

**KITEX****Kitex Garments Limited**P.B.NO.5, KIZHAKKAMBALAM-683562, KOCHI, KERALA, INDIA
PHONE: 91 484 4142000, FAX: 91 484 2680604E mail: kg1@kitexgarments.com
CIN: L18101KL1992PLC006528
www.kitexgarments.com

Ref: KGL/SE/2018-19/FEB/01

Ref:

February 14, 2019

Date:

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: - **OUTCOME OF THE BOARD MEETING HELD TODAY**

We hereby inform you that Board of Directors at its meeting held today inter-alia transacted the following items:

1. FINANCIAL RESULTS

Considered and approved the un-audited financial results of the Company for the quarter and nine months ended December 31, 2018. Copy of the un-audited financial results along with the Limited Review Report furnished by the Auditors of the Company is enclosed herewith for your reference and record.

We are also enclosing herewith a copy of the presentation to analysts/ investors on financial results of the Company for the quarter ended December 31, 2018.

2. APPROVAL OF SHAREHOLDERS BY WAY OF POSTAL BALLOT

Approved the postal ballot notice which entails the approval of shareholders by way of Special Resolution for continuing the appointment of Mr. E. M. Paulose and Mr. C. P. Philipose, directors aged more than 75 Years till the expiry of their term.

Shareholders whose names appear on the register of members/ list of beneficial owners as on February 15, 2019 (cut off date) will be considered for the purpose of voting through Postal Ballot and e-voting.



3. RE-CONSTITUTION OF COMMITTEES

Pursuant to the provisions contained in SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 09.05.2018, the Board has re-constituted its mandatory committees including its terms of reference in line with this regulations.

4. AMENDMENT IN CODE OF CONDUCT UNDER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS 2015 AND OTHER POLICIES.

Board of Directors of the Company at their meeting held today, has adopted a revised "Code of Conduct to Regulate, Monitor and Report Trading by the Designated Persons and Immediate relatives of Designated Persons & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (Revised Code) in compliance with the SEBI ("Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Revised code is effective from April 1, 2019.

The Board meeting commenced at 11:30 A.M. and concluded at 4:10 P.M.



Please take the above on record and acknowledge the receipt.

Thanking you,

For **Kitex Garments Limited**



Mithun B Shenoy
Company Secretary



Enclosure: As above





& Associates

Chartered Accountants

5th Floor, Main Building, Guna Complex,
New No. 443 & 445, Old No. 304 & 305,
Mount Road, Teynampet,
Chennai 600018, INDIA
Tel: + 91 44 6131 0200

Limited Review Report

Review Report to
The Board of Directors of
Kitex Garments Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results for the quarter ended December 31, 2018 and the year to date results for the period April 01, 2018 to December 31, 2018 ('the Statement') of KITEX GARMENTS LIMITED ('the Company'), 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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 (Listing Regulations).

The Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in the 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 practices and policies generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review 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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results which are prepared in accordance with 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 practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

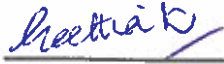


4.

- a) The unaudited standalone financial results for the quarter ended December 31, 2017 and the year to date results for the period April 01, 2017 to December 31, 2017 prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, were reviewed by the predecessor statutory auditors, who have issued an unmodified report vide their 'Limited review report' dated February 9, 2018.
- b) The standalone financial statements of the Company for the year ended March 31, 2018 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 were audited by the predecessor statutory auditors who have issued an unmodified opinion vide their 'Independent Auditors' report dated May 18, 2018.

Our report is not modified in respect of these matters.

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



Geetha Jeyakumar
Membership No: 029409

Place: Kochi
Date: February 14, 2019





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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER/NINE MONTHS ENDED DECEMBER 31, 2018

(Rs. In Lakhs)

Particulars	For the three months ended			For the nine months ended		Year ended
	31.12.2018	30.09.2018	31.12.2017	31.12.2018	31.12.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from Operations	13,613.13	16,785.26	14,733.10	42,683.10	42,608.59	55,725.42
(b) Other Income	409.28	1,325.04	70.87	2,080.83	190.23	267.07
Total Income	14,022.41	18,110.30	14,803.97	44,763.93	42,798.82	55,992.49
2 Expenses						
(a) Cost of Materials Consumed	6,233.88	9,039.33	6,369.54	21,147.41	18,823.89	25,404.54
(b) Changes in Inventories of finished goods, work in progress	(1,337.30)	(1,069.58)	(796.44)	(3,683.22)	(3,021.51)	(3,735.78)
(c) Employee Benefits Expense	2,680.66	2,631.89	2,544.85	7,807.02	7,356.86	9,851.37
(d) Finance Costs	137.29	79.27	161.71	244.49	474.80	581.18
(e) Depreciation and amortisation expense	691.12	680.96	577.64	2,033.49	1,725.87	2,340.14
(f) Other Expenses	3,487.22	2,602.45	3,157.68	7,922.85	7,865.63	10,802.12
Total Expenses	11,892.87	13,964.32	12,014.98	35,472.04	33,225.54	45,243.57
3 Profit before tax (1-2)	2,129.54	4,145.98	2,788.99	9,291.89	9,573.28	10,748.92
4 Tax expense						
Current Tax	890.00	1,652.00	1,215.00	3,808.00	3,668.00	4,000.00
Deferred Tax	4.07	(121.78)	(187.68)	(224.41)	(64.11)	(232.13)
Income tax for earlier years						(21.18)
5 Net Profit for the period /year (3-4)	1,235.47	2,615.76	1,761.67	5,708.30	5,969.39	7,002.23
6 Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
(a) Remeasurements of post employment benefit obligations						117.40
(b) Fair value changes on Equity Instruments carried through other Comprehensive Income	0.82	(1.13)	7.02	(1.68)	13.59	(3.87)
(c) Income tax relating to items that will not be reclassified to profit or loss						(40.63)
7 Total Comprehensive Income for the Period (5+6)	1,236.29	2,614.63	1,768.69	5,706.62	5,982.98	7,075.13
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	1.86	3.93	2.65	8.58	8.98	10.53
(b) Diluted	1.86	3.93	2.65	8.58	8.98	10.53





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Notes:

- 1 The above quarterly results for the quarter and nine months ended December 31, 2018 were reviewed by the Audit Committee and has been approved by the Board of Directors at its meeting held on February 14, 2019 and have been subjected to Limited Review by the Statutory Auditors of the Company. The unaudited Standalone Financial Results are prepared in accordance with Indian Accounting Standards (IndAs) as prescribed under Section 133 of the Companies Act, 2013.
- 2 Ind AS - 115 Revenue from Contracts with Customers, has been recently introduced effective April 01, 2018 and its application did not have any significant impact on recognition and measurement of revenue and related items in the financial results including the retained earnings as at April 01, 2018.
- 3 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.
- 4 TOYS "R" US, Inc., a customer of the Company had filed a petition in the Bankruptcy Court in The United States of America to wind down its US operation in the previous year. Provision of Rs. 347.03 Lakhs was made in the accounts towards loss, if any on recovery of receivables in the financial year 2017-18. After the hearings at the US Bankruptcy court on September 6, 2018 and November 13, 2018, Plan under Chapter 11 was confirmed. The Claim allowed to the Company aggregates to 9.17 Million US Dollars, of which the Company has already received an interim disbursement of 1.60 Million US Dollars (17.50% of the claim allowed) in January 2019. Consequently, the provision carried in the books of Rs. 347.03 Lakhs has been written back. The accounting for receivables and other claims will be made on the receipt of balance claim amount.
- 5 During the quarter ended December 31, 2018, the Company has incorporated six wholly owned subsidiaries with investments in equity of Rs.140 lakhs.
- 6 Previous year/ period's figures have been regrouped/recast, wherever necessary, to conform to the classification on the current period's classification.

For Kitex Garments Ltd

Sabu M Jacob
Managing Director
DIN:00046016

Place : Kizhakkambalam
Date : February 14 , 2019





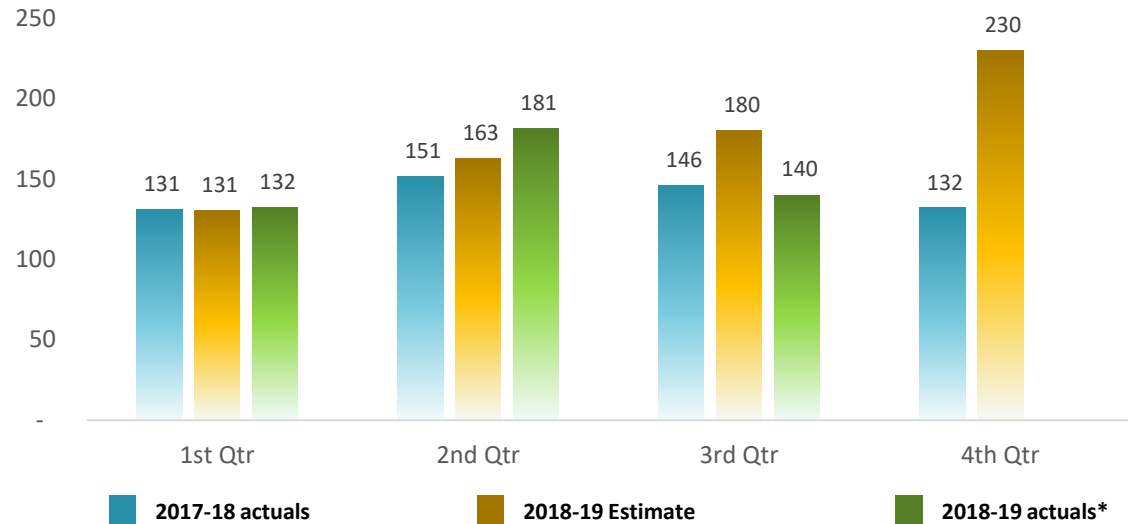
Kitex Garments Limited
Investor Presentation – Dec 2018

Financial performance – Turnover



The financial results for the quarter ended on 31th December 2018 (Q3) and estimates for the year were reviewed by the Board. Summary of the financial performance (turnover) of Q3* is shown below:

	Estimate <i>(in INR crores)</i>	Actual* <i>(in INR crores)</i>
Q1	131	132
Q2	163	181
Q3	180	140



*Un-audited figures

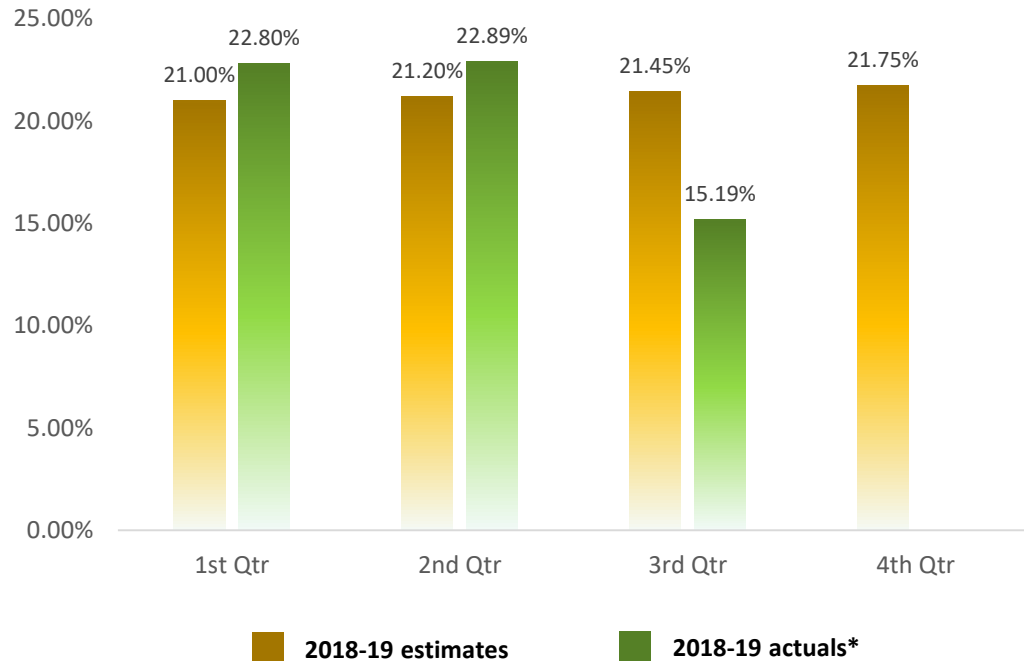
Turnover for Q3 is lower than projected as buyers have shifted a portion of quarter 3 shipments to quarter 4 to reduce their inventory holding for financial year closing. However this will have no impact on full year performance.

Financial performance – Profitability



Summary of the financial performance (Profit Before Tax)of Q3* is shown below:

	Estimate <i>(in INR crores)</i>	Actual* <i>(in INR crores)</i>
Q1	21.00	22.80
Q2	21.20	22.89
Q3	21.45	15.19



**Un-audited figures*

Key Accomplishments in Q3



Retained AAA- and A1+ Credit Rating from ICRA



Obtained ISO/ IEC 17025: 2005 Certification from NABL (A Constituent Board of Quality Council of India) for our facilities in Testing and Processing Department.



As per the US Bankruptcy Court's confirmation in respect of Toys R US, the claim 9.17 million USD (~INR 75 Crores) has been allowed in favour of the company

Interim disbursement of 1.60 million USD has been received by the company in January..



Highest exporter award for the year 2018 from Kochi Port was awarded to us by Customs Department as a part of the International Customs Day events organized by the Ministry.

Kitex 2025: Status update for key activities



Completed

Preparation of strategy document



Completed

Incorporation of subsidiaries



Completed

Land identification



On-going

Preparation of detailed project report



On-going

Machinery and supplier identification



On-going

Land acquisition



On-going

Building and infrastructure planning



On-going

Automation of existing machinery

Our Customers



DISCLAIMERS: This presentation and the discussion may contain certain words or phrases that are forward - looking statements, which are tentative, based on current expectations of the management of Kitex Garments Limited or any of its subsidiaries and associate companies . Actual results may vary significantly from the forward-looking statements contained in this presentations due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and outside India, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the businesses of Kitex Garments Limited. Kitex Garments Ltd. has obtained all market data and other information from sources believed to be reliable or are its internal estimates, although its accuracy or completeness can not be guaranteed. This presentation is for information purposes only and does not constitute an offer or recommendation to buy or sell any securities of Kitex Garments Limited. Any action taken by you on the basis of the information contained herein is your responsibility alone and Kitex Garments Limited or its directors or employees will not be liable in any manner for the consequences of such action taken by you.

Thank you

