





## VENDOR OF THE YEAR



CMD getting an award from ToysRus for Vendor of The Year





**MR. M.C. JACOB** (22.4.1933 - 5.6.2011)  
Illustrious Founder - Chairman of Kitex Group of Companies

## Board of Directors

Mr. Sabu M Jacob - Chairman & Managing Director  
 Prof. E.M Paulose  
 Mr. Benni Joseph  
 Mr. C Mohan  
 Mr. K.L.V Narayanan

## Nomination & Remuneration Committee

Prof. E.M Paulose - Chairman  
 Mr. Benni Joseph  
 Mr. K.L.V Narayanan

## Independent Auditors

M/s. Kolath & Co.  
 Chartered Accountants  
 41/3951 A O R S Road  
 Kacheripady, Kochi - 682018

## Bankers

State Bank of India

## Key Managerial Personnel

Mr. Sabu M Jacob - Managing Director  
 Mr. Bobby Michael - General Manager - Finance  
 & Chief Financial Officer  
 Mr. A Babu - Company Secretary

## Share Transfer Agents

M/s. Cameo Corporate Services Limited  
 Subramanian Building No. 1, Club House Road  
 Chennai 600002. Tel. 044 - 38460390  
 Fax. 044 - 28460129.  
 Email. Cameo@cameoindia.com

## Audit Committee

Mr. Benni Joseph - Chairman  
 Mr. E.M Paulose  
 Mr. C Mohan

## Stakeholders Relationship Committee

Mr. K.L.V Narayanan - Chairman  
 Mr. Sabu M Jacob

## Legal Advisors

M/s. Dandapani Associates  
 Advocates  
 Thirupathi, T.D Road, North End  
 Kochi - 682035

## Cost Auditors

M/s Rajendran, Mani & varier  
 Cost Accountants,  
 Ravipuram,  
 Kochi 682016

## Registered Office

Building No. 9/536 A, Kitex House  
 Kizhakkambalam, Aluva, Kochi 683562  
 Tel. 0484 - 4142000, Fax. 0484 - 2680604  
 email. sect@kitexgarments.com

## Listed in Stock Exchanges

Bombay Stock Exchange, Mumbai  
 National Stock Exchange, Mumbai

# CORPORATE SOCIAL RESPONSIBILITY

## Making a meaningful difference

For the Kitex Group, reaching out to the under privileged is ingrained into our ethos and part of our heritage. These values transcend business interests and move into grappling with the "quality of life" challenges that under-served communities face and work towards making a meaningful difference to them.

The Board of Directors, Management and all the employees subscribe to the philosophy of 'compassionate care'. We believe and act on the philosophy of generosity and compassion, characterized by a willingness to build a better society.

## CSR

Our vision for CSR, is to transform Kizhakkambalam Panchayath into the best among the 978 Panchayaths in the state.

In the past year, the Company undertook the CSR initiatives at the grassroots level that impacted many lives.

## Health Care

Health and Medical Check-up Camps were conducted, in which about 3800 families participated. Free medicines were distributed and follow up medical facilities were extended to 463 major/minor operations at some of the leading hospitals in the district.

## Drinking water

Safe drinking water was provided to some of the backward colonies located in and near the Kitex factory. Six bore wells were provided in these colonies with provision for water storage tanks with a total capacity of 1.02 lakh litres.

## Housing

Renovation work for 40 houses located within the backward colonies in Kizhakkambalam Panchayath were undertaken and more are under consideration.

## Agriculture

Participative Farming was undertaken on 300 acres of farmland with the full co-operation of farmers in and near the Kitex factory. Multi-crop harvesting was carried out through the year.

## Education

At the beginning of school calendar year of 2013, the Kitex Group distributed 2278 bags to school children in the backward areas of Ernakulam District with an effort to extend primary education to financially backward students.

## Food Security Programme

Kerala witnessed a heavy monsoon that debilitated life in many areas. During the last monsoon, the Kitex Group distributed 65 Tons of food materials which included rice, pulses and cereals to the needy in the flood season. This benefit was extended to about 500 families on a regular basis.

### REACHING OUT

Reaching out  
Healthcare



3800 Families - Medical camps  
463 Patients - Surgeries

Drinking Water



6 nos – Bore wells  
1.02 Lakh litres in storage

Housing



40 Houses renovated

Agriculture



300 Acres – Participative farming  
Multi crop harvesting

Education



2278 – School bags,  
Primary education to financially  
backward students

Food security



65 Tons food material  
500 Families

# HEAD OFFICE, GARMENTING UNIT AND PROCESS PLANT







# CONTENTS

● Chairman's Message	7
● Notice of Annual General Meeting	10
● Directors' Report	15
● Management Discussion and Analysis	20
● Report on Corporate Governance	21
● Secretarial Compliance Certificate	27
● Independent Auditors' Report	33
● Balance Sheet	38
● Statement of Profit and Loss	39
● Notes to Financial Statements	40
● Cash Flow Statement	59
● Attendance Slip & Proxy Form	61

# CHAIRMAN'S MESSAGE



## Overall Performance of the Company

The Company achieved an all time high performance on account of both Revenue and profits. While the Gross revenue touched Rs 456 crores which was up by 42% and the PBT went up to Rs 88 crores which went up by 100% when compared to last year.

This was possible only by the high level of modernization, selection of right technology, correct product mix, a concerted efforts by the whole team in management, all employees and whole hearted support provided by our banks, other financial institutions, esteemed customers and suppliers.

Based on the above excellent performance and in order to reward the shareholders of the Company at the appropriate time for the full support extended by them all these years, Board of Directors is recommending a dividend of 100%.

The Company has capitalization worth Rs 74 crores as on the year under review and the major portion was utilized for expansion in its Process plant.

Major International buyers like KOHLS and THE CHILDRENS PLACE also supported the Company by placing new and substantial orders with us.

The Company now plans to take its performance to next level by further modernization, creating new markets in Europe and US by implementing niche products using high tech and time saving machinery and devices, improvement in quality of its employee by training, research and development.

The Company has also plans to introduce its own brand in USA in the coming year, and the ground work for the same has already commenced, which we expect will bear fruit in the following years.

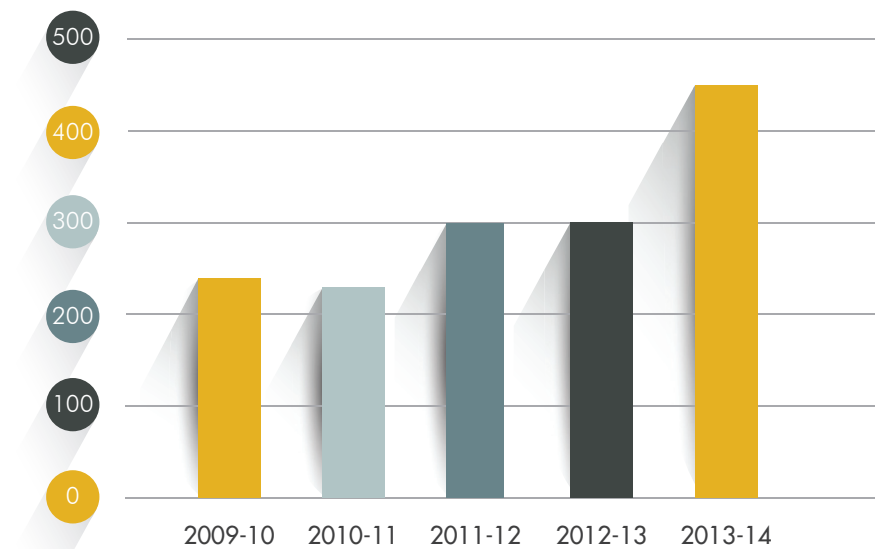
The Company was upgraded to A<sup>(+)</sup> by ICRA during this financial year.

The Company's share price at the stock market has touched an all time high of Rs.111 compared to an average of Rs.60 in the previous year.

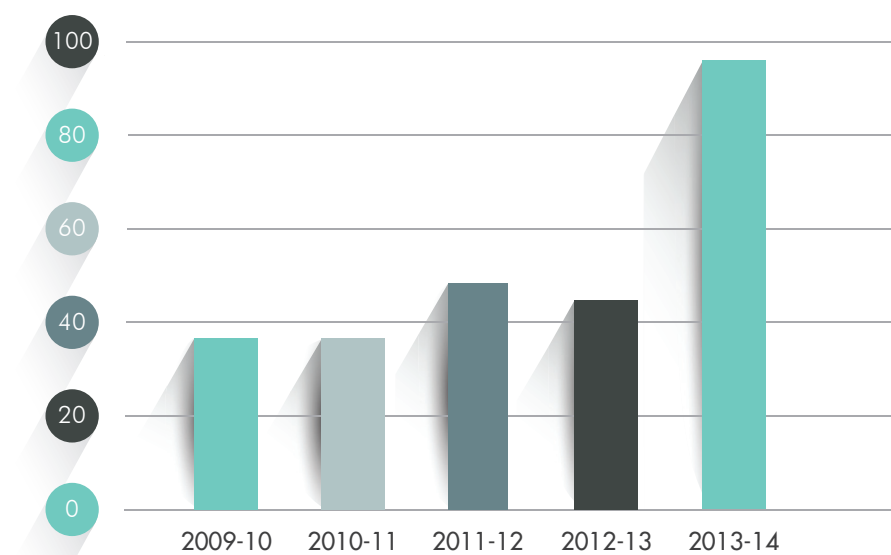
With the order books getting bulkier, Kitex is confident that it will become the leading manufacturer in the WORLD, in the INFANTWEAR APPAREL SEGMENT by the end of 2015 calendar year.



## TURNOVER

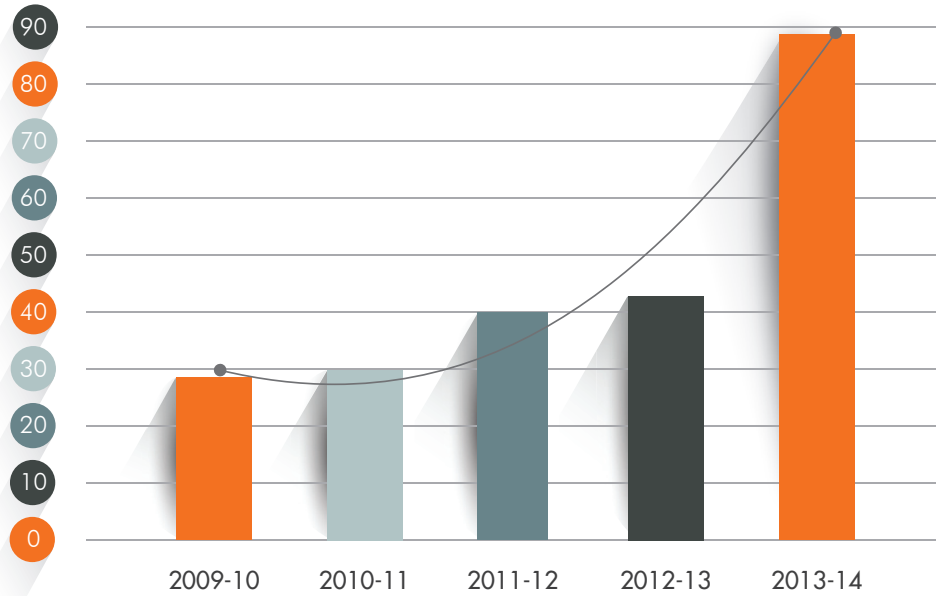


## EBITA

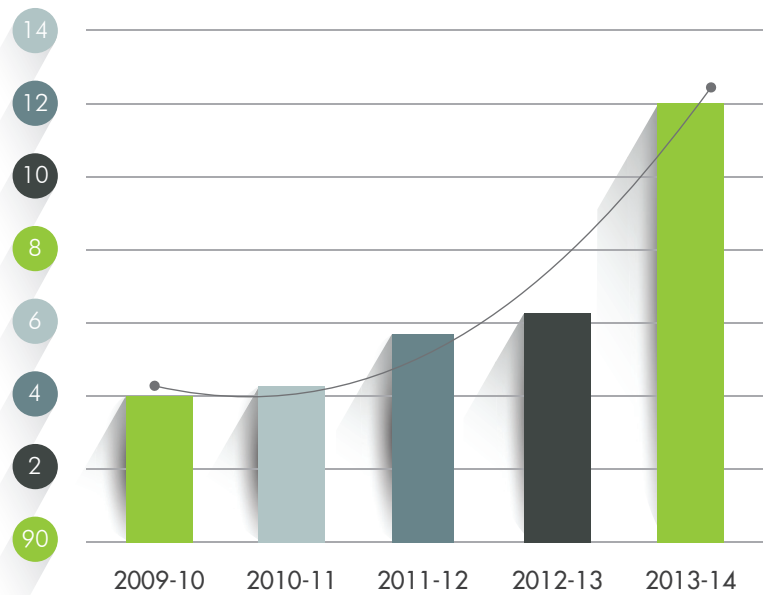




## PBT



## EPS



## NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Members of Kitex Garments Limited (CIN:L18101KL1992PLC006528) will be held at the Factory Premises of the Company at Building No.9/536A, Kizhakkambalam, Kochi – 683 562 on Thursday, the 15<sup>th</sup> May, 2014 at 10 A.M to transact the following business:-

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Directors' Report for the year ended 31<sup>st</sup> March 2014, audited Statement of Profit and Loss for the year, Balance Sheet as at that date, and the Report of the Auditors thereon.
- 2) To consider declaration of dividend for the year.
- 3) To appoint a Director in place of Mr. Benni Joseph, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s. Kolath & Co, Chartered Accountants are eligible for re-appointment and have given a written certificate as per Section 141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014.

### SPECIAL BUSINESS

- 5) To ratify the appointment of Cost Auditors for the year 2014-15 by passing the following resolution as an Ordinary Resolution:

“Resolved that, subject to such guidelines and approval as may be required from the Central Government the re-appointment of M/s. Rajendran, Mani and Varier, Cost Accountants, Ravipuram, Cochin - 682 016 as Cost Auditors to audit the cost records maintained by the Company in respect of Textile Fabric processed at its Fabric Processing Unit and Readymade Textile Garments at its Garments Production Unit for the Financial Year 2014-15 on a remuneration of Rs.50,000/- (Rupees fifty thousand only) plus Service Tax as applicable, be and is hereby ratified.”

**By Order of the Board of Directors  
For KITEX GARMENTS LIMITED**

**Sd/-**

**SABUM JACOB**

**Chairman & Managing Director**

Kizhakkambalam

3<sup>rd</sup> April, 2014

### Notes:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER.
- 2) An Explanatory Statement on the business to be transacted at the meeting is annexed hereto.
- 3) The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- 4) Members/proxies should bring the attendance slips duly filled in and PHOTO ID proof for attending the meeting. Transport facility will be provided to the shareholders from Kizhakkambalam to the Factory premises and back for attending the meeting.
- 5) Request for any clarification needed on the accounts should be lodged in writing at the Registered Office of the Company on or before 4 P.M on 10<sup>th</sup> May, 2014.
- 6) The Share Transfer Books and the Register of Members shall remain closed from 9<sup>th</sup> May, 2014 to 15<sup>th</sup> May, 2014 both days inclusive.
- 7) The Board of Directors have recommended a dividend at 100%( One rupee per Equity Share of Re1/- Fully paid-up) of the paid up capital for the year. If declared at the Annual General Meeting, the same will be paid to the share holders, whose names are on the Register of Members as on the date of Annual General Meeting viz., 15<sup>th</sup> May, 2014.

**EXPLANATORY STATEMENT AS PER SECTION 102 OF COMPANIES ACT 2013****Item No. 5 of Notice of Annual General Meeting****Ratification of appointment of Cost Auditor:**

A proposal for appointment of Cost Auditor for 2014-15 was recommended by the Audit Committee to the Board. It was proposed to re-appoint M/s. Rajendran, Mani and Varier, Cost Accountants, Ravipuram, Cochin- 682016 as Cost Auditors. Certificate dated 17.03.2014 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during 11.00 A.M to 1.00 P.M and shall also be available at the meeting.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the Directors and Key Managerial personnel or relatives of them are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

**By Order of the Board of Directors  
For KITEX GARMENTS LIMITED**

**Sd/-**

**SABU M JACOB**

**Chairman & Managing Director**

Kizhakkambalam  
3<sup>rd</sup> April, 2014

**EXPLANATORY STATEMENT AS PER CLAUSE 49 OF LISTING AGREEMENT**

Name of the Director	Mr. Benni Joseph
DIN	01219476
Date of Birth	12.04.1957
Type of appointment	Director retiring by rotation
Date of Appointment/ Re-appointment	31.12.2010
Areas of Specialization	Financial Management & Auditing
Qualifications	i. Bachelor in Chemistry ii. Fellow member of the Institute of Chartered Accountants of India
No. of Shares Held in the Company	Nil
List of Directorship held in outside Public Limited Companies	One
Chairman/member of the Committee of the Board of Directors of this Company	a) Chairman, Audit Committee b) Member, Remuneration Committee
Chairman/member of the Committee of the Board of Directors of other Companies	Nil
Relation with Key Managerial Personnel and Directors	Nil
Justification for appointment	Good command and knowledge on Accounting and related matters

**FOR THE ATTENTION OF THE MEMBERS:**

1. Members are requested to send intimations of any changes in their addresses, applications for demat of shares, applications for transfer of shares and any related correspondence to the Company's share transfer agents M/s. Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai - 600002. Ph: 044-28460390 (5 Lines) Email: investor@cameoindia.com

2. **Sending notices and documents to shareholders through email:**

As a part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has allowed sending communication to the shareholders through electronic mode. Accordingly, we propose to send documents like notices convening general meetings, Annual Reports, etc to the email addresses of the shareholders. For this purpose, shareholders holding shares in physical form are requested to register their email addresses and any changes therein from time to time with the Share Transfer Agents of the Company M/s. Cameo Corporate Services Limited at their postal / email address given above. Please give the details in the attached format for registering your email ID. Those holding shares in demat form are requested to register their email IDs with their Depository Participants.

3. **Making payment of dividend through NECS / NEFT:**

In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates for the same in the attached format along with the specified details / documents to M/s Cameo Corporate Services Limited. Those holding shares in demat form are requested to update their records with DPs in this respect.

4. **Payment of unpaid dividends of previous years.**

The company has so far declared dividends and issued warrants to the shareholders as below:

Year	% of Share paidup value	Year	% of Share paidup value
2006-07	15	2009-10	30
2007-08	20	2010-11	40
2008-09	25	2011-12	60
		2012-13	80

Those shareholders who have not encashed their warrants so far are requested to send their claims for payment, by giving the details in the attached format to the Company. Lists of shareholders to whom dividends remain unpaid are available on the website of the Ministry of Corporate Affairs. Please note that As per Section 124(6) of the new Companies Act, 2013 the shares held in respect of the unpaid dividend has also to be transferred to demat account maintained under Investor Education and Protection Fund account.

Please note that any dividend amount for 2006-07 remaining unclaimed / unpaid along with shares held in these folios as on 29/10/2014 shall be transferred to the Investor Education and Protection Fund account.



**(1) FORMAT FOR REGISTERING EMAIL ID**

DP/Client ID / Folio No :

Name of the sole / first holder :

Postal Address :

Email Address :

Signature

**(2) FORMAT OF MANDATE FOR PAYMENT OF DIVIDEND BY NECS / NEFT**

Folio No :

Name of the sole / first holder :

Postal Address :

Email Address :

I hereby authorize M/s Kitex Garments Limited to make payment of dividend by direct credit to my bank account the details of which are furnished below:

Bank Name :

Branch Name :

Branch Address :

MICR code :

IFSC code :

Account Type :

Account No :

I enclose herewith the following documents in proof of the above details:

Photocopy of Bank Pass Book / Bank Statement

Photocopy of a blank cheque leaf of the account

Signature

**(3) FORMAT FOR CLAIMING UNPAID DIVIDENDS OF PREVIOUS YEARS**

DP / Client ID / Folio No :

Name of the sole / first holder :

Postal Address :

Years for which dividend not received :

Signature



## DIRECTORS' REPORT

### TO THE MEMBERS OF KITEX GARMENTS LIMITED

The Directors have pleasure to present their 22<sup>nd</sup> Annual Report and the audited Annual Accounts for the year ended 31<sup>st</sup> March 2014.

#### Financial Results

	Year ended 31 <sup>st</sup> March, 2014 (Rs in lakhs)	Year ended 31 <sup>st</sup> March, 2013 (Rs in lakhs)
Total Income	45555.36	32100.85
Profit before Depreciation	9786.53	5266.21
Profit before Tax	8818.53	4404.08
Profit After Tax	5736.88	2937.68
Transfer to General Reserve	600.00	300.00

#### Performance Review

Your company achieved an all time high performance both in turnover and its profits. The Gross revenues touched Rs. 455.55 crores which is 42% more than last year and the Profit before depreciation and taxes recorded was Rs.97.87 Crores which is also up by 86% as compared to previous year. Your company coupled high level of modernization with, concentrated efforts of both Management and employees, the whole hearted support of Banks, suppliers and customers to attain these levels of performance. The earnings per equity share (of face value Re. 1) for the year increased to Rs.12.08 from Rs.6.18 for the previous year.

#### Dividend

Your directors recommend a dividend of 100% (One Rupee per Share of face value Re1/-) for the year, (as against 80% for the previous year ended 31<sup>st</sup> March, 2013), subject to the approval of the shareholders at the ensuing Annual General Meeting. An amount of Rs.6.00 crores has been transferred to General Reserve as per the existing provisions of Companies Act 2013 read with Companies Act, 1956 and rules thereunder.

#### Capital Expenditure

As at 31<sup>st</sup> March 2014 the gross fixed assets stood at Rs.23739.64 lakhs and net fixed assets Rs.18120.61 lakhs. Additions during the year amounted to Rs.7363.99 lakhs, which include addition to land and building for Rs.248.98 lakhs, plant & machinery and other assets amounting to Rs.7115.01 lakhs.

#### Future Prospects

Despite stiff competition from other countries, international buyers show preference to your company's product for its quality and timely delivery and hence your Directors are confident of achieving better working results in the coming years. The US market is expected to grow and the predicted GDP is about 2.5% for the year 2014. The Consumer sector is showing more strength and hence business improvement is on the upswing with a reduction in Federal deficit gap.

Major International buyers like KOHLS and THE CHILDRENS PLACE have shown interest in the company's products by placing large orders. Your Company plans to introduce its own brand in USA and the initial efforts have already been commenced on a high note.

Your company plans to take the performance to the next level by modernization, installing high tech and time saving machinery and supportive systems, improving quality of work by employee training, and by Research and Development in major areas pertaining to the industry in which the company is in business. Your Company aspires to become FIRST in the World in INFANTWEAR APPAREL segment by 2015 Calendar year.

**Expansion Project:**

The expansion plan for increasing the capacity of the existing Fabric Processing Unit was implemented and completed by March, 2014.

**Awards and Recognitions**

The company won the Best Manufacturer Supplier Award for the year 2011 and 2012 from Toys R Us, U.S.A. The Company was selected as No.1 from among 280 Competitors. The Company also won the Best Manufacturer supplier award from Gerber Childrenswear, USA for a second consecutive year.

Your Company has been upgraded to A<sup>+</sup> by the Credit Rating Agency ICRA during the year under review.

**Directors' Responsibility Statement**

The directors report that

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The Directors have 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 at the end of the financial year and of the profit and loss account of the company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts on a going concern basis.
- v) The Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- 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.

**Listing on Stock Exchanges**

Your Company's shares are listed on the National Stock Exchange, Bombay Stock Exchange and Cochin Stock Exchanges. During the year under review, your company's share price had touched a high of Rs.111/- per equity share which clearly show that the markets have recognized our performance.

**Corporate Governance**

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report, Management Discussion and Analysis, and the Auditor's Certificate regarding compliance of conditions of Corporate Governance, form part of this Annual Report.

**Secretarial Compliance**

Secretarial Compliance certificate as per Section 383A of Companies Act 1956 is placed as annexure to this report. No adverse comments have been made in the said report by the Practising Company Secretary.

**Cost Compliance**

Pursuant to Sec. 209 (1)(d) of the Companies Act, 1956, Cost Audit Report for the financial year ended 31/03/2013 was submitted to the Central Government on 30/09/2013.

**Disclosure of Particulars**

Information under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and Information as per Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to conservation of energy, technology absorption, foreign exchange earnings and outgo are given in Annexure forming part of this report.



**Corporate Social Responsibility:**

In Kitex Group, reaching out to underserved communities is part of our HERITAGE. We believe in the trusteeship concept. This entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face, and working towards making a meaningful difference to them.

Board of Directors, the Management and all of the employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

**Our Vision on Corporate Social Responsibility is where we dream to make our Kizhakkambalam Panchayath the best in the State among the total 978 Panchayaths.**

Company undertook the following CSR work during the year under review on a voluntary basis.

**Health Care:**

Company conducted Health-Medical Check-up Camps in which about 3800 families participated. Free Medicines were also distributed during the Health Camps. Further medical facilities were extended for 463 major/minor operations in some of the leading hospitals in the District. Medical Aid and support systems/equipments including wheel chairs were distributed to some of the patients. A detail presentation on the importance of upkeep of health was conducted by some of the leading Doctors in Kerala during these Camps.

**Drinking Water**

Company undertook a project for providing safe drinking water to some of the Backward colonies located in and near the factory. In this regard, SIX borewells were provided in these colonies along with provision for water storage tanks for a total capacity of 1.02 lakhs litres. Under this programme another fourteen more bore wells are planned and the same is under implementation.

**Housing**

Company undertook the renovation work for forty houses in the economically backward colonies in Kizhakkambalam Panchayath during the year.

**Agriculture**

Participative Farming was undertaken on 300 acres with full co-operation of farmers in and near the Factory including multi-crop harvesting throughout the year. The benefits of the same was distributed to the participants.

**Education**

In the beginning of school calendar year 2013, your Company distributed 2278 bags to school children belonging to the economically backward areas of Ernakulam District, in an effort to extend primary education to financially backward students.

**Food Security Programme**

During the heavy rainy season in Kerala in 2013, your Company distributed 65 Tons of food materials which included rice, pulses and cereals to the needy in the flood affected areas. The benefit was extended to about 500 families on a regular basis.

**Our Investment in CSR**

Your company's investment in CSR activities for the year 2013-14 was Rs.40.12 lakhs which is much above 2% the average profits of the Company for the last three years.

**Directors**

In accordance with the Companies Act, 2013, Mr. Benni Joseph retires by rotation and being eligible offers himself for reappointment.

**Auditors**

M/s Kolath & Co., Chartered Accountants, Independent Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment. In accordance with the Companies Act 2013, it is proposed to reappoint them from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, subject to the approval of shareholders.

**Cost Auditors**

It is proposed to reappoint M/s. Rajendran, Mani and Varier, Cost Accountants, Ravipuram, Cochin 682016 as cost Auditors for 2014-15 and in accordance with the Companies Act 2013 their remuneration is to be ratified at the forthcoming Annual General Meeting.

**Acknowledgement**

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its banker, State Bank of India and various Government agencies. Your Directors also wish to thank all the employees for their co-operation.

**By Order of the Board of Directors  
For KITEX GARMENTS LIMITED**

**Sd/-**

**SABU M JACOB**

**Chairman & Managing Director**

Kizhakkambalam  
3<sup>rd</sup> April, 2014

**Annexure to the Directors' Report**

Information as per Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975

Name	Age (Yrs)	Designation	Qualification	Experi- ence (Yrs)	Remun- eration received (Rs. Lakhs)	Date of Commen- cement of employment	Last employment/ designation
<b>A. Employed throughout the financial year</b>							
Sabu M Jacob	52	Managing Director	Graduate	31	446.14	1992	Executive Director Kitex Ltd.
Dan De Yoe	64	Vice President & Director of Operations (USA)		42	120.33	2011	Vice President Toys'R'Us (USA)

Information as per Companies [Disclosure of particulars in the report of Board of Directors] Rules, 1988

**A. CONSERVATION OF ENERGY**

The Company continues its efforts to improve methods for energy conservation and utilization by

- (1) More usage of electricity purchased from KSEB.
- (2) Improved efficiency of own generation by usage of diesel generator only for emergencies and as stand by.
- (3) Intensified vigil on wastage/leakage control.

## Disclosure of particulars with respect to conservation of energy

POWER & FUEL CONSUMPTION	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>Electricity</b>		
a) Purchased		
Units (KWH)	10375587	9095251
Total Amount(Rs.)	58135600	49170387
Cost/Unit (Rs. KWH)	5.60	5.41
b) Own generation		
Through Diesel Generator		
Units (KWH)	264058	196261
Total Amount(Rs.)	3618649	2582222
Cost/Unit (Rs. KWH )	13.70	13.16
<b>Fuel</b>		
a) Furnace Oil		
Quantity (KL)	1703	1480
Total Amount(Rs.)	79114034	66237647
Cost/Unit (Rs. KL)	46453	44755
b) Firewood		
Quantity (MT)	9774	8650
Total Amount(Rs.)	21424626	19261742
Cost/Unit (Rs. MT)	2192	2228
c) Diesel		
Quantity (KL)	23	16
Total Amount(Rs.)	1267595	787580
Cost/Unit (Rs. KL)	54141	50486

**B. CONSUMPTION PER UNIT OF PRODUCTION**

The company manufactures different types of garments and power and fuel consumption per unit of production cannot be appropriated separately.

**C. TECHNOLOGY ABSORPTION**

Disclosure of particulars with respect to technology absorption:-

**RESEARCH & DEVELOPMENT****1. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY.**

- Quality Up gradation
- Developing wide range of products
- Productivity enhancement
- Quality Control Management

**2. BENEFITS DERIVED AS A RESULT OF THE ABOVE R&D**

- Increase in production and capacity utilization
- Repeat order from customers due to consistency in quality

**3. FUTURE PLAN OF ACTION**

- Cost-efficiency in manufacturing operations through better methods and techniques of production.
- Increasing range of production.
- Development of new markets.

**4. EXPENDITURE IN R&D**

Specific expenditure of recurring or capital nature is not involved.

**TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION****EFFORTS**

Development of products of International Quality and Standards particularly for exports of merchandise and implementation of total Quality Assurance System for this purpose.

**BENEFITS**

- a) Export of Merchandise increased.
- b) Quality of products improved.
- c) Scoring high points in evaluation by reputed foreign buyers.

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO**

	2013 - 14 (Rs in lakhs)	2012 - 13 (Rs in lakhs)
Earnings on account of Exports	32623.58	24808.90
Outgo on account of Import & Expenditure	9450.21	2805.48

For and on behalf of the Board of Directors

Kizhakkambalam  
3<sup>rd</sup> April, 2014

Sd/-  
**SABU M JACOB**  
Chairman & Managing Director

**MANAGEMENT DISCUSSION AND ANALYSIS**

This report discusses and analyses the performance for the year ended 31st March 2014.

**◆ Overall review of operations**

The company is in the business of manufacturing and exporting garments. The Company achieved a turnover of Rs.45555.36 lakhs. The operational profits has improved on account of optimizing all the operations of the company.

**◆ Industry**

The Indian textile industry plays a vital role in the economy of the country by contributing to GDP, generating employment and earning foreign exchange.

**◆ Opportunities and Threats**

The big business houses in the USA and Europe manufacturing and dealing in textiles and garments depend upon India, China and the neighbouring countries, due to availability of the raw materials and skilled labour at lower prices in these countries, to get the required output at the lowest possible cost.

However we perceive threats by way of competition from the neighbouring countries like China, Pakistan and Sri Lanka. Although the competition is hectic we have an edge over others with our quality and timely execution of orders. The more transit time due to geographical position and adverse movement of foreign exchange rate of the Rupee are major concerns for the growth of the industry. The appreciation of Rupee against US Dollar, a trend noted during the last quarter of the year may effect the company's profitability in both short and long term.

China, Europe, Japan along with the U.S. (the four largest economies in the world) will largely determine the direction of the global economy through the rest of this year and into 2015. The good news is that the advanced economies overall will perform more strongly and contribute more to global growth in 2014.



### ◆ Outlook

The company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. Due to the own processing plant the company is able to quote better rates and maintain high quality & productivity in the finished goods manufactured. Barring unforeseen circumstances the company is confident of achieving better results in the current year. The key risks for the global economy include China and other emerging markets and the situation in the Middle East and North Africa. The developing nations of Asia are expected to experience a higher rate of growth next year, provided China remains in the 7.0% to 7.5% growth range.

### ◆ Internal Control Systems and their Adequacy

The Company has a proper and adequate internal control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly.

The internal control is exercised through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audits conducted by in house trained personnel. The audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of persons.

### ◆ Financial and Operational Performance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles in India. Please refer Directors' Report in this respect

### ◆ Human Resources/Industrial Relations

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The Company is giving direct employment to 3700 employees. Industrial relations are cordial and satisfactory.

### ◆ Cautionary Statement

Statements made herein describing the Company's expectations or predictions are "forward-looking statements". The actual results may differ from those expected or predicted. Prime factors that may make a difference to the Company's performance include market conditions, input costs, govt. regulations, economic development within/outside country etc.

## CORPORATE GOVERNANCE REPORT

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The company aims at not only its own growth but also maximization of benefits to the shareholders, employees, customers, government and also the general public at large. For this purpose the company continuously strives to improve its level of overall efficiency through good corporate governance, which envisages transparency, professionalism and accountability in all its operations.

### 2. BOARD OF DIRECTORS

Composition of the Board and category of Directors

Sl. No.	Category	Name of the Director
1	Promoter-Executive-Chairman & Managing Director	Mr. Sabu M Jacob
2	Independent and Non-executive	Prof. E.M. Paulose
3	Independent and Non-executive	Mr. Benni Joseph
4	Independent and Non-executive	Mr. K.L.V. Narayanan
5	Non-Executive	Mr. C. Mohan

The above directors are not inter-related.

## Attendance of each Director at the Board Meeting and Last Annual General Meeting

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM	No. of other Directorships held	No. of Member ship in Committee of other Board
Mr. Sabu M Jacob	5	Present	3	NIL
Prof. E. M. Paulose	5	Present	NIL	NIL
Mr. Benni Joseph	5	Present	1	NIL
Mr. C. Mohan	5	Present	1	NIL
Mr. K. L. V. Narayanan	5	Absent	2	NIL

Five Board Meetings were held during the year on 04/04/2013, 17/07/2013, 24/09/2013, 22/10/2013 and 09/01/2014. Last Annual General Meeting was held on 14<sup>th</sup> May, 2013

**3. CODE OF CONDUCT**

The Board at its meeting held on 29<sup>th</sup> January, 2006 has adopted a code of conduct for all Board members and senior management of the company. The term senior management means personnel of the company who are members of its core management team excluding Board of Directors. Normally this would comprise all members of management one level below the executive directors, including all functional heads.

The code has been circulated to all members of the Board and senior management and the compliance of the same has been affirmed by them.

A declaration signed by the Chairman and Managing Director is given below.

I hereby confirm that:

“The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2013-14”

Sd/-

**Sabu M Jacob**

Chairman & Managing Director

**4. AUDIT COMMITTEE**

Brief description of terms of reference

To oversee the company's financial reporting process, internal control systems, reviewing the accounting policies and practices, ensuring that financial statements are correct, sufficient and credible, reviewing with management the annual financial statements for submission to the Board, reviewing the internal audit observations and action taken thereon, ensuring compliance with Stock Exchange and other legal requirements and also recommending of the appointment and removal of independent auditors, fixation of audit fee and also approval for payment for any other services. The composition, role, functions and powers of the Audit Committee are in consonance with the requirements of applicable laws, rules and regulations

Composition and names of members and chairperson:

Name of the Director	Category	No. of meetings held	No. of meetings attended
Mr. Benni Joseph	Chairman	4	4
Prof. E M Paulose	Member	4	4
Mr. C Mohan	Member	4	4

The committee met four times during the year on 04/04/2013, 17/07/2013, 22/10/2013 and 08/01/2014.

## 5. Remuneration Committee

Consequent to resignation of Mr. M.P. Kuriakose, the Board at its meeting held on 04/04/2013 reconstituted Remuneration Committee by inducting Mr. K.L.V. Narayanan as a member of this committee. The Committee with Prof. E.M. Paulose as Chairman and Mr. Benni Joseph and Mr. K.L.V. Narayanan as Members. met on 04/04/2013 and reviewed the remuneration policy of the company.

### DIRECTORS' REMUNERATION

The Managing Director was paid remuneration of Rs. 4,46,14,200/- consisting of Rs. 72,00,000/- as salary and allowances, Rs. 2,88,000/- as Provident Fund Contribution and Rs. 3,71,26,200/- commission for the year.

The tenure of Mr. C.Mohan who was Director Finance/Company Secretary expired on 14/5/2013 and he was paid Rs.3,06,923/- consisting of Rs.2,33,846/- as salary and allowance and Rs. 73,077/- as bonus. Non-executive directors were paid sitting fees as follows:

1. Prof. E.M. Paulose	Rs. 62,000
2. Mr. Benni Joseph	Rs. 62,000
3. Mr. C. Mohan	Rs. 45,500
4. Mr. K.L.V. Narayanan	Rs. 39,500

## 6. Shareholders' / Investors' Grievances Committee:

Composition, and names of members

The Committee with Mr. K.L.V. Narayanan as Chairman and Mr. Sabu M Jacob as Member was reconstituted at the Board meeting held on 04/04/2013. The committee met on 04/04/2013 and reviewed the status of the investor complaints. Company received oral / written enquiries from the shareholders, which were responded immediately. Number of complaints pending as on 31/03/2014 NIL

**Name and Designation of the Compliance Officer(s):** Mr.Mohan C Director-Finance/Company Secretary was Compliance officer till 14/5/2013. Mr.Boby Michael, General Manager-Finance was designated as Compliance Officer for the period 17/7/2013 to 9/3/2014 and Mr. A.Babu Company Secretary has taken over as Compliance Officer w.e.from 10/3/2014.

## 7. General Body Meetings

(i) The Annual General Meetings for the last three years were held as follows:

Year	Venue	Date	Day	Time
2012-13	Building No. 9/536A, Kizhakkambalam, Aluva 683 562	14.05.2013	Tuesday	10.00 a.m
2011-12	Building No. 9/536A, Kizhakkambalam, Aluva – 683 562	30.05.2012	Wednesday	10.00 a.m
2010-11	Building No. 9/536A, Kizhakkambalam, Aluva – 683 562	30.05.2011	Monday	10.00 a.m

- \* Whether any Special Resolution passed in the previous 3 AGMs; No
- \* Whether special resolutions were passed through postal ballots: No
- \* Are votes proposed to be conducted through postal ballots this year: No

## 8. Disclosures:

1. **Disclosures on materially significant related party transactions i.e., transactions of the company of material nature, with its promoter, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large:**

All transactions with related parties were in the ordinary course of business and at arm's length. The company has not entered into any transaction of a material nature with any of the related parties which are in conflict with the interest of the company.

The details of related party transactions are disclosed in Note No. 29 attached to and forming part of the accounts.

2. **Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange, SEBI or any statutory authority, on any matter related to capital markets, during the last three years.**

None

3. **Compliance with Accounting Standards**

In the preparation of financial statements there is no deviation from the prescribed Accounting Standards.

4. **Compliance Certificate from the auditors**

Certificate from the auditors of the company confirming compliance with the mandatory requirements under clause 49 of the listing agreement is annexed to this report. This certificate has also been forwarded to the Stock Exchanges where the shares of company are listed.

5. **Adoption of non mandatory requirements under clause 49**

The company complies with the following non-mandatory requirements under clause 49

- (a) **Remuneration Committee**

The Board has constituted a remuneration committee consisting of three directors all of whom are non executive directors, the chairman of the committee being an Independent Director. The remuneration committee recommends/ reviews remuneration of the Directors

- (b) **Whistle blower policy**

The company has put in place a mechanism of reporting illegal or unethical behaviour. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

## 9. Means of Communication

Whether Half yearly reports sent to each household of shareholders:

Although half yearly report is not sent to each household of shareholders, the company publishes the same in Malayala Manorama and Business Line.

## Quarterly results:

The quarterly results of the company are published in Malayala Manorama and Business Line.

A detailed report on Managerial Discussion and Analysis is enclosed herewith as part of Annual Report.

## 10. General Shareholder Information:

- |   |  |
|---|--|
| 1. Annual General Meeting Date                    | : 15 <sup>TH</sup> May, 2014 at 10 A.M.  |
| Venue   | : Building No. 9/536A, Kitex House, Kizhakkambalam.                              |
| 2. Financial Year                                 | : April 2013 to March 2014   |
| 3. Book closure date                              | : 9 <sup>TH</sup> May, 2014 to 15 <sup>TH</sup> May, 2014 ( both days inclusive) |
| 4. Dividend recommended for the year              | : 100% (One Rupee per Share of Re1/-)  |
| 5. Listing on stock exchange                      | : Cochin , Bombay and National Stock Exchanges                                   |
| 6. Stock Code                                     | : COCHIN: KGR BOMBAY: 521248 NSE: KITEX  |
| 7. Market price Data (Face value of Re 1) (BSE) : | High: Rs.111.80 Low: Rs 49.10  |
| (NSE):  | High: Rs.104.75 Low: Rs.50.00  |

	Bombay Stock Exchange		National Stock Exchange	
Month	High	Low	High	Low
April-13	67.70	49.10	66.50	50.00
May-13	65.00	58.55	64.90	58.00
June-13	66.00	53.30	64.00	51.90
July-13	62.00	52.20	61.90	50.35
August-13	59.90	55.00	59.80	52.90
September-13	71.85	54.30	65.50	55.00
October-13	64.80	56.65	65.00	57.50
November-13	65.95	58.10	68.00	59.00
December-13	83.85	61.00	83.90	63.30
January-14	111.80	80.30	104.75	79.10
February-14	105.45	85.25	100.00	88.00
March-14	101.50	87.90	94.45	87.50

8. Performance in comparison to broad-based indices: NA

9. Share transfer system: During the year the share transfers which were received in physical form and for which documents were valid and complete in all respects, were processed and the share certificates were returned within the prescribed time from the date of receipt.

10. Distribution of shareholding:

(a) The shareholding pattern as on 31<sup>st</sup> March 2014 is as follows.

Sl. No.	Category	No. of shares	%
1.	Promoters	25764110	54.24
2.	Private Body Corporate, Indian Public, and others	21735890	45.76
	<b>TOTAL</b>	<b>47500000</b>	<b>100.00</b>

(b) Distribution of shareholding as on 31-03-2014

Distribution of shares	No. of shareholders	% to total no. of shareholders	No. of shares held	% to total share capital
1 - 5000	5854	96.6485	3994419	8.4093
5001 - 10000	90	1.4858	683245	1.4384
10001 - 20000	45	0.7429	642677	1.3530
20001 - 30000	15	0.2476	379947	0.7998
30001 - 40000	4	0.0660	134034	0.2821
40001 - 50000	11	0.1816	496598	1.0454
50001 - 100000	8	0.1320	613343	1.2912
Above 100000	30	0.4952	40555737	85.3804
<b>TOTAL</b>	<b>6057</b>	<b>100.0000</b>	<b>47500000</b>	<b>100.0000</b>

11. Dematerialisation of shares and liquidity: The company has executed agreements with National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) for Dematerialisation of shares through Cameo Corporate Services Limited.
12. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion instruments, conversion date and impact on equity: NIL
13. Plant location: Kizhakkambalam, Ernakulam Dist, Kerala State
14. Address for correspondence: P.B.No.5, KIZHAKKALMBALAM, ALUVA – 683562, KERALA.
15. Registrar and Share Transfer Agents: M/s. Cameo corporate Services Ltd., Subramanian Building No.1, Club House Road, Chennai - 600002.

Kizhakkambalam  
3<sup>rd</sup> April, 2014

Sd/-  
**SABU M JACOB**  
Chairman & Managing Director

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of KITEX GARMENTS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Kitex Garments Limited for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. 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 in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.
4. 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.

Ernakulam  
03.04.2014

**For KOLATH & CO**  
Chartered Accountants  
Firm Regn. No. 008926S

Sd/-  
**CA. Liju V. Rajan Kolath**  
Partner  
Membership No. 209309



## SECRETARIAL COMPLIANCE CERTIFICATE

CIN : L18101KL1992PLC006528  
Nominal Capital : Rs. 50,000,000 (Rupees Five Crore Only)

To

The Members

**M/s. Kitex Garments Limited**

P B No. 5, Kizhakkambalam

Alwaye, Ernakulam, Kerala – 683562

We have examined the registers, records, books and papers of M/s. Kitex Garments Limited (the Company) as required to be maintained under the Companies Act, 1956 and the Companies Act, 2013 to the extent applicable (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014 (financial year). In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure ‘A’ to this certificate, as per the provisions of the Companies Act and the Rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure ‘B’ to this certificate, with the Registrar of Companies, Regional Director and the Central Government under the Act and the Rules made there under. No forms were filed with the Company Law Board and other authorities.
3. The Company being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 5 (Five) times respectively on 04.04.2013, 17.07.2013, 24.09.2013, 22.10.2013 and 09.01.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolutions have been passed by the company during the financial year.
5. The Company closed its Register of Members during the financial year from 9<sup>th</sup> May 2013 to 14<sup>th</sup> May 2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2013 was held on 14<sup>th</sup> May 2013 after giving due notice to the members of the Company and others concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 185 of the Companies Act, 2013.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register of Contracts maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or central government.
12. The issue of duplicate share certificates was approved by the Managing Director.

13.
  - (i) There was no allotment of shares during the financial year under scrutiny. The Company has delivered all the certificates on lodgment thereof for transfer/transmission. The issue of certificates after transfer/transmission was approved by the Managing Director.
  - (ii) The Company has deposited the amount of dividend declared in a separate bank account on 17<sup>th</sup> May 2013 which is within 5 days from the date of declaration of such dividend.
  - (iii) The Company has posted warrants for dividends to all members within a period of 30 days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank, Palarivattam Branch.
  - (iv) The Company was not required to transfer any amount to Investor Education and Protection Fund pursuant to Section 205 C of the Act.
  - (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was an appointment of director to fill casual vacancy during the financial year and also change in designation of Wholtime Director as director. There was no appointment of additional directors and alternate directors.
15. The company has not appointed any Managing Director/Whole-time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained approval of the Regional Director under section 141 of Companies Act, 1956 for condonation of delay of filing of form 8s for creation of charges and also approval of Central Government has been obtained for the appointment of Cost Auditor under section 233B of the Companies Act. No other approvals were obtained from Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from financial institutions and banks during the financial year ending 31.03.2014 are within the borrowing limits of the company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate Provident Fund Trust for its employees or classes of employees as contemplated under Section 418 of the Act.

**For SVJS & Associates  
Company Secretaries**

**Sd/-**

**CS. Sivakumar P.  
Managing Partner  
C.P.No.2210**

Kochi  
03.04.2014

**M/s. KITEX GARMENTS LIMITED**

CIN: L18101KL1992PLC006528

**SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31.03.2014****Annexure A**

Registers as maintained by the Company

Statutory Registers:

1. Register of Charges u/s 143
2. Register and index of Members u/s 150 & 151
3. Registers and Returns u/s 163
4. Minutes Book of Meetings of Board of Directors u/s 193
5. Minutes Books of Proceedings of General Meetings u/s 193
6. Books of Account u/s 209
7. Register of particulars of contracts in which the directors are interested u/s 301
8. Register of Directors, Managing Director, Manager and Secretary u/s 303
9. Register of Directors' Shareholdings u/s 307
10. Register of Renewed and Duplicate Share Certificate.

**Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government and other authorities during the financial year ended on 31<sup>st</sup> March, 2014.

\* With Registrar of Companies:

Sl No.	Form No/ Return	Filed under section	For	Date of Filing	Whether filed within the prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form 66	383A	Secretarial Compliance Certificate for the year ended 31.03.2013	18.05.2013	Yes	No
2	Form 23 ACXBRL	220	Balance Sheet as on 31.03.2013	03.01.2014	No	Yes
3	Form 23 ACA XBRL	220	Profit and loss account for the year ended 31.03.2013	03.01.2014	No	Yes
4	Form 20B	159	Annual Return made up to 14.05.2013	30.05.2013	Yes	No
5	Form 8	125	Modification of charge	10.05.2013	Yes	No
6	Form 8	125	Modification of charges	16.05.2013	Yes	No

7	Form 8	125	Creation/ Modification of charges	11.04.2013	No	Yes
8	Form 61	141	Condonation of delay in filing form 8	29.04.2013	Yes	No
9	Form 61	141	Condonation of delay in filing form 8	29.04.2013	Yes	No
10	Form 61	141	Condonation of delay in filing form 8	29.04.2013	Yes	No
11	Form 61	141	Condonation of delay in filing form 8	03.05.2013	Yes	No
12	Form 21	141	For Condonation of delay in filing Form 8	22.07.2013	Yes	No
13	Form 21	141	For Condonation of delay in filing Form 8	22.07.2013	Yes	No
14	Form 21	141	For Condonation of delay in filing Form 8	22.07.2013	Yes	No
15	Form 21	141	For Condonation of delay in filing Form 8	22.07.2013	Yes	No
16	Form 21	141	For Condonation of delay in filing Form 8	13.09.2013	Yes	No
17	Form 17	138	Satisfaction of charge	12.04.2013	Yes	No
18	Form 17	138	Satisfaction of charge	15.04.2013	Yes	No
19	Form 17	138	Satisfaction of charge	15.04.2013	Yes	No
20	Form 17	138	Satisfaction of charge	15.04.2013	Yes	No
21	Form 17	138	Satisfaction of charge	15.04.2013	Yes	No
22	Form 17	138	Satisfaction of charge	15.04.2013	Yes	No
23	Form 17	138	Satisfaction of charge	07.05.2013	Yes	No
24	Form 17	138	Satisfaction of charge	07.05.2013	Yes	No
25	Form 17	138	Satisfaction of charge	31.10.2013	Yes	No
26	Form 32	262	Filling of Casual vacancies among directors	29.04.2013	Yes	No
27	Form 32	302	Change in designation as director	18.05.2013	Yes	No
28	Form 5INV	Rule 3 of IEPF	Statement of Unclaimed/unpaid amounts	24.06.2013	Yes	NA

\* With Regional Director:

Sl No.	Form No/ Return	Filed under section	For	Date of Filing	Whether filed within the prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form 24AAA	141	Condonation of delay in filing Form 8	29.04.2013	Yes	No
2	Form 24AAA	141	Condonation of delay in filing Form 8	29.04.2013	Yes	No
3	Form 24AAA	141	Condonation of delay in filing Form 8	29.04.2013	Yes	No
4	Form 24AAA	141	Condonation of delay in filing Form 8	03.05.2013	Yes	No

\* With Central Government:

Sl No.	Form No/ Return	Filed under section	For	Date of Filing	Whether filed within the prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form 1XBRL	233B(4)	Filing of XBRL Document in respect of cost audit report and other documents	30.09.2013	Yes	No
2	Form 23C	Section 233B	Application to the Central Govt for appointment of cost auditor	30.05.2013	Yes	No

**For SVJS & Associates  
Company Secretaries**

**Sd/-**

**CS. Sivakumar P.  
Managing Partner  
C.P.No.2210**

Kochi  
03.04.2014



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Kitex Garments Limited

#### Report on the Financial Statements

We have audited the accompanying financial statements of Kitex Garments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the "Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014.
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and records;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on March 31, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and sub-section (2) of Section 164 of the Companies Act, 2013.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For KOLATH & CO**  
Chartered Accountants  
Firm's Registration Number 008926S

Sd/-  
CA.Liju.V.Rajan Kolath  
Partner  
Membership No.209309

Ernakulam  
03.04.2014

### Annexure to Auditors' Report

Referred to in Paragraph 1 of Report on **Other Legal and Regulatory Requirements** of our Report of even date

- (i)
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
  - (c) During the year, the Company has not disposed off a substantial part of its fixed assets, which affect the going concern status of the Company.
- (ii)
  - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion, the Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013.

- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and also with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v)
- (a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013, and exceeding the value of Rs. 5 Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Therefore, the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (vii) Internal Audit functions are carried out by the Internal Audit Department of the Company and the same is reviewed by the Audit Committee. In our opinion, the same can be considered as adequate.
- (viii) According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and Section 128 read with Section 2(13) of the Companies Act, 2013, in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
- (ix)
- (a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and any other material statutory dues applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31.03.2014 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following dues demanded by the relevant authority have not been deposited on account of pending disputes:

Name of Statute	Nature of Dues	Amount (₹)	Period to which it Relates	Forum where Dispute is Pending
Customs Act	Customs Duty	Rs.2,20,61,171 with simple interest of 10% on Rs.99,31,229 as per Settlement Commission Order (out of which Rs.2,20,61,171/- has been paid)	FY 1997-98	Honourable Supreme Court of India
Income Tax Act	Income tax	Rs.6,29,406/-	AY 2003-04 & 2004-05	Honourable High Court of Kerala

Income Tax Act	Income tax	Rs.21,29,567/-	AY 2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act	Income tax	Rs.8,68,593/-	AY 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act	Fringe Benefit tax	Rs.9,07,553/-	AY 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act	Income tax	Rs.58,87,640/-	AY 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act	Income tax	Rs.48,72,980/-	AY 2011-12	Commissioner of Income Tax (Appeals)
Provident Fund Act	Provident Fund	Rs.1,31,86,588/- (Out of which Rs.52,74,636/- has been deposited)	FY 2001-02 to 2005-06	Honourable High Court of Kerala
Provident Fund Act	Provident Fund	Rs.20,44,752/-	For the Period April 2012 to August 2012	Regional Provident Fund Commissioner, Kochi
Employees State Insurance Act	Employee State Insurance	Rs.2,03,687/- (Out of which Rs.1,25,000/- has been deposited)	FY 1996-1997 and 1997-98	The Director, ESI Regional Office, Ernakulam
Employees State Insurance Act	Employee State Insurance	Rs.5,61,692/- (Out of which Rs.2,15,791/- has been deposited)	FY 1998 -99 to 2001-02	Honourable High Court of Kerala
Employees State Insurance Act	Employee State Insurance	Rs.26,01,275/- (Out of which the company has Deposited Rs.3,00,000/-)	FY 2008-09	Honourable ESI Court, Alapuzha
Employees State Insurance Act	Employee State Insurance	Rs.2,79,558/- and related Interest of Rs.9,466/- (Out of which the company has Deposited Rs.50,000/-)	FY 2008-09	Honourable ESI Court, Alapuzha
Employees State Insurance Act	Employee State Insurance	Rs.8,63,348/ (Out of which the company has Deposited Rs.1,00,000/-)	FY 2008-09	Honourable ESI Court, Alapuzha
Kerala Municipality Act, 1994 read with Kerala Building Rules, 1999	One Time Building Tax	Rs.3,08,945/-	1997	Honourable High Court of Kerala

- (x) In our opinion, the Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. There were no debenture holders at any time during the year.

- (xii) Based on our examination of documents and records and according to the information and explanations given by the Management, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. The investment made in equity shares is held in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956 and Section 189 of the Companies Act, 2013.
- (xix) The Company has not issued any debenture during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.
- (xx) The Company has not raised money by public issues during the year and hence the question of disclosure and verification of the end use of such money does not arise.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company during the year was noticed or reported, nor have we been informed of such case by the management.

**For KOLATH & CO**  
Chartered Accountants  
Firm's Registration Number 008926S

Sd/-  
**CA .Liju.V.Rajan Kolath**  
Partner  
Membership No.209309

Ernakulam  
03.04.2014

**BALANCE SHEET AS AT 31ST MARCH, 2014**

Particulars	Notes	31st March 2014 (₹)	31st March 2013 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Fund</b>			
a) Share Capital	3	47,500,000	47,500,000
b) Reserves and Surplus	4	1,694,192,247	1,176,076,739
<b>Sub-Total</b>		1,741,692,247	1,223,576,739
<b>(2) Non-Current Liabilities</b>			
a) Long-term borrowings	5	289,142,946	25,204,604
b) Deferred tax liabilities (Net)	6	216,064,695	161,499,695
c) Other Long term liabilities		-	-
d) Long-term provisions	7	23,315,868	25,313,308
<b>Sub-Total</b>		528,523,509	212,017,607
<b>(3) Current Liabilities</b>			
a) Short-term borrowings	8	905,115,025	892,654,801
b) Trade Payables	9	244,174,471	228,899,546
c) Other current liabilities	10	304,585,806	197,460,133
d) Short-term provisions	7	313,368,859	195,128,650
<b>Sub-Total</b>		1,767,244,161	1,514,143,130
<b>TOTAL</b>		4,037,459,917	2,949,737,476
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Fixed assets	11		
i) Tangible assets		1,809,110,654	1,168,366,212
ii) Intangible assets		2,950,272	4,106,964
iii) Capital Work-in-Progress		6,664,508	22,819,214
b) Non-current investments	12	43,400	43,400
c) Long term loans and advances	13	28,007,741	98,990,811
d) Other non-current assets	14	17,330,865	6,949,636
<b>Sub-Total</b>		1,864,107,440	1,301,276,237
<b>(2) Current assets</b>			
a) Current investments		-	-
b) Inventories	15	108,001,306	458,619,528
c) Trade receivables	14	530,642,218	506,292,648
d) Cash and cash equivalents	16	1,036,084,487	411,832,939
e) Short-term loans and advances	13	342,095,474	217,152,711
f) Other current assets	14	156,528,992	54,563,413
<b>Sub-Total</b>		2,173,352,477	1,648,461,239
<b>TOTAL</b>		4,037,459,917	2,949,737,476
Summary of Significant Accounting Policies	2.2		

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date

**For KOLATH & CO**

Chartered Accountants

Firm Regn. No. 008926S

Sd/-

**CA Liju V Rajan Kolath**

Partner

Membership No. 209309

Kizhakkambalam

3rd April, 2014

For and on behalf of the Board of Directors of

**Kitex Garments Limited**

Sd/-

**Sabu M Jacob**

Managing Director

Sd/-

**CA Bobby Michael**

General Manager-Finance &

Chief Financial Officer

Sd/-

**CA Benni Joseph**

Director

Sd/-

**A Babu**

Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	Notes	31st March 2014 (₹)	31st March 2013 (₹)
Revenue			
I. Revenue from operations	17	4,422,100,486	3,169,833,111
II. Other income	18	133,435,914	40,251,464
<b>III Total Revenue (I+II)</b>		<b>4,555,536,400</b>	<b>3,210,084,575</b>
IV Expenses			
Cost of Raw Materials Consumed	19	2,347,744,492	1,612,670,741
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	11,822,796	38,910,777
Employees Benefits Expense	21	569,716,227	437,644,326
Finance Costs	24	106,159,460	114,720,425
Depreciation and amortization expense	23	96,800,070	86,213,188
Other Expenses	22	541,440,222	479,517,005
<b>Total Expenses</b>		<b>3,673,683,267</b>	<b>2,769,676,462</b>
V. Profit before exceptional and extraordinary items and tax		881,853,133	440,408,113
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		881,853,133	440,408,113
VIII. Extra ordinary items		-	-
IX. Profit before tax (VII-VIII)		881,853,133	440,408,113
X. Tax Expense			
1) Current Tax		253,600,000	148,500,000
2) Deferred Tax		54,565,000	(1,860,000)
XI. Profit/ (Loss) for the year from continuing operations		<b>573,688,133</b>	<b>293,768,113</b>
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the year (XI + XIV)		<b>573,688,133</b>	<b>293,768,113</b>
XVI. Earnings per equity share	25		
1) Basic		<b>12.08</b>	<b>6.18</b>
2) Diluted		<b>12.08</b>	<b>6.18</b>
Summary of Significant Accounting Policies	2.2		

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date

**For KOLATH & CO**

Chartered Accountants

Firm Regn. No. 008926S

Sd/-

**CA Liju V Rajan Kolath**

Partner

Membership No. 209309

Kizhakkambalam  
3rd April, 2014

Sd/-

**Sabu M Jacob**

Managing Director

Sd/-

**CA Boby Michael**

General Manager-Finance &  
Chief Financial Officer

For and on behalf of the Board of Directors of

**Kitex Garments Limited**

Sd/-

**CA Benni Joseph**

Director

Sd/-

**A Babu**

Company Secretary

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

### 1. Corporate Information

Kitex Garments Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange, the National Stock Exchange and the Cochin Stock Exchange. The Company is engaged in the manufacture of fabric and readymade garments. The readymade garments manufactured are exported.

### 2. Basis of Preparation

- 2.1 The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 2.2 Summary of Significant accounting policies

#### 2.2.1 Basis of Accounting

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 1956.

#### 2.2.2 Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reporting period. The estimates and assumptions used in the financial statements are based upon the Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.

#### 2.2.3 Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost of Inventory comprises of Cost of Purchase, Cost of Conversion and other Costs incurred to bring them to their respective present location and condition. Costs of Raw Materials and Packing Materials are determined on FIFO basis.

#### 2.2.4 Revenue Recognition

Revenue is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer. Sales are recognized on inwarding of goods at customer's end, where applicable as per terms of sale (for domestic) and on the date of bill of lading (for exports). Income arising on disposal of scrap/waste is recognized on receipt basis.

#### 2.2.5 Own Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost includes purchase consideration, financing costs till commencement of commercial production and other directly attributable costs incurred to bring an Asset to its working condition for its intended use. Subsidy towards specific assets is reduced from the cost of fixed assets. Fixed assets taken on Finance Lease are capitalized.

The costs of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

#### 2.2.6 Leased Assets

Operating Leases: Rentals are recognised as an expense with reference to lease terms and other considerations.

Finance Leases: The lower of the fair value of the leased assets at the inception of the lease and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to the Statement of Profit and Loss.

#### 2.2.7 Depreciation and Amortisation

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in

Schedule XIV to the Companies Act, 1956. Capitalised Software costs is amortised over a period of three years.

#### 2.2.8 *Foreign Currency Transactions*

Transactions denominated in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies outstanding at the year end are re-stated at the rate of exchange prevailing at the year-end and the gain or loss, is recognized in the Statement of Profit and Loss.

Exchange differences arising on actual payments/ realizations and year-end restatements are recognized in the Statement of Profit and Loss.

The Company enters into foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The company does not use the foreign exchange forward contracts for trading or speculation purposes.

Premium or discount arising at the inception of a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

#### 2.2.9 *Government Grants*

Government Grants are recognized where there is reasonable assurance that the Company has complied with the conditions attached to them and that the Grant will be received. Grant relating to depreciable fixed assets is reduced from the gross value of Fixed Assets. Revenue Grants are recognized in the Statement of Profit and Loss and are shown under Other Income.

#### 2.2.10 *Investments*

Long-term Investments made by the Company are stated at cost and provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

#### 2.2.11 *Employee Benefits*

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

The contributions remitted to government administered Provident and Pension Fund on behalf of its employees in accordance with the relevant statute are charged to the Statement of Profit and Loss as and when due. The Company has no further obligations for future Provident/ Pension fund benefits other than its monthly contributions.

Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expenses are recognised at the present value of the amount payable determined using actuarial valuation techniques.

#### 2.2.12 *Borrowing Costs*

Borrowing Costs directly attributable to the acquisition, construction and production of qualifying assets are capitalised as part of the Cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss.

#### 2.2.13 *Taxation*

Provision for taxation is made for both current and deferred taxes.

Current tax is provided on the basis of estimated taxable income in accordance with the Income Tax Act, 1961 using the applicable tax rates and tax laws.

Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date.

Deferred Tax Assets are recognized and carried forward only if there is a virtual certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

#### 2.2.14 *Provisions, Contingent Liabilities and Contingent Assets.*

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**3. SHARE CAPITAL**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)		
a	Authorized Shares 50,000,000 Equity shares of Re. 1 each (31 March 2013: 50,000,000)	50,000,000	50,000,000		
b	Issued, Subscribed and fully paid up shares 47,500,000 Equity shares of Re. 1 each (31 March 2013: 47,500,000)	47,500,000	47,500,000		
c	Reconciliation of shares outstanding at the beginning and at the end of the reporting period.				
		31st March 2014		31st March 2013	
		No. of shares	Amount (₹)	No. of shares	Amount (₹)
	At the beginning of the period	47,500,000	47,500,000	47,500,000	47,500,000
	Add: Shares Issued during the year	NIL	NIL	NIL	NIL
	Less: Shares bought back during the year	NIL	NIL	NIL	NIL
	Add: Other movements during the year	NIL	NIL	NIL	NIL
	Outstanding at the end of the period	47,500,000	47,500,000	47,500,000	47,500,000
d	Terms/rights attached to equity shares. The company has only one class of equity shares having par value of Re. 1 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed is as recommended by the Board of Directors and subject to the approval of the shareholders in the ensuing Annual General Meeting. For the year ended 31.03.2014, the amount of dividend per share recognised as distributions to equity shareholders is Rs. 1 (31 March 2013: Re.0.80 ) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.				
		31st March 2014 (₹)	31st March 2013 (₹)		
e	Shares held by holding/ ultimate holding company/ or their subsidiaries/ associates	NIL	NIL		
f	Details of shareholders holding more than 5% shares in the Company				
		31st March 2014		31st March 2013	
		No. of shares	% of holding in the class	No. of shares	% of holding in the class
	Equity Shares of Re. 1 each fully paid				
	Kitex Childrenswear Limited	7,350,329	15.4744%	7,350,329	15.4744%
	Sabu M Jacob	3,464,631	7.2940%	3,464,631	7.2940%
	Bobby M Jacob	3,000	0.0063%	3,000	0.0063%
	Sabu M Jacob and Bobby M Jacob	3,846,950	8.0988%	3,846,950	8.0988%
	Bobby M Jacob and Sabu M Jacob	6,910,750	14.5489%	6,910,750	14.5489%
	Renjitha Joseph	3,091,500	6.5084%	3,091,500	6.5084%
	Gopinathan C K	3,000,410	6.3167%	2,866,336	6.0344%
	C K G Super Market Limited	3,549,999	7.4737%	3,416,637	7.1929%
	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.				
		31st March 2014 (₹)	31st March 2013 (₹)		
g	Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date.	NIL	NIL		

**4. RESERVES AND SURPLUS**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Capital Reserve		
	Investment Subsidy	2,210,000	2,210,000
b	General Reserve		
	Balance as per last Financial Statements	126,500,000	96,500,000
	Add: Amount transferred from surplus in the Statement of Profit and Loss	60,000,000	30,000,000
	Closing balance	186,500,000	126,500,000
c	Surplus/(Deficit) in the Statement of Profit and Loss		
	Balance as per last Financial Statements	1,047,366,739	828,056,726
	Profit for the year	573,688,133	293,768,113
		1,621,054,872	1,121,824,839
	Less: Appropriations		
	Proposed final equity dividend (Amount per share Re. 1.00 (31 March 2013: Re.0.80))	47,500,000	38,000,000
	Tax on proposed equity dividend	8,072,625	6,458,100
	Transfer to General Reserve	60,000,000	30,000,000
	Total Appropriations	115,572,625	74,458,100
	Net Surplus in the Statement of Profit and Loss	1,505,482,247	1,047,366,739
	Total Reserves and Surplus	<b>1,694,192,247</b>	<b>1,176,076,739</b>

**5. LONG TERM BORROWINGS**

Sl No.	Particulars	Non-Current Portion		Current Maturities	
		31st March 2014 (₹)	31st March 2013 (₹)	31st March 2014 (₹)	31st March 2013 (₹)
a	Term Loans				
	Indian Rupee Loan From Banks (Secured)	289,142,946	25,204,604	147,260,786	93,831,851
		289,142,946	25,204,604	147,260,786	93,831,851
	The above amount includes				
	Secured borrowings	289,142,946	25,204,604	147,260,786	93,831,851
	Unsecured borrowings	-	-	-	-
	Amount disclosed under the head	-	-	(147,260,786)	(93,831,851)
	Other Current Liabilities				
	See Note No. 10				
		<b>289,142,946</b>	<b>25,204,604</b>	<b>-</b>	<b>-</b>

I	Terms of Repayments of Indian Rupee Term Loans				
	<b>Name of the Bank</b>	<b>State Bank of India</b>			
	Type of Loan	Term Loan			
	Loan Account No.	32331339891			
	Amount sanctioned/availed (Rs.)	82,00,00,000/- (Availed : Rs 51,35,64,936/-)			
	Sanction Date	28.03.2012			
	Current Interest rate	12.50%			
	Total No. of Instalments	60			
	No. of instalments paid	7			
	No. of balance instalments to be paid	53			
	Amount of instalment	First 22 months : Rs. 1,20,00,000/- Next 26 months : Rs. 1,40,00,000/- Next 12 months : Rs. 1,60,00,000/-			
	Repayment type	Monthly			
	Interest payment type	Monthly			
	<b>Name of the Bank</b>	<b>Axis Bank</b>	<b>Axis Bank</b>	<b>Axis Bank</b>	<b>Axis Bank</b>
	Type of Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan
	Loan Account No.	AUR008100497115	AUR008100497089	AUR008100497086	AUR008100497481
	Amount sanctioned/availed (Rs.)	8,19,845/-	5,44,908/-	5,44,908/-	6,12,848/-
	Sanction Date	10-05-2012	10-05-2012	10-05-2012	10-05-2012
	Current Interest rate	11.20%	11.06%	11.06%	11.06%
	Total No. of Instalments	36	36	36	36
	No. of instalments paid	22	22	22	22
	No. of balance instalments to be paid	14	14	14	14
	Amount of EMI	26,919/-	17,855/-	17,855/-	20,081/-
	Repayment type	Monthly	Monthly	Monthly	Monthly
	<b>Name of the Bank</b>	<b>Axis Bank</b>	<b>Axis Bank</b>	<b>Axis Bank</b>	<b>Axis Bank</b>
	Type of Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan
	Loan Account No.	CVR008100583357	CVR008100583352	CVR008100863031	CVR008100863216
	Amount sanctioned/availed (Rs.)	11,81,430/-	12,81,000/-	13,50,000/-	13,50,000/-
	Sanction Date	16/10/2012	16/10/2012	27-09-2013	27-09-2013
	Current Interest rate	11.00%	11.00%	11.01%	11.01%
	Total No. of Instalments	36	36	36	36
	No. of instalments paid	17	17	4	4
	No. of balance instalments to be paid	19	19	32	32
	Amount of EMI	38,679/-	41,938/-	44,205/-	44,205/-
	Repayment type	Monthly	Monthly	Monthly	Monthly
	<b>Name of the Bank</b>	<b>Axis Bank</b>	<b>Axis Bank</b>		
	Type of Loan	Vehicle Loan	Vehicle Loan		
	Loan Account No.	CVR008100862999	CVR008100863032		
	Amount sanctioned/availed (Rs.)	12,28,000/-	8,90,000/-		
	Sanction Date	16-08-2013	06-11-2013		
	Current Interest rate	11.01%	11.01%		
	Total No. of Instalments	36	36		
	No. of instalments paid	4	4		
	No. of balance instalments to be paid	32	32		
	Amount of EMI	40,210/-	29,143/-		
	Repayment type	Monthly	Monthly		



- II
- 1 Indian Rupee Term loans from Banks (Other than Vehicle loans) are Secured by:
- i Primary Security:
- State Bank of India Term Loan Account no 32331339891 - First charge in favour of State bank of India on the entire fixed assets, present and future, of the Company and including:
- a Equitable Mortgage over 19.24 acres of Land , Building and Plant and Machinery of the Backward integration project in Re.Sy no. 122/9/4 , 112/5 , 112/1 , 108/2/2 , 108/10/2 , 108/2 , 108/10 , 112/4 , 122/9/3 , 108/1/2 , 122/7 , 121/1/1 in Block 27 of Pattimattom Village , Kunnathunadu taluk , Puthencruz sub district, Ernakulam belonging to the Company.
- b Equitable Mortgage over 244.629 cents of Land in Re Sy No 76/3 in Block no 27 of Kizhakkambalam, Puthencruz sub district, Ernakulam belonging to the Company.
- ii Collateral Security:
- a Second charge in favour of State Bank of India, on the entire current assets of the Company, both present and future.
- b Second charge in favour of State Bank of India, on the entire Fixed assets of the Company, both present and future other than Fixed assets charged as primary security.
- c First charge in favour of State bank of India, over Equitable Mortgage on 3.75 Acres of land & building in Re. Sy No. 81/1 at Pattimattom Village, Kunnathunadu Taluk (Kizhakkambalam), Puthen cruz Sub-district, Ernakulam belonging to the Company.
- iii Personal Guarantee of Mr. Sabu M Jacob, Managing Director.
- 2 Vehicle loans are secured by hypothecation of the concerned vehicles.

## 6. DEFERRED TAX LIABILITY (Net)

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Deferred Tax Liability		
	Fixed Assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	224,691,833	170,416,833
	Gross Deferred Tax Liability	224,691,833	170,416,833
b	Deferred Tax Asset		
	Impact of Expenditure charged (Gratuity) to Statement of Profit and Loss in the current year but allowed for tax purpose on payment basis	8,627,138	8,917,138
	Gross Deferred Tax Asset	8,627,138	8,917,138
	Net Deferred Tax Liability	<b>216,064,695</b>	<b>161,499,695</b>

## 7. PROVISIONS

Sl No.	Particulars	Long Term		Short Term	
		31st March 2014 (₹)	31st March 2013 (₹)	31st March 2014 (₹)	31st March 2013 (₹)
a	Provision for Employee Benefits				
	Provision for Gratuity	23,315,868	25,313,308	2,066,667	2,170,550
		23,315,868	25,313,308	2,066,667	2,170,550
b	Other Provisions				
	Provision for Taxation	NIL	NIL	255,729,567	148,500,000
	Proposed Equity Dividend	NIL	NIL	47,500,000	38,000,000
	Provision for Tax on proposed equity dividend	NIL	NIL	8,072,625	6,458,100
		NIL	NIL	311,302,192	192,958,100
		<b>23,315,868</b>	<b>25,313,308</b>	<b>313,368,859</b>	<b>195,128,650</b>

**8. SHORT TERM BORROWINGS**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Loans Repayable on demand Packing Credit Loan From banks (Secured)	905,115,025	892,654,801
		<b>905,115,025</b>	<b>892,654,801</b>

- 1 Terms of repayment of Packing Credits:  
Packing credit from Bank is repayable on demand and carries interest @ 7.45%. (Current rate for State Bank of India)
- 2 Working capital Limits from Bank is secured by
- (i) Primary Security:  
First charge in favour of State bank of India over the entire Current Assets of the Company, both present and future.
- (ii) Collateral Security:  
Second charge, in favour of State bank of India on the entire Fixed Assets of the Company (excluding vehicles purchased under the Hire Purchase), of which includes:
- a First charge in favour of State bank of India over Equitable Mortgage on 3.75 Acres of land & building in Re. Sy No. 81/1 at Pattimattom Village, Kunnathunadu Taluk (Kizhakkambalam), Puthen cruz Sub-district, Ernakulam belonging to the Company.
- b Second charge over Equitable Mortgage on 19.24 acres of land, building and plant & machinery of the fabric processing plant at Kizhakkambalam.
- c Second charge over EM on 244.629 cents of Land in Re Sy No 76/3 in Block no 27 of Kizhakkambalam, Puthencruz sub district, Ernakulam belonging to the Company.
- (iii) Personal Guarantee on Mr. Sabu M Jacob, Managing Director.

**9. TRADE PAYABLES**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Trade Payables (Refer Note 31 for details of dues to micro and small enterprises)	244,174,471	228,899,546
b	Others	NIL	NIL
		<b>244,174,471</b>	<b>228,899,546</b>

**10. OTHER CURRENT LIABILITIES**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Current maturities of long term borrowings	147,260,786	93,831,851
b	Interest accrued and due on borrowings	4,712,164	1,002,766
c	Income Received in advance	823,426	70,662
d	Unpaid dividends	4,262,740	3,295,911
e	Other payables		
	ESIC Payable	1,346,693	1,050,690
	PF Payable	5,145,596	3,863,543
	TDS payable	13,268,012	5,412,553
	Fringe Benefit Tax Payable	907,553	907,553
	Work Contract Tax Payable	296,988	-
	Others	216	-
	Wealth Tax Payable	127,761	51,179
	Expenses Payable	94,921,863	85,659,923
	Payable to Vendors - Non Trade	31,512,008	2,313,502
		<b>304,585,806</b>	<b>197,460,133</b>

**11. FIXED ASSETS**

Sl No	NATURE OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2013	Additions during the year	Sale/Deletions/ Capital Subsidy during the year	As at 31.03.2014	As at 01.04.2013	Accumulated Depreciation Reversed / Adjusted	During the Year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>A</b>	<b>TANGIBLE ASSETS</b>										
1	Freehold Land	46,140,590	500,000	-	46,640,590	-	-	-	-	46,640,590	46,140,590
2	Building	604,598,542	24,398,618	-	628,997,160	116,036,366	-	18,738,304	134,774,670	494,222,490	488,562,176
3	Plant & Equipments	798,343,518	741,990,148	59,399,738	1,480,933,928	257,293,402	-	62,808,824	320,102,226	1,160,831,702	541,050,116
4	Furniture & Fixtures	31,446,732	594,632	-	32,041,364	17,671,365	-	2,124,527	19,795,892	12,245,472	13,775,367
5	Vehicles	35,904,628	10,915,053	142,725	46,676,956	13,587,825	131,169	3,758,913	17,215,569	29,461,387	22,316,803
6	Office Equipments	23,780,302	1,173,941	-	24,954,243	8,119,500	-	1,248,476	9,367,976	15,586,267	15,660,802
7	Other assets	68,468,768	14,005,161	-	82,473,929	27,608,410	-	4,742,773	32,351,183	50,122,746	40,860,358
	<b>Total (A)</b>	<b>1,608,683,080</b>	<b>793,577,553</b>	<b>59,542,463</b>	<b>2,342,718,170</b>	<b>440,316,868</b>	<b>131,169</b>	<b>93,421,817</b>	<b>533,607,516</b>	<b>1,809,110,654</b>	<b>1,168,366,212</b>
<b>B</b>	<b>INTANGIBLE ASSETS</b>										
Sl No	NATURE OF ASSET	GROSS BLOCK				AMORTIZATION				NET BLOCK	
		As at 01.04.2013	Additions during the year	Sale/Deletions/ Capital Subsidy during the year	As at 31.03.2014	As at 01.04.2013	Accumulated Depreciation Reversed / Adjusted	During the Year	As at 31.03.2014	As at 31.03.2014	As at 31.03.2013
1	Computer software	29,024,083	2,221,561	-	31,245,644	24,917,119	-	3,378,253	28,295,372	2,950,272	4,106,964
	<b>Total (B)</b>	<b>29,024,083</b>	<b>2,221,561</b>	<b>-</b>	<b>31,245,644</b>	<b>24,917,119</b>	<b>-</b>	<b>3,378,253</b>	<b>28,295,372</b>	<b>2,950,272</b>	<b>4,106,964</b>
	<b>GRAND TOTAL (A)+(B)</b>	<b>1,637,707,163</b>	<b>795,799,114</b>	<b>59,542,463</b>	<b>2,373,963,814</b>	<b>465,233,987</b>	<b>131,169</b>	<b>96,800,070</b>	<b>561,902,888</b>	<b>1,812,060,926</b>	<b>1,172,473,176</b>
	Previous Year	1,613,388,176	30,369,739	6,050,752	1,637,707,163	385,446,975	6,426,176	86,213,188	465,233,987	1,172,473,176	1,227,941,201

**12. NON CURRENT INVESTMENTS**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
	Non Trade Investments (Valued at cost)		
	Investment in Equity Instruments (Quoted)	43,400	43,400
	1400 (31 March 2013: 1400) Equity Shares of Punjab National Bank (Market value of Shares as on 31 March 2014 is Rs.10,41,740/- (As on 31 March 2013: Rs.10,05,060/-))		
		<b>43,400</b>	<b>43,400</b>

**13. LOANS AND ADVANCES**

Sl No.	Particulars	Non-Current		Current	
		31st March 2014 (₹)	31st March 2013 (₹)	31st March 2014 (₹)	31st March 2013 (₹)
a	Capital advances				
	Unsecured, considered good	14,006,248	86,822,838	NIL	NIL
	(a)	14,006,248	86,822,838	NIL	NIL
b	Security Deposit				
	Unsecured, considered good	14,001,493	12,167,973	NIL	NIL
	(b)	14,001,493	12,167,973	NIL	NIL
c	Advance Recoverable in cash or kind				
	Unsecured, considered good				
	Advance to Vendors - Trade	NIL	NIL	32,631,975	25,853,032
	(c)	NIL	NIL	32,631,975	25,853,032
d	Other Loans and advances				
	Unsecured, considered good				
(i)	Advance to Employees	NIL	NIL	860,824	1,222,879
(ii)	Advance Income tax	NIL	NIL	229,361,408	133,845,381
(iii)	Prepaid Expenses	NIL	NIL	3,424,573	2,219,395
(iv)	KVAT Refund Receivable	NIL	NIL	75,816,694	54,012,024
	(d)	NIL	NIL	309,463,499	191,299,679
	TOTAL (a)+(b)+(c)+(d)	<b>28,007,741</b>	<b>98,990,811</b>	<b>342,095,474</b>	<b>217,152,711</b>

**14. TRADE RECEIVABLES AND OTHER ASSETS**

Sl No.	Particulars	Non-Current		Current	
		31st March 2014 (₹)	31st March 2013 (₹)	31st March 2014 (₹)	31st March 2013 (₹)
I	Trade Receivables				
a	Outstanding for a period Exceeding six months from the date they are due for payment				
	Unsecured, Considered Good (A)	NIL	NIL	5,551,766	2,665,055
b	Other Receivables				
	Unsecured, considered good (B)	NIL	NIL	525,090,452	503,627,593
	Total (A)+(B)	<b>NIL</b>	<b>NIL</b>	<b>530,642,218</b>	<b>506,292,648</b>

Sl No.	Particulars	Non-Current		Current	
		31st March 2014 (₹)	31st March 2013 (₹)	31st March 2014 (₹)	31st March 2013 (₹)
2	Dues from Company in which the Company's Managing Director is a Managing Director				
	Dues from Kitex Childrenswear Ltd. Unsecured, considered good	NIL	NIL	-	87,478,031
	Other Assets				
	Unsecured, considered good				
	(i) Duty Drawback	NIL	NIL	80,592,978	51,846,348
	(ii) Interest accrued on fixed deposits	NIL	NIL	1,076,930	1,031,298
	(iii) Subsidy - TUFS	NIL	NIL	68,623,684	520,400
	(iv) Service Tax Refund on export of goods	NIL	NIL	1,934,645	1,165,367
	(v) Other Deposits	17,330,865	6,949,636	NIL	NIL
	(vi) Others	NIL	NIL	4,300,755	-
		<b>17,330,865</b>	<b>6,949,636</b>	<b>156,528,992</b>	<b>54,563,413</b>

## 15. INVENTORIES (Valued at lower of cost or net realizable value)

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Raw- Materials	102,062,240	440,857,666
b	Finished goods	5,939,066	17,761,862
		<b>108,001,306</b>	<b>458,619,528</b>

## 16. CASH AND BANK BALANCES

Sl No.	Particulars	Non-Current		Current	
		31st March 2014 (₹)	31st March 2013 (₹)	31st March 2014 (₹)	31st March 2013 (₹)
1	Cash and Cash equivalents				
a	Cash on hand	NIL	NIL	565,039	1,052,289
b	Balance with banks:				
	On current accounts	NIL	NIL	984,057,589	363,313,920
	(A)	NIL	NIL	984,622,628	364,366,209
2	Other Bank balances				
a	Ear marked balance with Banks				
	On unpaid dividend accounts	NIL	NIL	4,262,740	3,295,913
b	Margin money Deposit	NIL	NIL	47,199,119	44,170,817
	(B)	NIL	NIL	51,461,859	47,466,730
	(A)+(B)	<b>NIL</b>	<b>NIL</b>	<b>1,036,084,487</b>	<b>411,832,939</b>

Margin money deposits with carrying amount of Rs.4,71,99,119/- (31 March 2013: Rs. 4,41,70,817/-) are held to secure the Company's Non Fund based limits availed from Banks.

**17. REVENUE FROM OPERATIONS**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Sale of Products Sales - Export Less: Sales Returns	3,254,858,563 -	2,477,472,584 39,655
	(A)	3,254,858,563	2,477,432,929
	Sales - Domestic Less: Sales Returns	778,489,496 5,304,928	490,698,780 -
	(B)	773,184,568	490,698,780
	Total (A)+(B)	4,028,043,131	2,968,131,709
b	Other Operating Revenues		
(i)	Duty drawback Income	233,126,935	178,538,721
(ii)	Service Tax Refund on export of goods	5,599,201	4,178,972
(iii)	Sale of manufacturing Scrap	148,171,078	16,580,945
(iv)	Others	7,160,141	2,402,764
	(C)	394,057,355	201,701,402
	Total (A)+(B)+(C)	<b>4,422,100,486</b>	<b>3,169,833,111</b>

**18. OTHER INCOME**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Interest Income		
(i)	Bank Deposits	3,697,380	3,662,645
(ii)	Other Deposits	289,532	196,505
b	Dividend Income on Long Term investments	51,800	30,800
c	Subsidy Income - TUFs	1,205,749	2,283,316
d	Foreign exchange gains (Net)	113,478,738	25,884,484
e	Rent received	1,288,144	1,161,651
f	Prior period income	-	2,397,515
g	Other non-operating income	13,424,571	4,634,548
		<b>133,435,914</b>	<b>40,251,464</b>

**19. COST OF RAW MATERIALS CONSUMED**

Particulars	31st March 2014 (₹)	31st March 2013 (₹)
Inventory at the beginning of the year	440,857,666	462,948,839
Add: Purchases during the year	2,008,949,066	1,590,579,568
Less: Inventory at the end of the year	102,062,240	440,857,666
Cost of raw material consumed.	<b>2,347,744,492</b>	<b>1,612,670,741</b>

**20. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE**

Particulars	31st March 2014 (₹)	31st March 2013 (₹)
Inventories at the end of the year		
Finished goods	5,939,066	17,761,862
Inventories at the beginning of the year		
Finished goods	17,761,862	56,672,639
Change in inventories of finished goods	<b>11,822,796</b>	<b>38,910,777</b>

**21. EMPLOYEE BENEFITS EXPENSE**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Salaries, Wages and Bonus	472,053,957	367,276,333
b	Contribution to Provident Fund	28,634,577	22,073,768
c	Staff Welfare Expenses	69,027,693	48,294,225
		<b>569,716,227</b>	<b>437,644,326</b>

**22. OTHER EXPENSES**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
1	Freight and Clearing charges -Inward	12,291,200	11,880,983
2	Power and Fuel	163,560,504	138,049,517
3	Repairs and Maintenance -Building	10,525,406	1,571,673
4	Repairs and Maintenance -Plant and Machinery	15,547,309	8,845,948
5	Repairs and Maintenance -Others	15,389,870	10,307,616
6	Stores and Spares consumed	67,019,573	48,909,878
7	Insurance	6,773,633	4,751,295
8	Processing charges	120,977,618	123,746,665
9	Testing Charges	17,854,647	14,695,865
10	Other Production expenses	5,088,374	3,926,758
11	Sitting fee to Directors	234,833	183,709
12	Travelling and Conveyance	8,648,703	7,687,987
13	Postage, Courier and Telephone	5,883,741	6,620,155
14	Rent	2,215,880	4,848,342
15	Audit fees	764,048	730,340
16	Legal and professional Charges	11,098,206	934,008
17	Rates & Taxes excluding taxes on Income	5,544,179	3,599,402
18	Printing and Stationery	3,301,401	2,541,999
19	General Expenses	5,583,883	2,388,419
20	Freight and Forwarding charges -Outward	25,179,449	15,425,850
21	Advertisement and Sales Promotion	7,010,219	8,585,994
22	Sales Commission	5,241,219	5,143,956
23	Interest (Other than on borrowings)	5,582,216	6,388,877
24	Bank charges	11,506,650	10,332,804
25	Loss on Sale of Fixed assets	9,056	29,677
26	Duty drawback written off	42,711	508,757
27	Prior period expenses	4,554,031	35,802,953
28	Expenditure towards Corporate Social Responsibility activities	4,011,663	1,077,578
		<b>541,440,222</b>	<b>479,517,005</b>

**23. DEPRECIATION AND AMORTIZATION EXPENSES**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Depreciation of Tangible Assets	93,421,817	81,554,875
b	Amortization of Intangible Assets	3,378,253	4,658,313
		<b>96,800,070</b>	<b>86,213,188</b>



**24. FINANCE COSTS**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Interest Expenses	105,245,180	113,602,462
b	Other Borrowing costs	914,280	1,117,963
		<b>106,159,460</b>	<b>114,720,425</b>

**25. EARNING PER SHARE**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Net profit as per Statement of Profit and Loss	573,688,133	293,768,113
b	Net profit available to Equity Share holders	573,688,133	293,768,113
c	No. of equity shares at year end	47,500,000	47,500,000
d	Weighted average number of Equity shares used as denominator for calculating EPS	47,500,000	47,500,000
e	Basic and Diluted Earning per Share	12.08	6.18
f	Face value per Equity Share	1.00	1.00

**26. GRATUITY**

The following table summarizes the components of expense recognized in the Statement of Profit and Loss and the amounts recognized in the Balance Sheet.

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
1	Expense Recognized in Statement of Profit and Loss		
a	Current Service Cost	6,426,850	4,835,691
b	Interest on Defined Benefit Obligation	2,609,622	1,821,371
c	Net Actuarial Losses/ (Gains) Recognized in Year	(7,481,707)	6,913,022
d	Past Service Cost	-	-
	Total amount included in "Employee Benefit Expense" (Note 21)	1,554,765	13,570,084
2	Amount Recognized in Balance Sheet		
a	Present Value of Unfunded Obligations	25,382,535	27,483,858
	Net Liability	25,382,535	27,483,858
b	Net Liability is bifurcated as follows:		
	Current	2,066,667	2,170,550
	Non Current	23,315,868	25,313,308
	Net Liability	25,382,535	27,483,858
3	Change in Defined Benefit Obligation		
a	Opening Defined Benefit Obligation	27,483,858	17,542,008
b	Current Service Cost	6,426,850	4,835,691
c	Interest Cost	2,609,622	1,821,371
d	Actuarial Losses/ (Gain)	(7,481,707)	6,913,022
e	Past Service Cost	-	-
f	Benefits Paid	(3,656,088)	(3,628,234)
g	Closing Defined Benefit Obligation	25,382,535	27,483,858
h	Contributions by Employer	3,656,088	3,628,234
i	Benefits Paid	(3,656,088)	(3,628,234)
j	Expected Employer's Contribution Next Year	2,066,667	2,170,550
4	Financial Assumptions at the Valuation Date:		
a	Discount Rate (p.a.)	9.15%	7.95%
b	Expected Rate of Return on Assets (p.a.)	0.00%	0.00%
c	Salary Escalation Rate (p.a.)	7.00%	7.00%

**27. LEASES****A Operating Lease: Company as Lessor**

Future minimum rentals receivable under operating lease is as follows:

	31st March 2014 (₹)	31st March 2013 (₹)
Within one year	562,285	613,404
	<b>562,285</b>	<b>613,404</b>

**B Operating Lease: Company as Lessee**

The Company has taken various residential and office premises under operating lease agreements. These agreements are generally for a period of 11 months. The Company has also taken equipments on rent for shorter duration during the year. Minimum lease payments charged during the year to the Statement of Profit and Loss aggregated to Rs.22,15,880 (Previous year Rs. 48,48,342)

**28. SEGMENT INFORMATION**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
<b>I</b>	<b>BUSINESS SEGMENTS:</b>		
1	Segment Revenue		
	a. Garments	3,501,361,370	2,663,672,430
	b. Fabric	2,184,331,458	1,406,425,189
		5,685,692,828	4,070,097,619
	Less : Inter Segment Revenue	1,263,592,342	900,264,508
		4,422,100,486	3,169,833,111
2	Segment Results		
	a. Garments	1,058,499,074	653,797,474
	b. Fabric	(95,608,024)	(35,202,080)
	Total	962,891,050	618,595,393
	Less: Interest	82,471,875	87,335,813
	Unallocable Expenses/ Income	(1,433,959)	90,851,467
	Profit before tax	881,853,134	440,408,113
3	Capital Employed		
	a. Garments	886,516,796	867,156,423
	b. Fabric	1,206,935,085	944,915,086
	c. Unallocable	(351,759,635)	(588,494,771)
		1,741,692,246	1,223,576,739
<b>II</b>	<b>GEOGRAPHICAL SEGMENTS:</b>		
	Sales - Export	3,254,858,563	2,477,432,929
	Sales - Domestic	773,184,568	490,698,780
		4,028,043,131	2,968,131,709

**29. RELATED PARTY DISCLOSURE**

Related parties with whom transactions have taken place during the year:

**a Key Management Personnel:**

- i Sabu M Jacob, Managing Director
- ii C Mohan, Whole Time Director (Finance)/Company Secretary ( up to 14.05.2013), Director (from 15.05.2013)
- iii E M Paulose, Director
- iv Benni Joseph, Director
- v K L V Narayanan, Director (from 04.04.2013)
- vi M P Kuriakose, Director (up to 31.03.2013)

- b Relatives of Key Management Personnel:
  - i Renjitha Joseph, Wife of Sabu M Jacob
- c 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

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

Name of Related Party	Nature of Transaction	Transaction Value for the year (₹)	
<b>a. Enterprises owned or significantly influenced by key management personnel or their relatives:</b>			
		31st March 2014 (₹)	31st March 2013 (₹)
i. Kitex Childrenswear Limited	Fabric Sale	767,920,555	482,580,393
	Rent Received	1,447,358	1,174,707
	Rent Paid	89,560	80,752
	Quality claim charges	Nil	3,384,613
	Others (Net)	524,922	167,440
ii. Kitex Limited	Sale of Fabric	5,264,013	8,118,387
	Fabric Purchase	101,458,349	77,637,925
	Job Work Charges	7,403,093	17,415,088
	Others (Net)	2,344,599	Nil
iii. Anna Aluminium Company (P) Ltd.	Spices Purchase	1,758,164	975,077
	Utensil Purchase	535,787	50,039
	Others (Net)	59,274	Nil
<b>b. Key Management Personnel:</b>			
i. Sabu M Jacob - Managing Director	Remuneration	46,429,950	23,187,540
ii. C. Mohan	Remuneration	306,923	2,489,208
	Sitting fee	45,500	Nil
iii. E.M. Paulose	Sitting fee	62,000	62,000
iv. Benni Joseph	Sitting fee	62,000	62,000
v. K.L.V. Narayanan	Sitting fee	39,500	Nil
vi. M.P. Kuriakose	Sitting fee	Nil	39,500
<b>c. Relatives of Key Management Personnel</b>			
Renjitha Joseph	Salaries & Allowances (Upto 30.09.2012)	Nil	296,740

Name of Related Party	Outstanding amounts carried in the Balance Sheet (₹)	
<b>a. Enterprises owned or significantly influenced by key management personnel or their relatives:</b>		
	31st March 2014 (₹)	31st March 2013 (₹)
i. Kitex Childrenswear Limited	Nil	87,478,031 (Dr)
ii. Kitex Limited	1,688,776 (Cr)	2,739,673 (Cr)
iii. Anna Aluminium Company (P) Ltd.	801,543 (Cr)	26,294 (Cr)
<b>b. Key Management Personnel:</b>		
i. Sabu M Jacob - Managing Director	25,810,241 (Cr)	23,051,864 (Cr)
ii. C Mohan	40,950 (Cr)	289,230 (Cr)
iii. E M Paulose	55,800 (Cr)	Nil
iv. Benni Joseph	55,800 (Cr)	Nil
v. K L V Narayanan	35,550 (Cr)	Nil

### 30. CONTINGENT LIABILITIES AND COMMITMENTS

#### 1 Contingent Liabilities (to the extent not provided for)

- i Counter Guarantees issued by the Company for the guarantees issued by Banks amounts to Rs.4,20,42,612/- (Previous year- Rs.2,60,42,612/-).
- ii Letters of Credit Outstanding amounts to Rs.16,92,15,995/- (Previous year -Rs 67,83,62,952/-)
- iii Bills discounted - Rs. Nil (Previous year - Nil.)
- iv Customs, Income Tax, Provident Fund and Employee State Insurance Claims
  - a Commissioner of Customs issued Show Cause Notice directing the company to remit Rs.3,25,20,531/- (inclusive of interest @ 24% as applicable) for the financial year 1997-98 towards non-fulfillment of export obligation. Company approached the Settlement Commission and remitted admitted liability of Rs.1,21,29,942/- during the financial year 2001-2002. Settlement Commission, issued final order on 03.07.2003 fixing total duty liability of Rs.2,20,61,171/- and directed the company to remit balance amount of Rs.99,31,229/- with simple interest at the rate 10% per annum. Aggrieved by the order of the Settlement Commission, the company filed a writ petition before Honourable High Court of Kerala, which was dismissed and the Company preferred an appeal against the same with the Hon Supreme Court. The Honourable Supreme court stayed the demand and instructed the Company to remit Rs.99,31,229/- and stayed the interest claimed. The company remitted Rs.99,31,229/- during the year. The Company had furnished a Bank Guarantee for Rs. 101.74 lakhs to the office of the Commissioner of Customs.
  - b The Deputy Commissioner of Income Tax, Aluva has raised a demand for Rs.6,29,406/- while completing the assessment for the years 2003-04 and 2004-05. The demand was dismissed by the CIT (Appeals). The Tribunal has dismissed the appeal filed by the Revenue. However, the department has preferred an appeal before Hon. High Court of Kerala. The Company has received a refund of Rs.3,61,732/- with regard to assessment years 2003-04 and 2004-05.
  - c The Additional Commissioner of Income Tax, Kochi has raised a demand of Rs. 48,72,980/-, while completing the assessment for the Assessment Year 2011-12. The company had already remitted Rs.33,76,555/-, which was not considered while issuing the order. The company is in the process of filing an appeal for the balance amount of Rs.14,96,428/-.
  - d Asst. Provident Fund Commissioner (Enforcement) has determined a sum of Rs.1,31,86,588/- towards contributions payable for the period 2001 to 2006 as per the schemes framed under the Provident Fund Act. The company preferred an appeal before the Employee's Provident Fund Appellate Tribunal against the order of the Asst. Provident Fund Commissioner. The Employee's Provident Fund Appellate Tribunal directed the Company to remit Rs.52,74,636/- for staying the proceedings and subsequently upheld the orders of the Asst. Provident fund Commissioner (Enforcement). The Company deposited the amount and since the Tribunal order was not in its favour, the Company has filed an appeal with the Hon High Court of Kerala and the proceedings have been stayed. The Honorable High Court of Kerala has heard the appeal and orders are awaited.
  - e The Regional Provident Fund Commissioner, Kochi vide his order dated 10.03.2014 has demanded a sum of Rs.20,44,752/- towards EPF dues for the period 04/12 to 08/12. The company is in the process of approaching the appropriate authority for stay of demand proceedings and appeal.
  - f The Director, Regional Office Ernakulam of the ESI Corporation had raised a demand for Rs.3,66,333/- along with interest of Rs.2,69,330/- against the Company for the years 1996-97 and 1997-98 vide order dated 28.11.2003. The Company had disputed the claim and approached the ESI court and deposited Rs.1,25,000/-. The ESI court had remanded the matter back to Regional Director for reconsideration and the Regional Director ESI has issued an fresh order demanding a sum of Rs.2,03,687/-. The company has preferred an appeal before the ESI Court against the order.
  - g During the year 2005-06, ESI Corporation had demanded an amount of Rs.5,61,692/- for the years 1998 to 2002. The Company had disputed the claim and filed an appeal with the Hon ESI Court and obtained a favorable order. The ESI Corporation has filed an appeal with the Hon High Court of Kerala against the order of the ESI Court and the same is pending disposal. The Company has deposited a sum of Rs.2,15,791/- against the same.
  - h The Deputy Director, Sub-Regional Office, Ernakulam of the ESI Corporation initiated recovery proceeding towards ESI dues of Rs.2,79,558/-, and related interest of Rs.9,466/- vide two orders dated 23.10.2013. The Company disputed the demand and approached the ESI Court and obtained stay and deposited Rs.50,000/-
  - i The Deputy Director, Sub-Regional Office Ernakulam of the ESI Corporation has raised a demand of Rs.26,01,275/- against the company for the year 2008-09 vide order dated 22.11.2013. The Company has disputed the claim and appealed before the ESI Court and deposited Rs.3,00,000/-.
  - j The Deputy Director, Sub-Regional Office Ernakulam of the ESI Corporation had raised a demand of Rs.8,63,348/- against the company for the year 2008-09 vide order dated 30.09.2013. The Company has disputed the claim and appealed before the ESI Court and deposited Rs 1,00,000/-.
  - k During the year 1997 the Thahasildar Kunnathunadu Taluk had demanded a sum of Rs. 3,08,945/- towards one time building tax. The Company had disputed the applicability of tax on a particular portion of the building . The matter is pending before the Hon High Court of Kerala.

**2 Commitments**

Commitments for Capital Expenditure as on 31.03.2014 in connection with the expansion of the Fabric Processing house amounts to Rs.16,74,75,367/- (Previous Year Rs.57,32,77,822/-) and other civil works amounts to Nil. (Previous Year Rs.2,06,41,434/-)

**31. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISE AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

Based on and to the extent of information received from the Suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 as identified by Management and relied upon by the Auditors, the relevant particulars as at 31 March 2014 are furnished below:

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
1	Dues remaining unpaid to Micro, Small and Medium Enterprises as at the end of the accounting year	6,352,053	8,992,128
2	Dues outstanding as at the end of the year for more than 45 days	NIL	NIL

**32. VALUE OF IMPORTS ON CIF BASIS**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Raw-materials	296,611,992	235,850,263
b	Components and Spare parts	23,738,143	20,560,023
c	Capital Goods	594,404,487	8,593,675
		<b>914,754,622</b>	<b>265,003,961</b>

**33. EXPENDITURE IN FOREIGN CURRENCY**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Salary	12,032,812	13,788,733
b	Fees for Technical/ Professional Services	8,058,455	NIL
c	Others	9,058,031	1,754,943
		<b>29,149,298</b>	<b>15,543,676</b>

**34. IMPORTED AND INDIGENOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED**

Sl No.	Particulars	% of total Consumption as on 31.03.2014	Value on 31.03.2014 (₹)	% of total Consumption as on 31.03.2013	Value on 31.03.2013 (₹)
a	Raw-materials				
	Fabric - Imported	5.57%	134,504,352	5.12%	85,149,408
	Fabric - Indigenous	73.02%	1,763,271,927	60.50%	1,005,231,165
	Total (A)	78.59%	1,897,776,279	65.62%	1,090,380,573
b	Other Raw-material				
	Imported	7.72%	186,395,734	9.72%	161,556,304
	Indigenous	10.92%	263,572,479	21.71%	360,733,864
	Total (B)	18.63%	449,968,213	31.43%	522,290,168
c	Stores and Spares				
	Imported	1.42%	34,267,334	1.43%	23,711,006
	Indigenous	1.36%	32,752,239	1.52%	25,198,872
	Total (C)	2.78%	67,019,573	2.95%	48,909,878
	<b>Grand Total (A)+(B)+(C)</b>	<b>100.00%</b>	<b>2,414,764,065</b>	<b>100.00%</b>	<b>1,661,580,619</b>

**35. SALES AND STOCK PARTICULARS OF FINISHED GOODS**

Garments	Sales Value (₹)	Closing Inventory (₹)	Opening Inventory (₹)
Current Year	3,254,858,563	5,939,066	17,761,862
Previous Year	2,477,432,929	17,761,862	56,672,639

**36. EARNINGS IN FOREIGN CURRENCY**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	Export of goods calculated on FOB Basis	3,254,858,563	2,477,432,929
b	Others	7,499,271	3,456,949
		<b>3,262,357,834</b>	<b>2,480,889,878</b>

**37. COMPUTATION OF NET PROFIT AS PER SECTION 349 OF COMPANIES ACT, 1956**

Particulars	31st March 2014 (₹)	31st March 2013 (₹)
Profit before tax as per Statement of Profit and Loss	881,853,133	440,408,113
Add: Remuneration to Directors	46,736,873	25,676,748
Add: Loss on Sale of Assets	9,056	29,677
Less : Excess Depreciation Reversed Relating to Prior Years	-	2,363,763
Net profit under section 349 of Companies Act, 1956	928,599,062	463,750,775
Remuneration payable to Managing Director @ 5% of Net profit	<b>46,429,950</b>	<b>23,187,540</b>

**38. EMPLOYEES REMUNERATION AND BENEFITS INCLUDES DIRECTORS REMUNERATION OF RS.4,67,36,873/- COMPRISING:**

Sl No.	Particulars	Sabu M Jacob, Managing Director		C Mohan, Whole Time Director (up to 14.05.2013)	
		31st March 2014 (₹)	31st March 2013 (₹)	31st March 2014 (₹)	31st March 2013 (₹)
1	Salaries and Allowances	7,200,000	5,638,462	233,846	1,889,208
2	Contribution to Provident Fund	288,000	288,000	-	-
3	Commission	38,941,950	17,261,078	-	-
4	Bonus	-	-	73,077	600,000
		<b>46,429,950</b>	<b>23,187,540</b>	<b>306,923</b>	<b>2,489,208</b>

**39. PAYMENT TO AUDITORS**

Sl No.	Particulars	31st March 2014 (₹)	31st March 2013 (₹)
a	As Auditor:		
	Statutory Audit fees	500,000	500,000
	Limited Review Fees	105,000	75,000
	Tax Audit fees	60,000	60,000
	KVAT audit fees	15,000	15,000

b	In other capacity :		
	Taxation Matters	-	-
	Company Law matters	-	-
	Management Service	-	-
	Other Services	30,000	10,000
c	Service Tax	87,756	81,576
		<b>797,756</b>	<b>741,576</b>

#### 40. IMPAIRMENT OF ASSETS

No material Impairment of Assets has been identified by the Company and as such no provision is required as per Accounting Standards (AS 28) issued by the Institute of Chartered Accountants of India.

#### 41. DONATIONS

Donation Include payments of Rs 18,69,500 (31 March 2013: Rs.75,000/-) made to the following political parties- Bharatiya Janata Party, Communist Party of India , Communist Party of India Marxist, Indian National Congress, Janata Dal(S) , Kerala Congress, Shiv Sena and R S P.

#### 42. PREVIOUS YEAR FIGURES

Previous year figures have been reworked, regrouped, rearranged and reclassified, wherever necessary.

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date

**For KOLATH & CO**

Chartered Accountants

Firm Regn. No. 008926S

Sd/-

**CA Liju V Rajan Kolath**

Partner

Membership No. 209309

Kizhakkambalam

3rd April, 2014

For and on behalf of the Board of Directors of

**Kitex Garments Limited**

Sd/-

**Sabu M Jacob**

Managing Director

Sd/-

**CA Bobby Michael**

General Manager-Finance &

Chief Financial Officer

Sd/-

**CA Benni Joseph**

Director

Sd/-

**A Babu**

Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014**

Sl No.	Particulars	For the year ended 31st Mar, 2014 (₹)	For the year ended 31st Mar, 2013 (₹)
<b>A)</b>	<b>Cash flow from Operating activities</b>		
	Net Profit/(Loss) before tax and extra ordinary items	881,853,133	440,408,113
	Adjustment for :		
	Depreciation	96,800,070	86,213,188
	Excess Depreciation reversed relating to prior years	-	(2,363,763)
	Interest	106,159,460	114,720,425
	Loss on sale of Fixed Assets	9,056	29,677
	Tax paid	(241,886,460)	(138,820,028)
	Dividend Received	(51,800)	(30,800)
	<b>Operating Profit before working capital changes</b>	<b>842,883,459</b>	<b>500,156,812</b>
	Adjustment for :		
	Trade & other receivable	(166,123,112)	(242,655,233)
	Long term loans and advances	70,983,071	(67,671,958)
	Margin Money Deposit	(3,995,130)	(3,512,652)
	Inventories	350,618,222	61,001,950
	Trade Payables	63,160,940	(3,604,686)
	<b>Cash generation from operation</b>	<b>314,643,991</b>	<b>(256,442,579)</b>
	<b>Net cash from operating activities</b>	<b>1,157,527,450</b>	<b>243,714,233</b>
<b>B)</b>	<b>Cash flow from investing activities</b>		
	Dividend Received	51,800	30,800
	Sale of Fixed Assets	2,500	1,958,662
	Payment for Fixed Assets	(720,244,669)	(49,658,538)
	<b>Net cash used in investing activities</b>	<b>(720,190,369)</b>	<b>(47,669,076)</b>
<b>C)</b>	<b>Cash flow from financing activities</b>		
	Interest paid	(106,159,460)	(114,720,425)
	Dividend Paid including Dividend Distribution tax	(44,458,100)	(33,123,413)
	Proceeds from Long term borrowings	321,076,675	(82,634,763)
	Proceeds from Working Capital borrowing	12,460,223	77,518,173
	<b>Net cash from financing activities</b>	<b>182,919,338</b>	<b>(152,960,428)</b>
	<b>Net change in cash &amp; cash equivalents (A+B+C)</b>	<b>620,256,419</b>	<b>43,084,729</b>
	<b>Opening Cash and Cash equivalents</b>	<b>364,366,209</b>	<b>321,281,480</b>
	<b>Closing Cash and Cash equivalents</b>	<b>984,622,628</b>	<b>364,366,209</b>

Sl No.	Particulars	For the year ended 31st Mar, 2014 (₹)	For the year ended 31st Mar, 2013 (₹)
1	Componentes of Cash and Cash Equivalents		
a	Cash on hand	565,039	1,052,289
b	Balance with Banks		
	On current accounts	984,057,589	363,313,920
	(A)	<b>984,622,628</b>	<b>364,366,209</b>
2	Other Bank Balances		
a	Ear marked balances with banks		
	On unpaid dividend accounts	4,262,740	3,295,913
b	Margin money deposit	47,199,119	44,170,817
	(B)	<b>51,461,859</b>	<b>47,466,730</b>
	<b>Cash and bank Balances as per Balance sheet (Note 16) (A)+(B)</b>	<b>1,036,084,487</b>	<b>411,832,939</b>

The accompanying Notes are an integral part of the financial statements.

As per our Report of even date

**For KOLATH & CO**

Chartered Accountants

Firm Regn. No. 008926S

Sd/-

**CA Liju V Rajan Kolath**

Partner

Membership No. 209309

Kizhakkambalam

3rd April, 2014

For and on behalf of the Board of Directors of

**Kitex Garments Limited**

Sd/-

**Sabu M Jacob**

Managing Director

Sd/-

**CA Bobby Michael**

General Manager-Finance &

Chief Financial Officer

Sd/-

**CA Benni Joseph**

Director

Sd/-

**A Babu**

Company Secretary

**KITEX GARMENTS LIMITED**

CIN: L 18101KL1992PLC006528

Building No.9/536, Kitex House, Kizhakkambalam -683562, Aluva, Kerala, India

**ATTENDANCESLIP**22<sup>nd</sup> Annual General Meeting

Reg. Folio/DP &amp; Client No:..... No .of Shares Held:.....

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company at the Factory Premises of the Company at Building No.9/ 536 A, Kizhakkamabalam at 10 AM on Thursday, the 15<sup>th</sup> May, 2014

Member's Name : .....

Proxy's Name : .....

Member's/ Proxy's Signature

Note:

1. Please fill this attendance slip and hand it over at the entrance of the Hall.
2. Members/Proxy Holders/Authorised Representatives are requested to show their Photo ID Proof for attending the Meeting
3. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

Form No. MGT-11

**KITEX GARMENTS LIMITED**

CIN:L18101KL1992PLC006528

Building No.9/536, Kitex House, Kizhakkambalam -683562, Aluva, Kerala, India

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies ( Management and Administration) Rules, 2014)

Name of the member (s) : .....

Registered Address : .....

E.Mail Id : ..... Folio No./Client Id : ..... DP ID:.....

I/We,being the member(s) holding .....shares of the above named Company, hereby appoint

1. Name : ..... Address:.....

.....E.mail ID:.....Signature:..... or failing him

2. Name : ..... Address:.....

.....E.mail ID:.....Signature:..... or failing him

3. Name : ..... Address:.....

.....E.mail ID:.....Signature:..... as my/our

proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the Company, to be held on the 15<sup>TH</sup> May, 2014 at 10.00 A.M at Kizhakkambalam, Ernakulam and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1: ..... 2: ..... 3: .....

Signed this.....day of .....2014

Signature of shareholder

Signature of Proxy holder(s)

Affix Re.1  
Revenue  
stamp

**Note:** This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointer is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed , not less than 48 hours before the time for holding the meeting.





# PICTURE GALLERY



## PROCESS MACHINERY



PLC based Washing Range





Continuous  
Bleaching Range



Stenter



## EMBROIDERY MACHINES



## GARMENT DIVISION





## FINISHED GARMENTS









BOOK POST



If undelivered, please return to

Kitex Garments Ltd.  
Building No : 9/536 A,  
Kitex House,  
Kizhakambalam,  
Kochi - 683 562.