liabilities | | 1,246.55 | 2,244.61 |
| 3 | Current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 2.19 | 16,250.60 | 7,652.19 |
| | (ii) Trade payables | 2.20 | | |
| | - Total outstanding dues of micro enterprises and small enterprises | | 377.89 | 303.53 |
| | - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 6,986.40 | 4,936.69 |
| | (iii) Other financial liabilities | 2.21 | 278.53 | 547.44 |
| | (b) Provisions | 2.22 | 454.31 | 409.71 |
| | (c) Current tax liabilities (net) | 2.23 | 2,955.97 | 1,914.62 |
| | (d) Other current liabilities | 2.24 | 282.14 | 257.70 |
| | Total Current Liabilities | | 27,585.84 | 16,021.88 |
| | TOTAL EQUITY AND LIABILITIES | | 1,39,395.21 | 1,14,566.94 |
| | Summary of material accounting policies | 1-1.20 | | |

The accompanying notes are an integral part of standalone financial statements (2.01- 2.49)

As per our 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: June 23, 2025

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Boby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date: June 23, 2025

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Standalone Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

| SI No. | Particulars | Note No. | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-------------|--|----------|--------------------------------------|--------------------------------------|
| I | Income | | | |
| | (a) Revenue from operations | 2.25 | 98,280.46 | 61,692.20 |
| | (b) Other income | 2.26 | 3,660.96 | 2,467.06 |
| | Total Income | | 1,01,941.42 | 64,159.26 |
| II | Expenses | | | |
| | (a) Cost of materials consumed | 2.27 | 43,924.14 | 29,742.81 |
| | (b) Changes in inventories of finished goods and work-in-progress | 2.28 | (1,679.53) | (4,228.34) |
| | (c) Employee benefits expense | 2.29 | 15,833.66 | 11,939.36 |
| | (d) Finance costs | 2.30 | 1,401.72 | 733.19 |
| | (e) Depreciation and amortization expense | 2.31 | 1,571.67 | 2,070.40 |
| | (f) Other expenses | 2.32 | 20,214.82 | 13,993.67 |
| | Total Expenses | | 81,266.48 | 54,251.09 |
| III | Profit before tax (I - II) | | 20,674.94 | 9,908.17 |
| IV | Tax expense: | | | |
| | (a) Current tax | | 6,065.69 | 3,221.00 |
| | (b) Deferred tax | 2.17 | (686.08) | (131.60) |
| | Total Tax Expenses | | 5,379.61 | 3,089.40 |
| V | Profit for the year (III -IV) | | 15,295.33 | 6,818.77 |
| VI | Other comprehensive (loss)/ income | | | |
| A | Items that will not be reclassified to profit or loss | | | |
| | (i) Re-measurements of post employment benefit obligations | | (45.36) | (18.60) |
| | (ii) Fair value changes on equity instruments carried through other comprehensive income | | (1.98) | 5.45 |
| | (iii) Income tax relating to items that will not be reclassified to profit or loss | | 11.91 | 3.31 |
| | Total other comprehensive (loss)/income for the year | | (35.43) | (9.84) |
| VII | Total comprehensive income for the year (V+VI) | | 15,259.90 | 6,808.93 |
| VIII | Earnings per equity share (Face value of Re. 1 each) | 2.33 | | |
| | Basic & Diluted in Rs. | | 7.67 | 3.42 |
| | Summary of material accounting policies | 1-1.20 | | |

The accompanying notes are an integral part of standalone financial statements (2.01- 2.49)

As per our 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: June 23, 2025

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Boby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date: June 23, 2025

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Standalone Statement of Cash Flow

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

| Sl No. | Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|----------|--|--------------------------------------|--------------------------------------|
| A | Cash Flows from Operating Activities: | | |
| | Net Profit before tax | 20,674.94 | 9,908.17 |
| | Adjustments for: | | |
| | Depreciation and amortisation expense | 1,571.69 | 2,070.40 |
| | Unrealised foreign exchange (gain) / loss (net) | (443.85) | (205.14) |
| | Interest income | (1,075.40) | (908.44) |
| | Deferred grant income | (49.70) | (526.85) |
| | Guarantee Income | (533.45) | - |
| | Loss on sale of property, plant and equipment (net) | (9.34) | (7.49) |
| | Advances written off | - | 6.03 |
| | Provision for interest receivable | 678.70 | - |
| | Provision for expected credit loss | 1,200.00 | 300.00 |
| | Interest expense | 1,401.72 | 733.19 |
| | Operating profit before working capital changes | 23,415.31 | 11,369.87 |
| | Changes in working capital: | | |
| | (Increase)/ Decrease in trade and other receivables | (10,408.87) | (7,812.56) |
| | (Increase) in inventories | (2,539.99) | (4,715.88) |
| | Increase / (Decrease) in trade, other payables and provisions | 2,361.02 | 634.42 |
| | Cash generated from operating activities before taxes | 12,827.47 | (524.15) |
| | Direct taxes paid (net of refunds) | (4997.31) | (2487.17) |
| | Net cash (used) / generated from operating activities (A) | 7,830.16 | (3011.32) |
| B | Cash Flows from Investing Activities: | | |
| | Purchase of property, plant and equipment and intangible assets, CWIP including capital advances | (1,134.62) | (599.70) |
| | Proceeds from sale of property, plant and equipment | 29.86 | 12.33 |
| | Bank balances not considered as Cash and cash equivalents | (733.18) | 2186.65 |
| | Purchase of investment in subsidiary | (13,382.33) | (1967.70) |
| | Interest received | 164.60 | 163.59 |
| | Loans to wholly owned subsidiaries | (85.13) | (11.05) |
| | Net cash used in investing activities (B) | (15,140.80) | (215.88) |
| C | Cash Flow from Financing Activities: | | |
| | Proceeds/ (repayment) from bank borrowings (net) | 8,598.42 | 5152.19 |
| | Interest paid | (1,401.72) | (460.53) |
| | Dividend / dividend distribution tax paid | (999.32) | (1003.32) |
| | Net cash flow from / (used in) financing activities (C) | 6,197.38 | 3688.34 |
| | Net increase / (decrease) in cash and cash equivalents (A+B+C) | (1,113.26) | 461.14 |
| | Exchange difference on translation of foreign currency cash and cash equivalents | (25.06) | 5.97 |
| | Cash and cash equivalents at the beginning of the year | 4,645.92 | 4178.81 |
| | Cash and cash equivalents at the end of the year (See note 1.18) | 3,507.60 | 4645.92 |
| | Net increase / (decrease) in cash and cash equivalents | (1,113.26) | 461.14 |

The accompanying notes are an integral part of standalone financial statements (2.01- 2.49)

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 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: June 23, 2025

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Boby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date: June 23, 2025

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Standalone Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

A Equity Share Capital

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Balance at the beginning of the reporting year | 665.00 | 665.00 |
| Bonus issue during the year | 1,330.00 | - |
| Balance at the end of the reporting year | 1,995.00 | 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, 2023 | 22.10 | 30,675.00 | 59,123.03 | 3.88 | 89,824.01 |
| Profit for the year | - | - | 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 |
| Balance as at April 01, 2024 | 22.10 | 32,675.00 | 62,930.39 | 7.96 | 95,635.45 |
| Profit for the year (net of tax) | - | - | 15,295.33 | - | 15,295.33 |
| Re-measurements of post employment benefit obligations (net of tax) | - | - | (33.94) | - | (33.94) |
| Fair value changes on equity instruments carried through other comprehensive income (net of tax) | - | - | - | (1.51) | (1.51) |
| Dividends | - | - | (997.50) | - | (997.50) |
| Bonus issue | - | - | (1,330.00) | - | (1,330.00) |
| Transfer to reserves | - | 2,000.00 | (2,000.00) | - | - |
| Balance as at March 31, 2025 | 22.10 | 34,675.00 | 73,864.28 | 6.45 | 1,08,567.82 |

The accompanying notes are an integral part of standalone financial statements (2.01- 2.49)

As per our 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: June 23, 2025

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Boby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date: June 23, 2025

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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 June 23, 2025.

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 1.20.

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.

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on straight line method based on the useful lives as under:

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

- (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 using the Specific Identification Method to assign costs.

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

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

not recognised until there is reasonable assurance that 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

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

regulations as applicable to the Company 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 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.

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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 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, 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.

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.

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(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, 2024 | Additions during the year | Disposal | As at March 31, 2025 | As at April 1, 2024 | Depreciation during the Year | Disposal | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 |
| Freehold Land | 492.83 | - | - | 492.83 | - | - | - | - | 492.83 | 492.83 |
| Building | 6,850.24 | - | - | 6,850.24 | 1,692.27 | 252.34 | - | 1,944.61 | 4,905.63 | 5,157.97 |
| Plant & Machinery | 19,216.92 | 257.23 | 316.25 | 19,157.90 | 13,973.04 | 1,165.51 | 299.82 | 14,838.73 | 4,319.17 | 5,243.88 |
| Furniture & Fixtures | 235.72 | 0.68 | - | 236.40 | 198.78 | 14.57 | - | 213.35 | 23.05 | 36.94 |
| Vehicles | 637.79 | 35.31 | 26.42 | 646.68 | 474.66 | 56.74 | 22.32 | 509.08 | 137.60 | 163.13 |
| Office Equipments | 596.76 | 6.23 | - | 602.99 | 556.85 | 29.03 | - | 585.88 | 17.11 | 39.91 |
| Computers | 638.04 | 23.38 | - | 661.42 | 625.00 | 9.44 | - | 634.44 | 26.98 | 13.04 |
| Electrical Equipments | 610.06 | 16.94 | - | 627.00 | 356.48 | 39.68 | - | 396.16 | 230.84 | 253.58 |
| Total | 29,278.36 | 339.77 | 342.67 | 29,275.46 | 17,877.08 | 1,567.31 | 322.14 | 19,122.25 | 10,153.21 | 11,401.28 |

| | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-----------------------|---------------------|---------------------------|--------------|----------------------|--------------------------|------------------------------|--------------|----------------------|----------------------|----------------------|
| | As at April 1, 2023 | Additions during the year | Disposal | As at March 31, 2024 | As at April 1, 2023 | Depreciation during the Year | Disposal | 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 |

Notes:- 2.01.A.1. All immovable property are held in the name of Company

2.01 B - Capital Work-in-Progress - Standalone

| | GROSS BLOCK (at cost) | | | |
|--|-----------------------|---------------|--------------------------------|----------------------|
| | As at April 1, 2024 | Additions | Capitalisation during the year | As at March 31, 2025 |
| Building under Construction | 2,523.64 | 685.87 | - | 3,209.51 |
| Plant and Equipment under Installation | 122.32 | 300.44 | 191.46 | 231.30 |
| Total | 2,645.96 | 986.31 | 191.46 | 3,440.81 |

| | GROSS BLOCK (at cost) | | | |
|--|-----------------------|---------------|--------------------------------|----------------------|
| | As at April 1, 2023 | Additions | 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, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.01 C - Other Intangible Assets - Standalone

| | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-------------------|---------------------|---------------------------|----------|----------------------|--------------------------|-----------------|----------|----------------------|----------------------|----------------------|
| | As at April 1, 2024 | Additions during the year | Disposal | As at March 31, 2025 | As at April 1, 2024 | During the Year | Disposal | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 |
| Computer software | 287.13 | - | - | 287.13 | 281.12 | 4.36 | - | 285.48 | 1.65 | 6.01 |
| Total | 287.13 | - | - | 287.13 | 281.12 | 4.36 | - | 285.48 | 1.65 | 6.01 |

| | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-------------------|---------------------|---------------------------|----------|----------------------|--------------------------|------------------------------|----------|----------------------|----------------------|----------------------|
| | As at April 1, 2023 | Additions during the year | Disposal | As at March 31, 2024 | As at April 1, 2023 | Depreciation during the Year | Disposal | 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 |

2.01 D Ageing of capital work-in-progress (Tangibles) is as below:

| Particulars | Amount in CWIP for a period of | | | | As at March 31, 2025 |
|--------------------------------|--------------------------------|---------------|-----------------|-------------------|----------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 794.85 | 695.65 | 1,329.88 | 557.57 | 3,377.95 |
| Projects temporarily suspended | - | - | - | 62.86 | 62.86 |
| Total | 794.85 | 695.65 | 1,329.88 | 620.43 | 3,440.81 |

| Particulars | Amount in CWIP for a period of | | | | As at March 31, 2025 |
|--------------------------------|--------------------------------|-----------------|---------------|-------------------|----------------------|
| | 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 |

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, 2025 |
|--------------|--------------------|-----------|-----------|-------------------|----------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Gents Hostel | 3,209.51 | - | - | - | 3,209.51 |
| Total | 3,209.51 | - | - | - | 3,209.51 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.02 Investments [Non-Current]

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| 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 |
| 42,12,53000 (28,74,27,000) fully paid-up equity shares of 10/- each in Kitex Apparel Parks Limited | 42,125.30 | 28,742.70 |
| Fair value of financial guarantee given to subsidiary (Refer Note 2.02.2) | 306.63 | 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 | 6.73 | 8.71 |
| Total | 45,454.90 | 33,270.57 |
| Aggregate amount of unquoted investments | 45,448.17 | 31,758.94 |
| Aggregate amount of quoted investments and market value thereof; (The market value of quoted investments is equal to the carrying value) | 6.73 | 8.71 |

2.02.1 The Company holds an investment in an Associate, Kitex USA LLC, which amounts to 2,776.24 lakhs (March 31, 2024: 2,776.24 lakhs) as on March 31, 2025. The Company also, has trade receivables due from the aforesaid Associate company amounting to 12,277.57 lakhs (March 31, 2024: 10,225.12 lakhs) as at March 31, 2025. The Associate Company has been reporting continuous losses, and this has fully eroded its net worth as on that date. The management of the Company has evaluated the fair valuation of the investments and the recoverability of trade receivables by considering various factors like change in business plan due to business deal entered with major customers, who are leaders in market, and with whom the Associate have already started shipping test orders to the targeted customers for their distribution to selected stores. Based on these factors, the management of the Company believes that the store expansion of the above customer in United States, Mexico and Europe will add value to the business of the Associate and will lead to increased projected revenue and higher contribution margins. Accordingly, the management of the Company considers that the fair value of the investment in the Associate is higher than the carrying value and based on the change in business plan assessed, the trade receivables of the Associate in the Company as good and recoverable as on March 31, 2025. Hence, no material adjustments would be required to be made to the carrying value of the investments and trade receivables of the Associate in the standalone financial results of the Company for the year ended March 31, 2025.

2.02.2 With effect from Financial year 2024-25 Company have entered into an agreement with Kitex Apparel Parks limited receive commission for corporate guarantees provided against borrowings availed from banks. Accordingly, the fair value adjustment previously recognised in investment during FY 2023-24 in line with IND AS 109, in respect of guarantees given at concessional terms from aforesaid mentioned subsidiary Company, has been reassessed. The unutilised portion of the adjustment has been reversed, as the guarantees are now considered to be on arm's length terms.

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.03 Loans (Non-Current)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Loans to wholly owned subsidiaries(Refer Note 2.03.1) | 10,634.77 | 10,549.64 |
| - Doubtful | | |
| Less : Allowance for bad and doubtful deposits | - | - |
| Total | 10,634.77 | 10,549.64 |

2.03.1 Company amended agreement on loan granted to subsidiaries on March 31, 2024 thereby extending the due date of payment by further 5 years. Loans carry interest rate of 8.13%.

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 |
|--------------------------|------------------|----------------|-----------------------|---|
| KITEX KNITS LIMITED | 8.13% | March 30, 2029 | Unsecured | To facilitate the commencement of manufacturing activities, address urgent business needs, and fulfill contractual and other obligations of the borrower. |
| KITEX BABYWEAR LIMITED | 8.13% | March 30, 2029 | Unsecured | |
| KITEX KIDSWEAR LTD | 8.13% | March 30, 2029 | Unsecured | |
| KITEX LITTLEWEAR LIMITED | 8.13% | March 30, 2029 | Unsecured | |
| KITEX PACKS LIMITED | 8.13% | March 30, 2029 | Unsecured | |
| KITEX SOCKS LIMITED | 8.13% | March 30, 2029 | Unsecured | |

2.04 Other Financial Assets [Non-Current]

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Security deposit (Refer Note 2.04.1) | 228.96 | 224.63 |
| Bank deposits with maturity more than 12 months | - | 24.34 |
| Total | 228.96 | 248.97 |

2.04.1 Deposit account includes deposits held as security 228.96 Lakhs (224.63 Lakhs as on March 31, 2024) which are not expected to be refunded in the next 12 months for the purpose of electricity deposit, gas deposit etc.

2.05 Non Current Tax Assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------|-------------------------|-------------------------|
| Income tax receivable | 248.91 | 275.93 |
| Total | 248.91 | 275.93 |

2.06 Other Non-Current Assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Capital advances | 219.90 | 231.55 |
| Balances with government authorities | 325.05 | 325.05 |
| Total | 544.95 | 556.60 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.07 Inventories

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| Raw materials | 4,959.02 | 3,924.36 |
| Raw materials in transit | 93.15 | 66.16 |
| Work-in-progress | 12,577.70 | 10,248.42 |
| Finished goods | 1,095.35 | 1,745.10 |
| Stores and spares | 173.08 | 425.12 |
| Stores and spares in transit | 50.85 | - |
| Total | 18,949.15 | 16,409.16 |

2.07.1 Method of valuation of inventories - See note 1.6 of material accounting policies.

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, 2025 | As at March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| Raw materials | 4,959.02 | 3,924.36 |
| Raw materials in transit | 93.15 | 66.16 |
| Work-in-progress | 12,577.70 | 10,248.42 |
| Finished goods | 1,095.35 | 1,745.10 |
| Stores and spares | 173.08 | 425.12 |
| Stores and spares in transit | 50.85 | - |
| Total | 18,949.15 | 16,409.16 |

2.07.1 Method of valuation of inventories - See note 1.6 of material accounting policies.

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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Unsecured, considered good [See note 2.08.1] | 35,453.52 | 25,981.29 |
| Less: Allowance for credit impairment | 1,500.00 | 300.00 |
| Total | 33,953.52 | 25,681.29 |

2.08.1 (i) Trade receivables includes amounts due from related parties 12881.12 lakhs (March 31, 2024: 14,816.59 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, 2025

(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 410.35 lakhs (March 31, 2024: 399.77 lakhs) receivable from TOYS R US as on March 31, 2025.

2.08.3 Company has accounted receivable denominated in Foreign currency to the tune of 9,218.49 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, 2025 |
|---|--|---------------------|-----------|------------|---------|-------------------------|
| | <6 month | 6 months -1 year | 1-2 years | 2-3 years | >3 year | Total |
| (i) Undisputed Trade receivables - considered good | 24,780.63 | 1,454.40 | 1,430.66 | 7,377.13 | 0.35 | 35,043.17 |
| (ii) Undisputed Trade Receivables - considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | 410.35 | 410.35 |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Less: Allowance for expected credit loss | - | - | - | (1,500.00) | - | (1,500.00) |
| Total | | | | | | 33,953.52 |

| 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 | 25,281.52 |
| (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 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.09 Cash and Cash Equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| Balances with banks:- | | |
| In current accounts | 385.67 | 1,239.51 |
| In EEFC accounts | 3,109.43 | 3,403.62 |
| Cash on hand | 12.50 | 2.79 |
| Total | 3,507.60 | 4,645.92 |

2.10 Bank balances other than Cash and Cash Equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Balance with banks | | |
| In deposit accounts [See note 2.10.1] | 2,608.00 | 1,872.67 |
| In earmarked accounts: | | |
| (a) Unpaid dividend accounts | 67.35 | 69.39 |
| (b) Restricted balance with bank- Dormant | - | 0.11 |
| Total | 2,675.35 | 1,942.17 |

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, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Unsecured, considered good-at amortised cost | | |
| Subsidy receivable [see note 2.11.2] | 741.95 | 1,116.51 |
| Export incentives receivable | 2,427.67 | 1,716.76 |
| Rent deposits | 16.76 | 15.71 |
| Interest receivable on deposits | 92.68 | 51.90 |
| Interest receivable on loans to wholly owned subsidiaries | 777.38 | 678.70 |
| Other Receivables (Refer Note: 2.02.2) | 533.45 | - |
| Total | 4,589.89 | 3,579.58 |

2.11.1 There are no other current financial assets as at March 31, 2025 and March 31, 2024 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 741.95 Lakhs (31.03.2024: 1,116.51 Lakhs).

2.12 Other Current Assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Advances recoverable in cash or in kind or for value to be received. | 825.37 | 469.77 |
| Balances with government authorities | 3,662.87 | 2,739.07 |
| Advances to staff | 5.74 | 7.32 |
| Prepaid expenses | 79.44 | 136.73 |
| Export entitlements / rebates receivable on export | 0.98 | 0.98 |
| Total | 4,574.40 | 3,353.87 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.13 Equity Share Capital

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Authorised | | |
| 250,000,000 (250,000,000) equity shares of Re. 1/- each | 2,500.00 | 2,500.00 |
| Issued, subscribed and fully paid-up | | |
| 199,500,000 (66,500,000) equity shares of Re. 1/- each | 1,995.00 | 665.00 |
| Total | 1,995.00 | 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 Re. 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, 2025 | | As at March 31, 2024 | |
|---|----------------------|----------|----------------------|--------|
| | 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: Bonus issued during the year | 13,30,00,000 | 1,330.00 | - | - |
| No. of shares as at the end of the financial year | 19,95,00,000 | 1,995.00 | 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, 2025 | | As at March 31, 2024 | |
|-----------------------------|----------------------|--------|----------------------|--------|
| | No. of shares | Amount | No. of shares | Amount |
| Mr. Sabu M Jacob | 6,81,92,703 | 34.18 | 2,27,30,901 | 34.18 |
| Kitex Childrenswear Limited | 3,17,57,466 | 15.92 | 1,05,85,822 | 15.92 |
| Ms. Renjitha Joseph | 1,29,84,300 | 6.51 | 43,28,100 | 6.51 |
| C K G Super Market Limited | 92,57,910 | 4.64 | 36,00,000 | 5.41 |
| Ms. Usha C P | 90,11,573 | 4.52 | 34,96,690 | 5.26 |

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

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | | Change during the Year | |
|-----------------------------|----------------------|-------|----------------------|-------|------------------------|------|
| | No. of shares | % | No. of shares | % | No. of shares | % |
| Sabu M Jacob | 6,81,92,703 | 34.18 | 2,27,30,901 | 34.18 | 4,54,61,802 | 2.00 |
| Kitex Childrenswear Limited | 3,17,57,466 | 15.92 | 1,05,85,822 | 15.92 | 2,11,71,644 | 2.00 |
| Renjitha Joseph | 1,29,84,300 | 6.51 | 43,28,100 | 6.51 | 86,56,200 | 2.00 |
| Boby M Jacob | 97,917 | 0.05 | 32,639 | 0.05 | 65,278 | 2.00 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.13 Equity Share Capital (Contd..)

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 2024-25 | 13,30,00,000 | 1,330.00 |

2.13.6 Pursuant to approval of shareholders dated December 29, 2024, Company made bonus issue in the ratio of 2:1 i.e.2 (two) bonus equity share of ₹ 1 each for every 1 (one) fully paid-up equity shares held with record date January 17, 2025. Consequently on January 20, 2025, the Company allotted 13,30,00,000 equity shares to shareholders who held 6,65,00,000 equity shares as on the record date of January 17, 2025 by transferring 1,330.00 lakhs (representing face value of ₹ 1 per share) from Retained earnings.

Earnings per share for all prior periods have been proportionately adjusted for the bonus issue in the ratio of 2:1 i.e. 2 (two) bonus equity share of ₹ 1 each for every 1 (one) fully paid-up equity shares held"

2.14 Other Equity

| | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Capital reserve | | |
| Investment subsidy | 22.10 | 22.10 |
| General reserve | | |
| Opening balance | 32,675.00 | 30,675.00 |
| Add: Transfer from retained earnings | 2,000.00 | 2,000.00 |
| Closing balance | 34,675.00 | 32,675.00 |
| Retained earnings | | |
| Opening balance | 62,930.39 | 59,123.03 |
| Add: Profit for the year | 15,295.33 | 6,818.77 |
| Add: Re-measurements of post employment benefit obligations (net of tax) | (33.94) | (13.91) |
| | 78,191.78 | 65,927.89 |
| Less: | | |
| Transfer to general reserve | 2,000.00 | 2,000.00 |
| Payment of dividends | 997.50 | 997.50 |
| Issue of Bonus Shares | 1,330.00 | |
| Closing balance | 73,864.28 | 62,930.39 |
| Equity instrument through other comprehensive income | | |
| Opening balance | 7.96 | 3.88 |
| Add : Fair value changes on equity instruments carried through other comprehensive income (net of tax) | (1.51) | 4.08 |
| Closing balance | 6.45 | 7.96 |
| Total | 1,08,567.82 | 95,635.45 |

2.14.1 Description of nature and purpose of each reserve

- Capital reserve : Capital reserve denotes investment subsidy received by the Company amounting to 22.10 lakhs (31.03.2024: 22.10 lakhs).
- 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.
- 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.

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.15 Other financial liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Financial guarantee provided to Kitex Apparel Parks Limited (Refer note 2.02.2) | - | 918.50 |
| Closing balance | - | 918.50 |

2.16 Provisions

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Provision for gratuity [See note 2.16.2] | 946.51 | 801.02 |
| Provision for compensated absences [See note 2.16.2] | 222.45 | 186.65 |
| Total | 1,168.96 | 987.67 |

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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Employers contribution to provident fund | 905.63 | 740.71 |
| Employers contribution to employees' state insurance | 201.11 | 163.28 |

2.16.2.b Defined benefit plans - gratuity: unfunded obligation

| (i) Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------|--|--|
| Discount rate (per annum) | 6.55% | 7.20% |
| 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.

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| (ii) Reconciliation of present value of obligation | | |
| Present value of obligation at the beginning of the year | 1,081.53 | 978.02 |
| Current service cost | 184.65 | 163.65 |
| Interest cost | 67.77 | 62.10 |
| Actuarial (gain)/ loss - financial assumptions | 42.50 | 5.61 |
| Actuarial (gain)/ loss - experience adjustments | 3.35 | 12.99 |
| Benefits paid | (122.95) | (140.84) |
| Present value of obligation at the end of the year | 1,256.85 | 1,081.53 |
| Contributions by the employer | 122.95 | 140.84 |
| Benefits paid | (122.95) | (140.84) |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.16 Provisions (Contd..)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| (iii) Expenses recognized in the statement profit and loss | | |
| Current service cost | 184.65 | 163.65 |
| Interest cost | 67.77 | 62.10 |
| Past service cost (if applicable) | 0.49 | - |
| Total expenses recognized in the statement of profit and loss for the year | 252.91 | 225.75 |
| (iv) Expenses recognized in other comprehensive income | | |
| Opening amount recognised in OCI outside profit and loss account | (226.57) | (245.17) |
| Re-measurements during the period due to | | |
| (a) Changes in financial assumptions | 42.50 | 5.61 |
| (b) Experience adjustments | 3.35 | 12.99 |
| Total re-measurements included in other comprehensive income (a+b) | 45.85 | 18.60 |
| Closing amount recognised in OCI outside profit and loss account | (180.72) | (226.57) |
| (v) Sensitivity analysis | | |
| Discount rate +50 basis points | (2.62%) | (2.54%) |
| Discount rate -50 basis points | 2.78% | 2.69% |
| Salary increase rate +50 basis points | 2.73% | 2.65% |
| Salary increase rate -50 basis points | (2.60%) | (2.52%) |
| (vi) Maturity Analysis of the Benefit payments | | |
| Year 1 | 310.33 | 280.52 |
| Year 2 | 175.35 | 142.72 |
| Year 3 | 147.66 | 144.14 |
| Year 4 | 150.58 | 118.46 |
| Year 5 | 131.70 | 118.98 |
| Next 5 years and above | 1,045.33 | 945.68 |

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, 2025 | As at March 31, 2024 |
|---------------------------|--|--|
| Discount rate (per annum) | 6.55% | 7.20% |
| 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.

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.17 Deferred Tax Liabilities (Net)

| Particulars | As at March 31, 2025 | 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 | 523.53 | 615.84 |
| On excess of fair value over cost of investments | 0.88 | 1.38 |
| B. Deferred tax assets : | | |
| On provisions for employee benefits | 413.21 | 356.37 |
| On provisions for Expected credit loss | 548.34 | - |
| Deferred tax liabilities (net) (A-B) | (437.14) | 260.85 |

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2025

| Particulars | As at April 01, 2024 | Recognised in profit or loss | Recognised in other comprehensive income | As at March 31, 2025 |
|---|-------------------------|---------------------------------|--|-------------------------|
| A. Deferred tax liability | | | | |
| On excess of net book value over income tax written down value of property, plant and equipment | 615.84 | (92.31) | - | 523.53 |
| On excess of fair value over cost of investments | 1.38 | | (0.50) | 0.88 |
| B. Deferred tax assets | | | | |
| On provisions for employee benefits | (356.37) | (45.43) | (11.41) | (413.21) |
| On provisions for Expected credit loss | - | (548.34) | - | (548.34) |
| Deferred tax liabilities (net)^b (A-B) | 260.85 | (686.08) | (11.91) | (437.14) |

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 quoted equity 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) | (3.31) | 260.85 |

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, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Profit before tax | 20,674.94 | 9,908.14 |
| Income tax expense calculated at 25.168% | 5,203.47 | 2,493.69 |
| Tax effect on non-deductible expenses | 164.23 | 592.40 |
| Total | 5,367.70 | 3,086.09 |
| Tax expense as per statement of profit and loss | 5,367.70 | 3,086.09 |

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, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.18 Other Non-Current Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Deferred grant on capital subsidy [see note 2.26.1.(iii)] | 77.59 | 77.59 |
| Total | 77.59 | 77.59 |

2.19 Borrowings

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Loans repayable on demand from Banks (Secured) | 16,250.60 | 7,652.19 |
| Total | 16,250.60 | 7,652.19 |

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:

| Particulars | 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-25 | Inventory | 18,949.15 | 21,006.75 | -2,057.60 | Note 2.19(b)1 |
| State Bank of India | Dec-24 | Inventory | 23,344.34 | 23,344.00 | 0.34 | |
| State Bank of India | Sep-24 | Inventory | 22,748.74 | 22,749.00 | -0.26 | |
| State Bank of India | Jun-24 | Inventory | 17,834.50 | 17,462.00 | 372.50 | |
| State Bank of India | Mar-25 | Trade Receivables | 33,953.52 | 34,855.00 | -901.48 | |
| State Bank of India | Dec-24 | Trade Receivables | 34,811.30 | 35,439.55 | -628.25 | |
| State Bank of India | Sep-24 | Trade Receivables | 29,785.00 | 30,265.85 | -480.85 | |
| State Bank of India | Jun-24 | Trade Receivables | 29,959.96 | 20,510.11 | 9,449.85 | |

2.19(b).1 Provisional figures are submitted to the Banks before finalisation of Books.

- (c) The average interest rate is 6.7% per annum (31.03.2024: 5.94%)
- (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 | 7.66% | Note 2.20 (a) |
| Export Packing Credit | INR | Axis bank | Upto 180 days or expiry of contracts/export letters of credit for shipment, whichever is earlier | 7.95% | Secured in line with existing banks. |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.20 Trade Payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Trade payables | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 377.89 | 303.53 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 6,986.40 | 4,936.69 |
| Total | 7,364.29 | 5,240.22 |

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, 2025 |
|---------------------------|-----------------|--|-------------|-------------|--------------|-------------------------|
| | | <1 Year | 1-2 Year | 2-3 Year | >3 Year | Total |
| (i) MSME | 377.89 | - | - | - | - | 377.89 |
| (ii) Others | 6912.61 | 16.46 | 2.67 | 2.00 | 52.65 | 6,986.40 |
| (iii) Disputed dues MSME | - | - | - | - | - | - |
| (iv) Disputed dues others | - | - | - | - | - | - |
| Total | 7,290.50 | 16.46 | 2.67 | 2.00 | 52.65 | 7,364.29 |

| 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 |

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, 2025, based on which, principal amount unpaid to such suppliers as at the year end aggregating to 377.89 lakhs (31.03.2024 :303.53 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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| a. Principal amount remaining unpaid but not due as at the year end. | 377.89 | 303.53 |
| 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, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.20 Trade Payables (Contd..)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| 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 | 377.89 | 303.53 |

2.21 Other Financial Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------|-------------------------|-------------------------|
| Creditors for Capital Goods | 54.16 | 40.05 |
| Retention money payable | 157.02 | 160.43 |
| Unpaid dividend | 67.35 | 69.17 |
| Other financial liabilities | - | 277.79 |
| Total | 278.53 | 547.44 |

2.22 Short-Term Provisions

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Provision for gratuity [See note 2.16.2] | 310.33 | 280.51 |
| Provision for compensated absences [See note 2.16.2] | 143.98 | 129.20 |
| Total | 454.31 | 409.71 |

2.23 Current Tax Liabilities (Net)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Current tax payable [net of advance tax of 3600 lakhs (1740 lakhs)] | 2,955.97 | 1,914.62 |
| Total | 2,955.97 | 1,914.62 |

2.24 Other Current Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Statutory dues | 213.47 | 180.69 |
| Deferred grant on capital subsidy [see note 2.26.1.(iii)] | - | 49.70 |
| Advance from customers | 68.67 | 27.31 |
| Total | 282.14 | 257.70 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.25 Revenue from operations

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Sale of products | 90,958.43 | 57,665.27 |
| A | 90,958.43 | 57,665.27 |
| Other operating revenues | | |
| Export entitlements | 4,960.31 | 2,905.21 |
| Job work charges | 1,230.05 | 637.08 |
| Scrap sales | 1,009.78 | 473.53 |
| Others** | 121.89 | 11.11 |
| B | 7,322.03 | 4,026.93 |
| Revenue from operations (A+B) | 98,280.46 | 61,692.20 |

**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, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Revenue recognised at a point in time | 98,280.46 | 61,692.20 |
| Sale of services recognised at a point in time | - | - |
| Total | 98,280.46 | 61,692.20 |

2.26 Other Income

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Interest income | 1,075.40 | 908.44 |
| Dividend Received | 0.11 | 0.04 |
| Rent received [see note- 2.38.2D] | 40.21 | 40.21 |
| Net gain on foreign currency transactions and translations | 1,541.13 | 822.33 |
| Deferred grant income [see note 2.26.1(iii)] | 49.70 | 220.22 |
| Other non-operating incomes : | | |
| (a) Gain on sale of property, plant and equipment (net) | 9.34 | 475.82 |
| (b) Other Miscellaneous Income | 945.07 | - |
| Total | 3,660.96 | 2,467.06 |

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 Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Scheme being re-imbursment of employer's contribution to employee provident fund is deducted in the employee benefit expense amounting to Nil (31.03.2024: Nil).
- (iii) Grants in the nature of re-imbursment 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.

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.26 Other Income (Contd..)

- (iv) Grants in the nature of re-imburement of interest cost on borrowings under the TUFs is disclosed under the head 'Other Income'.
- (v) Grants in the nature of re-imburement of expenditure under the ISDS Project is deducted from the heads of related expenses.
- (vi) 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.

2.27 Cost of Materials Consumed

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year | 3,990.50 | 3,601.99 |
| Add: Purchases | 44,985.80 | 30,131.32 |
| Less: Inventory at the end of the year | 5,052.16 | 3,990.50 |
| Total | 43,924.14 | 29,742.81 |

2.28 Changes in Inventories of Finished Goods and Work-in-Progress

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year | | |
| Finished goods | 1,745.11 | 1,741.65 |
| Work-in-progress | 10,248.41 | 6,023.53 |
| | 11,993.52 | 7,765.18 |
| Less: Inventories at the end of the year | | |
| Finished goods | 1,095.35 | 1,745.11 |
| Work-in-progress | 12,577.70 | 10,248.41 |
| | 13,673.05 | 11,993.52 |
| Net decrease / (increase) | (1,679.53) | (4,228.34) |

2.29 Employee Benefits Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Salaries & wages | 13,126.51 | 9,601.86 |
| Contribution to provident and other funds (Refer note 2.16.2.a) | 1,106.74 | 903.99 |
| Gratuity expenses (Refer note 2.16.2.b) | 252.91 | 225.75 |
| Staff welfare expenses | 1,347.50 | 1,207.76 |
| Total | 15,833.66 | 11,939.36 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.30 Finance Costs

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Interest on export packing credit | 1,086.73 | 524.38 |
| Other borrowing cost | 92.51 | 61.02 |
| Interest on income tax | 222.48 | 147.79 |
| Total | 1,401.72 | 733.19 |

2.31 Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment [See note 2.01A] | 1,567.31 | 2,022.17 |
| Amortisation of intangible assets [See note 2.01C] | 4.36 | 48.23 |
| Total | 1,571.67 | 2,070.40 |

2.32 Other Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Processing charges | 6,731.27 | 3,172.95 |
| Consumption of stores and spares | 1,652.21 | 1,354.57 |
| Power and fuel | 3,956.41 | 3,292.60 |
| Repairs | | |
| - Building | 41.95 | 60.04 |
| - Plant & machinery | 487.05 | 466.28 |
| - Others | 524.46 | 411.40 |
| Other production expenses | 466.14 | 270.83 |
| Testing charges | 393.08 | 234.43 |
| Forwarding and transport on sales | 551.40 | 277.97 |
| Insurance | 134.66 | 129.40 |
| Rent [See note 2.40] | 198.57 | 111.66 |
| Rates and taxes | 150.56 | 45.42 |
| Travelling and conveyance | 234.91 | 116.00 |
| Payments to auditors [See note 2.32.2] | 24.18 | 21.96 |
| Advertisement and sales promotion | 151.81 | 195.01 |
| Professional and consultancy charges | 294.12 | 108.17 |
| Provision for Expected Credit Loss | 1,878.70 | 300.00 |
| Intangible asset under development written off | - | - |
| Donation [See note 2.32.1] | 174.72 | 1,678.50 |
| Expenses on corporate social responsibility activities [See note 2.32.3] | 239.71 | 516.44 |
| Loss on foreign exchange forward contracts | - | - |
| Miscellaneous expenses | 1,928.91 | 1,230.04 |
| Total | 20,214.82 | 13,993.67 |

2.32.1 Contribution to political parties as per section 182 of Companies Act, 2013 (Included in Donation) for the year ended March 31, 2025

Donation to Political parties - 146 lakhs (31.03.2024: 78.5 lakhs)

Electoral bonds (In Accordance with the Electoral Bond Scheme notified by the Government of India) - Nil (31.03.2024: 1600 lakhs)

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.32 Other Expenses (Contd..)

2.32.2 Payments to auditors (Net of Goods and Service Tax)

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-----------------------------|--------------------------------------|--------------------------------------|
| (a) Statutory audit fees | 22.50 | 20.50 |
| (b) Other services | | |
| - Others | 0.94 | 0.52 |
| - Reimbursement of expenses | 1.68 | 1.46 |
| Total | 25.12 | 22.48 |

2.33.3 Details of expenses on corporate social responsibility activities

- (a) Gross amount required to be spent by the Company during the year 237.42 lakhs (31.03.2024: 228.03 lakhs) towards CSR compliance as per Companies Act.
- (b) Amount Unspent from previous years : Nil
- (c) Amount approved by the Board to be spent during the year- 237.42 lakhs (31.03.2024 : 228.03 lakhs)
- (d) Amount spent during the financial year on :

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 239.71 | 516.45 |
| Total | 239.71 | 516.45 |

(e) Details of excess CSR expenditure

| Nature of Activity | Balance excess as at 01 April 2024 | Amount required to be spent during the year | Amount spent during the year | Balance excess to be carried over as at 31 March 2025* |
|---|---------------------------------------|---|------------------------------|---|
| Agriculture and infrastructure development assistance | - | 237.42 | 239.71 | - |

* As per records filed with MCA.

(f) CSR Expenditure incurred with Related Parties

| Name | Nature of Relationship | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--------------------------------------|---|--------------------------------------|--------------------------------------|
| Twenty 20 Kizhakkambalam Association | Enterprises owned or significantly influenced by key management personal or their relatives | 237.00 | 515.00 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.33 Earnings per equity share

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Profit for the year | 15,295.33 | 6,818.77 |
| Weighted average number of equity shares of Re. 1/- each (fully paid-up) | 19,95,00,000 | 19,95,00,000 |
| Earnings per equity share - Basic & Diluted in ₹ (Refer Note 2.13.6) | 7.67 | 3.42 |

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.

2.34.2 Information regarding geographical revenue is as follows:

| Revenue from external customers | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---------------------------------|--------------------------------------|--------------------------------------|
| India | 13,631.16 | 10,394.51 |
| Outside India | | |
| - The United States (US) | 63,925.29 | 39,129.22 |
| - Others | 13,401.98 | 8,141.54 |
| Sale of products | 90,958.43 | 57,665.27 |

2.34.3 All non current assets of the Company are located in India.

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, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| No of customers who contribute to more than 10 percent of the Company's revenue | 2 | 3 |
| Revenue from top customer | 51,530.62 | 30,121.14 |
| Revenue from customers contributing to more than 10 percent of the Company's revenue | 73,930.43 | 53,269.60 |

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.

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.35 Fair Value Measurement (Contd..)

Fair value hierarchy of financial instruments measured at fair value on a recurring basis is as follows:

| Particulars | Fair value hierarchy (level) | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|------------------------------|-----------------------------------|-----------------------------------|
| Financial assets measured at fair value through other comprehensive income | | | |
| Investments in equity shares - Quoted | 1 | 6.73 | 8.71 |

There have been no transfers between levels during the period

Category wise classification of financial instruments is as follows:

| Particulars | See note | As at March 31, 2025 | As at March 31, 2024 |
|---|----------|----------------------|----------------------|
| Financial assets measured at fair value through other comprehensive income | | | |
| Investments in equity shares - Quoted | 2.02 | 6.73 | 8.71 |
| Financial assets measured at amortised cost | | | |
| Non current : | | | |
| (i) Security deposits | 2.04 | 228.96 | 224.63 |
| (ii) Loans to wholly owned subsidiaries | 2.04 | 10,634.77 | 10,549.64 |
| Current : | | | |
| (i) Trade receivables | 2.08 | 33,953.52 | 25,681.29 |
| (ii) Cash and cash equivalents | 2.09 | 3,507.60 | 4,645.92 |
| (iii) Bank balances other than (ii) above | 2.10 | 2,675.35 | 1,942.17 |
| (iv) Other financial assets | 2.11 | 3,812.51 | 2,900.88 |
| (v) Interest receivable on loans to wholly owned subsidiaries | 2.11 | 777.38 | 678.70 |
| Financial assets measured at cost | | | |
| Non current | | | |
| (i) Investments in equity shares - Unquoted | 2.02 | 45,141.54 | 31,758.94 |
| | | 1,00,738.36 | 78,390.88 |
| Financial Liabilities measured at amortised cost | | | |
| Current | | | |
| (i) Borrowings | 2.19 | 16,250.60 | 7,652.19 |
| (ii) Trade payables | 2.20 | 7,364.29 | 5,240.22 |
| (iii) Other financial liabilities | 2.21 | 278.53 | 547.44 |
| Non Current | | | |
| (i) Other financial liabilities | 2.15 | - | 918.50 |
| | | 23,893.42 | 14,358.35 |

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, 2025

(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, 2025 | Less than 1 year | 1 year to 5 years | More than 5 years | Total |
|--|------------------|-------------------|-------------------|-----------|
| Borrowings | 16,250.60 | - | - | 16,250.60 |
| Trade payable | 7,306.96 | 57.33 | - | 7,364.29 |
| Other financial liabilities (current) | 278.53 | - | - | 278.53 |
| Other financial liabilities (non current) | - | - | - | - |

| 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) | 547.44 | - | - | 547.44 |
| Other financial liabilities (non current) | - | 773.94 | 144.56 | 918.50 |

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, 2025 | As at March 31, 2024 |
|--------------------|-------------------------|-------------------------|
| Assets | | |
| USD | 443.17 | 297.38 |
| JPY | 0.58 | - |
| HKD | 0.01 | 0.02 |
| EUR | 0.00 | 0.00 |
| Liabilities | | |
| EUR | 5.81 | 1.73 |
| USD | 24.39 | 10.56 |
| GBP | 0.28 | 0.28 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.36 Financial Risk Management - Objectives and Policies (Contd..)

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, 2025 | Impact in statement of profit and loss for 1% change March 31, 2024 |
|----------------------------|---|---|
| Sensitivity | | |
| INR/USD (Net receivable) | 358.39 | 239.13 |
| INR/EUR (Net payable) | 5.28 | 1.55 |
| INR/GBP (Net Payable) | 0.30 | 0.29 |
| INR/HKD (Net payable) | - | - |

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 March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Variable rate instruments | | |
| Financial liability - Loans repayable on demand from banks | 16,250.60 | 7,652.19 |
| Financial liability | 16,250.60 | 7,652.19 |

Cash flow sensitivity for variable rate instruments

| Particulars | Impact on Profit or (Loss) | |
|-------------------------|-----------------------------------|-----------------------------------|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
| Sensitivity | | |
| 50 BPS increase in rate | 81.25 | 38.26 |
| 50 BPS decrease in rate | (81.25) | (38.26) |

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 March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Balance at the beginning of the year | 300.00 | - |
| Loss allowance measured at lifetime expected credit losses | | |
| Loss allowance Provided during the year | 1,200.00 | 300.00 |
| Balance at the end of the year | 1,500.00 | 300.00 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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, 2025, 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.

| Particulars | As at | As at |
|--------------------------------------|----------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Equity attributable to share holders | 1,10,562.82 | 96,300.45 |
| Borrowings | 16,250.60 | 7,652.19 |
| Less: Cash and cash equivalents | 3,507.60 | 4,645.92 |
| Net debt | 12,743.00 | 3,006.27 |
| Total capital (equity + debt) | 1,23,305.82 | 99,306.72 |
| Net debt to capital ratio | 0.103 | 0.030 |

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, 2025

2.38.1 List of related parties

A Key managerial personnel

- (i) Mr. Sabu M Jacob, Managing Director
- (ii) Ms. Sindhu Chandrasekhar, Whole Time Director
- (iii) Mr. Boby Michael, Chief Financial Officer
- (iv) Ms. Dayana Joseph, Company secretary

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) Scoobee Day Garments (India) Limited
- (v) Anna Aluminium Vessels
- (vi) Kitex Herbals Limited
- (vii) Kitex Building Systems (earlier Kitex Apparels Limited)
- (viii) Kitex Infantswear Limited
- (ix) Twenty 20 Kizhakkambalam Association
- (x) Kitex Building Systems LLC
- (xi) Sara spices Private Limited

C Associate enterprise

- (i) Kitex USA LLC

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

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

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, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| (i) Kitex Childrenswear Limited | | |
| Revenue from sale of goods and services (including expenses recovered) | 10,605.92 | 10,244.27 |
| Purchases of goods and services (including reimbursements) | 5,382.35 | 2,809.42 |
| (ii) Kitex Limited | | |
| Revenue from sale of goods and services (including expenses recovered) | 624.85 | 100.69 |
| Purchases of goods and services (including reimbursements) | 1,049.75 | 61.31 |
| (iii) Anna Aluminium Company Private Limited | | |
| Revenue from sale of goods and services (including expenses recovered) | 0.78 | 0.60 |
| Purchases of goods and services (including reimbursements) | 0.12 | 1.32 |
| (iv) Anna Aluminium Vessels | | |
| Purchases of goods and services (including reimbursements) | 0.02 | - |
| (v) Sara Spices Private Limited | | |
| Purchases of goods and services (including reimbursements) | 51.28 | 63.68 |
| (vi) Scoobee Day Garments (India) Limited | | |
| Revenue from Sale of goods and services (including exp recovered) | 1,641.23 | - |
| Purchases of goods and services (including reimbursements) | 2,032.53 | - |
| (vii) Twenty 20 Kizhakkambalam Association | | |
| Donation paid | 265.00 | 515.00 |

| B Key management personnel | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| (i) Mr. Sabu M Jacob | | |
| Remuneration paid | 1,059.67 | 496.27 |
| (ii) Ms. Sindhu Chandrasekharn | | |
| Remuneration paid | 28.49 | 25.22 |
| (iii) Mr. Boby Michael | | |
| Remuneration paid | 48.37 | 46.10 |
| (iv) Ms. Dayana Joseph | | |
| Remuneration paid | 15.08 | 7.05 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

| C Associate enterprise | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| (i) Kitex USA LLC | | |
| Sale of readymade garments | 3,396.85 | 1,371.08 |
| Sales commission paid | 1,570.19 | 976.40 |
| <hr/> | | |
| D Subsidiary companies | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
| (i) Kitex Littlewear Limited | | |
| Loan given/(refunded) | 28.89 | 1.85 |
| Rent income (excluding taxes) | 1.20 | 1.20 |
| Interest income | 324.51 | 272.63 |
| (ii) Kitex Kidswear Limited | | |
| Loan given/(refunded) | 16.70 | 1.88 |
| Rent income (excluding taxes) | 1.20 | 1.20 |
| Interest income | 170.65 | 150.63 |
| (iii) Kitex Knits Limited | | |
| Loan given | 20.55 | 1.84 |
| Rent income (excluding taxes) | 1.20 | 1.20 |
| Interest income | 204.62 | 189.34 |
| (iv) Kitex Socks Limited | | |
| Loan given | 6.94 | 1.80 |
| Rent income (excluding taxes) | 1.20 | 1.20 |
| Interest income | 63.09 | 53.36 |
| (v) Kitex Packs Limited | | |
| Loan given | 7.20 | 1.87 |
| Rent income (excluding taxes) | 1.20 | 1.20 |
| Interest income | 62.59 | 55.87 |
| (vi) Kitex Babywear Limited | | |
| Loan given/(refunded) | 4.84 | 1.81 |
| Rent income (excluding taxes) | 1.20 | 1.20 |
| Interest income | 38.30 | 32.28 |
| (vii) Kitex Apparel Parks Limited | | |
| Investment | 13,382.60 | 1,967.70 |
| Revenue from Sale of goods and services (including exp recovered) | 414.02 | 162.90 |
| Income for Bank Guarantee | 533.45 | - |
| Guarantee issued | - | 1,502.93 |
| Advance Received/(paid) | - | 0.03 |

2.38.3 Outstanding amounts carried in the balance sheet as at March 31, 2025

A Enterprises owned or significantly influenced by key management personnel or their relatives:

| Name of related party | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| (i) Kitex Childrenswear Limited | | |
| Trade receivables | 603.54 | 4,589.48 |
| (ii) Kitex Limited | | |
| Trade receivables | | 1.99 |
| Trade payables | 2.64 | - |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

| Name of related party | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| (iii) Anna Aluminium Company Private Limited | | |
| Trade receivables | 0.79 | - |
| Trade payables | - | - |
| (iv) Sara Spices Private Limited | | |
| Trade payables | 1.06 | 5.83 |
| (v) Scoobee Day Garments (India) Limited | | |
| Trade receivables | 30.80 | |

B Key management personnel

| Name of related party | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| (i) Mr. Sabu M Jacob | | |
| Remuneration payable | 956.67 | 393.27 |
| (ii) Ms. Sindhu Chandrasekhar | | |
| Remuneration payable | 2.45 | 1.85 |

C Associate enterprise

| Name of related party | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------------|-------------------------|-------------------------|
| (i) Kitex USA LLC | | |
| Trade receivables | 12,277.58 | 10,225.12 |
| Kitex USA LLC Trade Payable | 1,936.03 | 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, 2025 | As at March 31, 2024 |
|---------------------------------|-------------------------|-------------------------|
| 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, 2025 | As at March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| Kitex Littlewear Limited | 3,994.15 | 3,965.25 |
| Kitex Kidswear Limited | 2,100.87 | 2,084.17 |
| Kitex Knits Limited | 2,519.01 | 2,498.46 |
| Kitex Socks Limited | 777.28 | 770.34 |
| Kitex Packs Limited | 771.17 | 763.98 |
| Kitex Babywear Limited | 472.28 | 467.45 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

F Interest income receivable using government bond yield rate on loan to wholly owned subsidiaries

| Name of related party | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| Kitex Littlewear Limited | 292.06 | 245.36 |
| Kitex Kidswear Limited | 153.58 | 135.56 |
| Kitex Knits Limited | 184.16 | 170.41 |
| Kitex Socks Limited | 56.78 | 48.03 |
| Kitex Packs Limited | 56.33 | 50.29 |
| Kitex Babywear Limited | 34.47 | 29.05 |

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions

G Subsidiary -Kitex Apparel Parks Limited

| Name of related party | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Guarantee issued | - | 1,196.29 |
| Investment in subsidiary (including FV of Guarantee) | 42,431.93 | 30,245.63 |
| Corporate Guarantee given to Banks for loans taken by a subsidiary company Kitex Apparel parks Limited for setting up of manufacturing facility | 63,669.26 | 42,686.12 |
| Receivable | 533.45 | - |
| Payable | - | 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 un hedged items as at Balance Sheet date is as under:

| | As at March 31, 2025 | | As at March 31, 2024 | |
|--------------------|----------------------|-----------|----------------------|-----------|
| | Foreign Currency | INR | Foreign Currency | INR |
| Assets | | | | |
| EUR | - | 0.28 | - | 0.27 |
| USD | 443.17 | 37,927.03 | 297.38 | 24,793.43 |
| HKD | 0.01 | 0.11 | 0.02 | 0.26 |
| Liabilities | | | | |
| EUR | 5.81 | 528.08 | 1.73 | 155.17 |
| USD | 24.39 | 2,087.54 | 10.56 | 880.58 |
| GBP | 0.28 | 28.96 | 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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Amount charged to statement of profit and loss account during the year | | |
| Rent for premises | 106.61 | 84.16 |
| Rent for equipment | 91.96 | 27.50 |
| Total | 198.57 | 111.66 |

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(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, 2025.

2.41.1 Contingent liabilities not provided for:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| 1. Claims against the Company not acknowledged as debts being demand raised against the Company, disputed on Appeal before various Appellate authorities. | | |
| (ii) Income tax dues [Paid under protest include 108.57 lakhs (31.03.2024: 108.57 lakhs)] | 1,007.80 | 318.35 |
| 2. Bank guarantees | 2,113.57 | 2,095.54 |
| 3. Guarantee given to Bank for loans taken by a subsidiary company Kitex Apparel Parks Limited for setting up of manufacturing facility | 64,399.36 | 42,686.12 |

2.41.2 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.

2.41.3 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 nil (77.59 Lakhs) . The export obligation to be fulfilled as per license is upto six years from date of issue of EPCG licence.

2.42 Financial Ratios

| Ratio | As at March 31, 2025 | As at March 31, 2024 | 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] | 2.47 | 3.47 | 71% | 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, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.42 Financial Ratios (Contd..)

| Ratio | As at March 31, 2025 | As at March 31, 2024 | 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] | 14.79% | 7.17% | 106% | There has been increase in profit during the year in line with increased operations and sales. Further there has been a increase in equity due to issue of bonus shares and share capital has increased to 3 times the previous year figure |
| (e) Inventory turnover ratio (in days) (Average inventory/Cost of materials consumed +Changes in inventories of finished goods, work in progress per day) | 152.75 | 201.01 | -24% | Inventory turnover ratio has improved during the year, which is in line with improved sales and better inventory management. Eventhought inventory values have increased in the year it is not in proportion to the hike in sales, |
| (f) Trade Receivables turnover ratio (in days) (Average trade receivables/Turnover per day) [Turnover: Revenue from operations] | 119.65 | 145.67 | -18% | |
| (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] | 54.45 | 67.26 | -19% | |
| (h) Net capital turnover ratio (in days) (Average working capital/Turnover)*365 [Working capital: Current assets - Current liabilities] [Turnover: Revenue from operations] | 152 | 235 | -35% | Net capital turnover ratio has improved as turnover has increased around 59% in the current year |
| (i) Net profit ratio (%) (Net profit after tax / Turnover) [Turnover: Revenue from operations] | 15.56% | 10.84% | 44% | Revenue has increased around 58% and operation cost has not marked a proportionate increase. Better cost management and improvement in operations contributed to increase in NP ratio |
| (j) Return on Capital employed (%) (EBIT / Capital Employed) [Capital Employed: Total Assets - Current Liabilities] [EBIT: Profit before taxes +/- Exceptional items + Net finance charges] | 19.74% | 9.31% | 112% | EBIT has increased in line with sales, whereas the movement in capital employed in relatively immaterial resulting in better return on capital employed |

*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): 717.97 lakhs (31.03.2024: 578.66 lakhs).

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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 retained earnings is subject to applicable tax deducted at source (TDS). On May 29, 2025 Board of Directors of the Company have proposed a final dividend of 0.50 per share in respect of the year ended March 31, 2025 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).

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 Note on Audit Trail

The Company has used two accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and has been operated throughout the year for all relevant transactions recorded in the software and same has not been tampered with except

- for one of the software the database is maintained by third party service provided and in absence of independent auditors report, management is unaware whether audit trail feature is enabled in database maintained by the third party.
- For one of software audit trail feature was not enabled for FY 2024-25

Additionally, the audit trail of prior years has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in previous years

2.48 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.

Notes forming part of Standalone financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.48 Other Disclosures (Contd..)

- (f) Pursuant to the meeting of Board of directors held on February 14, 2025, approval was granted for the Scheme of Arrangement between Kitex Childrenswear Limited (KCL) and the Company and their respective shareholders and creditors, in compliance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, providing for demerger of textile business of KCL into the Company, which will be given effect on obtaining the necessary regulatory approvals.
- (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.

2.49 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 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: June 23, 2025

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Boby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date: June 23, 2025

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Statement on Impact of Audit Qualifications

(For audit report with modified opinion on Standalone Audited Financial Statements for the year ended March 31, 2025 as stipulated in Regulation 33 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 | 1,01,941.42 | 1,01,941.42 |
| | 2 | Total Expenditure | 81,266.48 | 81,266.48 |
| | 3 | Net Profit/(Loss) | 15,295.33 | 15,295.33 |
| | 4 | Earnings Per Share | 7.67 | 7.67 |
| | 5 | Total Assets | 1,39,395.21 | 1,39,395.21 |
| | 6 | Total Liabilities | 28,832.39 | 28,832.39 |
| | 7 | Net Worth | 1,10,562.82 | 1,10,562.82 |
| | 8 | Any other financial item(s) (as felt appropriate by the management) | - | - |

Audit Qualification:

a. Details of Audit Qualification:

The Company has an investment in Kitex USA LLC, an Associate Company amounting to ₹2,776.24 lakhs (March 31, 2024: ₹2,776.24 lakhs), which is incurring losses and this has fully eroded its net worth as on that date. The Company also has trade receivables amounting to ₹ 12,277.57 lakhs as at March 31, 2025 (March 31, 2024: ₹ 10,225.12 lakhs) due from the aforesaid Associate. The management of the Company has determined the carrying value of investment and recoverability of trade receivables from the said Associate as recoverable based on valuations performed and future projected cash flows, considering proposed changes in the business plan, forecasted future revenue growth and increased margin contributions. For the year ended March 31, 2025, the management of the Company has not been able to provide corroborative evidence to substantiate the reasonableness of the above-mentioned unobservable inputs. Accordingly, we are unable to comment on the recoverability of the carrying value of the investment in Kitex USA, LLC and Trade Receivables due from Kitex USA, LLC as at March 31, 2025. (Refer Note 7 to the standalone financial results)

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Included since audit report for the quarter and year ended 31st March 2024

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

Geetha Jeyakumar
Partner
Membership No.029409

For **Kitex Garments Limited**
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sindhu Chandrsekharan
Whole-Time Director
DIN: 06434415

Boby Michael
Chief Financial Officer

C P Philipose
Chairman of Audit Committee
DIN: 01125157

Independent Auditor's Report

To
The Members of
Kitex Garments Limited

Report on the Audit of the Consolidated Financial Statements

Qualified 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, 2025, 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, except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, 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, 2025, of consolidated profit (including other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

The Group has an investment in Kitex USA LLC, an Associate Company amounting to Rs 2,776.24 lakhs (March 31, 2024: Rs 2,776.24 lakhs), which has been written off in consolidated financial statements due to recognition of Group's share of loss of associate to extent of investment. The Group also, has outstanding trade receivables from Associate amounting to Rs. 12,277.57 lakhs which is considered good and recoverable by management of Holding Company based on future projected cash flows considering the proposed changes in the business plan, forecasted future revenue growth and in-creased margin contributions. For the year ended March 31, 2025, the

management of the Holding Company has not been able to provide corroborative evidence to substantiate the reasonableness of the abovementioned unobservable inputs. Accordingly, we are unable to comment on the recoverability of the receivable balances from Kitex USA, LLC as at March 31, 2025. (Refer Note 2.02.1 to the consolidated financial statements).

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 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 consolidated financial statements for the year ended March 31, 2025 (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. In addition to the matters described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report:

Valuation of Inventory

Refer Note 2.06 to consolidated financial statements.

The total value of inventory as of March 31, 2025, amounted to Rs. 19,066.13 lakhs representing 7.37 % of the total assets (March 31, 2024: 16,409.16 Lakhs, 8.52 % of the total assets). Inventories are measured the lower of cost and net realisable value.

The Holding 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 Group'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 matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements 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 Matter:

- a. We did not audit the financial statements of Six subsidiaries, whose financial statements reflect total assets of Rs.9,260.15 lakhs as at March 31, 2025, total revenues of Rs.8.27 lakhs and net cash flows amounting to 4.54 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 total other comprehensive loss) of Rs. Nil for the year ended March 31, 2025, 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 matter.

Report on Other Legal and Regulatory Requirements

1. 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 except for the possible effect of the matter described in the Basis for Qualified Opinion above, 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. Except for the effects of the matter described in the Basis for Qualified Opinion section above and matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g), 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.
 - 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. Except for the effects of the matter described in Basis for Qualified Opinion section above, 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, 2025 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 are disqualified as on March 31, 2025 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. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in Basis for Qualified opinion, paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
- 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 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 2.41.1 to 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.
- (3) 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.
 - ii. The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of their respective members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which included test checks, and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, the holding Company and its subsidiary Companies incorporated in India have used accounting softwares for maintaining their respective books of accounts and payroll records during the year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility. The audit trail feature was enabled and has been operated throughout the year for all relevant transactions recorded except that
- In respect of Holding Company and one of the subsidiary Company, in the absence of the Independent Service Auditors report (SOC 2 report), we are unable to comment on the audit trail feature at database level for the accounting software which is maintained by the third party software service provider.

- In respect to Holding Company, audit trail feature was not enabled in one of the accounting software throughout the year

Further, during the course of audit we and the other auditors of above referred subsidiaries, did not come across any instance of audit trail feature being tampered with

Additionally, the audit trail of prior year has been preserved by the Holding Company and above referred subsidiaries as per the statutory requirements for record retention to the extent it was enabled and recorded in prior year

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

Place: Chennai
Date: June 23, 2025

Membership No. 029409
UDIN: 25029409BMMIRA2307

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2025

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 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 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 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 statement for the year ended March 31, 2025 (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.

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

Geetha Jeyakumar
Partner

Place: Chennai
Date: June 23, 2025

Membership No. 029409
UDIN: 25029409BMMIRA2307

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2025

[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, 2025.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated financial statements of Kitex Garments Limited (hereinafter referred to as "the Holding Company") which includes the internal financial controls over financial reporting of the Holding Company's and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") which are companies incorporated in India, as of that date.

Qualified Opinion

In our opinion, and to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in the Basis for Qualified Opinion paragraph on the achievement of the objectives of the control criteria, the Group, which are companies incorporated in India have maintained, in all material respects, 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 of March 31, 2025, based on the internal financial 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

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 March 31, 2025 consolidated financial statements of the Group, and the material weakness does not affect our opinion on the consolidated financial statements of the Group, which are companies incorporated in India.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Group's internal financial controls with reference to Consolidated financial statements as at March 31, 2025

The Group's internal control system over the evaluation of expected credit loss allowance relating to trade receivables due from an Associate Company (Refer to the "Basis for Qualified

Opinion" section of the main audit report) was not operating effectively. This could potentially result in material misstatement of the carrying value of trade receivables due from the said Associate, and the non-identification of further provision if any.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls with reference to consolidated financial statements, such that there is a reasonable possibility that a material misstatement of the Group's annual or interim financial statements will not be prevented or detected on a timely basis.

Management's 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 financial 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 issued by the ICAI. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Group which are companies incorporated in India, based on our audit. We conducted our audit in accordance with 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 Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls with reference to consolidated financial statements of the Group 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 reports 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 insofar 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.

Our opinion is not modified in respect of this matter.

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

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 25029409BMMIRA2307

Place: Chennai

Date: June 23, 2025

Consolidated Balance Sheet

as at March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

| Sl No. | Particulars | Note No. | As at March 31, 2025 | As at March 31, 2024 |
|-----------|--|----------|-------------------------|-------------------------|
| I | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, plant and equipment | 2.01A | 23,173.28 | 24,409.91 |
| | (b) Capital work-in-progress | 2.01B | 1,39,127.86 | 88,597.10 |
| | (c) Other intangible assets | 2.01C | 1.65 | 6.01 |
| | (d) Financial assets | | | |
| | (i) Investments | 2.02 | 6.73 | 8.70 |
| | (ii) Other financial assets | 2.03 | 1,117.43 | 1,711.64 |
| | (e) Non-current tax assets | 2.04 | 248.91 | 275.93 |
| | (f) Deferred Tax Asset (Net) | 2.16 | 437.14 | - |
| | (g) Other non-current assets | 2.05 | 22,127.21 | 19,343.28 |
| | Total Non-Current Assets | | 1,86,240.21 | 1,34,352.57 |
| 2 | Current assets | | | |
| | (a) Inventories | 2.06 | 19,066.13 | 16,409.16 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 2.07 | 33,953.52 | 25,681.29 |
| | (ii) Cash and cash equivalents | 2.08 | 3,939.66 | 4,981.26 |
| | (iii) Bank balances other than (ii) above | 2.09 | 2,830.28 | 1,942.16 |
| | (iv) Other financial assets | 2.10 | 3,279.06 | 2,900.88 |
| | (c) Other current assets | 2.11 | 9,352.95 | 6,244.65 |
| | Total Current Assets | | 72,421.60 | 58,159.40 |
| | TOTAL ASSETS | | 2,58,661.81 | 1,92,511.97 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | (a) Equity share capital | 2.12 | 1,995.00 | 665.00 |
| | (b) Other equity | 2.13 | 1,01,304.00 | 89,793.67 |
| | (c) Non-controlling interest | 2.37A | 17,678.27 | 12,754.25 |
| | Total Equity | | 1,20,977.27 | 1,03,212.92 |
| | Liabilities | | | |
| 2 | Non-current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 2.14 | 91,999.08 | 60,467.48 |
| | (ii) Provisions | 2.15 | 1,168.96 | 987.67 |
| | (iii) Deferred tax liabilities (net) | 2.16 | - | 260.85 |
| | (iv) Other non-current liabilities | 2.17 | 15,853.04 | 11,378.15 |
| | Total Non-Current Liabilities | | 1,09,021.08 | 73,094.15 |
| 3 | Current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Borrowings | 2.18 | 16,250.60 | 7,652.19 |
| | (ii) Trade payables | 2.19 | | |
| | - Total outstanding dues of micro enterprises and small enterprises | | 377.89 | 303.53 |
| | - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 7,359.10 | 5,206.61 |
| | (iii) Other financial liabilities | 2.20 | 631.62 | 360.31 |
| | (b) Provisions | 2.21 | 454.31 | 409.71 |
| | (c) Current tax liabilities (net) | 2.22 | 2,955.97 | 1,914.62 |
| | (d) Other current liabilities | 2.23 | 633.97 | 357.93 |
| | Total Current Liabilities | | 28,663.46 | 16,204.90 |
| | TOTAL EQUITY AND LIABILITIES | | 2,58,661.81 | 1,92,511.97 |
| | Summary of material accounting policies | 1-1.21 | | |

The accompanying notes are an integral part of Consolidated financial statements (2.01- 2.47)

As per our 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: June 23, 2025

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Boby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date: June 23, 2025

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Consolidated Statement of Profit and Loss

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

| SI No. | Particulars | Note No. | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-------------|--|----------|-----------------------------------|-----------------------------------|
| I | Income | | | |
| | (a) Revenue from operations | 2.24 | 98,280.46 | 61,692.20 |
| | (b) Other income | 2.25 | 1,854.11 | 1,424.99 |
| | Total Income | | 1,00,134.57 | 63,117.19 |
| II | Expenses | | | |
| | (a) Cost of materials consumed | 2.26 | 43,924.14 | 29,742.81 |
| | (b) Changes in inventories of finished goods and work-in-progress | 2.27 | (1,679.52) | (4,228.34) |
| | (c) Employee benefits expense | 2.28 | 15,862.18 | 11,947.51 |
| | (d) Finance costs | 2.29 | 1,401.72 | 733.19 |
| | (e) Depreciation and amortization expense | 2.30 | 1,574.50 | 2,070.74 |
| | (f) Other expenses | 2.31 | 20,097.33 | 14,178.82 |
| | Total Expenses | | 81,180.35 | 54,444.73 |
| III | Profit before tax (I - II) | | 18,954.22 | 8,672.46 |
| IV | Tax expense: | | | |
| | (a) Current tax | | 6,065.69 | 3,221.00 |
| | (b) Deferred tax | 2.16 | (686.07) | (131.59) |
| | Total Tax Expenses | | 5,379.62 | 3,089.41 |
| V | Profit for the year (III -IV) | | 13,574.60 | 5,583.05 |
| VI | Other comprehensive (loss)/ income | | | |
| A | Items that will not be reclassified to profit or loss | | | |
| | (i) Re-measurements of post employment benefit obligations | | (45.36) | (18.60) |
| | (ii) Fair value changes on equity instruments carried through other comprehensive income | | (1.98) | 5.45 |
| | (iii) Income tax relating to items that will not be reclassified to profit or loss | | 11.91 | 3.31 |
| | Total other comprehensive loss for the year | | (35.43) | (9.84) |
| VII | Total comprehensive income for the year (V+VI) | | 13,539.17 | 5,573.21 |
| VIII | Net Profit/(Loss) attributable to : | | | |
| | (a) Equity holders of the Holding Company | | 13,873.27 | 5,633.11 |
| | (b) Non-controlling interest | | (298.67) | (50.06) |
| IX | Other comprehensive Loss for the year attributable to: | | | |
| | (a) Equity holders of the Holding Company | | (35.43) | (9.84) |
| | (b) Non-controlling interest | | - | - |
| X | Total comprehensive income/(Loss) for the year attributable to: | | | |
| | (a) Equity holders of the Holding Company | | 13,837.84 | 5,623.27 |
| | (b) Non-controlling interest | | (298.67) | (50.06) |
| XI | Earnings per equity share (Face value of Re. 1 each) | 2.32 | | |
| | Basic & Diluted in ₹ | | 6.95 | 2.82 |
| | Summary of material accounting policies | 1-1.21 | | |

The accompanying notes are an integral part of Consolidated financial statements (2.01- 2.47)

As per our 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: June 23, 2025

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Boby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date: June 23, 2025

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Consolidated Statement of Cash Flow

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

| Sl No. | Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|----------|--|--------------------------------------|--------------------------------------|
| A | Cash Flows from Operating Activities: | | |
| | Net Profit before tax | 18,954.22 | 8,672.46 |
| | Adjustments for: | | |
| | Depreciation and amortisation expense | 1,574.50 | 2,070.40 |
| | Unrealised foreign exchange (gain) / loss (net) | (443.85) | (205.14) |
| | Interest income | (211.64) | (154.33) |
| | Deferred grant income | (49.70) | (526.85) |
| | Loss on sale of property, plant and equipment (net) | (9.34) | (7.49) |
| | Advances written off | - | 6.03 |
| | Provision for expected credit loss | 1,200.00 | 300.00 |
| | Interest expense | 1,401.72 | 733.19 |
| | Operating profit before working capital changes | 22,415.91 | 10,888.27 |
| | Changes in working capital: | | |
| | Increase in trade and other receivables | (14,001.41) | (7,902.88) |
| | Increase in inventories | (2,539.99) | (4,715.88) |
| | Increase in trade, other payables and provisions | 4,551.16 | 392.12 |
| | Cash generated from / (used in) operating activities before taxes | 10,425.67 | (1338.37) |
| | Direct taxes paid (net of refunds) | (4997.31) | (2487.17) |
| | Net cash generated from/ (used in) operating activities (A) | 5,428.36 | (3825.54) |
| B | Cash Flows from Investing Activities: | | |
| | Purchase of property, plant and equipment and intangible assets, CWIP including capital advances | (50,514.96) | (61,700.87) |
| | Proceeds from sale of property, plant and equipment | 29.86 | 12.33 |
| | Bank balances not considered as Cash and cash equivalents | (888.11) | 786.65 |
| | Purchase of investment in subsidiary | 5,735.40 | - |
| | Interest received | 170.87 | 163.59 |
| | Net cash used in investing activities (B) | (45,466.94) | (60738.30) |
| C | Cash Flow from Financing Activities: | | |
| | Proceeds/ (repayment) from bank borrowings (net) | 41,326.32 | 66,132.36 |
| | Issue of shares to minority share holders | - | 318.30 |
| | Interest paid | (1,304.96) | (460.53) |
| | Dividend / dividend distribution tax paid | (999.32) | (1003.32) |
| | Net cash flow from financing activities (C) | 39,022.04 | 64,986.81 |
| | Net increase / (decrease) in cash and cash equivalents (A+B+C) | (1,016.54) | 422.97 |
| | Exchange difference on translation of foreign currency cash and cash equivalents | (25.06) | 5.97 |
| | Cash and cash equivalents at the beginning of the year | 4,981.26 | 4552.32 |
| | Cash and cash equivalents at the end of the year (See note 1.08) | 3,939.66 | 4981.26 |
| | Net increase / (decrease) in cash and cash equivalents | (1,016.54) | 422.97 |

The accompanying notes are an integral part of Consolidated financial statements (2.01- 2.47)

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 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

Boby Michael
Chief Financial Officer

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Place : Chennai
Date: June 23, 2025

Place : Kizhakkambalam
Date: June 23, 2025

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

A Equity Share Capital

| Particulars | As at | As at |
|--|----------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Balance at the beginning of the reporting year | 665.00 | 665.00 |
| Bonus issue during the year | 1,330.00 | - |
| Balance at the end of the reporting year | 1,995.00 | 665.00 |

B Other Equity

| Particulars | Reserves and surplus | | | Others | | Equity attributable to the shareholders of the Company | Non controlling interests | Total |
|--|----------------------|------------------|-------------------|---|--|--|---------------------------|--------------------|
| | 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 | 85,167.88 | 11,841.89 | 97,009.78 |
| Profit for the year | - | - | 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 | 57,118.98 | (30.37) | 7.96 | 89,793.66 | 12,754.25 | 1,02,547.92 |

Consolidated Statement of Changes in Equity

for the year ended March 31, 2025

(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 |
|--|----------------------|------------------|-------------------|---|--|--|---------------------------|--------------------|
| | 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, 2024 | 22.10 | 32,675.00 | 57,118.98 | (30.37) | 7.96 | 89,793.66 | 12,754.25 | 1,02,547.92 |
| Profit for the year (net of tax) | - | - | 13,873.27 | - | - | 13,873.27 | (298.67) | 13,574.60 |
| Re-measurements of post employment benefit obligations (net of tax) | - | - | (33.94) | - | - | (33.94) | - | (33.94) |
| Fair value changes on equity instruments carried through other comprehensive income (net of tax) | - | - | - | - | (1.49) | (1.49) | - | (1.49) |
| Adjustments on account of consolidation | - | - | - | - | - | - | 5,222.71 | 5,222.71 |
| Dividends | - | - | (997.50) | - | - | (997.50) | - | (997.50) |
| Bonus issue | - | - | (1,330.00) | - | - | (1,330.00) | - | (1,330.00) |
| Transfer to reserves | - | 2,000.00 | (2,000.00) | - | - | - | - | - |
| Balance as at March 31, 2025 | 22.10 | 34,675.00 | 66,630.81 | (30.37) | 6.47 | 1,01,304.00 | 17,678.29 | 1,18,982.30 |

The accompanying notes are an integral part of Consolidated financial statements (2.01- 2.47)

As per our 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: June 23, 2025

**For and on behalf of the Board of Directors of
Kitex Garments Limited**
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Boby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date: June 23, 2025

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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, 2025 | Ownership interest March 31, 2024 |
|-----------------------------|-------------------------|--------------------------|-----------------------------------|-----------------------------------|
| 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% | 70% |

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, 2025 | Ownership interest March 31, 2024 |
|----------------------------|--------------|--------------------------|-----------------------------------|-----------------------------------|
| 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 forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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 forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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.

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

(ii) Subsequent measurement

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 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

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

(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 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.

1.19 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.

1.20 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

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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 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.

1.21 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.

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(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, 2024 | Additions during the year | Disposal | As at March 31, 2025 | As at April 1, 2024 | Depreciation during the Year | Disposal | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 |
| Freehold Land | 13,482.35 | - | - | 13,482.35 | - | - | - | - | 13,482.35 | 13,482.35 |
| Building | 6,850.24 | - | - | 6,850.24 | 1,692.27 | 252.34 | - | 1,944.61 | 4,905.63 | 5,157.97 |
| Plant & Machinery | 19,233.67 | 264.64 | 316.25 | 19,182.06 | 13,973.05 | 1,166.92 | 299.82 | 14,840.15 | 4,341.92 | 5,260.62 |
| Furniture & Fixtures | 235.72 | 4.56 | - | 240.28 | 198.78 | 14.58 | - | 213.36 | 26.92 | 36.94 |
| Vehicles | 637.79 | 35.31 | 26.42 | 646.68 | 474.66 | 56.74 | 22.32 | 509.08 | 137.60 | 163.13 |
| Office Equipments | 596.76 | 6.23 | - | 602.99 | 556.85 | 29.03 | - | 585.88 | 17.11 | 39.91 |
| Computers | 640.74 | 26.35 | - | 667.09 | 625.33 | 10.85 | - | 636.18 | 30.91 | 15.41 |
| Electrical Equipments | 610.06 | 16.94 | - | 627.00 | 356.48 | 39.68 | - | 396.16 | 230.84 | 253.58 |
| Total | 42,287.33 | 354.03 | 342.67 | 42,298.69 | 17,877.42 | 1,570.14 | 322.14 | 19,125.42 | 23,173.28 | 24,409.91 |

| | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-----------------------|---------------------|---------------------------|--------------|----------------------|--------------------------|------------------------------|--------------|----------------------|----------------------|----------------------|
| | As at April 1, 2023 | Additions during the year | Disposal | As at March 31, 2024 | As at April 1, 2023 | Depreciation during the Year | Disposal | 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 |

2.01.A.1. All immovable property are held in the name of respective Company included in Group

2.01 B - Capital Work-in-Progress

| | GROSS BLOCK (at cost) | | | | |
|--------------------------|-----------------------|------------------|-------------------|--------------------------------|----------------------|
| | As at April 1, 2024 | Additions | Net Interest Cost | Capitalisation during the year | As at March 31, 2025 |
| Capital Work-in-Progress | 88,597.10 | 40,270.63 | 10,451.59 | 191.46 | 1,39,127.86 |
| Total | 88,597.10 | 40,270.63 | 10,451.59 | 191.46 | 1,39,127.86 |

| | GROSS BLOCK (at cost) | | | | |
|--------------------------|-----------------------|------------------|-------------------|--------------------------------|----------------------|
| | As at April 1, 2023 | Additions | 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 | 56,919.14 | 2,549.00 | 92.40 | 88,597.10 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.01 C - Other Intangible Assets

| | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-------------------|---------------------|---------------------------|----------|----------------------|--------------------------|------------------------------|----------|----------------------|----------------------|----------------------|
| | As at April 1, 2024 | Additions during the year | Disposal | As at March 31, 2025 | As at April 1, 2024 | Depreciation during the year | Disposal | As at March 31, 2025 | As at March 31, 2025 | As at March 31, 2024 |
| Computer software | 287.13 | - | - | 287.13 | 281.12 | 4.36 | - | 285.48 | 1.65 | 6.01 |
| Total | 287.13 | - | - | 287.13 | 281.12 | 4.36 | - | 285.48 | 1.65 | 6.01 |

| | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|-------------------|---------------------|---------------------------|----------|----------------------|--------------------------|------------------------------|----------|----------------------|----------------------|----------------------|
| | As at April 1, 2023 | Additions during the year | Disposal | As at March 31, 2024 | As at April 1, 2023 | Depreciation during the Year | Disposal | 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 |

2.01 D Ageing of capital work-in-progress (Tangibles) is as below:

| Particulars | Amount in CWIP for a period of | | | | As at March 31, 2025 |
|--------------------------------|--------------------------------|------------------|------------------|-------------------|----------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 50,530.75 | 59,468.14 | 28,508.54 | 557.57 | 1,39,065.00 |
| Projects temporarily suspended | - | - | - | 62.86 | 62.86 |
| Total | 50,530.75 | 59,468.14 | 28,508.54 | 620.43 | 1,39,127.86 |

| 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 | 557.57 | - | 88,534.25 |
| Projects temporarily suspended | - | - | - | 62.86 | 62.86 |
| Total | 59,468.14 | 28,508.54 | 557.57 | 62.86 | 88,597.11 |

2.01E CWIP Completion schedule for whose completion has exceeded original plan has been provided below:

| Particulars | Amount in CWIP for a period of | | | | As at March 31, 2025 |
|--------------|--------------------------------|-----------|-----------|-------------------|----------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Gents Hostel | 3,209.51 | - | - | - | 3,209.51 |
| Total | 3,209.51 | - | - | - | 3,209.51 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.02 Investments [Non-Current]

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| 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 | 6.73 | 8.70 |
| Total | 6.73 | 8.70 |
| 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) | 6.73 | 8.70 |

2.02.1 The Group has an investment in Kitex USA LLC, an Associate Company amounting to 2,776.24 lakhs (March 31, 2024: 2,776.24 lakhs lakhs), which has been already written off in consolidated financial results due to recognition of Group's share of loss of the Associate to extent of investment. The Group also, has trade receivables due from the Associate Company amounting to 12,277.57 lakhs (March 31, 2024: 10,225.12 lakhs) as at March 31, 2025. Based on the evaluation of the future projected cash flows which is considering the proposed changes in the business plan forecasted revenue growth, increased margin contributions, the Group considers the trade receivables from the Associate to be good and recoverable.

2.03 Other Financial Assets [Non-Current]

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Security deposit (Refer Note 2.03.1) | 228.96 | 224.63 |
| Bank deposits with maturity more than 12 months | - | 24.34 |
| Other Financial Assets | 888.47 | 1,462.67 |
| Total | 1,117.43 | 1,711.64 |

2.03.1 Deposit account includes deposits held as security 228.96 Lakhs (224.63 Lakhs as on March 31, 2024) 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, 2025 | As at March 31, 2024 |
|-----------------------|-------------------------|-------------------------|
| Income tax receivable | 248.91 | 275.93 |
| Total | 248.91 | 275.93 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.05 Other Non-Current Assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Capital advances | 21,802.16 | 19,018.23 |
| Balances with government authorities | 325.05 | 325.05 |
| Total | 22,127.21 | 19,343.28 |

2.06 Inventories

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|------------------------------|-------------------------|-------------------------|
| Raw materials | 5,076.00 | 3,924.36 |
| Raw materials in transit | 93.15 | 66.16 |
| Work-in-progress | 12,577.70 | 10,248.42 |
| Finished goods | 1,095.35 | 1,745.10 |
| Stores and spares | 173.08 | 425.12 |
| Stores and spares in transit | 50.85 | - |
| Total | 19,066.13 | 16,409.16 |

2.06.1 Method of valuation of inventories - See note 1.6 of material accounting policies.

2.06.2 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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Unsecured, considered good [See note 2.07.1] | 35,453.52 | 25,981.29 |
| Less: Allowance for credit impairment | 1,500.00 | 300.00 |
| Total | 33,953.52 | 25,681.29 |

2.07.1 (i) Trade receivables includes amounts due from related parties 12881.12 lakhs (March 31, 2024: 14,816.59 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 410.35 lakhs (March 31, 2024: 399.77 lakhs) receivable from TOYS R US as on March 31, 2025.

2.07.03 Group has accounted receivable denominated in Foreign currency to the tune of 9,218.49 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, 2025

(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, 2025 |
|---|--|---------------------|-----------|------------|---------|-------------------------|
| | <6 month | 6 months -1 year | 1-2 years | 2-3 years | >3 year | Total |
| (i) Undisputed Trade receivables – considered good | 24,780.63 | 1,454.40 | 1,430.66 | 7,377.13 | 0.35 | 35,043.17 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | 410.35 | 410.35 |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Less: Allowance for expected credit loss | - | - | - | (1,500.00) | - | (1,500.00) |
| Total | | | | | | 33,953.52 |

| 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 | 25,281.52 |
| (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 |

2.07.5 Reconciliation of Allowance for Expected Credit Loss

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Opening Balance as at beginning of the year | 300.00 | - |
| Created during the year | 1,200.00 | 300.00 |
| Closing Balance as at end of the year | 1,500.00 | 300.00 |

2.08 Cash and Cash Equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Balances with banks:- | | |
| In current accounts | 817.73 | 1,023.04 |
| In EEFC accounts | 3,109.43 | 3,403.62 |
| Deposits with maturity of less than 3 months | | 551.81 |
| Cash on hand | 12.50 | 2.79 |
| Total | 3,939.66 | 4,981.26 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.09 Bank balances other than Cash and Cash Equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Balance with banks | | |
| In deposit accounts [See note 2.09.1] | 2,762.93 | 1,872.66 |
| In earmarked accounts: | | |
| (a) Unpaid dividend accounts | 67.35 | 69.39 |
| (b) Restricted balance with bank- Dormant | - | 0.11 |
| Total | 2,830.28 | 1,942.16 |

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, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Unsecured, considered good-at amortised cost | | |
| Subsidy receivable [see note 2.10.2] | 741.95 | 1,116.51 |
| Export incentives receivable | 2,427.67 | 1,716.76 |
| Rent deposits | 16.76 | 15.71 |
| Interest receivable on deposits | 92.68 | 51.90 |
| Total | 3,279.06 | 2,900.88 |

2.10.1 There are no other current financial assets as at March 31, 2025 and March 31, 2024 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 741.95 Lakhs (31.03.2024: 1,116.51 Lakhs).

2.11 Other Current Assets

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Unsecured, considered good | | |
| Advances recoverable in cash or in kind or for value to be received. | 825.37 | 469.77 |
| Balances with government authorities | 3,662.87 | 2,739.07 |
| Advances to staff | 5.74 | 7.32 |
| Prepaid expenses | 79.44 | 136.73 |
| Export entitlements / rebates receivable on export | 0.98 | 0.98 |
| Other Current Assets | 4,778.55 | 2,890.78 |
| Total | 9,352.95 | 6,244.65 |

2.12 Equity Share Capital

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Authorised | | |
| 250,000,000 (250,000,000) equity shares of Re. 1/- each | 2,500.00 | 2,500.00 |
| Issued, subscribed and fully paid-up | | |
| 199,500,000 (66,500,000) equity shares of Re. 1/- each | 1,995.00 | 665.00 |
| Total | 1,995.00 | 665.00 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(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 Group has only one class of shares referred to as equity shares with a face value of Re. 1/- each. Each holder of equity share is entitled to one vote per share. The Group 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 Group, the holders of equity shares will be entitled to receive remaining assets of the Group 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, 2025 | | As at March 31, 2024 | |
|---|----------------------|----------|----------------------|--------|
| | 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: Bonus issued during the year | 13,30,00,000 | 1,330.00 | - | - |
| No. of shares as at the end of the financial year | 19,95,00,000 | 1,995.00 | 6,65,00,000 | 665.00 |

2.12.3 Particulars of shareholders holding more than 5% shares in the Company

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|-----------------------------|----------------------|--------------------|----------------------|--------------------|
| | No. of shares | % of total holding | No. of shares | % of total holding |
| Mr. Sabu M Jacob | 6,81,92,703 | 34.18 | 2,27,30,901 | 34.18 |
| Kitex Childrenswear Limited | 3,17,57,466 | 15.92 | 1,05,85,822 | 15.92 |
| Ms. Renjitha Joseph | 1,29,84,300 | 6.51 | 43,28,100 | 6.51 |
| C K G Super Market Limited | 92,57,910 | 4.64 | 36,00,000 | 5.41 |
| Ms. Usha C P | 90,11,573 | 4.52 | 34,96,690 | 5.26 |

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

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | | Change during the Year | |
|-----------------------------|----------------------|-------|----------------------|-------|------------------------|------|
| | No. of shares | % | No. of shares | % | No. of shares | % |
| Sabu M Jacob | 6,81,92,703 | 34.18 | 2,27,30,901 | 34.18 | 4,54,61,802 | 2.00 |
| Kitex Childrenswear Limited | 3,17,57,466 | 15.92 | 1,05,85,822 | 15.92 | 2,11,71,644 | 2.00 |
| Renjitha Joseph | 1,29,84,300 | 6.51 | 43,28,100 | 6.51 | 86,56,200 | 2.00 |
| Boby M Jacob | 97,917 | 0.05 | 32,639 | 0.05 | 65,278 | 2.00 |

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 2024-25 | 13,30,00,000 | 1,330.00 |

2.12.6 Pursuant to approval of shareholders dated December 29, 2024, Holding Company made bonus issue in the ratio of 2:1 i.e.2 (two) bonus equity share of ₹ 1 each for every 1 (one) fully paid-up equity shares held with record date January 17, 2025. Consequently on January 20, 2025, the Holding Company allotted 13,30,00,000 equity shares to shareholders who held 6,65,00,000 equity shares as on the record date of January 17, 2025 by transferring 1,330.00 lakhs (representing face value of ₹ 1 per share) from Retained earnings.

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.13 Other Equity

| | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Capital reserve | | |
| Investment subsidy | 22.10 | 22.10 |
| General reserve | | |
| Opening balance | 32,675.00 | 30,675.00 |
| Add: Transfer from retained earnings | 2,000.00 | 2,000.00 |
| Closing balance | 34,675.00 | 32,675.00 |
| Retained earnings | | |
| Opening balance | 57,118.98 | 54,497.28 |
| Add: Profit for the year | 13,574.60 | 5,583.05 |
| Add: Adjustment relating to NCI | 298.68 | 50.06 |
| Add: Re-measurements of post employment benefit obligations (net of tax) | (33.94) | (13.91) |
| | 70,958.32 | 60,116.48 |
| Less: | | |
| Transfer to general reserve | 2,000.00 | 2,000.00 |
| Payment of dividends | 997.50 | 997.50 |
| Issue of Bonus Shares | 1,330.00 | |
| Closing balance | 66,630.82 | 57,118.98 |
| Equity instrument through other comprehensive income | | |
| Opening balance | 7.96 | 3.88 |
| Add : Fair value changes on equity instruments carried through other comprehensive income (net of tax) | (1.49) | 4.08 |
| Closing balance | 6.47 | 7.96 |
| Total | 1,01,334.39 | 89,824.04 |
| 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 | 1,01,304.02 | 89,793.67 |

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 (31.03.2024: 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, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Secured | | |
| (a) Term loan from Banks (Refer note below) | 91,999.08 | 60,467.48 |
| Total | 91,999.08 | 60,467.48 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.14 Non current borrowings (Contd..)

2.14.1 Fair Valuation of guarantee given by NCI was adjusted to the term loan balance to the tune of Nil for the year ended March 31, 2025 (March 31, 2024 512.7 lakhs).

2.14.2 Term loan from Banks

Group have availed consortium loan to the sanctioned limit of 2,03,394 lakhs 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 Group, 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 Group 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 Subsidiary 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.

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.14 Non current borrowings (Contd..)

- (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.

2.15 Provisions

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Provision for gratuity [See note 2.15.2] | 946.51 | 801.02 |
| Provision for compensated absences [See note 2.15.2] | 222.45 | 186.65 |
| Total | 1,168.96 | 987.67 |

2.15.1 Short-term provisions of employee benefits is disclosed in note 2.21

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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Employers contribution to provident fund | 905.63 | 740.71 |
| Employers contribution to employees' state insurance | 201.11 | 163.28 |

2.15.2.b Defined benefit plans - gratuity: unfunded obligation

| (i) Actuarial Assumptions | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------|--|--|
| Discount rate (per annum) | 6.55% | 7.20% |
| 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.

| (ii) Reconciliation of present value of obligation | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Present value of obligation at the beginning of the year | 1,081.53 | 978.02 |
| Current service cost | 184.65 | 163.65 |
| Interest cost | 67.77 | 62.10 |
| Actuarial (gain)/ loss - financial assumptions | 42.50 | 5.61 |
| Actuarial (gain)/ loss - experience adjustments | 3.35 | 12.99 |
| Benefits paid | (122.95) | (140.84) |
| Present value of obligation at the end of the year | 1,256.85 | 1,081.53 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

| | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Contributions by the employer | 122.95 | 140.84 |
| Benefits paid | (122.95) | (140.84) |
| (iii) Expenses recognized in the statement profit and loss | | |
| Current service cost | 184.65 | 163.65 |
| Interest cost | 67.77 | 62.10 |
| Past service cost (if applicable) | 0.49 | - |
| Total expenses recognized in the statement of profit and loss for the year | 252.91 | 225.75 |
| (iv) Expenses recognized in other comprehensive income | | |
| Opening amount recognised in OCI outside profit and loss account | (226.57) | (245.17) |
| Re-measurements during the period due to | | |
| (a) Changes in financial assumptions | 42.50 | 5.61 |
| (b) Experience adjustments | 3.35 | 12.99 |
| Total re-measurements included in other comprehensive income (a+b) | 45.85 | 18.60 |
| Closing amount recognised in OCI outside profit and loss account | (180.72) | (226.57) |
| (v) Sensitivity analysis | | |
| Discount rate +50 basis points | (2.62%) | (2.54%) |
| Discount rate -50 basis points | 2.78% | 2.69% |
| Salary increase rate +50 basis points | 2.73% | 2.65% |
| Salary increase rate -50 basis points | (2.60%) | (2.52%) |
| (vi) Maturity Analysis of the Benefit payments | As at March 31, 2025 | As at March 31, 2024 |
| Year 1 | 310.33 | 280.52 |
| Year 2 | 175.35 | 142.72 |
| Year 3 | 147.66 | 144.14 |
| Year 4 | 150.58 | 118.46 |
| Year 5 | 131.70 | 118.98 |
| Next 5 years and above | 1,045.33 | 945.68 |

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, 2025 | As at March 31, 2024 |
|---------------------------|--|--|
| Discount rate (per annum) | 6.55% | 7.20% |
| 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.

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.16 Deferred Tax Liabilities (Net)

| Particulars | As at March 31, 2025 | 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 | 523.53 | 615.84 |
| On excess of fair value over cost of investments | 0.88 | 1.38 |
| B. Deferred tax assets : | | |
| On provisions for employee benefits | 413.21 | 356.37 |
| On provisions for Expected credit loss | 548.34 | - |
| Deferred tax liabilities (net) (A-B) | (437.14) | 260.85 |

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2025

| Particulars | As at April 01, 2024 | Recognised in profit or loss | Recognised in other comprehensive income | As at March 31, 2025 |
|---|-------------------------|---------------------------------|--|-------------------------|
| A. Deferred tax liability | | | | |
| On excess of net book value over income tax written down value of property, plant and equipment | 615.84 | (92.31) | - | 523.53 |
| On excess of fair value over cost of investments | 1.38 | | (0.50) | 0.88 |
| B. Deferred tax assets | | | | |
| On provisions for employee benefits | (356.37) | (45.43) | (11.41) | (413.21) |
| On provisions for Expected credit loss | - | (548.34) | - | (548.34) |
| Deferred tax liabilities (net) (A-B) | 260.85 | (686.08) | (11.91) | (437.14) |

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 quoted equity 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) | (3.31) | 260.85 |

2.17 Other Non-Current Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Deferred grant on capital subsidy [see note 2.25.1.(iii)] | 15,853.04 | 15,853.04 |
| Total | 15,853.04 | 15,853.04 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.18 Borrowings

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Loans repayable on demand from Banks (Secured) | 16,250.60 | 7,652.19 |
| Total | 16,250.60 | 7,652.19 |

Notes to Borrowings :

- (a) The Holding 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 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:

| Particulars | 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-25 | Inventory | 18,949.15 | 21,006.75 | (2,057.60) | Note |
| State Bank of India | Dec-24 | Inventory | 23,344.34 | 23,344.00 | 0.34 | 2.18(b).1 |
| State Bank of India | Sep-24 | Inventory | 22,748.74 | 22,749.00 | (0.26) | |
| State Bank of India | Jun-24 | Inventory | 17,834.50 | 17,462.00 | 372.50 | |
| State Bank of India | Mar-25 | Trade Receivables | 33,953.52 | 34,855.00 | (901.48) | |
| State Bank of India | Dec-24 | Trade Receivables | 34,811.30 | 35,439.55 | (628.25) | |
| State Bank of India | Sep-24 | Trade Receivables | 29,785.00 | 30,265.85 | (480.85) | |
| State Bank of India | Jun-24 | Trade Receivables | 29,959.96 | 20,510.11 | 9,449.85 | |

- (b). 1 Provisional figures are submitted to the Banks before finalisation of Books.
- (c) The average interest rate is 6.7% per annum (31.03.2024: 5.94%)
- (d) The Companies included in 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

| Particulars | Currency | Lenders Name | Repayment | Existing Interest Rate | Security |
|-----------------------|----------|---------------------|--|------------------------|--------------------------------------|
| Export Packing Credit | INR | State Bank of India | Upto 270 days | 7.66% | Note 2.18 (a) |
| Export Packing Credit | INR | Axis bank | Upto 180 days or expiry of contracts/export letters of credit for shipment, whichever is earlier | 7.95% | Secured in line with existing banks. |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.19 Trade Payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Trade payables | | |
| (i) Total outstanding dues of micro enterprises and small enterprises | 377.89 | 303.53 |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises | 7,359.10 | 5,206.61 |
| Total | 7,736.99 | 5,510.14 |

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, 2025 |
|---------------------------|-----------------|--|-------------|-------------|--------------|-------------------------|
| | | <1 Year | 1-2 Year | 2-3 Year | >3 Year | Total |
| (i) MSME | 377.89 | - | - | - | - | 377.89 |
| (ii) Others | 7285.30 | 16.46 | 2.67 | 2.00 | 52.65 | 7,359.10 |
| (iii) Disputed dues MSME | - | - | - | - | - | - |
| (iv) Disputed dues others | - | - | - | - | - | - |
| Total | 7,663.19 | 16.46 | 2.67 | 2.00 | 52.65 | 7,736.99 |

| 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 |

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, 2025, based on which, principal amount unpaid to such suppliers as at the year end aggregating to 377.89 lakhs (31.03.2024 :303.53 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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| a. Principal amount remaining unpaid but not due as at the year end. | 377.89 | 303.53 |
| 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, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.19 Trade Payables (Contd..)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| 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 | 377.89 | 303.53 |

2.20 Other Financial Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------|-------------------------|-------------------------|
| Creditors for Capital Goods | 54.16 | 40.05 |
| Retention money payable | 157.02 | 160.43 |
| Unpaid dividend | 67.35 | 69.17 |
| Other financial liabilities | 353.09 | 90.66 |
| Total | 631.62 | 360.31 |

2.21 Short-Term Provisions

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Provision for gratuity [See note 2.15.2] | 310.33 | 280.51 |
| Provision for compensated absences [See note 2.15.2] | 143.98 | 129.20 |
| Total | 454.31 | 409.71 |

2.22 Current Tax Liabilities (Net)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Current tax payable [net of advance tax of 3,600 lakhs (1,740 lakhs)] | 2,955.97 | 1,914.62 |
| Total | 2,955.97 | 1,914.62 |

2.23 Other Current Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Statutory dues | 213.47 | 180.69 |
| Deferred grant on capital subsidy [see note 2.25.1.(iii)] | - | 49.70 |
| Advance from customers | 68.67 | 27.31 |
| Other Current Liabilities | 351.83 | 100.23 |
| Total | 633.97 | 357.93 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.24 Revenue from operations

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Sale of products | 90,958.43 | 57,665.27 |
| A | 90,958.43 | 57,665.27 |
| Other operating revenues | | |
| Export entitlements | 4,960.31 | 2,905.21 |
| Job work charges | 1,230.05 | 637.08 |
| Scrap sales | 1,009.78 | 473.53 |
| Others** | 121.89 | 11.11 |
| B | 7,322.03 | 4,026.93 |
| Revenue from operations (A+B) | 98,280.46 | 61,692.20 |

**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, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Revenue recognised at a point in time | 98,280.46 | 61,692.20 |
| Sale of services recognised at a point in time | - | - |
| Total | 98,280.46 | 61,692.20 |

2.24.2 Summary of Contract Balances

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-------------------------|--------------------------------------|--------------------------------------|
| Trade Receivables | 33,953.52 | 25,681.29 |
| Advances from Customers | 68.67 | 27.31 |
| Total | 98,280.46 | 61,692.20 |

2.25 Other Income

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Interest income | 211.64 | 154.33 |
| Dividend Received | 0.11 | 0.04 |
| Rent received [see note- 2.38.2D] | 31.81 | 31.81 |
| Net gain on foreign currency transactions and translations | 1,541.13 | 765.53 |
| Gain on foreign currency transaction and translations | | 56.84 |
| Deferred grant income [see note 2.26.1(iii)] | 49.70 | 220.22 |
| Other non-operating incomes : | | |
| (a) Gain on sale of property, plant and equipment (net) | 9.34 | 7.46 |
| (b) Other Miscellaneous Income | 10.38 | 188.76 |
| Total | 1,854.11 | 1,424.99 |

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.

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.25 Other Income (Contd..)

- (ii) Grants in the nature of Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Scheme being re-imburement of employer's contribution to employee provident fund is deducted in the employee benefit expense amounting to Nil (31.03.2024: Nil).
- (iii) 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.
- (iv) Grants in the nature of re-imburement of interest cost on borrowings under the TUFS is disclosed under the head 'Other Income'.
- (v) Grants in the nature of re-imburement of expenditure under the ISDS Project is deducted from the heads of related expenses.
- (vi) 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.

2.26 Cost of Materials Consumed

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year | 3,990.50 | 3,601.99 |
| Add: Purchases | 45,102.79 | 30,131.32 |
| Less: Inventory at the end of the year | 5,169.15 | 3,990.50 |
| Total | 43,924.14 | 29,742.81 |

2.27 Changes in Inventories of Finished Goods and Work-in-Progress

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Inventories at the beginning of the year | | |
| Finished goods | 1,745.11 | 1,741.65 |
| Work-in-progress | 10,248.41 | 6,023.53 |
| | 11,993.52 | 7,765.18 |
| Less: Inventories at the end of the year | | |
| Finished goods | 1,095.35 | 1,745.11 |
| Work-in-progress | 12,577.69 | 10,248.41 |
| | 13,673.04 | 11,993.52 |
| Net increase | (1,679.52) | (4,228.34) |

2.28 Employee Benefits Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Salaries & wages | 13,155.03 | 9,601.86 |
| Contribution to provident and other funds (Refer note 2.16.2.a) | 1,106.74 | 903.99 |
| Gratuity expenses (Refer note 2.16.2.b) | 252.91 | 225.75 |
| Staff welfare expenses | 1,347.50 | 1,215.91 |
| Total | 15,862.18 | 11,947.51 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.29 Finance Costs

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Interest on export packing credit | 1,086.73 | 524.38 |
| Interest on income tax | 222.48 | 147.79 |
| Other borrowing cost | 92.51 | 61.02 |
| Total | 1,401.72 | 733.19 |

2.30 Depreciation and amortisation expense

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment [See note 2.01A] | 1,570.14 | 2,022.51 |
| Amortisation of intangible assets [See note 2.01C] | 4.36 | 48.23 |
| Total | 1,574.50 | 2,070.74 |

2.31 Other Expenses

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Processing charges | 6,731.27 | 3,172.95 |
| Consumption of stores and spares | 1,652.21 | 1,354.57 |
| Power and fuel | 4,090.86 | 3,292.67 |
| Repairs | | |
| - Building | 41.95 | 60.04 |
| - Plant & machinery | 487.05 | 466.28 |
| - Others | 527.95 | 411.40 |
| Other production expenses | 466.14 | 270.83 |
| Testing charges | 393.08 | 234.43 |
| Forwarding and transport on sales | 551.40 | 277.97 |
| Insurance | 148.05 | 129.40 |
| Rent [See note 2.40] | 211.04 | 121.55 |
| Rates and taxes | 150.70 | 50.61 |
| Travelling and conveyance | 269.15 | 140.59 |
| Payments to auditors | 32.20 | 24.78 |
| Advertisement and sales promotion | 151.81 | 195.01 |
| Professional and consultancy charges | 430.28 | 161.42 |
| Provision for Expected Credit Loss | 1,878.70 | 300.00 |
| Donation [See note 2.31.1] | 174.72 | 1,678.50 |
| Expenses on corporate social responsibility activities [See note 2.31.2] | 239.71 | 516.44 |
| Loss on foreign exchange | 75.93 | - |
| Miscellaneous expenses | 1,393.13 | 1,319.38 |
| Total | 20,097.33 | 14,178.82 |

2.31.1 Contribution to political parties as per section 182 of Companies Act, 2013 (Included in Donation) for the year ended March 31, 2025

Donation to Political parties - 146 lakhs (31.03.2024: 78.5 lakhs)

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.31 Other Expenses

2.31.2 Details of expenses on corporate social responsibility activities

- (a) Gross amount required to be spent by the Group during the year 237.42 lakhs (31.03.2024: 228.03 lakhs) towards CSR compliance as per Companies Act.
- (b) Amount Unspent from previous years : Nil
- (c) Amount approved by the Board to be spent during the year- 237.42 lakhs (31.03.2024 : 228.03 lakhs)
- (d) Amount spent during the financial year on :

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| (i) Construction / acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 239.71 | 516.45 |
| Total | 239.71 | 516.45 |

(e) Details of excess CSR expenditure

| Nature of Activity | Balance excess as at 01 April 2024 | Amount required to be spent during the year | Amount spent during the year | Balance excess to be carried over as at 31 March 2025* |
|---|--|--|------------------------------------|---|
| Agriculture and infrastructure development assistance | - | 237.42 | 239.71 | - |

* As per records filed with MCA.

(f) CSR Expenditure incurred with Related Parties

| Name | Nature of Relationship | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--------------------------------------|---|---|---|
| Twenty 20 Kizhakkambalam Association | Enterprises owned or significantly influenced by key management personal or their relatives | 237.00 | 515.00 |

2.32 Earnings per equity share

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Profit for the year | 13,873.27 | 5,633.11 |
| Weighted average number of equity shares of Re. 1/- each (fully paid-up) | 19,95,00,000 | 19,95,00,000 |
| Earnings per equity share - Basic & Diluted in | 6.95 | 2.82 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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.

2.33.2 Information regarding geographical revenue is as follows:

| Revenue from external customers | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---------------------------------|--------------------------------------|--------------------------------------|
| India | 13,631.16 | 10,394.51 |
| Outside India | | |
| - The United States (US) | 63,925.29 | 39,129.22 |
| - Others | 13,401.98 | 8,141.54 |
| Sale of products | 90,958.43 | 57,665.27 |

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, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| No of customers who contribute to more than 10 percent of the Group's revenue | 2 | 3 |
| Revenue from top customer | 51,530.62 | 30,121.14 |
| Revenue from customers contributing to more than 10 percent of the Group's revenue | 73,930.43 | 53,269.60 |

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) | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|---------------------------------|--------------------------------------|--------------------------------------|
| Financial assets measured at fair value through other comprehensive income | | | |
| Investments in equity shares - Quoted | 1 | 6.73 | 8.70 |

There have been no transfers between levels during the period

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(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, 2025 | As at March 31, 2024 |
|---|----------|-------------------------|-------------------------|
| Financial assets measured at fair value through other comprehensive income | | | |
| Investments in equity shares - Quoted | 2.02 | 6.73 | 8.70 |
| Financial assets measured at amortised cost | | | |
| Non current : | | | |
| (i) Security deposits | 2.03 | 228.96 | 224.63 |
| (ii) Bank Deposit | 2.03 | - | 24.34 |
| (iii) Other Financial Assets | 2.03 | 888.47 | 1,462.67 |
| Current : | | | |
| (i) Trade receivables | 2.07 | 33,953.52 | 25,681.29 |
| (ii) Cash and cash equivalents | 2.08 | 3,939.66 | 4,981.26 |
| (iii) Bank balances other than (ii) above | 2.09 | 2,830.28 | 1,942.16 |
| (iv) Other financial assets | 2.10 | 3,279.06 | 2,900.88 |
| Financial assets measured at cost | | | |
| Non current | | | |
| (i) Investments in equity shares - Unquoted | 2.02 | - | - |
| | | 45,126.68 | 37,225.93 |
| Financial Liabilities measured at amortised cost | | | |
| Current | | | |
| (i) Borrowings | 2.18 | 16,250.60 | 7,652.19 |
| (ii) Trade payables | 2.19 | 7,736.99 | 5,510.14 |
| (iii) Other financial liabilities | 2.20 | 631.62 | 360.31 |
| Non Current | | | |
| (i) Borrowing | 2.14 | 91,999.08 | 60,467.48 |
| | | 1,16,618.29 | 73,990.12 |

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, 2025 | Less than 1 year | 1 year to 5 years | More than 5 years | Total |
|--|------------------|-------------------|-------------------|-----------|
| Borrowings | 16,250.60 | - | - | 16,250.60 |
| Trade payable | 7,679.65 | 57.33 | - | 7,736.99 |
| Other financial liabilities (current) | 631.62 | - | - | 631.62 |
| Other financial liabilities (non current) | - | - | - | - |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(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, 2024 | Less than 1 year | 1 year to 5 years | More than 5 years | Total |
|--|------------------|-------------------|-------------------|----------|
| Borrowings | 7,652.19 | - | - | 7,652.19 |
| Trade payable | 5,499.73 | 10.41 | - | 5,510.14 |
| Other financial liabilities (current) | 360.31 | - | - | 360.31 |
| Other financial liabilities (non current) | - | 773.94 | 144.56 | 918.50 |

2) Market risk

As the Group 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 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, 2025 | As at March 31, 2024 |
|--------------------|-------------------------|-------------------------|
| Assets | | |
| USD | 443.17 | 297.38 |
| JPY | 0.58 | - |
| HKD | 0.01 | 0.02 |
| EUR | 0.00 | 0.00 |
| Liabilities | | |
| EUR | 5.81 | 1.73 |
| USD | 24.39 | 10.56 |
| GBP | 0.28 | 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, 2025 | Impact in statement of profit and loss for 1% change March 31, 2025 |
|----------------------------|--|--|
| Sensitivity | | |
| INR/USD (Net receivable) | 358.39 | 239.13 |
| INR/EUR (Net payable) | 5.28 | 1.55 |
| INR/GBP (Net Payable) | 0.30 | 0.29 |
| INR/HKD (Net payable) | 0.00 | - |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.35 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 Group's profit before tax is affected through the impact on floating rate borrowings as follows :

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Variable rate instruments | | |
| Financial liability - Loans repayable on demand from banks | 16,250.60 | 7,652.19 |
| Financial liability | 16,250.60 | 7,652.19 |

Cash flow sensitivity for variable rate instruments

| Particulars | Impact on Profit or (Loss) | |
|-------------------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
| Sensitivity | | |
| 50 BPS increase in rate | 81.25 | 38.26 |
| 50 BPS decrease in rate | (81.25) | (38.26) |

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, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Balance at the beginning of the year | 300.00 | - |
| Loss allowance measured at lifetime expected credit losses | | |
| Loss allowance Provided during the year | 1,200.00 | 300.00 |
| Balance at the end of the year | 1,500.00 | 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.

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.36 Capital Management (Contd..)

As at March 31, 2025, the Group has only one class of equity shares and is virtually debt-free. The Group is not subject to any externally imposed capital requirements.

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| Equity attributable to share holders | 1,03,299.00 | 90,458.67 |
| Borrowings | 1,08,249.68 | 71,132.36 |
| Less: Cash and cash equivalents | 3,939.66 | 4,981.26 |
| Net debt | 1,04,310.02 | 66,151.10 |
| Total capital (equity + debt) | 2,07,609.02 | 1,56,609.77 |
| Net debt to capital ratio | 0.502 | 0.422 |

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, 2025 | | As at March 31, 2024 | |
|--|--|--------------------|--|--------------------|
| | 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 | 91.39% | 1,10,562.82 | 93.30% | 96,300.44 |
| subsidiaries | 46.31% | 56,024.02 | 0.39 | 40,480.97 |
| Non Controlling interest in all subsidiaries | 14.61% | 17,678.27 | 12.36% | 12,754.25 |
| Elimination on account of consolidation | (52.31)% | (63,287.86) | (44.88)% | (46,322.74) |
| Total | 100.00% | 1,20,977.27 | 100.00% | 1,03,212.92 |

| Name of the entity | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|--|--------------------------------------|------------------|--------------------------------------|-----------------|
| | 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 | 112.68% | 15,295.33 | 122.13% | 6,818.78 |
| Subsidiaries | (11.55%) | (1,567.31) | (15.74)% | (879.05) |
| Non Controlling interest in all subsidiaries | (2.20%) | (298.67) | (0.90)% | (50.06) |
| Elimination on account of consolidation | 1.07% | 145.25 | (5.49)% | (306.62) |
| Total | 100.00% | 13,574.60 | 100.00% | 5,583.05 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(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..)

| Name of the entity | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | |
|--|--|-----------------|--|-----------------|
| | 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% | (35.43) | 100.00% | (9.84) |
| 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% | (35.43) | 100.00% | (9.84) |

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:

| | 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, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| | | Kitex Apparel Parks Limited | India | 70% | 70.00% |

| Information regarding NCI | March 31, 2025 | March 31, 2024 |
|-----------------------------|----------------|----------------|
| Accumulated balances of NCI | 17,678.27 | 12,754.25 |
| loss allocated to NCI | (298.67) | (50.06) |

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, 2025 | March 31, 2024 |
| Current Assets | 5,507.74 | 3,205.42 |
| Current Liability | 2,638.94 | 407.66 |
| Net Current Assets | 2,868.80 | 2,797.76 |
| Non-current Assets | 1,62,806.35 | 1,10,304.15 |
| Non-current Liabilities | 1,06,731.53 | 70,571.73 |
| Net Non-current Assets | 56,074.82 | 39,732.42 |
| Net Assets | 58,943.62 | 42,530.18 |
| Accumulated non-controlling interests | 17,678.27 | 12,754.25 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(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..)

| Summarised Statement of Profit or Loss | Kitex Apparel Parks Limited | |
|--|-----------------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Other expenses | 554.72 | 340.45 |
| loss before tax | (995.56) | (166.86) |
| Income tax | - | - |
| loss for the year | (995.56) | (166.86) |
| Other comprehensive income | - | - |
| Total comprehensive income | (995.56) | (166.86) |
| loss allocated to NCI | (298.67) | (50.06) |

| Summarised Cash flows | Kitex Apparel Parks Limited | |
|---|-----------------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Cash flow from operating activities | (1,859.66) | (2,476.83) |
| Cash flow from investing activities | (41,557.03) | (60,830.62) |
| Cash flow from financing activities | 43,508.88 | 63,266.18 |
| Net increase /(decrease) in cash and cash equivalents | 92.19 | (41.27) |

2.37B Investments accounted using equity method

| Name of entity | Place of business/ country of incorporation | % Ownership interest | | Carrying Value of Investments | |
|----------------|---|----------------------|----------------|-------------------------------|----------------|
| | | March 31, 2025 | March 31, 2024 | March 31, 2025 | March 31, 2024 |
| 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 | As at / For the year ended |
|------------------------------|----------------------------|----------------------------|
| | March 31, 2025 | March 31, 2024 |
| Current assets | 7,231.62 | 4,614.30 |
| Non current assets | 531.43 | 481.96 |
| Current liabilities | 12,427.64 | 10,612.75 |
| Revenue from operations | 9,050.69 | 5,189.77 |
| Profir/(Loss) for the period | 740.56 | (2,194.12) |
| Other comprehensive income | - | - |
| Total comprehensive loss | 740.56 | (2,194.12) |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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, 2025

2.38.1 List of related parties

A Key managerial personnel

- (i) Mr. Sabu M Jacob, Managing Director
- (ii) Ms. Sindhu Chandrasekhar, Whole Time Director
- (iii) Mr. Bobby Michael, Chief Financial Officer
- (iv) Ms. Dayana Joseph, Company secretary

B Enterprise owned or significantly influenced by key management personnel or their relatives

- (i) Kitex Childrenswear Limited
- (ii) Kitex Limited
- (iii) Anna Aluminium Group Private Limited
- (iv) Scoobee Day Garments (India) Limited
- (v) Anna Aluminium Vessels
- (vi) Kitex Herbals Limited
- (vii) Kitex Building Systems (earlier Kitex Apparels Limited)
- (viii) Kitex Infantswear Limited
- (ix) Twenty 20 Kizhakkambalam Association
- (x) Kitex Building Systems LLC
- (xi) Sara spices Private Limited

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, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| (i) Kitex Childrenswear Limited | | |
| Revenue from sale of goods and services (including expenses recovered) | 10,605.92 | 10,244.27 |
| Purchases of goods and services (including reimbursements) | 5,382.35 | 2,809.42 |
| (ii) Kitex Limited | | |
| Revenue from sale of goods and services (including expenses recovered) | 624.85 | 100.69 |
| Purchases of goods and services (including reimbursements) | 1,049.75 | 61.31 |
| (iii) Anna Aluminium Group Private Limited | | |
| Revenue from sale of goods and services (including expenses recovered) | 0.78 | 0.60 |
| Purchases of goods and services (including reimbursements) | 0.12 | 1.32 |
| (iv) Anna Aluminium Vessels | | |
| Purchases of goods and services (including reimbursements) | 0.02 | |
| (v) Sara Spices Private Limited | | |
| Purchases of goods and services (including reimbursements) | 51.28 | 63.68 |
| (vi) Scoobee Day Garments (India) Limited | | |
| Revenue from Sale of goods and services (including exp recovered) | 1,641.23 | |
| Purchases of goods and services (including reimbursements) | 2,032.53 | |
| (vii) Twenty 20 Kizhakkambalam Association | | |
| Donation paid | 265.00 | 515.00 |
| Payment towards corporate social responsibility activities | - | - |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

| B Key management personnel | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---------------------------------------|--|--|
| (i) Mr. Sabu M Jacob | | |
| Remuneration paid | 1,059.67 | 331.61 |
| (ii) Ms. Sindhu Chandrasekharn | | |
| Remuneration paid | 28.49 | 21.01 |
| (iii) Mr. Boby Michael | | |
| Remuneration paid | 48.37 | 46.00 |
| (iv) Ms. Dayana Joseph | | |
| Remuneration paid | 15.08 | 7.05 |

| C Associate enterprise | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|-------------------------------|--|--|
| (i) Kitex USA LLC | | |
| Sale of readymade garments | 3,396.85 | 1,371.08 |
| Sales commission paid | 1,570.19 | 976.40 |

2.38.3 Outstanding amounts carried in the balance sheet as at March 31, 2025

A Enterprises owned or significantly influenced by key management personnel or their relatives:

| Name of related party | As at March 31, 2025 | As at March 31, 2024 |
|---|---------------------------------|---------------------------------|
| (i) Kitex Childrenswear Limited | | |
| Trade receivables | 603.54 | 4,589.48 |
| (ii) Kitex Limited | | |
| Trade receivables | | 1.99 |
| Trade payables | 2.64 | - |
| (iii) Anna Aluminium Company Private Limited | | |
| Trade receivables | 0.79 | - |
| Trade payables | - | - |
| (iv) Sara Spices Private Limited | | |
| Trade payables | 1.06 | 5.83 |
| (v) Scoobee Day Garments (India) Limited | | |
| Trade receivables | 30.80 | |

B Key management personnel

| Name of related party | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------|---------------------------------|---------------------------------|
| (i) Mr. Sabu M Jacob | | |
| Remuneration payable | 956.67 | 393.27 |
| (ii) Ms. Sindhu Chandrasekhar | | |
| Remuneration payable | 2.45 | 1.85 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

2.38 Related Party Disclosure (Contd..)

C Associate enterprise

| Name of related party | As at March 31, 2025 | As at March 31, 2024 |
|----------------------------------|-------------------------|-------------------------|
| (i) Kitex USA LLC | | |
| Trade receivables | 12,277.58 | 10,225.12 |
| Kitex USA LLC Trade Payable | 1,936.03 | 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 un hedged items as at Balance Sheet date is as under:

| | As at March 31, 2025 | | As at March 31, 2024 | |
|--------------------|----------------------|-----------|----------------------|-----------|
| | Foreign Currency | INR | Foreign Currency | INR |
| Assets | | | | |
| EUR | - | 0.28 | - | 0.27 |
| USD | 443.17 | 37,927.03 | 297.38 | 24,793.43 |
| HKD | 0.01 | 0.11 | 0.02 | 0.26 |
| Liabilities | | | | |
| EUR | 5.81 | 528.08 | 1.73 | 155.17 |
| USD | 24.39 | 2,087.54 | 10.56 | 880.58 |
| GBP | 0.28 | 28.96 | 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 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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Amount charged to statement of profit and loss account during the year | | |
| Rent for premises | 106.61 | 84.16 |
| Rent for equipment | 91.96 | 27.50 |
| Total | 198.57 | 111.66 |

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(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, 2025.

2.41.1 Contingent liabilities not provided for:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| 1. Claims against the Group not acknowledged as debts being demand raised against the Group, disputed on Appeal before various Appellate authorities. | | |
| (ii) Income tax dues [Paid under protest include 108.57 lakhs (31.03.2024: 108.57 lakhs)] | 1,007.80 | 318.35 |
| 2. Bank guarantees | 2,113.57 | 2,095.54 |
| 3. Guarantee given to Bank for loans taken by a subsidiary Group Kitex Apparel Parks Limited for setting up of manufacturing facility | 64,399.36 | 42,686.12 |
| Total | 67,520.73 | 45,100.01 |

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 nil (77.59 Lakhs). The export obligation to be fulfilled as per license is up to 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): 717.97 lakhs (31.03.2024: 578.66 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 29, 2025 Board of Directors of the Holding Company have proposed a final dividend of 0.50 per share in respect of the year ended March 31, 2025 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes forming part of Consolidated financial statements

for the year ended March 31, 2025

(All amounts are stated in lakhs unless stated otherwise)

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).
- (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) Pursuant to the meeting of Board of directors held on February 14, 2025, approval was granted for the Scheme of Arrangement between Kitex Childrenswear Limited (KCL) and the Holding Company and their respective shareholders and creditors, in compliance with Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, providing for demerger of textile business of KCL into the Holding Company, which will be given effect on obtaining the necessary regulatory approvals.
- (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 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: June 23, 2025

For and on behalf of the Board of Directors of
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Boby Michael
Chief Financial Officer

Place : Kizhakkambalam
Date: June 23, 2025

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Dayana Joseph
Company Secretary
ICSI M.No.A61808

Statement on Impact of Audit Qualifications

(For audit report with modified opinion on Consolidated Audited Financial Statements for the year ended March 31, 2025 as stipulated in Regulation 33 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 | 1,00,134.57 | 1,00,134.57 |
| | 2 | Total Expenditure | 81,180.35 | 81,180.35 |
| | 3 | Net Profit/(Loss) | 13,574.60 | 13,574.60 |
| | 4 | Earnings Per Share | 6.95 | 6.95 |
| | 5 | Total Assets | 2,58,661.80 | 2,58,661.80 |
| | 6 | Total Liabilities | 1,37,684.54 | 1,37,684.54 |
| | 7 | Net Worth | 1,20,977.27 | 1,20,977.27 |
| | 8 | Any other financial item(s) (as felt appropriate by the management) | - | - |

Audit Qualification:

a. Details of Audit Qualification:

The Group has an investment in Kitex USA LLC, an Associate Company amounting to Rs 2,776.24 lakhs (March 31, 2024: Rs 2,776.24 lakhs), which has been written off in consolidated financial results due to recognition of Group's share of loss of associate to extent of investment. The Group also, has trade receivables from Associate amounting to Rs. 12,277.57 lakhs as at March 31, 2025 (March 31, 2024: Rs. 10,225.12 lakhs) which is considered good and recoverable by management of Holding Company based on future projected cash flows considering the proposed changes in the business plan, forecasted future revenue growth and increased margin contributions. For the year ended March 31, 2025, the management of the Holding Company has not been able to provide corroborative evidence to substantiate the reasonableness of the abovementioned unobservable inputs. Accordingly, we are unable to comment on the recoverability of the trade receivable balances from Kitex USA, LLC as at March 31, 2025. (Refer Note 6 to the consolidated 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 management of the Company considers the trade receivables from the Associate to be good and recoverable based on the evaluation of the future projected cash flows which considers the proposed changes in the business plan, forecasted revenue growth, increased margin contributions etc.

iii. Auditors' Comments on (i) or (ii) above: No further comments

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

Geetha Jeyakumar
Partner
Membership No.029409

For **Kitex Garments Limited**
Kitex Garments Limited
CIN: L18101KL1992PLC006258

Sindhu Chandrsekharan
Whole-Time Director
DIN: 06434415

Boby Michael
Chief Financial Officer

C P Philipose
Chairman of Audit Committee
DIN: 01125157

KITEX

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