

KITEX
Kitex Garments Limited

(CIN: L18101KL1992PLC006528)
P. B. No. 5, Kizhakkambalam,
Alwaye, Kochi, Kerala, 683562
Phone: 91 484 4142000,
Fax: 91 484 2680604
Email: sect@kitexgarments.com
website: www.kitexgarments.com

Ref: KGL/SE/2019-20/NOV/02

November 9, 2019

To,

<p>The Secretary BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort Mumbai, Maharashtra - 400 001</p> <p>Script No: 521248</p>	<p>The Secretary National Stock Exchange of India Ltd 'Exchange Plaza', Bandra - Kurla Complex Bandra (E), Mumbai, Maharashtra - 400051</p> <p>Script No: KITEX</p>
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Dear Sir/ Ma'am,

Sub: - **FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019**

In connection of our letter dated October 31, 2019 and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the unaudited financial results (Standalone and Consolidated) along with limited review report for the quarter ended September 30, 2019 duly reviewed and recommended by the Audit Committee and approved by the Board of the Company, at its meeting held today.

The Board meeting commenced at 11.00 A.M. and concluded at 2:30 PM.

Please take the above on record and acknowledge the receipt.

Thanking you,

For **Kitex Garments Limited**


CS. Mithun B Shenoy
Company Secretary & Compliance officer



Independent Auditor's Review Report on standalone unaudited quarterly and year to date financial results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended

**Review Report to
The Board of Directors
Kitex Garments Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Kitex Garments Limited ('the Company') for the quarter ended September 30, 2019 and the year to-date results for the period April 01, 2019 to September 30, 2019 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'). Attention is drawn to the fact that net cash inflows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these standalone unaudited financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



MSKA

& Associates

Chartered Accountants

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W



Geetha Jeyakumar
Partner
Membership No.: 029409
UDIN: 19029409 AAAAFC3310

Place: Kochi
Date: November 09, 2019



Independent Auditor's Review Report on consolidated unaudited quarterly and year to date financial results of the Group and its Associate pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended

Review Report
The Board of Directors
Kitex Garments Limited

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Kitex Garments Limited ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its associate for the quarter ended September 30, 2019 and the year to-date results for the period from April 01, 2019 to September 30, 2019 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations'). Attention is drawn to the fact that the figures for the corresponding quarter ended September 30, 2018 and the corresponding year-to-date from April 1, 2018 to September 30, 2018 and net cash inflows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these consolidated unaudited financial results have been approved by the Holding Company's Board of Directors but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. This Statement includes the results of the following entities:

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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement are prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W



Geetha Jeyakumar
Partner
Membership No.: 029409
UDIN: 19029409AAAAFD9389



Place: Kochi
Date: November 09, 2019



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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

Ref:		Rupees in Lakhs					
Date:		Standalone					
Particulars	For the Quarter ended			For the Half year ended		Year ended	
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1 Income							
(a) Revenue from Operations	19,646.59	14,555.80	16,785.26	34,202.39	29,069.97	60,680.46	
(b) Other Income	1,272.73	108.52	1,325.04	1,381.25	2,266.55	2,246.01	
Total Income	20,919.32	14,664.32	18,110.30	35,583.64	31,336.52	62,926.47	
2 Expenses							
(a) Cost of Materials Consumed	9,293.01	6,813.64	9,039.33	16,106.65	14,913.53	28,280.74	
(b) Changes in Inventories of finished goods, work in progress	(871.71)	(1,087.22)	(1,069.58)	(1,958.93)	(2,345.92)	(3,644.54)	
(c) Employee Benefits Expense	3,074.85	2,487.85	2,631.89	5,562.70	5,126.36	10,508.83	
(d) Finance Costs	136.85	116.82	79.27	253.67	107.20	388.00	
(e) Depreciation and amortisation expense	663.53	675.76	680.96	1,339.29	1,342.37	2,726.25	
(f) Other Expenses	4,250.99	3,330.24	2,602.45	7,581.23	5,030.63	11,648.18	
Total Expenses	16,547.52	12,337.09	13,964.32	28,884.61	24,174.17	49,907.46	
3 Profit before tax (1-2)	4,371.80	2,327.23	4,145.98	6,699.03	7,162.35	13,019.01	
4 Tax expense							
Current Tax	934.41	967.00	1,652.00	1,901.41	2,918.00	5,107.00	
Deferred Tax	(398.26)	(92.38)	(121.78)	(490.64)	(228.48)	(233.54)	
5 Net Profit for the period/year (3-4)	3,835.65	1,452.61	2,615.76	5,288.26	4,472.83	8,145.55	
6 Other Comprehensive Income/(Loss) (net of tax)							
Items that will not be reclassified to profit or loss							
(a) Remeasurements of post employment benefit obligations	-	-	-	-	-	(21.61)	
(b) Fair value changes on Equity Instruments carried through other Comprehensive income	(2.92)	0.57	(1.13)	(2.35)	(2.50)	-	
(c) Income tax relating to items that will not be reclassified to profit or loss	(0.59)	-	-	(0.59)	-	-	
Items that will be reclassified to profit or loss	-	-	-	-	-	-	
7 Total Comprehensive Income for the period (5+6)	3,832.14	1,453.18	2,614.63	5,285.32	4,470.33	8,123.94	
8 Paid-up equity share capital (Face Value Re.1 per share)	665	665	665	665	665	665	
9 Earnings Per Share (In Rupees) (of Re. 1/- each) (Not Annualised)							
(a) Basic	5.77	2.18	3.93	7.95	6.73	12.25	
(b) Diluted	5.77	2.18	3.93	7.95	6.73	12.25	



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Ref:

Date:

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2019

Rupees in Lakhs

Particulars	Consolidated					
	For the Quarter ended			For the Half year ended		Year ended
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from Operations	19,646.59	14,555.80	16,785.26	34,202.39	29,069.97	60,680.46
(b) Other Income	1,069.98	110.26	1,325.04	1,180.24	2,266.55	2,247.12
Total Income	20,716.57	14,666.06	18,110.30	35,382.63	31,336.52	62,927.58
2 Expenses						
(a) Cost of Materials Consumed	9,293.01	6,813.64	9,039.33	16,106.65	14,913.53	28,280.74
(b) Changes in Inventories of finished goods, work in progress	(871.71)	(1,087.22)	(1,069.58)	(1,958.93)	(2,345.92)	(3,644.54)
(c) Employee Benefits Expense	3,074.85	2,487.85	2,631.89	5,562.70	5,126.36	10,508.83
(d) Finance Costs	136.85	116.82	79.27	253.67	107.20	388.00
(e) Depreciation and amortisation expense	663.53	675.76	680.96	1,339.29	1,342.37	2,726.25
(f) Other Expenses	4,204.91	3,388.16	2,602.45	7,593.07	5,030.63	11,667.95
Total Expenses	16,501.44	12,395.01	13,964.32	28,896.45	24,174.17	49,927.23
3 Profit before tax (1-2)	4,215.13	2,271.05	4,145.98	6,486.18	7,162.35	13,000.35
4 Tax expense						
Current Tax	934.41	967.00	1,652.00	1,901.41	2,918.00	5,107.00
Deferred Tax	(398.26)	(92.38)	(121.78)	(490.64)	(228.48)	(233.54)
5 Net Profit for the period /year (3-4)	3,678.98	1,396.43	2,615.76	5,075.41	4,472.83	8,126.89
6 Share of loss of Associate	-	-	(378.12)	-	(982.34)	(982.34)
7 Net Profit for the period /year after Share of Loss of Associate (5+6)	3,678.98	1,396.43	2,237.64	5,075.41	3,490.49	7,144.55
8 Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
(a) Remeasurements of post employment benefit obligations	-	-	-	-	-	(21.61)
(b) Fair value changes on Equity Instruments carried through other Comprehensive income	(2.92)	0.57	(1.13)	(2.35)	(2.50)	-
(c) Income tax relating to items that will not be reclassified to profit or loss	(0.59)	-	-	(0.59)	-	-
Items that will be reclassified to profit or loss	-	-	-	-	-	(42.70)
9 Total Comprehensive Income for the Period (5+6)	3,675.47	1,397.00	2,236.51	5,072.47	3,487.99	7,080.24
10 Paid-up equity share capital (Face Value Re.1 per share)	665	665	665	665	665	665
11 Earnings Per Share (In Rupees)						
(of Re. 1/- each) (Not Annualised)						
(a) Basic	5.53	2.10	3.36	7.63	5.25	10.74
(b) Diluted	5.53	2.10	3.36	7.63	5.25	10.74





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Note 3

Rupees in Lakhs

Ref:

Date:

STATEMENT OF ASSETS AND LIABILITIES		Standalone		Consolidated	
Sl No	Particulars	As at	As at	As at	As at
		30.09.2019	31.03.2019	30.09.2019	31.03.2019
		Unaudited	Audited	Unaudited	Audited
A	ASSETS				
1	Non-current assets				
	(a) Property, Plant and Equipment	17,652.36	16,387.65	22,862.15	21,389.13
	(b) Capital work-in-progress	1,842.23	3,763.58	1,842.23	3,763.58
	(c) Other Intangible assets	30.71	49.93	30.71	49.93
	(d) Intangible assets under development	226.52	223.25	226.52	223.25
	(e) Financial Assets				
	(i) Investments	3,020.57	2,922.92	4.33	6.92
	(ii) Other financial assets	5,557.84	5,146.56	187.73	224.89
	(f) Non-Current Tax Assets	275.93	275.93	275.93	275.93
	(g) Other non-Current Assets	358.41	316.90	563.31	316.90
	Total Non current Assets	28,964.57	29,086.72	25,992.91	26,250.53
2	Current assets				
	(a) Inventories	17,957.76	12,888.02	17,957.76	12,888.02
	(b) Financial Assets				
	(i) Trade receivables	19,192.43	16,531.54	19,192.43	16,531.54
	(ii) Cash and Cash Equivalents	9,069.54	9,406.27	9,069.54	9,406.27
	(iii) Bank balances other than (ii) above	658.62	457.46	775.58	489.00
	(iv) Other financial assets	2,795.39	1,470.36	2,588.91	1,470.36
	(c) Other Current Assets	7,252.92	8,721.80	7,252.92	8,731.80
	Total Current Assets	56,926.66	49,475.45	56,837.14	49,516.99
	TOTAL ASSETS	85,891.23	78,562.17	82,830.05	75,767.52
B	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity Share Capital	665.00	665.00	665.00	665.00
	(b) Other Equity	62,561.47	58,478.68	59,500.28	55,684.02
	Total Equity	63,226.47	59,143.68	60,165.28	56,349.02
	Liabilities				
2	Non-current liabilities				
	(a) Provisions	821.47	777.92	821.47	777.92
	(b) Deferred tax liabilities (Net)	848.29	1,338.94	848.29	1,338.94
	(c) Other Non Current Liabilities	592.10	669.59	592.10	669.59
	Total Non-Current Liabilities	2,261.86	2,786.45	2,261.86	2,786.45
3	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	9,180.85	8,668.30	9,180.85	8,668.30
	(ii) Trade payables				
	- Total outstanding dues to Micro and Small Enterprises	56.60	102.61	56.60	102.61
	- Total outstanding dues to creditors other than Micro and	7,154.49	4,107.98	7,154.49	4,107.98
	(iii) Other financial liabilities	565.89	747.30	565.89	747.30
	(b) Other Current Liabilities	525.61	401.72	525.62	401.73
	(c) Provisions	289.61	265.07	289.61	265.07
	(d) Current Tax Liabilities (Net)	2,629.85	2,339.06	2,629.85	2,339.06
	Total Current Liabilities	20,402.90	16,632.04	20,402.91	16,632.05
	TOTAL EQUITY AND LIABILITIES	85,891.23	78,562.17	82,830.05	75,767.52



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 Note 4

Cash Flow Statement for the half year ended September 30, 2019

Rupees in Lakhs

Particulars	Standalone		Consolidated	
	For the year ended 30.09.2019	For the year ended 30.09.2018	For the year ended 30.09.2019	For the year ended 30.09.2018
A. CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit before taxation	6699.03	7162.35	6486.19	7162.35
Adjustments for increase/(decrease) in operations:				
Depreciation/Amortisation	1339.29	1342.37	1339.29	1342.37
Unrealised foreign exchange (gain)/loss-net	(963.64)	(496.09)	(963.64)	(496.09)
Interest income	(229.67)	(23.42)	(229.67)	(23.42)
Deferred Grant Income	(77.49)	(77.49)	(77.49)	(77.49)
Loss/(profit) on sale of assets-net	6.83	0.21	6.83	0.21
Sundry Balance written back	(0.17)	0.00	(0.17)	0.00
Interest expense	253.67	107.20	253.67	107.20
	7027.85	8015.13	6615.01	8015.13
Operating profit before working capital changes				
Adjustments for:				
Trade and other receivables	(1933.60)	(7250.43)	(1922.02)	(7250.43)
Inventories	(5069.74)	(2912.91)	(5069.74)	(2912.91)
Trade, other payables and provisions	3161.63	3090.98	3161.63	3090.98
Cash generated from operations	3186.14	942.77	2984.88	942.77
Direct taxes paid (net of refunds)	(1611.21)	(1708.38)	(1611.21)	(1708.38)
Cash from operating activities	1574.93	(765.61)	1373.67	(765.61)
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Property plant and equipments	(643.93)	(1200.33)	(852.24)	(1200.33)
Sale of Property plant and equipments	15.19	0.07	15.19	0.07
Purchase of investments	(100.00)	(129.97)	0.00	(129.97)
Interest received	26.77	25.20	26.77	25.20
Advances to Wholly owned Subsidiaries	(394.99)	0.00	(85.42)	0.00
Net cash used in investing activities	(1096.96)	(1305.03)	(895.70)	(1305.03)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from short term borrowings	314.55	6335.37	314.55	6335.37
Interest paid	(255.18)	(108.42)	(255.18)	(108.42)
Dividend/dividend distribution tax paid	(1183.82)	(599.47)	(1183.82)	(599.47)
Net cash generated / (used) in financing activities	(1124.45)	5627.48	(1124.45)	5627.48
Net Increase /(decrease) in cash and cash equivalents (A+B+C)	(646.48)	3556.84	(646.48)	3556.84
Effect of unrealised foreign exchange (gain) / loss	309.75	163.31	309.75	163.31
Cash and cash equivalents at the beginning of the year	9406.27	9268.03	9406.27	9268.03
Cash and cash equivalents at the end of the year	9069.54	12988.18	9069.54	12988.18
Net Increase /(decrease) in cash and cash equivalents	(646.48)	3556.84	(646.48)	3556.84



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Notes:

- 5 The Consolidated results for the Quarter and half year ended September 30, 2019 were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 9, 2019 and have been subjected to limited review by the Statutory Auditor of the Company. The unaudited standalone and consolidated financial results are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013
- 6 In accordance with Ind AS 108 on "Operating Segments", the Company operates in one business segment viz. Textiles Business and hence has only one reportable segment.
- 7 Ind AS 116 " Leases" , has been recently introduced effective April 01,2019, and its application did not have any significant impact on recognition and measurement of leases in the financial results including the retained earnings as at April 01, 2019.
- 8 The company elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognized provision for Income tax for the Quarter and Half Year ended 30 September 2019 and re-measured its deferred tax liabilities (Net) based on the rate prescribed in the said Ordinance. The full impact of this change has been recognized in the statement of profit and loss and other comprehensive income, for the quarter and half year ended September 30, 2019.
- 9 Previous year/ period's figures have been regrouped/recast, wherever necessary, to conform to the classification on the current period's classification.

Place : Kizhakkambalam
Date : November 09, 2019

For Kitex Garments Ltd

Sabu M Jacob
Managing Director
DIN:00046016

