

KITEX**Kitex Garments Limited**

(CIN: L18101KL1992PLC006528)

Regd. Office: P. B. No. 5, Kizhakkambalam,
Alwaye, Kochi, Kerala, 683562

Phone: 91 484 4142000, Fax: 91 484 2680604

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

Ref: KGL/SE/2022-23/AUG/04

August 5, 2022

To,

The Secretary BSE Limited Corporate Relationship Department, 1 st Floor, New Trading Ring, Rotunda Building, P J Towers, Dalal Street, Fort Mumbai, Maharashtra - 400001 Script No: 521248	The Secretary National Stock Exchange of India Ltd 'Exchange Plaza', Bandra - Kurla Complex Bandra (E), Mumbai, Maharashtra - 400051. Script No: KITEX
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Sub:- ANNUAL GENERAL MEETING, 30th AGM NOTICE ALONG WITH ANNUAL REPORT FOR THE FY 2021-22 AND INTIMATION OF BOOK CLOSURE

We refer to our letter no. KGL/SE/2022-23/AUG/02 dated August 5, 2022 and would like to inform you that 30th Annual General Meeting (AGM) of the members of the Company will be held on Monday, August 29, 2022 through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility at 11.00 A.M. (IST) to transact the business set out in the Notice of said meeting. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") have vide its various circulars permitted holding of the AGM through VC/ OAVM, without the physical presence of the Members at a common venue.

Pursuant to Regulation Reg 30 and 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with Notice of AGM for the FY 2021-22 which has dispatched/ sent to the members. Owing to the difficulties involved in dispatching the physical copies of AGM Notice and Annual Report of the Company for the year ended March 31, 2022 including therein the Audited financial statements of the Company for FY 2021-22, the aforesaid documents has sent only by email to the members.

Annual Report containing the Notice is also uploaded on the Company's website: www.kitexgarments.com

Also further to the publication of newspaper advertisement dated July 12, 2022 which was submitted to the stock exchanges, informing the members to register/ update email id who have not registered their email id with the Company/ Company's RTA/ Depository Participant for the purpose of obtaining notice of 30th AGM of the Company along with Annual Report for the financial year March 31, 2022, such members can obtain Annual

Report and/ login details for joining AGM of the Company by sending scanned copy of signed request letter mentioning Name, Folio no. and complete address, self-attested scanned copy of PAN card and any document like Aadhar card, Driving license, Voter ID etc in support of address of the member as registered with the Company by email to the RTA's email id viz., investors@cameoindia.com with a copy to the company mail id viz., sect@kitexgarments.com. Members holding shares in dematerialized form are requested to update their email addresses with their respective depositories.

Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI Listing Regulations, the Register of Members and Share Transfer Books of the Company will remain closed from August 23, 2022 to August 29, 2022 (both days inclusive) for the purpose of 30th AGM & for determining entitlement of members to final dividend for FY ended March 31, 2022.

The Cut-off date for the purpose of E-voting is fixed as August 22, 2022. Those shareholders holding shares either in physical form or demat form as on cut-off shall be entitled to avail the facility of remote e-voting as well as e-voting during the AGM.

Request you to take the aforesaid information on record and oblige.

Yours faithfully,

For **Kitex Garments Limited**


CS. Mithun B Shenoy

Company Secretary & Compliance officer
(ICSI M. No. FCS 10527)

Enclosure: As above



KITEX

**OVERCOMING BARRIERS
ENSURING PROGRESS**

KITEX GARMENTS LIMITED
Integrated Annual Report 2021-22



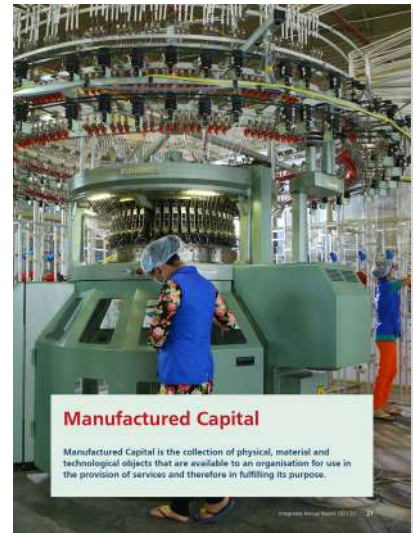
Human Capital

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Environmental Capital

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Manufactured Capital

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Consolidated Financials

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Financial Capital

(Rupees in Lakhs)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue	10,082.33	44,231.86	51,100.58	54,381.07	54,706.13	53,725.42	65,580.40	73,822.58	45,338.42	67,831.43
Less:	490.22	1,324.28	1,342.38	1,367.00	1,097.77	1,207.91	2,346.09	2,444.32	2,214.84	2,296.45
Other Income	460.32	1,324.28	1,342.38	1,367.00	1,097.77	1,207.91	2,346.09	2,444.32	2,214.84	2,296.45
Total	10,052.43	44,231.86	51,100.58	54,381.07	54,706.13	53,725.42	65,580.40	73,822.58	45,338.42	67,831.43
Expenses	74,186.73	21,071.48	20,978.93	20,978.93	21,071.48	20,265.50	20,265.53	17,758.18	19,024.58	21,041.30
Cost of raw materials (Inward)	389.11	718.21	271.84	18.72	11,375.16	13,710.16	13,846.54	439.69	108.473	888.13
Change in contractual liability (Inward)	5,758.44	5,877.16	5,877.16	5,877.16	5,758.44	5,877.16	5,758.44	5,758.44	5,877.16	5,758.44
Depreciation and amortisation	1,142.28	1,142.28	1,142.28	1,142.28	1,142.28	1,142.28	1,142.28	1,142.28	1,142.28	1,142.28
Provision for doubtful debts	862.72	862.72	862.72	862.72	862.72	862.72	862.72	862.72	862.72	862.72
Finance charges	4,762.71	4,762.71	4,762.71	4,762.71	4,762.71	4,762.71	4,762.71	4,762.71	4,762.71	4,762.71
Other expenses	27,086.76	16,796.81	16,796.81	16,796.81	16,796.81	16,796.81	16,796.81	16,796.81	16,796.81	16,796.81
Total	84,088.94	44,878.56	44,878.56	44,878.56	44,878.56	44,878.56	44,878.56	44,878.56	44,878.56	44,878.56
Profit Before Tax	1,963.49	1,353.30	1,321.65	1,502.50	1,638.60	1,606.86	20,761.86	28,944.02	1,460.86	22,982.93
Less: Tax	189.65	367.81	367.81	367.81	367.81	367.81	367.81	367.81	367.81	367.81
Profit After Tax	1,773.84	985.49	953.84	1,134.69	1,270.79	1,239.05	20,394.05	28,576.21	1,093.05	22,615.12
Minority interest	6.18	31.88	32.76	33.64	34.52	35.40	36.28	37.16	38.04	38.92
Shareholders' Equity	1,767.66	953.61	921.08	1,101.05	1,236.29	1,203.65	20,357.77	28,539.05	1,055.01	22,576.20

81,829 Shareholders **17,578** Employees **12,828** Stakeholders

Financial Capital

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Intellectual Capital

How We Create Intellectual Value

KiteX is a leading global player in the aluminium in the state of the art manufacturing facility in compliance with world's leading manufacturing quality standards. The Company's high production planning and manufacturing capabilities allow to manufacture a wide variety of metal garments consistently. The Company's effective supply chain management ensure that the product manufactured by the Company are delivered on time, supporting a long-term customer and stakeholder loyalty in the market.

Key Drivers

- Technological / Automation of garment manufacturing.
- Lean approach / Increased control on the value chain for increased quality and cost efficiency.
- Ever increasing demand for product quality, timely delivery, and reliability.
- Customer expect design / services equity since USA being the dominant market.

Key Initiative / Strategy

- Before opening the factory, the Company works with garment technology companies to customise the industrial machinery for better usage and precision.
- Created a world class design studio in New Jersey in the month of April 2017.
- Global experts as part of the Company's manufacturing and design team.
- Employee IT backbone.

Brand and Recognition

Apart from the corporate brand KiteX with its global brand reputation, the Company launched its own brand 'Little Star' in the US market two years ago.

The Company is in partnership with Lorraine Organic Baby Diapers - after a full range of trials including babywipes, coveralls, pants, gels, Huggies and accessories.

Intellectual Capital

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Social Capital

KGL initiated Twenty20 as a development initiative of KiteX Group for sustained and sustainable inputs to community growth through long-term commitments to specific issues and for initiating strategic alliances and source funds from philanthropic budgets. It also aims to develop Kizhakkambalam as a pilot model of sustainable growth, a model that is both scalable and replicable.

A team of highly qualified and experienced social workers, engineers, doctors, nurses, project managers, veterinary and agriculture experts see that the projects are implemented in a systematic and scientific manner. To ensure that the programmes and initiatives reach everyone and none of the deserving is left out the population is categorized on the basis of economic status. Red cards are issued to the extremely poor and vulnerable, yellow to those from below poverty line, green to the middle class and blue for the upper middle class.

CSR Vision

The development of a village in a systematic and free scientific manner through sustainable programmes that will reach every aspect of an individual in which will in the long run ensure the progress of the entire nation as a whole.

CSR Mission

Twenty20 involves the students in carrying action to social-welfare programmes from grassroots level onwards.

UN SDG Linkages

Social Capital

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Our Founder & His Vision

At KiteX, enriching people through caring is inherent in our business model. Since the inception of the company our founder M.C Jacob had implemented the concept 'caring' as its basic motto and today we believe that caring is the very winning formula of our company. Over the years we have realised that when our actions are filled with caring, the business, employee & community relations are strengthened.

Our founder Late Mr. Meckamkunnel Chacko Jacob (M.C.Jacob) was moved by the plight of the farmers who worked in his father's fields. That's when he decided to set up an aluminium-based unit in 1968 with an employee strength of eight. This was the first baby step to put Kizhakkambalam, then a remote village in Kerala into a hub of industrial activities.

The Anna-KiteX group of companies which he founded, since then took wings and grew multifold. By the time he departed from this world in 2011, the group had become a diversified business conglomerate having interests in Aluminium, Spices, Textiles and Apparels. The group provided scores of people livelihood by giving employment as well as through its regular social interventions.

Shri. M.C.Jacob
(22.04.1933 – 05.06.2011)



About Us

Kitex Garments Ltd. (KGL) is the world's second largest manufacturer of cotton and organic cotton ready-to-wear garments for infants and children in the age group of 0-24 months.



Kitex Garments Ltd. (KGL) is the world's second largest manufacturer of cotton and organic cotton ready-to-wear garments for infants and children in the age group of 0-24 months. The company was established in 1992 and has, since then, grown exponentially and currently enjoys unmatched global connections.

Within 3 years of inception, the company was listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in 1995.

Steering the track of 'Yarn to Garments' since its inception, KGL is a 100% export-oriented unit, which caters to prominent and renowned conglomerates in USA and Europe markets like Gerber Childrenswear LLC, Carters, Carters brands, H & O Fashions, Buy-Buy Baby, Ross Stores, Amazon, Target, Sam's Club and Walmart.

Sustainable Business Model

The company has an end-to-end sustainable business model with a strong focus on viable sourcing, manufacturing processes, marketing, its workforce and socially responsible initiatives. The company's operations are in alignment with the world's renowned quality, human, social and environment sustainability certification standards like WRAP (Platinum), GSV (C-TPAT), SQP, Product Safety Compliance – CPSIA, Oekotex Standard 100 Class I, GOTS - Certified for Organic Products.

The Company is managed under the leadership of Sri Sabu M Jacob, CMD, and the company employs 5000+ employees at its facility, where food and accommodation is provided free of cost along with the best in the industry salaries.

Marque Clients

The world's leading apparel and retail brands outsource manufacturing to KGL. With limited players in the specialised infant garment manufacturing sector in the world, KGL is among the global leaders and the apparels manufactured by the company are available for sale in the world's leading retail outlets as well as through various online retail platforms in Australia, Austria, Brazil, Canada, China, France, Germany, Liberia, India, Indonesia, Israel, Japan, Mexico, Poland, Saudi Arabia, Switzerland, UAE and USA.

It has a licensee for Lamaze Organic brand of Childrenswear in USA, and has also registered its own brand "Little Star" in USA.

State-of-the-art Manufacturing Facilities

Kitex Garments is well known for its state-of-the-art manufacturing facilities with latest and automatic machineries such as Automatic Mixing & Dispensing of Dyes, Chemicals & Printing Pastes, Cold Pad Dyeing, Fully automatic Robotized Yarn Dyeing, Digital Light Exposing - Screen Engraving System, Computerized Precision Cutting, Modern Sewing Machines, EDI capabilities, Bar coded tracking of garments & Biological ETP & Waste Management.

Preferred Global Vendor

Kitex won the "Vendor of the Year" Award for the years 2011 and 2012 from Toys'R'Us. Kitex has also won the "Vendor of the Year Award" from Gerber Childrenswear in 2008 and 2012. Jockey has awarded Kitex Garments with "Great Partnership Award" in 2015.

Kitex Garments has also been rated as one among the 200 "Best under a Billion Dollar" company in 2015 by Forbes.

The company has its primary manufacturing plant at Kizhakkambalam near Kochi, Kerala, which offers it a logistical advantage, opening doors for direct sea and air connectivity with major international locations.

The Kochi International Container Transshipment Terminal (ICTT or Vallarpadam Terminal) is the first transshipment terminal in India and South Asia as well and is the best positioned Indian port with regard to proximity to international sea routes. Kochi also has direct flights to South Asian and European nations. Thus, KGL harnesses the dual benefits of its strategic location.

Expanding

The company's second manufacturing facility is being set up in Warangal, Telangana and a third one at Sitamampur, Telangana is in the pipeline, thus in the process of establishing two more integrated manufacturing facilities.

Corporate Information

Board Of Directors

Mr. Sabu M. Jacob – Chairman & Managing Director
CA. Benni Joseph – Independent Director
Mr. C. P. Philipose – Independent Director
Mr. K. L. V. Narayanan – Non Executive Director
Prof. E. M. Paulose – Independent Director[#]
Mrs. Sindhu Chandrasekharan - Executive Director
Mrs. Sumi Francis – Independent Director

[#] ceased w.e.f May 30, 2022

Board Committees

Audit Committee

CA. Benni Joseph, Chairman
Prof. E. M. Paulose, Member[#]
Mr. C. P. Philipose, Member
Mrs. Sumi Francis – Independent Director[§]

[#] ceased w.e.f May 30, 2022

[§] inducted w.e.f. June 22, 2022

Nomination and Remuneration Committee

Prof. E.M Paulose – Chairman[#]
CA. Benni Joseph – Chairman[§]
Mr. K. L. V. Narayanan – Member
Mrs. Sumi Francis – Member[§]

[#] ceased w.e.f May 30, 2022

[§] inducted w.e.f. June 22, 2022

Stakeholders Relationship Committee

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

CSR Committee

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

Share Transfer Committee

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

Chief Financial Officer

CA. Bobby Michael

Company Secretary & Compliance Officer

CS. Mithun Balagopala Shenoy

Management Team

Mr. Sabu M. Jacob – Chairman & Managing Director
Mr. Donnie Hodge – President and COO, Kitex USA LLC
Mr. Christian Strahm – Vice President (Manufacturing)
Mr. Harkishan Singh Sodhi – Vice President (Business Operations)
CA. Bobby Michael – Chief Financial Officer

Independent Statutory Auditors

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

Internal Auditors

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

Secretarial Auditors

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

Income Tax Consultants

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

Banker

State Bank of India
ICICI Bank
HDFC Bank

Share Transfer Agents

M/s. Cameo Corporate Services Limited
Subramanian Building No. 1, Club House Road,
Chennai 600002, Tamil Nadu
Tel: 044-28460390, Fax: 044-28460129
E-mail: investor@cameoindia.com

Registered Office & Factory

Kitex Garments Limited
(CIN: L18101KL1992PLC006528)
P. B. No. 5, Kizhakkambalam - 683562, Alwaye, Kochi, Kerala
Phone: 91 0484 4142000, Fax: 91 484 2680604
Website: www.kitexgarments.com
E-mail: sect@kitexgarments.com
Grievance Redressal Division: investor@kitexgarments.com

Listed In Stock Exchanges

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



5500+
Employees

100%

Export-oriented unit - caters to prominent and renowned conglomerates in USA and Europe markets like Gerber Childrenswear LLC, Carters, Carters brands, H & O Fashions, Buy-Buy Baby, Ross Stores, Amazon, Target, Sam's Club and Walm



4,32,000

Units manufactured daily at
kizhakkambalam unit in Kochi, Kerala



3,50,000
Built up Area (in sq.ft.)

New
Subsidiary

incorporated Kitex Apparel Parks Limited (KAPL), with the registered office in Warangal, Telangana as part of the expansion plans.

₹7,883
million

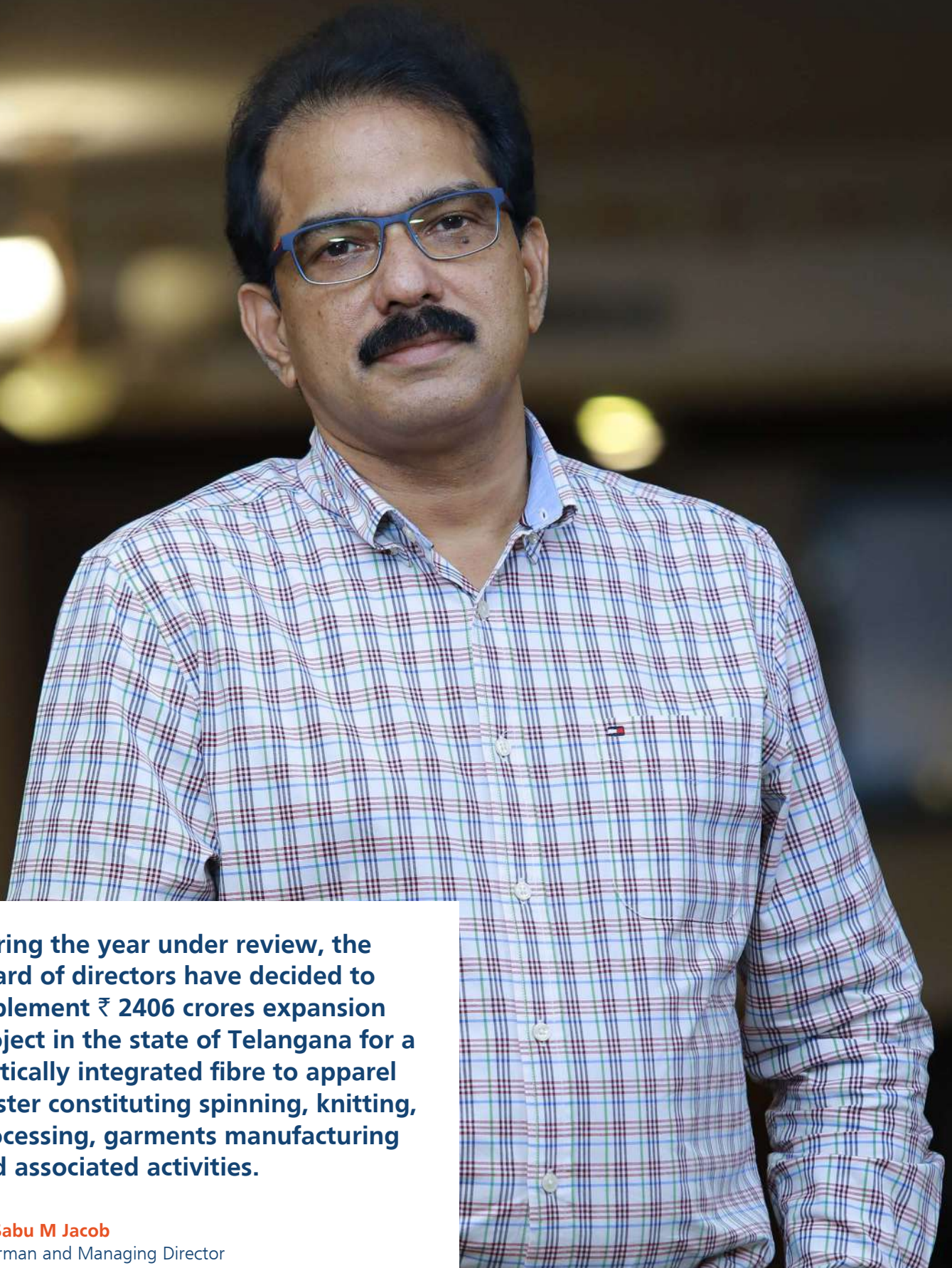
Operating revenue in FY22
an increase of 73% YoY



End-to-end sustainable
business model

1992

Year of Establishment



During the year under review, the board of directors have decided to implement ₹ 2406 crores expansion project in the state of Telangana for a vertically integrated fibre to apparel cluster constituting spinning, knitting, processing, garments manufacturing and associated activities.

Mr Sabu M Jacob
Chairman and Managing Director

Chairman's Letter

Dear Shareholders,

As always, it is my privilege to present to you the Integrated Annual Report of Kitex Garments Ltd. Join me in the journey, as I walk you through the financial year 2021-22, which has been a testimony to the pandemic as well as the geo-political skirmishes, evaluating productive and economically viable alternatives and redefining ways in which businesses are conducted in the coming decades.

Sneak peek at history

As the Greek philosopher Epictetus says "The trials you encounter will introduce you to your strengths. Remain steadfast...and one day you will build something that endures."

The saga of Kitex is undeniably an expression of this quote, as the company has gradually evolved to today's state-of-the-art 5500 plus employees manufacturing plant, having a global influence. Kizhakkambalam, a small Village near Kochi, where we are located, has endorsed our progression, in terms of both economic growth as well as social responsibility. Encountering various impediments with a tough stance has been our forte and we have always dealt with challenges with a bottom-up approach.

Business - Excellence in Execution

Kitex Garments Ltd. has earned the title of being the world's second largest manufacturer of cotton and organic cotton garments for infants and children, with one major principle – Excellence in Execution. And with excellence comes a holistic approach towards business. Our fully vertically integrated unit, which exemplifies the phrase 'Yarn to garments', is equipped to cater to the demand from international retail brands, traversing across the globe.

We have always invested in robotic technology which has raised the bar for accuracy and quality, as well as efficiency and higher output. Some of the salient features of our products include the use of chemical free, hypoallergenic and sustainable materials, use of stain resistance materials and child safe dyes. The company imports majority of its chemical requirements and manufactures all fabric requirements in-house to adhere to stringent safety norms.

As a step further, we have gained grounds in forward integration, by having our products available for the customers of USA, on the company's own e-commerce

website through our own brands like Little Star, Lamaze apart from other retail giants like Gerber Childrenswear LLC, Carters, Carters brands, H & O Fashions, Buy-Buy Baby, Ross Stores, Amazon, Target, Sam's Club and Walmart.

Business - Expansion project

During the year under review, board of directors have decided to implement ₹ 2406 crores expansion project in the state of Telangana, for which your company has floated a subsidiary company with joint investment by company with its sister concern i.e., Kitex Childrenswear Ltd in the ratio of 70:30. The said expansion project will be at Kakatiya Mega Textile Park, Warangal District and at Integrated Textile Cluster, Sitarampur, Rangareddy District which involves setting up of a vertically integrated fibre to apparel cluster constituting manufacturing unit related to spinning, knitting, processing, garments manufacturing, packing and associated activities. I expect that first phase of expansion would be completed by June 2023. For more details, you may please refer our Director's Report under head "future prospects".

Quality defines us

Since our production is focussed on new-borns and tiny tots, quality standards are uncompromised unconditionally. The yarn and other raw materials are sourced keeping in mind the quality sensitive nature of the products. There is massive emphasis on cleanliness, hygiene and efficiency, adhering to world standards. Complying with stringent safety standards, all our products pass the 'saliva test' in any international lab. Comfort is another feature that we factor in our products, considering the end users.

Care in the DNA

With the concept of "care" embedded in our DNA, care for its workforce, care for the environment and care for the society are the driving forces behind our business model, which is clearly the secret ingredient for success in our endeavour.

Care for our people - Vision without people is irrelevant

Infant garment manufacturing business is an extremely people-intensive process, hence managing our human capital effectively is of prime importance. The company has had a realistic and sensitive approach towards people issues and believes that the comfort of each

of the staff members associated with us is of utmost importance. They are paid the best emoluments in the Industry and all social security benefits. The company provides free accommodation and medical, basic shopping, ATM and recreation facilities to all outstation staff as an extension of the staff accommodation. Our state-of-the-art kitchen caters to our employees by providing them free nutritious food.

For Kitex, human resources are an invaluable asset and, as an organisation, there is a deliberate attempt made to be receptive and accordingly respond to trends determining the future of work, and hence, the workforce. Workforce health and safety are of prime importance and this has resulted in lower attrition with higher productivity.

I am saddened that Mr.E M Paulose our board member is no more. We are indebted to him for his valuable contributions during his tenure. May his soul rest in peace

Care for the environment - Environmentally compliant enterprise

Today, as I speak with you, I am extremely proud of the fact that Kitex meets the rigorous international norms for anti-pollution and environmental protection. We maintain an Environment Management System, which helps to minimize the impact of our operations and processes on the earth's ecosystem. Reduce, recycle and reuse is our mantra for all the resources we consume. With the usage of energy efficient equipments, water conservation schemes and the green belt system within the factory premises, to cite just a few of the multiple initiatives, we are all geared up to contributing to the bigger task of preserving the home of the entire human race – Earth!

Care for the society - CSR - the mainstay

Kitex measures growth not just economically, but also socially. Transforming lives is what Corporate Social Responsibility means for Kitex. Over the years, we have metamorphosed the village we are based in, improving livelihoods, food security programs, educational initiatives, housing infrastructure, health plans and many more.

Rural employment and women empowerment are at the heart of our CSR activities, in accordance with the Government of India's key initiatives. Gender diversity being a high priority, 54 % of 5524 employees are

Infant garment manufacturing business is an extremely people-intensive process, hence managing our human capital effectively is of prime importance. The company has had a realistic and sensitive approach towards people issues.

women, thus reflecting a gender sensitive organisation and a work environment oriented towards women.

Weaving and Knitting numbers through the year

Operating revenue, at ₹ 7883 Mn, rose by 73%, whereas EBITDA, at ₹ 1707 Mn, increased by about 70%. This increase was the outcome of scaling up of production and subsequently sales, on the back of revival in exports in the post pandemic environment. PAT is at 1282.83 Mn, increased by 114%.

Mapping our success with that of India's

Infant and children garment industry is an evergreen one, given that world population is constantly growing. With a strong clientele having international presence, Kitex has been reshaping the contour of infant garment exports from the country. Having a 'preferred supplier status' for our global clients is a jewel on the crown, especially since it is a rural India grown brand, reaching all corners of the world, representing "Brand India" globally.

It is a pleasure when an Indian brand is being demanded globally, thereby reinforcing the fact that in the not-so-far future, the Indian story will be the torch bearer for the world.

Warm regards,

Mr Sabu M Jacob

Chairman and Managing Director

Human Capital

At Kitex, human resource forms an integral part of its vision and is entwined in all its policy decisions. The company's strategy lies in appointing the right kind of talent, train them, help them grow, retain them and reward them – which in turn helps in organizational growth.

Human capital is the summation of all the education, training, skills, knowledge, attitude, ethics, morale and well-being of the people in the company. It is necessary at all levels of management and strategic management of human resources is the need of the hour.

5,525

Employees

UN SDG Linkages





Diversity and Inclusion

Diversity and Inclusion is deep-rooted in all of the company's strategies, policies and missions. Out of the total workforce at KGL, we are pleased to have an impressive 54% female workforce, across all age groups.

54%
Female Employees

55%
In the age group of 18-25

HR Vision

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

HR Mission

Recruiting the best-qualified people whilst encouraging diversity; training and motivating them to extract utmost efficient and effective productivity, with a competitive salary and benefits package; in a safe and secure work atmosphere; and, most importantly, establishing, administering and effectively communicating policies while maintaining compliance with employment and labour laws, corporate directives and labour agreements.

Safety

With a strength of 5000+ people, employee health and safety are of utmost priority, which is reflected in safe work areas and reduced occupation related incidents. Work atmosphere is healthy and secure and is in sync with long term family and community goals.

Performance Management

Performance management ensures that equal opportunities are created for all to excel and grow, and there is career progression based on individual capacities, simultaneously ensuring accountability by the employees as well. Feedback is given to them through a fair and transparent system, thereby ensuring healthy competition. This is directly linked to the compensation and promotion processes.

HR Digitalization

Automating and digitalizing HR is proven to have made HR more competent and professional, and in fact changes the face of business. Kitex is proud to have an extremely proficient in-house IT team which has been instrumental in developing own software for meeting

the technical requirements including that of the HR department. The Employee Management System (EMS) adopted at Kitex enables HR to timely process the data and is agile enough to meet all the technical requirements.

Grievance Redressal

The company has a separate HR-Welfare wing to consider the grievances via effective and timely grievance redressal methods. In addition to the statutory requirements imposed by the Governmental or Labour Department Authorities, employees have access to grievance redressal portals that enable them to record and track their issues. They can either manually submit issues or through grievance registers or can personally meet the concerned officer.

Attrition Rate

The co-operation and coordination between various departments and an efficient grievance redressal system has enabled the company to control its annual attrition rate at 6 to 8%.





Training

Training and development is another key area which Kitex spotlights, wherein initiatives are taken up to enhance employee knowledge, skill set and inherent talent.

Types of Training:

- ▶ Orientation & On-boarding Training
- ▶ Compliance Training
- ▶ Technical and Quality Assurance Training
- ▶ Soft Skills Training
- ▶ Diversity Training





Health & Safety

Management is committed to protecting employees' health and safety. Protecting employees from injury or any occupational diseases is part of the company's operational/human resources initiative. The company has constituted a Health and Safety Committee to monitor the H&S aspects.

Number of Accidents recorded during FY22
NIL

Number of minor Injuries recorded during FY22

7 injuries minor in nature – LTI decreased during the year

OHS workshops held
04

Safety Management Systems



Kitex Garments Limited is certified at 'Platinum' level, the highest possible rating, by Worldwide Responsible Accredited Production (WRAP). This certification is recognized by all major retailers, manufacturers and importers in the US and worldwide, and gives them assurance that the apparel produced at the accredited factory is produced in a safe, lawful, humane and ethical manner.



Employee Wellbeing



Employee Accommodation

The company provides free, hygienic and well-furnished accommodation to all the employees, with a separate provision for females. The dormitory has all the amenities required, in addition to a female security officer.



Canteen

The company also arranges for complimentary meals to all its staff, through its well-equipped, fully automated and sanitized canteen, round the clock.



Medical Facilities

The premises hosts a speciality in-house clinic for employees who is available for regular check-ups during work hours as well as on a 24X7 basis for medical emergencies. If required, ambulance service is available to rush to the nearest hospital.



Recreation

Being aware of the knowledge that social and recreational activities for employees maintains their mental well-being, Kitex leaves no stone unturned for arranging for the same. The staff is eligible for various services like access to plasma televisions with different language options, indoor and outdoor games, prayer hall facility and shopping in the nearest city with transportation.

Environmental Capital

Environment Approach at Kitex

Recognising the fact that every organization is a part of its environment, and sustainable development will occur only when environmental capital is protected, Kitex has taken measures in the required direction. The company maintains an Environment Management System (EMS) to minimize the impact of its operations, activities, processes, products and services within the framework of applicable laws and laid down procedures. **The mantra of reducing, recycle and reuse** various resources ensures adequate and effective conservation of the environment.



98%

Waste Recycling in FY22



Environmental Approach as a part of Business Strategy

Waste Disposal

The company has a policy to segregate the entire scrap/waste items by the concerned department/section with bundle tags in the source location itself according to the nature of the waste material. These items are first segregated as "Bio Degradable" and "Non-bio Degradable" and are then reprocessed or disposed according to their nature.

Materials disposed will be handed over to the Scrap Contractors after verifying their credentials on strict environmental terms and conditions laid down by the company.



Treatment Plants

The fully-automated highly advanced effluent treatment plant (ETP) and sewage treatment plant (STP) ensures that the treated water meets European standards and can be reused, ensuring minimum impact on the environment. The water so discharged is used for irrigating the horticulture plantation in the factory premises.



Rainwater Harvesting

Rainwater collected and purified is used for various manufacturing processes. The process begins with collection of rainwater from rooftops which is then directed to trenches located at all four corners of the factory. It is then made to pass through a water treatment plant, which filters, purifies and treats the water to make it suitable for appropriate use.



UN SDG Linkages



Heat Recovery Systems

Heat Recovery Systems (HRS) increases the production lines' process efficiencies resulting in a decrease in fuel and energy consumption. Reduction in thermal and air pollution, equipment size and thereby reduction in auxiliary energy consumption are the indirect benefits of HRS.



Energy Efficient Machines & Equipment

The state-of-the-art sewing machines in the plant come with advanced technology which helps in reduced power and compressed air consumption.

The bleaching and dyeing machines consume considerably less water than the conventional machines.

Energy consumed by the machines is only half of what is consumed by normal machines.

Machines with higher power consumption have been fitted with variable frequency drive to reduce power consumption.



Advanced Fully Automated Boiler

Kitex has commissioned a highly advanced fully automated boiler which acts as a single combustion source for steam and thermal oil and requires less space compared to two separate systems. Since it is automated, it helps in reducing the manpower and is capable of energy saving upto 85%. HRS on the boiler ensures that energy is saved and operating costs are reduced.



How We Ensure Environment Protection

Establish sound environment objectives and targets.



Continually assess and strive to minimize the impact of activities and operations on the environment and prevent pollution.



Ensure compliance with all regulatory applicable requirements such as Pollution Control Board Certification.



Promote improvements in energy efficiency and resource usage.



Conserve natural resources such as water, energy and other raw materials by promoting pollution prevention, recycling and reuse and the presence of a full-fledged Waste Water Treatment Plant and Biogas Plant.



Ensure all employees, suppliers, contractors and vendors act in accordance with our environmental initiatives.



8,95,00,000 liters
Water recycled and used for irrigation



78 Kg
Biogas produced every day



Manufactured Capital

Manufactured Capital is the collection of physical, material and technological objects that are available to an organisation for use in the provision of services and therefore in fulfilling its purpose.

How We Create Value

Kitex Garments is a leading global player in the infantwear known for its state of the art manufacturing facility in compliance with world's leading manufacturing quality standards. The Company's agile production planning and manufacturing capabilities allows to manufacture a wide variety of infant garments competitively. The Company's effective supply chain management ensures that the product manufactured by the Company are delivered on time, supporting a large number of MNC retail and infant garment brands in the world.

Inputs

Ever growing demand for high quality infant garments.

Multiple years of experience in infant garments manufacturing processes and global experts in the leadership roles.

State of the art machineries - IT enabled precision manufacturing of infant garments.

Strong Supply Chain: forward linkages with leading MNCs and backward linkages for sourcing material from reliable suppliers.

World class infrastructure- Factory and Hostels.

Expected dependence on India from USA and Europe as an alternative to China.



Key Initiatives / Strategy

Cost competitive agile/scalable manufacturing and business continuity plans.

Global Quality certifications on responsible production, workplace conditions, organic textile standards, product safety and international supplier standards.

Ongoing capex to improve, enhance manufacturing and technological capabilities.

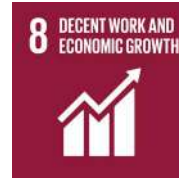
Vertically integrated manufacturing.

Employee welfare safety and Health.

Continues training to upgrade skills of staff and work men.



UN SDG Linkages



Outcomes

Globally competitive, scalable, flexible and widely accredited manufacturing.

facilities that provide a sustainable competitive advantage.

Manufacturing capabilities and suppliers aligned to commercial objectives of the company.

Economies of scale for key products.

Despite the challenges of COVID-19, the Company could sustain its operations and exports capitalising on the “preferred supplier” status.

Establishing global leading buyers as clients.



Value Created

Reliable manufacturing and supply of high quality infant garments.

Availability of safe and good garments for infants in most parts of the world.

5,525 employed in the manufacturing division of which 54% are females.



Kitex Value Chain



Having an integrated and traceable value chain which meets various global standards at various stages of the product supply chain is the key global differentiator at Kitex.

The value chain at Kitex primarily consists of an external and internal value chain. We purchase yarns, dyestuffs and chemicals from approved sources and are tested as per Oekotex Standard 100 Class-I and GOTS Organic standards. The dye recipes, dye dispensing and yarn dyeing are done using robotic technology for accuracy and quality. Kitex uses the most advanced knitting machinery including fully robotised yarn dyeing machine to convert yarn into greige fabric which is bleached using advanced German machinery and further dyed using colour pad technology. Dyed fabrics are washed and printed on modern rotary printing machines. The fabrics thus produced confirms to all product safety standards and meet strict international quality norms (CPSIA). Fabrics are further cut by using automated spreading and cutting machines. Advanced embroidery machines, cutting-edge- IT enabled sewing procedure takes the process to the final product stage which confirms to Oekotex Standard 100 Class1, GOTS and CPSIA. We have special software in production which monitors hourly individual operator efficiency.



■ External Value Chain ■ Internal Value Chain

Manufacturing Capabilities

Global Accreditations Related to Manufacturing



Global Security Verification

Kitex Garments Limited is rated as 'Low Risk' by GSV for compliance to Customs Trade Partnership against Terrorism (C-TPAT) and Border

Security requirements laid out by the government of United States. 'Low Risk' is GSV's highest possible rating and assures Governments,

Manufacturers and Retailers that the supply chain operates in a secure and efficient manner.



Supplier Qualification Program (SQP)

International retailers, brands and buyers are demanding more effective ways to evaluate supplier manufacturing performance through improved transparency and more reliable, open benchmarking processes. At Kitex we have adopted Supplier Qualification Program (SQP) standards to meet world-class benchmarking.

Production Capabilities



3,50,000

Sq. Feet Built up Area



4,32,000

Units per day



Global Organic Textile Standard (GOTS)

Kitex Garments Limited is certified for compliance to GOTS, the worldwide leading textile processing standard for organic fibres, including ecological and social criteria, backed up by independent certification. It ensures organic status of textiles, from harvesting of the raw materials, through environmentally and socially responsible manufacturing up to labelling in order to provide a credible assurance to the end consumer. This certification enables Kitex Garments Limited to supply certified organic garments to customers worldwide.



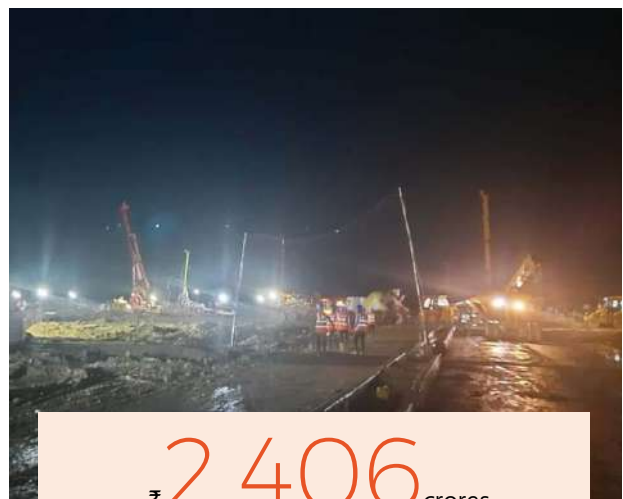
Supplier Compliance Audit Network (SCAN)

SCAN is an industry trade association that provides a systematic approach whereby mutually acceptable global compliance standards are achieved in reducing audit and operational redundancy for common supply chain stakeholders while maintaining confidentiality.



50

Tones Per Day Textile Capacity



₹ 2,406 crores

Estimated CAPEX for Telangana Project

Financial Capital

(Rupees in Lakhs)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Income										
Sales	31,698.33	44,221.00	51,109.59	54,581.67	54,590.13	55,725.42	60,680.46	73,920.98	45,538.82	78,832.83
Other Income	402.51	1,334.36	1,342.34	1,981.66	199.77	267.07	2,246.01	4,436.56	1,010.46	2,996.40
Total	32,100.85	45,555.36	52,451.94	56,563.33	54,789.90	55,992.49	62,926.47	78,357.54	46,549.28	81,829.23
Expenditure										
Cost of Raw Materials Consumed	16,126.71	23,477.44	20,978.53	20,976.48	21,096.16	25,404.54	28,280.74	31,706.18	19,524.90	37,431.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	389.11	118.23	(21.54)	29.72	(1,575.74)	(3,735.78)	(3,644.54)	439.95	(38.17)	(689.13)
Employees benefits expense	4,376.44	5,697.16	7,450.07	8,361.72	9,182.86	9,851.37	10,508.83	12,148.57	7,725.77	11,426.42
Finance costs	1,147.20	1,061.59	1,916.41	1,375.67	926.68	581.18	388.00	702.49	253.95	361.87
Depreciation and amortization expense	862.13	968.00	2,132.94	2,127.31	2,036.28	2,340.14	2,726.25	2,645.23	2,310.44	2,143.77
Other expenses	4,795.17	5,414.40	5,828.78	6,586.93	8,853.55	10,802.12	11,648.18	16,398.00	8,287.95	13,577.12
Total	27,696.76	36,736.83	38,285.19	39,457.83	40,519.79	45,243.57	49,907.46	64,040.42	38,064.84	64,251.05
Profit Before Tax	4,404.08	8,818.53	14,166.75	17,105.50	14,270.11	10,748.92	13,019.01	14,317.12	8,484.44	17,578.18
Current Tax	1,485.00	2,536.00	4,217.00	6,094.00	5,312.70	3,978.82	4,873.46	4,104.17	2,581.77	4,809.00
Deferred Tax	(18.60)	545.65	98.00	(198.00)	(296.67)	(232.13)	(233.54)	(654.44)	(87.53)	(59.12)
Profit After Tax	2,937.68	5,736.88	9,851.75	11,209.50	9,254.08	7,002.23	8,145.55	10,897.56	5,990.20	12,828.30
Capital	475.00	475.00	475.00	475.00	475.00	665.00	665.00	665.00	665.00	665.00
Earnings per equity share	6.18	12.08	20.74	23.60	19.48	10.64	12.22	16.21	9.01	19.29

₹ **81,829** Lakhs

Income

₹ **17,578** Lakhs

Profit Before Tax

₹ **12,828** Lakhs

Profit After Tax

A photograph of a baby with light brown hair and blue eyes, sitting on a white blanket with yellow circular patterns. The baby is wearing a white short-sleeved shirt and pink pants, and is looking directly at the camera with a slight smile, resting their chin on their hand.

Intellectual Capital

Intellectual capital is the value of a company's employee knowledge, skills, business training, or any proprietary information that may provide the company with a competitive advantage. It is the sum of employee expertise, organizational processes, and other intangibles that contribute to a company's bottom line.

How We Create Intellectual Value

Kitex Garments is a leading global player in the infantwear known for its state of the art manufacturing facility in compliance with world's leading manufacturing quality standards. The Company's agile production planning and manufacturing capabilities allows to manufacture a wide variety of infant garments competitively. The Company's effective supply chain management ensures that the product manufactured by the Company are delivered on time, supporting a large number of MNC retail and infant garment brands in the world.

Key Drivers

Technologization / automation of garment manufacturing.

Lean approach / increased controlled on the value chain for increased quality and cost efficiencies.

Ever increasing demand for product quality, timely delivery, and reliability.

Customers expect design / process agility since USA being the dominant market.



Key Initiatives / Strategy

Before acquiring technology, the Company works with garment technology companies to customise the automated machines to create unique processes.

Opened a world class design studio in New Jersey in the month of April 2017.

Global experts as part of the Company's manufacturing and design team.

Enterprise IT backbone.

Brand and Reputation



Apart from the corporate brand Kitex with its global brand reputation, the Company launched its own brand 'Little Star' in the US market few years ago.



The Company is in partnership with Lamaze Organic Baby-Wear offers a full range of styles including bodysuits, coveralls, pants, sets, sleepwear and accessories.



UN SDG Linkages



Outcomes

One of the best infant garment manufacturing unit in the world – a preferred source by world's leading garment and retail brands.

Increased production in the recent years without adding manpower.

Increased brand equity among customers.

Marque clients – based on the international standards/quality.

Reduction in cost along with increase in efficiency.



Value Created

Faster co-creation of process and product value with suppliers and customers.

A reliable partner in the clients' supply chain.



Social Capital

KGL initiated Twenty20 as a development initiative of Kitex Group for sustained and sustainable inputs to community growth through long-term commitments to specific issues and for initiating strategic alliances and sources funds from philanthropic budgets. It also aims to develop Kizhakkambalam as a pilot model of sustainable growth, a model that is both scalable and replicable.

A team of highly qualified and experienced social workers, engineers, doctors, nurses, project managers, veterinary and agriculture experts see that the projects are implemented in a systematic and scientific manner. To ensure that the programmes and initiatives reach everyone and none of the deserving is left out the population is categorized on the basis of economic status. Red cards are issued to the extremely poor and vulnerable, yellow to those from below poverty line, green to the middle class and blue for the upper middle class.

CSR Vision

The development of a village in a systematic and The scientific manner through sustainable programmes that uplift and enrich every aspect of an individual's life which will in the long run ensure the progress of the the nation itself as a whole.

CSR Mission

Twenty20 provides the leadership in catalysing action to enable vibrant progress from grassroots level upwards.

UN SDG Linkages



CSR Initiatives in FY22

During the year the company channelised its CSR resources towards road development, healthcare and housing with a total outlay of ₹ 529.02 Lakhs

Road Infrastructure & Housing

As a good road network is crucial to the development of a community Twenty20 builds new roads, and widens and converts existing rural ones to BMBC to ensure quality and longevity. Also included are public lighting, drainage systems, CCTVs, FTTH, internet libraries and skill and culture centres.

₹ **141** Lakhs
FY22 Annual Outlay



Healthcare

Twenty20 invests substantially in measures to reduce the burden of disease and increase life expectancy which will contribute to creating richer and healthier economies. Medical support, ambulance services, palliative care, personal and family accidents and medical insurance coverage are provided by Twenty20 to promote good health and long life of the citizens

₹ **387** Lakhs
FY22 Annual Outlay



MANAGEMENT DISCUSSION & ANALYSIS

1. WORLD ECONOMY

Growth

The world economy was devastated by COVID-19 in the year 2020. The infection caused unprecedented health damage to the world population. Later, with the vaccines and other measures, we have controlled the pandemic to a great extent. Everyone felt 2021 was the year of rebound. Then, all of a sudden came the Russia-Ukraine conflict. The special military operation by Russia, which began in February 2022, was expected to end in days or weeks but has been continuing even after months and resulted in a costly humanitarian crisis.

The lingering effects of COVID-19 and the geopolitical conflict led to the scarcity of fuel and food grains and supply chain difficulties. Resultantly, the world is experiencing high inflation and the vulnerable populations in low-income countries were hit the hardest.

Against this backdrop, there is no surprise that IMF phrased the tagline 'War Sets Back the Global Recovery' in its April 2022 report on World Economic Outlook.

In 2020, impacted by Covid-19, the global output shrunk by 3.1%. It steeply improved to 6.1% in 2021. In January 2022, before the Russia-Ukraine war broke out, IMF projected global growth for 2022 at 4.4%. In April 2022, after Russia's raid on Ukraine, IMF trimmed its estimated growth to 3.6%.

World economic growth projections

	Actual 2021	Projected 2022 (estimated in Oct 2021)	Projected 2022 (estimated in Jan 2022)	Projected 2022 (estimated in April 2022)
World	6.1%	4.9%	4.4%	3.6%
Developed economies	5.2%	4.5%	3.6%	3.3%
Emerging markets and developing economies	6.8%	5.1%	4.8%	3.8%

Interest rates

Liquidity in the system and scarcity of supply of goods like fuel and food grains has been causing elevated inflation across the world. While the supply of goods cannot be increased in a short time, supply of the money can be controlled. Hence, central banks have been raising interest rates to suck the money out of the system.

The rise in policy rates of interest	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022
USA			0.25%			0.75%
UK		0.25%	0.25%	0.25%	0.25%	0.25%
Brazil			1.00%		1.00%	
France	0.26%	0.37%	0.10%	0.50%	0.24%	
Switzerland						0.50%
China	-0.01%					
India			0.40%			0.50%

Switzerland raised the rate after fifteen years. In UK, inflation is ruling at 11%. In June 2022, Bank of England governor Andrew Bailey said policymakers have the option of acting more forcefully to rein in inflation if needed.

In contrast, China is the only country that has reduced the interest rate, while Japan kept the rates unchanged so far.

2. INDIAN ECONOMY

Growth

IMF trimmed India's growth rate also. In January 2022, IMF estimated India's growth at 9%, but it reduced its growth rate to 8.2% in April 2022. It is 70 bps lower than the 8.9% growth achieved in 2021.

GDP growth	Actual growth in 2021	The growth outlook for 2022		
		Oct 2021 estimate	Jan 2022 estimate	Apr 2022 estimate
India	8.9%	8.5%	9.0%	8.2%
World	6.1%	4.9%	4.4%	3.6%

However, even after trimming, India's growth rate is still higher than the global average. The reasons for this include India's ability to import crude oil from Russia ever after the war on Ukraine. A normal monsoon is expected in 2022 which would help India to remain stable. On the policy front, India Production Linked Incentives (PLI) scheme has been driving investments in the green energy, semiconductor, white goods, and electric vehicle industries. In June 2022, the textiles industry is indicated to have been identified for further incentives. The government has been pushing for the indigenisation of defence supply production. RBI has been taking measures for the digitization of financial transactions. The creation of infrastructure is being given priority.

Such government actions and the favourable effect of monsoon on agriculture are expected to help India sail smoothly even in turbulent times.

Inflation

Though inflation has been on the rise in the calendar year 2022, in May 2022 it declined to 7.04% from 7.8% in April 2022. RBI's latest projection, in June 2022, is 6.7% inflation for FY 2022-23. This projection is on the assumption that the monsoon would be normal, and the average crude oil price (Indian basket) would be around USD 105 per barrel. Actual inflation might move in tandem with changes in these underlying assumptions.

Interest rates

During FY23 so far, RBI has increased the policy rates twice. In March 2022, the rate was raised by 0.4% and again in June 2022 by 0.5%. The central bank indicated further hikes in the coming months.

3. Lingering impact of COVID-19

As per <https://ourworldindata.org/covid-vaccinations> data, 60.79% of the world population has been fully vaccinated as of June 25, 2022. In India, the vaccination reached 65.36%. Lockdown, Wearing of mask, physical distancing, work from home and vaccinations helped the world populations recovered from the pandemic to a greater extent.

However, in June there have been again signals of rising cases. According to the June 29, 2022 report of the World Health Organisation, the worldwide number of new coronavirus cases rose by 18% in that week, with more than 4.1 million cases reported globally. Cases were on the rise in 110 countries, said to be mostly driven by the Omicron variants BA.4 and BA.5. "This pandemic is changing, but it's not over," cautioned the WHO.

On the home front, as per the data from the Union Ministry of Health, India recorded 18,819 new corona infections on 29th June 2022, taking the tally of total active cases to 1,04,555. It may not be an alarming number, but certainly a signal for caution. Health experts have been warning us to be careful.

Overall, the world has come out of the devastating pandemic, though a few countries like China and North Korea have still been suffering. India has seen rising incidents of infection in June 2022, and it appears we need to be cautious about health.

4. Global market for apparel

The textile industry comprises making yarn from natural or synthetic fibres and converting the yarn into fabrics. Traditionally fabric or cloth goes into making consumer textiles like apparel and home furnishing. In recent times, yarns and fabrics are used as technical textiles like construction textiles (for acoustic and thermal insulation), geo-textiles (for embankments, reinforced walls, etc), and agro-textiles (for crop protection), etc.

In the wide and complex industry of textiles, apparel is a distinct market. Again, the global apparel market is segmented by end-user like men, women and children. By type, the apparel market also is segmented into formal wear, casual wear, sportswear, nightwear, etc.

As per Market line, the global market value of apparel, at retail prices, was USD 1,367.9 bn in 2021 and is expected to reach 1,656.30 bn by 2025 at a CAGR of 6.5%.

Year	Global apparel market value at retail prices (USD in billions)
2020	1,206.2
2021	1,367.9
2022	1,471.4
2023	1,536.5
2024	1,595.6
2025	1,656.3

China and USA occupy the first and second ranks in terms of consumption of apparel, followed by Germany, the UK, Japan and India.

The USA accounts for most of the world's trade in textiles. It imported textiles worth USD 110.9 bn in 2019. After declining to USD 89.6 bn in 2020 due to Covid-19, imports increased to USD 113.9 bn in 2021.

In 2021, apparel constituted about 70% of the total import of textiles into the USA. China had the lion's share in the export of apparel to the USA. Vietnam and Bangladesh occupied the second and third largest exporter to USA and India the fourth.

Imports of apparel into the USA

USD in billion	2019	2020	2021
China	24.9	15.2	19.6
Vietnam	13.5	12.6	14.4
Bangladesh	5.9	5.2	7.1
India	4.1	3.0	4.2
Indonesia	4.4	3.5	4.1
Cambodia	2.7	2.8	3.4
Mexico	3.1	2.2	2.8
Honduras	2.8	1.8	2.7
Rest of world	22.3	17.8	23.3
Total	83.7	64.1	81.6

Source: <https://otexa.trade.gov>

5. The Indian market for textiles

As per the Annual Report 2021-22 of the Ministry of Textiles, India has a share of 4% of the global trade in textiles and apparel. The exports of textiles and apparel stood at 11.4% of total exports from India in 2020-21. USA and EU-27 and UK, account for 47% of India's textiles and apparel exports.

Both the handloom sector and mill sector are strong in India. Handloom, handicrafts and small-scale power loom units are the biggest sources of employment in rural and semi-urban areas.

The availability of cotton is one of the reasons for India being strong in the textile industry. India occupies the first position in the world in cotton acreage with around 133 lakh hectares. At 300 lakh bales per year, cotton constitutes 60% of total fibre consumption in India, while that proportion was 25% globally.

Policy support for the Textile industry

The government of India has been providing support for the textile industry through various policy measures.

- Amended Technology Fund Upgradation Scheme (ATUFS): This scheme aims to promote investment in the textile industry and the generation of employment. Eligible units would be reimbursed Capital Investment Subsidy.
- Scheme for Capacity Building in Textile Sector (Samarth): Available till March 2024, this scheme addresses the skilled manpower requirement across the textile sector.
- National Technical Textile Mission: To be implemented for four years (2020-21 to 2023-24), the mission is meant for developing the usage of technical textiles.

- PM-MITRA Scheme: It aims to set up seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites with world-class during a period of seven years up to 2027-28.

6. Decline in China's share in USA imports

In recent times, developed economies have been looking for supply sources other than China and have been adopting what may be called the 'China Plus One' policy. It appears there are many reasons for the evolution of that policy, and they include:

- rising cost of labour in China
- alleged unethical practices in its Xinjiang region
- suspected origin of Covid-19 in Wuhan
- disputes over the South China Sea
- alignment of China with Russia over the latter's attack on Ukraine
- unstable equation with the West

The impact of the policy can be seen in the declining share of China in the USA imports, from 21.1% in 2016 to 17.9% in 2021. During that period, Vietnam increased its share from 1.9% to 3.6%. India also gained from 2.1% to 2.6%.

Declining dominance of China in the USA's total imports

Year	Total imports to the USA	Imports from China		Imports from Vietnam		Imports from India	
	USD bn	USD bn	%	USD bn	%	USD bn	%
Jan-Apr 2022	1052.5	179.3	17.0%	40.5	3.8%	27.5	2.6%
2021	2832.9	506.4	17.9%	101.9	3.6%	73.3	2.6%
2020	2336.6	435.4	18.6%	79.6	3.4%	51.2	2.2%
2019	2498.5	452.3	18.1%	66.7	2.7%	57.7	2.3%
2018	2542.8	539.5	21.2%	49.1	1.9%	54.4	2.1%
2017	2342.9	505.6	21.6%	46.5	2.0%	48.6	2.1%
2016	2188.9	462.8	21.1%	42.1	1.9%	46.0	2.1%

Source: www.census.gov

Thus, for many companies in the world, the supply base has been shifting from China to Bangladesh, Vietnam, India, Pakistan, Indonesia and other countries in Southeast Asia.

As a result of this, China's exports of apparel to the USA in 2015 were valued at USD 30.54 billion and they narrowed down to USD 19.61 billion in 2021.

7. Export of apparel from India

Export of apparel from India reached pre-Covid levels in 2021-22.

(USD billions)	2021-22	2020-21	2019-20	2018-19	2017-18
Articles of Apparel and Clothing Accessories					
Knitted or Crocheted	8.2	6.3	7.5	7.8	8.0
Not Knitted or Crocheted	7.8	5.9	8.0	8.3	8.7
Export of apparel	16.0	12.2	15.5	16.1	16.7
Growth	31.1%	-21.3%	-3.7%	-3.6%	-4.0%

Source: tradestat.commerce.gov.in

India's exports in FY22 and FY21 were largely destined for the USA and recorded a growth of 64% in FY22. Details of exports to the top five countries have been as follows:

Indian apparel exports to various countries

(₹ in crores)	2021-22	2020-21	Growth
U S A	39,881.30	24,317.08	64.0%
U A E	13,572.21	11,889.57	14.2%
U K	10,396.36	7,911.33	31.4%
Germany	7,028.10	5,890.63	19.3%
France	4,721.28	3,803.83	24.1%
Rest of the world	43,927.32	36,957.64	18.9%
Total	119,526.57 (USD 16.0 bn)	90,770.08 (USD 12.2 bn)	31.7% (31.1%)

Source: tradestat.commerce.gov.in

8. Review of operations

We are specialized in making knitted garments for infants and toddlers with sizes ranging from Premature babies to 24 months infants. Our major customers for the last few years have been Gerber & William carters who sell the Kidswear in brands like Carters babies, little planet, TJ Max, target, Walmart etc. We have 5524 employees directly engaged in production and produced.

9. Review of financial performance

The analysis in this section relates to the financial results for the year ended March 31, 2022. The financial statements of the company are prepared in compliance with the Indian Accounting Standards (referred to as 'Ind AS') prescribed under section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. Significant accounting policies used in the preparation of the financial statements are disclosed in the notes to the consolidated financial statements.

Summary of financial performance (Consolidated)

- During FY22, the company achieved operating revenue of ₹78,832.83 lakhs, which is 73.1% higher than earlier year's ₹45,538.82 lakhs. The increase is on account of scaling up the production and sales upon the rebound in exports after the Covid-19 infections have come under control.
- EBIDTA for FY22 was ₹17,074.85 lakhs versus ₹10,027.07 lakhs for FY21, an increase of 70.3%. Higher EBIDTA is primarily on account of higher volumes.
- Earnings per share improved from ₹9.01 for FY21 to ₹19.29 for FY22.
- Subject to the approval of the members in the forthcoming annual general meeting, the Board of Directors recommended payment of dividend at ₹1.50 per each share of Re.1 face value (Dividend for FY21 was ₹1.50 per share).

Revenue

(INR in lakhs)	FY22	FY21	Change
Operating revenue	78,832.83	45,538.82	73.1%
Other income	2,689.08	431.29	523.5%

Cost of materials

(INR in lakhs)	FY22	FY21	Change
Cost of raw materials consumed (including Purchase of stock in trade and Changes in inventories of FG, traded goods and WIP)	36,741.87	19,486.73	88.5%
Operating revenue	78,832.83	45,538.82	73.1%
Cost of materials / Operating revenue	46.6%	42.8	

The cost of raw materials has gone up by 88.5% whereas Operating Revenue increased by 73.1%. More than a proportionate increase in RM cost is on account of the materials like yarn, dies etc being more expensive.

Employee benefits

(INR in lakhs)	FY22	FY21	Change
Employee benefits	11426.42	7,725.77	47.9%
% of Revenue	14.5%	17.0%	

Employee benefits expense, though increased by 47.9% in absolute amount, has been lower in terms of its proportion to the revenue. Employee cost has been to some extent fixed, and the company could generate more revenue without increasing that fixed cost.

Finance costs

(INR in lakhs)	FY22	FY21	Change
Finance costs	361.87	255.59	37.7%
% of Revenue	0.4%	0.6%	

Finance costs increased due to the utilisation of higher working capital

Depreciation and Amortisation

(INR in lakhs)	FY22	FY21	Change
Depreciation and Amortisation	2,143.11	2,310.44	-7.2%
% of Revenue	2.7%	5.1%	

The decrease in Depreciation and Amortisation is due to hike in revenue.

Other expenses

(INR in lakhs)	FY22	FY21	Change
Other expenses	13,589.69	8,299.25	63.7%
% of Revenue	17.2%	18.2%	

The increase in other expenses by 63.7% is mainly on account of Processing charges, Power and fuel and Forwarding and transport charges on sales, which were linked to the increase in production and sales.

Income tax

(INR in lakhs)	FY22	FY21	Change
Income tax	4,746.15	2,465.07	96.9%
Profit before tax	17,258.29	7,892.33	118.8%
Tax as % of Profit before tax	27.5%	30.6%	

Credit rating

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

Loan facility	Short-term / Long-term	Rating on March 3, 2022	Rating on October 1, 2021
Fund-based Working capital facilities	Short term	[ICRA] A1	[ICRA] A1+
Non-fund-based Working capital facilities	Short term	[ICRA] A1	[ICRA] A1+
Unallocated	Long-term	[ICRA] A+ (Stable)	[ICRA A1]AA- (Stable)
	Short term	[ICRA] A1	[ICRA] A1+

Dividend

The Board has at its meeting held on 19th May 2022 recommended a final dividend of ₹1.50 per equity share of Re. 1 each (150%) for the year 2021-22, subject to the shareholders' approval at its ensuing Annual General Meeting.

10. Expansion through subsidiary

On 18th November 2021, we incorporated a new company. Kitex Apparel Parks Limited (KAPL), with the registered office in Warangal, Telangana. Kitex Childrenswear Ltd, a group company would invest 30% of the equity in KAPL and Kitex Garments Ltd would invest the balance 70%.

KAPL is about to set up two new integrated textile units in Telangana across two phases. The first phase is expected to be completed by H1 FY24 and the second one by H1 FY25. The total cost is estimated at ₹2,406 crore, to be funded by debt and equity 70% and 30% respectively.

These units would utilise the incentive scheme of the Telangana textile policy, which include state subsidies like capital, power, employee, freight, and interest. Further, this expansion is expected to help the group diversify and de-risk its operations:

- Product diversification: new value-added products like infant socks, fleece garments, premium T-shirts and innerwear for adults would reduce their dependence on infant wear, the single product so far
- Customer diversification: new adult wear customers would be added to the infant wear customers being served till now
- Geographical diversification: currently the US has been the dominant market while new products are expected to be exported to other geographies like the EU

11. Segment-wise or product-wise performance

The Company is engaged in the business of manufacturing garments and there is no separate reportable segment

12. Risks and their mitigation

Your Company continues to strengthen its robust Risk Management Framework and the same was reviewed by the Audit Committee periodically. The Committee focuses on ensuring that risks promptly identified initially and a mitigation plan is developed and monitored periodically to ensure that risks are being addressed accordingly. The Committee operates with following objectives especially related to risks:

- Identify and highlight risks affecting the company.
- Facilitate discussion around risk prioritization and mitigation. The company's approach in addressing business risks includes periodical review of such risks and thereby mitigating it effectively.
- Provide a framework to assess risk capacity and appetite; develop systems to warn when the appetite is getting breach.

Your company believes that managing risk helps in maximizing return. Some of the risks that the company is exposed to are:

- FINANCIAL RISKS: The Company's policy is to actively manage its foreign exchange risks within the framework laid down by the Company's forex policy approved by the Board. Given the interest rate fluctuations, your Company has adopted a prudent and conservative risk mitigation strategy to minimize financial and interest cost risks.
- COMMODITY PRICE RISKS: The Company is exposed to the risk of price fluctuations of raw materials as well as finished goods. The company proactively manages these risks through forward booking, inventory management and proactive vendor development practices. Your company's reputation for quality, product differentiation coupled with the existence of a powerful brand image with a robust design and marketing network in US mitigates the impact of price risk on finished goods.
- REGULATORY RISKS: The Company recognized its risks attached to various statutes, laws and regulations. The company is mitigating these risks through regular review of legal compliances carried out through our internal as well as external compliance audits by our customers.
- HUMAN RESOURCE RISKS: Retaining the existing talent pool and attracting new talent are the major risks affecting the company. We have initiated various measures including rolling out of strategic talent management systems, training and integration of learning and development activities. Our company has collaborated with various agencies like Integrated Skill Development Scheme (ISDS), which helps to identify, nurture and groom labour talents within all states of India to prepare them for future business leadership.
- STRATEGIC RISKS: Emerging businesses, capital expenditure for capacity expansion etc are normal strategic risks faced by your company. However, your Company has well-defined processes and procedures for obtaining approval for investments in new businesses and capacity expansions.

13. 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. 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 actions are periodically reviewed by the audit committee to ensure the 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. Apart from the above, the company has engaged Messrs. K Venkitachalam Aiyer & Co, Chartered Accountants to conduct the Internal Audit during the year 2021-22.

14. Human resources/ industrial relations

Human Resources (HR) management of the Company plays vital role in managing, guiding and motivating the company's workforce and it's evident from the fact that employees are one of our key stakeholders. The Company had 5524 employees on rolls of which 2983 were women as on March 31, 2022. The Company has also been successful in maintaining a pay equity for both genders across levels ensuring that it builds an equitable workplace. In this pandemic situation, it's our responsibility to take precaution not only to manage the present crisis situation, but also to protect our workforce. The Company is also cautious in grabbing emerging opportunities in Infantswear sector and also maintain stakeholder's value at the maximum.

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 has designed and implemented performance management system of employees that helps in achieving its goals. Industrial relations are cordial and satisfactory.

15. Outlook

Since company is in Infantswear business, we expect that business will grow in good pace and there is also a possibility of getting new good order from existing / new buyers from across globe considering trade war between US and China. We are continuously monitoring the current situation to grab the opportunities and also ready to face any challenges.

16. Details of Significant Changes in Key Ratios:

Ratios	Financial Year		Variance	Reason
	FY 2022	FY 2021		
Return on Capital employed (%)	21%	12%	78%	FY 2020-21 ROI impacted due to Covid
Current ratio	4.26	7.45%	(43%)	In FY 20-21 borrowing was Nil hence higher.
Debt-Equity Ratio, (times)	0.18	0.0	100%	Nil debt in FY 20-21
Return on Equity Ratio (%)	16%	8%	91%	FY 20-21 impacted due to Covid

18. 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.



Kitex Garments Limited

(CIN: L18101KL1992PLC006528)

Regd. Office: P. B. No. 5, Kizhakkambalam, Alwaye - 683562, Kochi, Kerala

Phone: 91 484 4142000, Fax: 91 484 2680604

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

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of Kitex Garments Limited will be held on Monday, August 29, 2022 through Video Conferencing (VC) / Other Audio Visual Means (OAVM) at 11.00 A.M. (IST) to transact the following business: -

ORDINARY BUSINESS

1. ADOPTION OF AUDITED FINANCIAL STATEMENTS – STANDALONE & CONSOLIDATED

To receive, consider and adopt Audited Financial Statements (including the consolidated Financial Statements) of the Company for the year ended March 31, 2022 together with the Report of the Board of Directors and Independent Auditors report thereon.

2. DECLARATION OF FINAL DIVIDEND

To declare a final Dividend of ₹1.50 per fully paid-up Ordinary (equity) Share of face value Re. 1/- each for the Financial Year 2021-22 and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT a final dividend of ₹1.50/- (Rupees One Rupee Paise Fifty only) per fully paid-up Ordinary (equity) share of Re. 1/- (Rupee one) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2022 and the same be paid out of the profits of the Company."

3. APPOINTMENT OF A DIRECTOR RETIRING BY ROTATION

To appoint a director in place of Mr. Sabu M Jacob (DIN: 00046016), who retires by rotation as director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sabu M Jacob (DIN: 00046016), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

By Order of the Board of Directors of
Kitex Garments Limited

CS. Mithun B Shenoy

Company Secretary & Compliance officer
(ICSI M. No. FCS 10527)

Kizhakkambalam
May 19, 2022

Notes:

1. In view of the ongoing COVID-19 pandemic and pursuant to General Circular No. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and all other relevant circulars issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India (SEBI) vide its circular nos. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2 / CIR/ P/2021/11 dated January 15, 2021 (collectively referred to as 'SEBI Circulars'), the Company is convening the 30th AGM through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM'), without the physical presence of the Members. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at P. B. No. 5, Kizhakkambalam, Alwaye - 683562, Kochi, Kerala.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.

3. Members attending the AGM through VC/ OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
6. In terms of the provisions of Section 152 of the Act, Mr. Sabu M Jacob, Managing Director retires by rotation at the Meeting. The Nomination and Remuneration Committee and the Board of Directors of the Company recommend his re-appointment.
Mr. Sabu M Jacob is interested in the Ordinary Resolution set out at Item No. 3 of the Notice with regard to his re-appointment. Save and except the above, none of the Directors / Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Business set out under Item Nos. 1 to 3 of the Notice.
7. The Register of Members and Share Transfer Books of the Company will remain closed from August 23, 2022 to August 29, 2022 (both days inclusive).
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and redelivered transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/ CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Cameo Corporate Services Limited ("Cameo") at Subramanian Building No. 1, Club House Road, Chennai - 600002, Tamil Nadu, Tel: 044-28460390 Fax: 044-28460129 investor@cameoindia.com for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website <http://www.kitexgarments.com/faq/>
9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/ P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format shall be provided based on request. It may be noted that any service request can be processed only after the folio is KYC compliant. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of de-materialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

10. Notice of the 30th Annual General Meeting along with the Annual Report 2021-22 is being sent only through electronic mode to those Members based on Benpos date i.e., July 29, 2022, whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.kitexgarments.com, websites of the Stock Exchanges, i.e., BSE Limited and The National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.
11. For receiving all communication (including Annual Report) from the Company electronically:
 - a) Members holding shares in physical mode and who have not registered/ updated their email address, Bank particulars, Residential status or request for transmission of shares including its changes etc. with the Company, are requested to register/ update the same by writing a request letter to the Company with details of folio number and attaching a self-attested copy of PAN card, passbook/ cancelled cheque etc. at sect@kitexgarments.com or to Share Transfer Agent of the Company "Cameo Corporate Services Ltd" at investor@cameoindia.com.
 - b) Members holding shares in electronic form are advised to send their request for updating items including changes, to their Depository Participant. The Company or its Registrar and Share Transfer Agent cannot act on any such requests received directly from the members holding shares in electronic form.
12. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 in Form ISR-1. The Form ISR-1 will be provided based on request. Attention of the Members holding shares of the Company in physical form is invited to go through and submit the said Form ISR-1.

13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
14. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
15. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the AGM.
16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. August 29, 2022. Members seeking to inspect such documents can send an email to sect@kitexgarments.com.
17. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution/ authorization letter to the Company's email id: sect@kitexgarments.com.

FINAL DIVIDEND PAYMENT

18. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source (TDS) will be made on or before September 27, 2022 as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of end of day on August 22, 2022;
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on August 22, 2022.

UNCLAIMED DIVIDEND & IEPF RELATED INFORMATION

19. Members who have not encashed the dividend warrants for the financial year ended 2014-15 (Final) and/or any subsequent years are requested to write to the Company giving necessary details along with claimant's proof of identity and address. In this connection, the company has placed the names of such persons who has not claimed dividend since FY 2014-15 (Final) in the website of the company and the shareholders can view the details at www.kitexgarments.com
20. In order to enable payment of dividend by direct credit to the bank accounts of the shareholders through National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates for the same in the attached format along with the specified details/ documents to Share Transfer Agent of the Company "Cameo" at their registered mail id investor@cameoindia.com. Those holding shares in De-mat form are requested to update their records with DPs in this respect.
21. As per provisions of Section 124 of Companies Act, 2013, the amount of dividends remaining unclaimed for a period of seven years are required to be transferred along with shares held in those folios to the Investor Education and Protection Fund. Accordingly, the dividend declared for all the financial years ended upto March 31, 2014 had been transferred to Investor Education and Protection Fund (IEPF) established by Central Government. Details of dividends so far transferred to the IEPF Authority are available on the website of IEPF Authority and the same can be accessed through the link www.iepf.gov.in.
22. The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2022 are uploaded on the website of the Company under the main head "investors relations" and can be accessed through the link www.kitexgarments.com. Details of unpaid and unclaimed dividends up to March 31, 2022 are also uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in.

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company will transfer to the IEPF Authority, during financial year 2022-23, all shares in respect of which dividend had remained unpaid or unclaimed for seven (7) consecutive years or more as on the due date of transfer, i.e., July 09, 2022. Details of shares so far transferred to the IEPF / Authority are available on the website of the Company under main head "investor's relation" and the same can be accessed through the link: <https://www.kitexgarments.com/>

The said details have also been uploaded on the website of the IEPF Authority and can be accessed through the link: www.iepf.gov.in. Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from the IEPF Authority.

23. Details of dividend declared for the financial years from 2014-15 onwards are given below:

Financial Year	Declared on	Dividend yield	Amount paid per equity share (₹)	Due date for transfer to IEPF
2014-15	04.06.2015	125%	₹ 1.25	09.07.2022
2015-16 (Interim)	30.10.2015	75%	₹ 0.75	04.12.2022
2015-16 (Final)	10.06.2016	75%	₹ 0.75	16.07.2023
2016-17 (Interim)	31.10.2016	75%	₹ 0.75	06.12.2023
2016-17 (Final)	19.06.2017	75%	₹ 0.75	24.07.2024
2017-18 (interim)	04.11.2017	75%	₹ 0.75	09.12.2024
2017-18 (Final)	28.07.2018	75%	₹ 0.75	01.09.2025
2018-19 (final)	28.08.2019	150%	₹ 1.50	02.10.2026
2019-20 (Interim)	11.02.2020	150%	₹ 1.50	18.03.2027
2020-21 (Final)	07.09.2021	150%	₹ 1.50	12.10.2028

24. The Company had released an Advertisement dated April 21, 2022 in National Daily viz., Business Line and Regional language daily viz., Chandrika for transferring unpaid / unclaimed dividend and unclaimed shares of the Company to Investor Education and Protection Fund (IEPF) Account as per Section 124(6) of the Companies Act, 2013. The Company had also sent individual communication dated April 20, 2022 to the shareholders concerned whose dividend remains unpaid or unclaimed for a period of Seven (7) consecutive years since 2015, at their registered address and shares are liable to be transferred to IEPF account under the aforesaid Rules, for taking appropriate action(s) by the shareholder concerned. The Complete details of unpaid or unclaimed dividends and shares due for transfer are available on the website of the Company ie., www.kitexgarments.com.
25. For any communication, the shareholders may also send requests to the Company's investor e-mail IDs: investor@kitexgarments.com or sect@kitexgarments.com

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

26. Voting through electronic means:

- a) In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time together with relevant clauses in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members the facility to exercise their right to vote at the 30th Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- b) In terms of SEBI circular no SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KFIN/LINK INTIME as per information provided by Issuer/ Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com/. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

- c) The facility for e-voting will also be made available during the AGM and the Shareholders attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote through the e-voting system during the AGM. The Shareholders who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

“Remote e-voting” means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.

- d) The remote e-voting period commences on Friday, August 26, 2022 at 9:00 A.M. and ends on Sunday, August 28, 2022 at 5:00 P.M. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Friday, August 19, 2022 (“the cut-off date”) may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- e) The voting rights of the Shareholders shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. August 19, 2022 and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only. In case of joint holders, only such joint holder who is named first in the order of names will be entitled to vote.
- f) The Board of Directors of the Company has appointed Mr. Jayan K, Partner, M/s SVJS & Associates, Company Secretaries, Kochi as Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner.
- g) Members have an option to vote either Remote e-voting (availing the services provided by CDSL) OR by e-voting at the time of AGM. If members have cast their vote through remote e-voting, then they should not cast their vote at the meeting but they can attend meeting. However, if a member has voted through Remote e-voting and has again voted at the meeting, then the voting done through Remote e-voting shall prevail and voting done at the meeting shall be treated as invalid. Members attending meeting through VC/ OAVM who have not already cast their vote by remote e-voting shall be able to exercise their right at the time of AGM.
- h) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at <https://www.evotingindia.com/> under help section or write to Mr. Rakesh Dalvi, Manager with email id: helpdesk.evoting@cdslindia.com and contact Helpdesk: 18002005533/ 022-22723333.
- i) Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

A. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders / Members” tab.
- (iii) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in De-mat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form

PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
DOB# or Dividend Bank Details#	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in De-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the de-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN to choose <**KITEX GARMENTS LIMITED**> to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non-Individual Shareholders & Custodians.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate and custodians respectively
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/ folio numbers on which they wish to vote.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all the steps from Sl. No.: (i to xvii) above to cast vote.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical shareholders:- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id: investor@cameoindia.com with cc to sect@kitexgarments.com.
- For Demat shareholders:- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id : investor@cameoindia.com with cc to sect@kitexgarments.com.

B. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Only those persons who are Members of the Company as on the cut-off date i.e. August 22, 2022 will be able to attend the AGM through VC / OAVM and a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
2. Members will be able to attend the AGM through VC / OAVM at the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders / members login by using the remote e-voting credentials. The link for VC / OAVM will be available in shareholder / members login where the EVSN of Company will be displayed.
3. Facility of joining the AGM through VC/OAVM shall be opened 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of AGM. The facility will be available for Members on first come first served basis.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience
5. For better experience, we recommend that you join the session with high-speed wired internet connectivity. This prevents Wi-Fi dropouts and speed issues.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to AGM mentioning their name, demat account number/ folio number, email id, mobile number at sect@kitexgarments.com. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

C. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who are present in the AGM through VC / OAVM facility and have not cast their vote on the Resolution(s) through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any votes are cast by the Members through e-voting available during the AGM and if the same Members have not participated in the meeting through VC / OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM However, they will not be able to vote at the AGM.

DECLARATION OF VOTING RESULTS

27. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting and make not later than 2 days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman and/or Director or a person authorized by him in writing who shall counter sign the same.
28. The results shall be declared forthwith upon receipt of the Scrutinizer's Report. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kitexgarments.com, its Notice Board and on the website of CDSL and communicated to the stock exchanges where shares of the Company are listed.

GENERAL INSTRUCTIONS

29. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Share Transfer Agents.
30. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar and Share Transfer Agent (RTA)
31. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination, pursuant to Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-13 to the RTA of the Company. Further, members desirous of cancelling/varying nomination pursuant to Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14 to the RTA of the Company. These forms will be made available on request.

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

A. MR. SABU M JACOB

Name of Director	Mr. Sabu M Jacob
Date of Birth	11.05.1962; 60 years of age
Qualification	BA Economics
Experience in specific functional areas	Mr. Sabu M. Jacob (DIN: 0046016) has been involved in the promotion and the Management of the Company as Managing Director right from its inception. He is having more than 30 years of experience in the field of garments industry.
Directorship held in other Companies	<ul style="list-style-type: none">• Kitex Garments Limited as Chairman & Managing Director• Kitex Apparels Limited as Director• Kitex Herbals Limited as Director• Kitex Infantswear Limited as Director• Kitex Childrenswear Limited as Director• Kitex Babywear Limited as Director• Kitex Kidswear Limited as Director• Kitex Knits Limited as Director• Kitex Littlewear Limited as Director• Kitex Apparel Parks Limited as Managing Director
Details of terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	Refer the Directors Report
Date of first appointment on the Board	16.08.1993

Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil
number of Meetings of the Board attended during the year and other Directorships	Refer the Directors Report.
Chairman/member of the Committee of the Board of Directors of this Company	Refer the Directors Report
Committee Membership in other Companies	<ul style="list-style-type: none"> • Kitex Childrenswear Ltd: Chairman of CSR Committee • Kitex Infantswear Ltd: Member of Audit Committee and Nomination and Remuneration Committee
Shareholdings in the Company	22730901 Equity Shares

By Order of the Board of Directors of
Kitex Garments Limited

CS. Mithun B Shenoy
Company Secretary & Compliance officer
(ICSI M. No. FCS 10527)

Kizhakkambalam
May 19, 2022

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Thirtieth Annual Report of the Company together with the audited financial statements for the financial year ended March 31, 2022.

1. CORPORATE OVERVIEW

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

2. FINANCIAL HIGHLIGHTS

As mandated by the Ministry of Corporate Affairs, your company has prepared the financial statement (both standalone and consolidated) for the year ended March 31, 2022 as per Indian Accounting Standard ('IND AS') notified under Sec 133 of the Companies Act, 2013 read with notification no. G.S.R. 111(E) dated 16.02.2015 as amended from time to time.

The Standalone and consolidated financial performance of the Company for the financial year ended March 31, 2022 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales and other Income				
Revenue from operations	78,832.83	45,538.82	78,832.83	45,538.82
Other Income	2,996.40	1,010.46	2,689.08	431.29
Total Revenue	81,829.23	46,549.28	81,521.91	45,970.11
Profit Before Interest, Depreciation and Tax	20,083.82	11,048.82	19,763.93	10,458.30
Less: Finance Charges	361.87	253.95	361.87	255.59
Depreciation	2,143.77	2,310.44	2,143.77	2,310.44
Net Profit Before Tax	17,578.18	8,484.44	17,258.29	7,892.33
Less: Provision for Tax	4,749.88	2,494.24	4,746.15	2,465.07
Net Profit After Tax	12,828.30	5,990.20	12,512.14	5,427.26
Share Of Profit/ (Loss) Of Associates	-	-	-	-
Net Profit after share of profit of Associates	12,828.30	5,990.20	12,512.14	5,427.26
Balance of Profit brought forward	46,276.77	42,163.57	42,365.60	38,815.29
Balance available for appropriation	59,105.07	48,153.77	54,877.74	44,242.55
Dividend paid on Equity Shares	997.50	-	997.50	-
Tax on Dividend	-	-	-	-
Transfer to General Reserve	2000.00	2,000.00	2000.00	2,000.00
Surplus carried to Balance Sheet	56,107.57	46,153.77	51,880.40	42,242.55

3. FINANCIAL PERFORMANCE

The Company continues to maintain its market leadership in Infantswear across US markets during the year under review. Strong growth access to infants garments segment despite the inflationary trends in material costs, the company achieved record turnover and through effective cost control measures been able to achieve higher profit. Your Company continued to build good relationship with our customers. The quality in our products is a prime motto of our business. At Kitex, people are highly devoted towards the operations and are also partners in growth. During the year under report, there was a sustained focus to increase strength of your company and sharpen competitive advantages with a view towards long term value creation.

STANDALONE PERFORMANCE

On standalone basis, your company reported a turnover of ₹81,829.25 lakhs i.e., a 75.79% increase over the previous financial year. Cost of goods sold as a percentage to revenue from operations increased to 49.1% as against 45.5% in the previous year. Employee cost as a percentage to revenue from operations decreased to 15% (₹11,426.42 lakhs) as against 17% (₹7,725.77 lakhs) in the previous year. The operating profit stood at ₹17,578.18 lakhs compared with ₹8,484.44 lakhs in the previous year, a jump of 107.18% over previous year. The net profit for the year was ₹12,828.30 lakhs as against ₹5,990.20 lakhs reported in the previous year, a growth of 114.15% over previous year. The EPS from continuing operations for the reporting year was ₹19.29 as against ₹9.01 reported in the previous year. The Company could able to achieve record turnover due to proper planning and existing capacity utilisation. The management has taken due care in adhering to cost control measures.

CONSOLIDATED PERFORMANCE

On consolidated basis, total revenue for the financial year under review was ₹81,521.91 lakhs as against ₹45,970.11 lakhs for the previous financial year, a growth of 77.34%. Profit before tax was ₹17,258.29 lakhs and net profit after tax was ₹12,512.14 lakhs for the financial year under review as against ₹7,892.33 lakhs and 5,427.26 lakhs for the previous year.

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

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

4. PERFORMANCE HIGHLIGHTS OF SUBSIDIARY & ASSOCIATE COMPANY

• ASSOCIATE COMPANY

As on March 31, 2022, the Company has an Associate Company. Kitex USA LLC being an Associate Company with joint investment between the Company and Kitex Childrenswear Limited to support and facilitate design and supply for US Market customers. The Associate Company markets the licence brand "Lamaze" and Own Brand "Little Star" Infantswear in US and Canada.

Your company has also sold products worth ₹24,799.83 Lakhs to its Associate during the reporting period.

• SUBSIDIARIES

During the year under review, the company has 6 wholly owned subsidiaries viz., Kitex Littlewear Limited, Kitex Babywear Limited, Kitex Socks Limited, Kitex Packs Limited, Kitex Knits Limited and Kitex Kidswear Limited. During the year under review, on November 18, 2021 your Company has incorporated one more subsidiary company in the name Kitex Apparel Parks Limited in the state of Telangana with a joint investment along with Kitex Childrenswear Limited in the ratio 70:30 investment ratio. The newly incorporated company will be carrying out the same line of textile related business.

Further, pursuant to the provisions of Sec 136 of the Act, audited financial statements in respect of subsidiaries are available on the website of the Company www.kitexgarments.com.

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

There are no companies which have ceased to be its Subsidiaries, joint ventures or associate companies during the year under review.

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

The Consolidated Financial Statements of the Company along with its Subsidiaries and Associate prepared for the year 2021-22 in accordance with relevant Ind AS issued by ICAI forms part of this Annual Report.

5. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual accounts for the year ended March 31, 2022, the applicable accounting standard have been followed along with proper explanation relating to the material departures, if any;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) that proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that 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.

6. DIVIDEND, DIVIDEND DISTRIBUTION POLICY AND TRANSFER TO RESERVE

Your Directors recommend for your approval, final dividend of ₹1.50 per share (150 %), subject to the tax for the year ended March 31, 2022 on equity shares of Re. 1/- each fully paid-up. During the year under review, your company transferred a sum of ₹2,000 lakhs to the General Reserve on account of future expansions.

The total outgo on account of dividend inclusive of taxes for FY 2021-22 is ₹997.50 lakhs which represents a payout of 7.72 % of the Company's standalone profits.

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

7. SHARE CAPITAL

The paid-up equity share capital as on 31st March, 2022, was ₹665.00 lakhs consisting of 6,65,00,000 equity shares of Re. 1/- each fully paid-up.

8. TRANSFER TO INVESTORS EDUCATION AND PROTECTION FUND

a. Transfer of Unpaid Dividend

Pursuant to the provisions of Sec 124 (5) of the Companies Act, 2013, your Company has transferred ₹ 9,14,555.00 for the financial year 2013-14 to Investors Education Protection Fund (IEPF) on June 22, 2021. This amount was lying unclaimed / unpaid with the Company for a period of 7 (seven) years after declaration of final dividend for the said FY.

b. Transfer of shares underlying unpaid dividend

The Board of Directors at its meeting held on May 28, 2021, transmitted 25,300 equity shares of the Company into the demat account of the IEPF Authority held with CDSL (DPID/ Client ID: 12047200 – 13676780) in terms of the provisions of Sec 124 (6) of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

The equity shares were the shares of 22 shareholders whose unclaimed / unpaid dividend pertaining to FY 2013-14 had been transferred into IEPF and who had not encashed their dividends for 7 (seven) subsequent financial years. The Company has taken various steps by sending reminders requesting them to encash their dividend so as to reduce the limit of unclaimed dividend before transferring the dues to IEPF. The complete list of such shareholders whose shares were due for transfer to IEPF was also placed in investor's relations section on the website of the Company www.kitexgarments.com.

Further, dividend which has become unclaimed for the last 7 years since 2014-15 will be transferred to IEPF account on or before July 09, 2022 for which Company had sent the reminder letter to shareholders concerned. The details are provided in the Shareholder information section of this Annual Report and are also available on our website www.kitexgarments.com.

9. CAPITAL EXPENDITURE

As on 31st March, 2022, the Fixed Assets stood at ₹28,894.00 lakhs and net fixed assets of ₹15,087.28 lakhs. Additions during the year amount to ₹2063.76 lakhs.

10. FUTURE PROSPECTS

During the year under review, the Board of Directors was looking at various possible means to implement the expansion plans. Accordingly, the Board at its meeting held on August 11, 2021 has noted that discussion on investment proposal of the Company with the Telangana government of ₹2,406 crores for implementing in the state of Telangana was at advanced stage and as against such proposal, the Government has issued orders with order nos. G.O.MS.No.20 and G.O.MS.No.21 dated September 9, 2021. The said expansion project will be at Kakatiya Mega Textile Park, Warangal and Integrated Textile Cluster, Sitarampur, Rangareddy District which involves setting up of a vertically integrated fibre to apparel cluster constituting manufacturing unit related to spinning, knitting, processing, garments manufacturing, packing and associated activities. The project generates more than 20,000 employments in the state. The Strategic Road map 2025 which was approved by Board of Directors for implementing the expansion projects in the state of Kerala has been subsumed with this new project. The investment project will be implemented through the new company in the name Kitex Apparel Parks Limited with a joint investment along with Kitex Childrenswear Limited in the ratio 70:30 investment ratio. The investment details are as follows:

Sl. No.	Particulars	Kakatiya Mega Textile Park, Warangal	Industrial Park, Sitarampur, Rangareddy District
1	Investment details	₹1,113 crores	₹1,293 crores
2	Period within which the proposed capacity is to be added:	FY 2024-25	FY 2025-26
3	Project and commercial production implementation period	<ul style="list-style-type: none"> Commercial productions starts by June 2023 Full capacity by December 2024 	<ul style="list-style-type: none"> Commercial productions starts by June 2024 Full capacity by December 2025
4	Existing capacity	4,32,000 units (infants garments) per day	
5	Existing capacity utilization	100% capacity	
6	Proposed capacity addition	18 lakh units per day	
7	Investment mode	Banking Borrowings & Internal Accruals	
8	Rationale	<ul style="list-style-type: none"> Telangana state is among the top 3 states for ease of doing business. Telangana state is the 3rd largest cotton producer. Utilize attractive incentive scheme in Telangana Textile Apparel Policy (T-TAP). Utilize better logistics and infrastructural facilities; Reduced cost of labour and its availability; Overall cost reduction and thereby increase in profitability in the long run. 	

11. CREDIT RATING

During the year under review, ICRA, the Credit Rating Agency downgraded rating of the Company from "[ICRA] AA-" to "[ICRA] A+" with stable outlook for the company's long term borrowings and also from "[ICRA] A1+" to "[ICRA] A1" rating for the Company's short term borrowings. This is in view of planned availing of huge Term loan debt of App: ₹1700 crores towards Telangana project.

12. QUALITY AND ACCOLADES

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

13. CHANGE IN THE NATURE OF BUSINESS

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

14. LISTING

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

15. DEPOSIT FROM THE PUBLIC

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

16. EXTRACT OF ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134 (3) (a) of the Act, the Annual Return as on March 31, 2022 is available on the website of the Company at the link www.kitexgarments.com.

17. SECRETARIAL STANDARD

The Company complies with all applicable secretarial standards.

18. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT BY THE COMPANY

During the year under review, no guarantees pursuant to the provisions of Section 185 and 186 of the Act and SEBI (LODR) Regulations, 2015, were made by the Company. However, loan amount of ₹1717.87 lakhs and Investments of ₹4,388.43 lakhs have been made in its Subsidiary Companies, the details that are covered under the provision of the said section are given in the notes to financial Statements.

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

- (i) In accordance with Articles of Association, Mr. Sabu M Jacob (DIN: 00046016), executive director of the Company will be retiring at the ensuing Annual General Meeting and being eligible, seek reappointment. Item seeking his re-appointment along with his detailed profile has been included in the notice convening the AGM.
- (ii) The shareholders at the 29th Annual General Meeting held on September 7, 2021 on the recommendation of Board of Directors of the Company has appointed Mrs. Sumi Francis (DIN: 08950675) as an Independent Director to hold office for a term of five (5) years from November 13, 2020 upto November 12, 2025.

There is no change in the Board of Directors & Key Managerial Personnel of your company during the financial year 2021-22 except as mentioned above.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Reg 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time. Based on the confirmation/ disclosure received from the directors, the Non Executive Directors namely Mr. E. M. Paulose, Mr. Benni Joseph, Mr. C. P. Philipose and Mrs. Sumi Francis are treated as independent as on March 31, 2022.

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

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

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

20. BOARD EVALUATION & FAMILIARISATION PROGRAMME

Having a formalized Board evaluation gives Board Members an opportunity of assessing their own performance and brings out the importance of the contributions of individual directors. It is a mechanism by which Board members candidly reflect on how well the Board is meeting its responsibilities.

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

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

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

Further, the Independent Directors of the Company met on January 28, 2022 to review the performance of the Non-executive directors, Chairman of the Company and the access of the quality, quantity and timeliness of flow of information between the Company management and the Board to effectively perform their duties. The details of familiarization program conducted for Independent Directors of your Company are available on your Company's website www.kitexgarments.com.

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

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

Some of the salient features of which are as follows:

1. To regulate the appointment and remuneration of directors, key managerial personnel and the senior management personnel;
2. To identify persons who are qualified to become directors as per the criteria/ Board skill matrix identified by the Board;
3. To ensure proper composition of Board of Directors and Board diversity;
4. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, key managerial personnel and senior management and their remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to Company's working and its goals.

22. BOARD COMMITTEES

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

23. EMPLOYEES' STOCK OPTION SCHEME

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

24. CORPORATE SOCIAL RESPONSIBILITY

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

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

25. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on the operations of the Company, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, forms an integral part of this Report.

26. BUSINESS RESPONSIBILITY REPORT

As required under Regulation 34 of the Listing Regulations, the Business Responsibility Report is provided in a separate section and forms part of the Annual Report.

27. CORPORATE GOVERNANCE

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

28. VIGIL MECHANISM

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

29. RELATED PARTY TRANSACTIONS

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

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

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

30. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

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

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

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

32. BUSINESS RISK MANAGEMENT

Your Company continues to strengthen its robust Risk Management Framework and the same was reviewed by the Audit Committee periodically. As per latest listing regulations, top 1000 listed entities based on market capitalization has to constitute Risk Management Committee. Accordingly Board of Directors at its meeting held on May 28, 2021 has constituted the Committee, the details of which have been covered in the Corporate Governance Report forming part of the report. The Committee meets for focused interaction with business, identifying and prioritizing strategic, operational risk and formulating appropriate mitigation strategies and conducting frequent review of the progress on the management of the identified risk. The Committee also constituted the Risk Management policy for assessing the risks connected to the company and also minimization procedures. Your company believes that managing risk helps in maximizing return. The company's approach in addressing business risks includes periodical review of such risks and thereby mitigating it effectively. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

- **FINANCIAL RISKS:**

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

- **COMMODITY PRICE RISKS**

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

- **REGULATORY RISKS**

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

- **HUMAN RESOURCE RISKS**

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

- **STRATEGIC RISKS**

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

33. AUDITORS

33.1. INDEPENDENT AUDITORS

As per the provisions of Section 139 of the Companies Act, 2013, M/s. MSKA & Associates, Chartered Accountants, (FRN 105047W) have been appointed as Independent Auditors of the company for a period of 5 (Five) years in the AGM of the Company held on July 28, 2018.

Further the report of the Independent Auditors along with notes to financial statements is enclosed to this Annual Report. The Auditors' Report does not contain any qualification, reservation, disclaimer or adverse remarks.

33.2. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has re-appointed M/s. SVJS & Associates, Practicing Company Secretaries, Kochi to conduct the Secretarial Audit for the financial year 2021-22. The Audit Report issued by the Secretarial Auditors for the said FY form part of this Report and is set out in **Annexure – E** which is self-explanatory.

33.3. INTERNAL AUDITORS

M/s. K. Venkitachalam Aiyer & Co, Chartered Accountants continue to be the Internal Auditors of your company for the financial year 2021-22.

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

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

35. ENVIRONMENT AND SAFETY

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

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

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

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Act. The Company has filed Annual Report for the year ended December 31, 2021 under the Act with District officer.

36. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

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

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

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

37. GENERAL

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

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

38. ACKNOWLEDGEMENTS

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

For and on behalf of the Board of
Kitex Garments Limited

Sd/-

Sabu M. Jacob

Chairman and Managing Director
(DIN: 00046016)

Kizhakkambalam
May 19, 2022

ANNEXURE – A

TO THE DIRECTOR'S REPORT

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

(Form AOC-1)

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

PART "A": SUBSIDIARIES

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

Sl. No.	1	2	3	4	5	6
Name of the subsidiary:	Kitex Littlewear Ltd	Kitex Babywear Ltd	Kitex Knits Ltd	Kitex Socks Ltd	Kitex Packs Ltd	Kitex Kidswear Ltd
The date since when subsidiary was acquired:	25.09.2018	29.10.2018	29.10.2018	29.10.2018	29.10.2018	17.10.2018
Reporting period for the subsidiary concerned, if different from the holding company's reporting period:	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022	31.03.2022
Reporting currency	INR	INR	INR	INR	INR	INR
Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA
Share capital:	100.00	10.00	10.00	10.00	10.00	100.00
Reserves & surplus:	(560.05)	(70.74)	(164.44)	(109.00)	(83.45)	(246.22)
Total assets:	3379.48	391.41	2273.10	643.98	676.45	1,902.12
Total Liabilities:	3379.48	391.41	2273.10	643.98	676.45	1,902.12
Investments:	-	-	-	-	-	-
Turnover:	9.44	-	-	-	-	6.30
Profit before taxation:	(146.25)	(19.56)	(53.30)	(29.54)	(25.86)	(45.36)
Provision for taxation:	-	-	-	-	-	-
Profit after taxation:	(146.25)	(19.56)	(53.30)	(29.54)	(25.86)	(45.36)
Proposed Dividend:	-	-	-	-	-	-
Extent of shareholding (in %)	100%	100%	100%	100%	100%	100%

Kitex Apparel Parks Ltd being subsidiary company was incorporated on November 18, 2021 and has filed commencement of business on April 29, 2022. Hence it is not considered for Consolidation of financials with holding company ie. Kitex Garments Ltd.

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

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

PART "B": ASSOCIATES AND JOINT VENTURES

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

(Amount in Lakhs)

Sl. No.	Name of Associates/Joint Ventures	KITEX USA LLC
1	Latest audited Balance Sheet Date	31.03.2022
2	Date on which the Associate or Joint Venture was associated or acquired	04.04.2015
3	Shares of Associate/Joint Ventures held by the company on the year end	
	i. No.	4250210.09 shares
	ii. Amount of Investment in Associates/Joint Venture	2776.24
	iii. Extend of Holding %	50%
4	Description of how there is significant influence	More than 20% of total share capital held by the Company
5	Reason why the associate/ joint venture is not consolidated	Not applicable
6	Net-worth attributable to Shareholding as per latest audited Balance Sheet	(574.72)
7	Profit / Loss for the year	
	i. Considered in Consolidation	-
	ii. Not Considered in Consolidation	NA

1. Names of associates or joint ventures which are yet to commence operations: NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For **Kitex Garments Limited**

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

Sd/-
CA. Benni Joseph
Director
(DIN: 01219476)

Sd/-
CA. Bobby Michael
Chief Financial Officer

Sd/-
CS. Mithun B Shenoy
Company Secretary
(ICSI M No. FCS 10527)

May 19, 2022
Kizhakkambalam

ANNEXURE – B

TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES – 2021-22

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

1. Brief outline of the company's CSR policy

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

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

Our CSR policy includes:

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

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

2. Composition of the CSR Committee

Kitex Garments Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act, 2013. During the year, the Committee met 2 times viz., June 29, 2021 and November 09, 2021. The members of the CSR Committee as on March 31, 2022 are:

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

Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <http://www.kitexgarments.com/wp-content/uploads/2021/06/Board-Member.pdf> & http://www.kitexgarments.com/wp-content/uploads/2021/07/CSR-policy_final_290621.pdf

3. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). NA
4. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

(₹ In lakhs)

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2019-20	421.98	-
2	2020-21	59.08	-
3	2021-22	260.72	-
Total		741.78	-

5. Average net profit of the company as per section 135(5) : ₹13,459.91 lakhs
6. (a) 2% of average net profit of the company as per section 135(5) : ₹269.20 lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
- (c) Amount required to be set off for the financial year : Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) : ₹269.20 lakhs

7. (a) CSR amount spent or unspent for the financial year (₹ in lakhs)

Total Amount spent for the Financial Year (₹ in Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
529.92	-	-	-	-	-

- (b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Sec 135 (6) (in ₹)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation-Through Implementing Agency	
				State	District						Name	CSR Registration number
Total												

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes / No)	Mode of implementation-Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Healthcare	Healthcare	Yes	Kerala	Ernakulam	387.18	Yes	-	-
2	Road Development	Rural Development	Yes	Kerala	Ernakulam	140.69	No	Twenty20 Association	CSR00003631
3	House	Rural Development	Yes	Kerala	Ernakulam	2.05	Yes	-	-
TOTAL						529.92			

- (d) Amount spent in Administrative Overheads : Nil
 (e) Amount spent on Impact Assessment, if applicable : Nil
 (f) Total amount spent for the Financial Year (b+c+d+e) : ₹529.92 lakhs
 (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in lakhs)
i	Two percent of average net profit of the company as per section 135(5)	₹269.20
ii	Total amount spent for the Financial Year	₹529.92
iii	Excess amount spent for the financial year [(ii)-(i)]	₹260.72
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

8. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the Reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	-	-	-	-	-	-
2.	2020-21	-	-	-	-	-	-
3.	2021-22	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project Completed/ Ongoing
1.	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): NIL
- Date of creation or acquisition of the capital asset(s).
 - Amount of CSR spent for creation or acquisition of capital asset.
 - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – Not Applicable. The Company has spent the required amount.

May 19, 2022
Kizhakkambalam

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

Sd/-
Benni Joseph
Member
CSR Committee
(DIN: 01219476)

ANNEXURE – C

TO THE DIRECTOR'S REPORT

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

(Form No. AOC-2)

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Not applicable
 - a. Name(s) of the related party and nature of relationship:
 - b. Nature of contracts/arrangements/transactions:
 - c. Duration of the contracts / arrangements/transactions:
 - d. Salient terms of the contracts or arrangements or transactions including the value, if any:
 - e. Justification for entering into such contracts or arrangements or transactions:
 - f. Date(s) of approval by the Board:
 - g. Amount paid as advances, if any:
 - h. Date on which the special resolution was passed in general meeting as required under first proviso to section 188:
2. Details of material contracts or arrangement or transactions at arm's length basis

Name of Related Party	Nature of Relationship	Duration of Contract	Salient Terms(1)	Amount (In Lakhs)
Nature of Contract or arrangement				
Revenue from Sale of goods and services (including expenses recovered)				
Kitex Childrenswear Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	ongoing	Based on Transfer Pricing Guidelines	12017.57
Kitex Limited				246.68
Anna Aluminum Company (P) Ltd.				0.70
Purchases of goods and services (including reimbursements)				
Kitex Childrenswear Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	ongoing	Based on Transfer Pricing Guidelines	3591.06
Kitex Limited				40.91
Anna Aluminum Company (P) Ltd.				37.17
Donation				
Twenty 20 Kizhakkambalam Association	Enterprises owned or significantly influenced by key management personnel or their relatives	ongoing	Based on Transfer Pricing Guidelines	597.00
Corporate Social Responsibility Activities				
Twenty 20 Kizhakkambalam Association	Enterprises owned or significantly influenced by key management personnel or their relatives	ongoing	Based on Transfer Pricing Guidelines	138.00

Revenue from services (including expense recovered & other expenses)				
Kitex Littlewear Limited		ongoing	Based on	150.21
Kitex Kidswear Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	ongoing	Transfer Pricing	47.72
Kitex Knits Limited		ongoing	Guidelines	52.50
Kitex Socks Limited		ongoing		28.76
Kitex Packs Limited		ongoing		18.80
Kitex Babywear Limited		ongoing		18.80
Sales commission paid				
Kitex USA LLC	Enterprises owned or significantly influenced by key management personnel or their relatives	ongoing	Based on Transfer Pricing Guidelines	556.85
Sales - Ready Made Garments				
Kitex USA LLC	Enterprises owned or significantly influenced by key management personnel or their relatives	Ongoing	Based on Transfer Pricing Guidelines	43,226.24

Note

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

May 19, 2022
Kizhakkambalam

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

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

ANNEXURE – D

TO DIRECTORS' REPORT

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

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

A. Conservation of Energy

i. Steps taken for conservation of energy:

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

- a) All Yard Lighting Luminaire of the Premises have been changed from 400W Metal Halide to 100W LED.
- b) Motors of AHUs and Chiller Unit are now controlled and operated with VFD, thus achieving ample saving in energy cost.
- c) Replacing of all Motors which are re-wound more than 3 times with new one.
- d) Keeping the Slogan "Energy saved is Energy generated" in mind, necessary training is given to the Electrical Technicians of our Plant and other related premises on a continual basis to monitor and switch off unwanted/not in use appliances/Lighting fixtures so as to avoid misuse valuable energy.
- e) All 13W PL Lamps of Toilet Blocks were replaced with 5W LED Lamps. Similarly 14W CFL of Gents Hostel were replaced with 7W LED.
- f) For Pneumatic Lines of compressed air system, "Floor wise Valve" control has been introduced so as to control air supply and to achieve reduced usage of compressor.
- g) Conducting periodical "Thermal imaging" on Switch Gears, Bus Bars and Cable termination to understand loose connection, if any, and thereby avoiding chances overheating and insulation failures.
- h) Solar Energy is being utilized for heating up Water for Drinking purpose in both Plant and accommodation areas. The Water for bathing purpose also is heated up using Solar Energy in accommodation areas. Part of the Hot Water requirement is thus met with.
- i) Approximate equivalent of 4 Nos. of Normal LPG Cylinders of 19.5 Kg each worth "Biogas" is being produced on a daily basis from the treatment of waste.
- j) Decision is taken to procure only energy efficient Motors whenever requirement for new Motors or replacing existing Motors are coming.
- k) Steps were initiated to switch off Electric Lamps on areas where adequate natural light is available during day time.
- l) Usage of water is restricted/regulated by closing respective valves at different intervals. This is being carried-out without creating any difficulty for the end user.
- m) Variable frequency drive in major utility equipment to reduce power consumption.
- n) Using Building management system wherein AC is functioning under software control. With this technology, substantial reduction of electricity usage can be achieved.
- o) A new D.G Set of capacity 1010 kVA using HSD as the fuel for standby application during failure of Grid Supply.
- p) Use of Thermic Fluid circulation for Drying application in Processing Unit.

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

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

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

Your Company have conducted the possibility of generating and using "Renewable sources of Energy" on a large scale for our 3 Units, particularly for "Processing Division". But as per feasibility study of outside agency, the roof structure

of the Processing Unit is not capable of withstanding "Dead Load" of Solar Panels, unless and until it is reinforced / modified properly. According to the observation of the professional agencies, who had conducted study on the suitability of "Roof" for the generation of solar power, the available area on the building is equivalent to that of 2500 KWP worth power.

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

iii. **Capital investment on energy conservation equipment: NIL**

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

POWER & FUEL CONSUMPTION	Year Ended 31.03.2022	Year Ended 31.03.2021
Electricity		
a) Purchased		
Units (KWH)	20216364 units	14377669 units
Total Amount (₹)	13,35,88,998	9,91,77,384
Cost/Unit (₹ / KWH)	6.61	6.90
<hr/>		
b) Own generation		
Through Diesel Generator		
Units (KWH)	64653 units	213094 units
Total Amount(₹)	21,49,712	55,12,267
Cost/Unit (₹ / KWH)	33.25	25.87
<hr/>		
Fuel		
a) Furnace Oil		
Quantity (KL)	2314 KL	1555 KL
Total Amount(₹)	10,14,68,059	5,14,97,634
Cost/Unit (₹KL)	43,584	33,117
<hr/>		
b) Firewood		
Quantity (MT)	21599 MT	12257 MT
Total Amount(₹)	7,66,14,592	3,45,65,147
Cost/Unit (₹MT)	3547	2,820
<hr/>		
c) Diesel		
Quantity (KL)	30 KL	26.26 KL
Total Amount(₹)	26,75,106	20,27,053
Cost/Unit (₹KL)	89,170	77,192

B. Technology Absorption

i. The efforts made towards technology absorption

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

The Company has been using Austrian imported machinery "Loop Steamer" from few years back for reactive printed fabric finishing. The Machinery is designed to facilitate the dyes fixation in a continuous process on to the printed fabric with tension less loop formation, in single web or double strand operation methods. Its thermo-cure technology enables to obtain excellent quality of finishing results of printed fabrics in brilliant colours while saving a lot of energy. Multiple applications like saturated steam, super-heated steam and hot air polymerizing are some added advantages of the machine.

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

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

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

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

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

NIL

- v. Expenditure incurred on research and development

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

C. Foreign exchange Earnings and Outgo:

(₹ in lakhs)

Sl. No.	Particulars	2021-22	2020-21
1	Earnings on account of Exports	62,295.80	33,751.72
2	Outgo on account of Imports & Expenditure	7,327.46	2,948.09

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

Sd/-

Sabu M. Jacob

Chairman & Managing Director
(DIN: 00046016)

May 19, 2022
Kizhakkambalam

ANNEXURE – E

TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

To

The Members

Kitex Garments Limited

P.B.No. 5, Kizhakkambalam

Alwaye, Ernakulam -683562, Kerala

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2022 according to the provisions of:

- i) The Companies Act, 2013(the Act) and the Rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, as applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, to the extent applicable.
- vi) The Management has identified and confirmed the following law as specifically applicable to the Company:
 1. The Textiles (Development and Regulation) Order, 2001

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

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

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

The Company has paid fine levied by National Stock Exchange of India Limited for the quarters 30.06.2020, 30.09.2020 and for the period 01.10.2020 to 12.11.2020 and by BSE Limited for the period 01.10.2020 to 12.11.2020 with regard to belated appointment of Independent Woman Director under Regulation 17 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

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

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

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

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

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

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

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

Peer Review Certificate No.648 /2019

UDIN:F003067D000361073

**For SVJS & Associates
Company Secretaries**

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

Kochi
19.05.2022

Annexure A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members
Kitex Garments Limited
P.B.No. 5, Kizhakkambalam
Alwaye, Ernakulam -683562, Kerala

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

1. Maintenance of the secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the audit practices and processes as were appropriate, to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2022 but before the issue of the Report.
7. We have considered actions carried out by the Company based on independent legal/professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.
8. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Peer Review Certificate No.648 /2019

UDIN:F003067D000361073

**For SVJS & Associates
Company Secretaries**

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

Kochi
19.05.2022

ANNEXURE – F

TO THE DIRECTOR'S REPORT

Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Particulars	Name of Directors/ KMP		
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company excluding Managing Director for the financial year	Mr. Sabu M. Jacob, Chairman & Managing Director	685.22	: 1
		Mr. Benni Joseph, Independent Director	3.33	: 1
		Mrs. Sindhu Chandrasekharan, Executive Director	13.33	: 1
		Prof. E. M. Paulose, Independent Director	0.30	: 1
		Mr. K L V Narayanan, Non Executive Director	2.11	: 1
		Mr. C. P. Phillipose, Independent Director	2.77	: 1
		Mrs. Sumi Francis, Independent Director	0.18	: 1
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. Sabu M. Jacob, Chairman & Managing Director	107.11%	
		Mr. Benni Joseph, Independent Director	No change	
		Prof. E. M. Paulose, Independent Director	No change	
		Mr. K L V Narayanan, Non Executive Director	No change	
		Mr. C. P. Phillipose, Independent Director	No change	
		Mrs. Sumi Francis, Independent Director	No change	
		Mrs. Sindhu Chandrasekharan, Executive Director	56.73%	
		Mr. Bobby Michael, Chief Financial Officer	158.70%	
		Mr. Mithun B Shenoy, Company Secretary	60.33%	
3	The percentage Increase / Decrease in the median remuneration of employees	No change		
4	The number of permanent employees on the rolls of company	5524		
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of employees excluding KMP	20.79%	
		Average increase in remuneration of KMP	113.10%	
6	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year ended March 31, 2022 is as per the Remuneration policy of the Company		

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

Sd/-

Sabu M. Jacob

Chairman & Managing Director
(DIN: 00046016)

May 19, 2022
Kizhakkambalam

ANNEXURE – G TO THE DIRECTOR'S REPORT

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

Sl. No.	Name	Age	Qualification	Nature of employment	Designation	Date of Commencement of employment	Experience (Years)	Gross Remuneration (Amount in ₹)	Previous Employment/ Designation	the percentage of equity shares held in the Company	whether any such employee is a relative of any director or manager of the company
1	Mr. Sabu M. Jacob	60	Graduate	Employee	Managing Director	16.08.1993	40	9,26,11,586	Executive Director – Kitex Limited	34.18%	No

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

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

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

May 19, 2022
Kizhakkambalam

CORPORATE GOVERNANCE REPORT

“Corporate Governance is concerned with the way corporate entities are governed, as distinct from the way business within those companies is managed. Corporate governance addresses the issues facing Board of Directors, such as the interaction with top management and relationships with the owners and others interested in the affairs of the company” - Robert Ian (Bob) Tricker (who introduced the words corporate governance for the first time in his book in 1984)

Your Directors present the Company’s Report on Corporate Governance for the year ended March 31, 2022 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) as amended from time to time.

1. COMPANY’S PHILOSOPHY

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

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

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

The Board of Directors is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interest of all stakeholders. The Company continues to focus its resource, strengths and strategies to achieve the vision of becoming Global Leader in Infantswear Garments while uplifting the core values of Quality, Trust, Leadership and Excellence.

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

2. GOVERNANCE STRUCTURE

The Corporate Governance structure of your company is as follows:

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

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

2. A. THE BOARD OF DIRECTORS

2. A. 1. COMPOSITION AND CATEGORY OF DIRECTORS

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

As on March 31, 2022 the Company has a judicious combination of Executive and Non-executive Directors with one Independent Woman Director on the Board. Of the total 7 Directors, 2 are Executive Directors, 4 are Independent Directors and 1 is Non-executive Director. The Chairman of the Board is an Executive Director.

Details of each member of the Board along with number of Directorship/ Membership as on March 31, 2022 are given below:

Sl. No.	Name	Date of Appointment	Category of Director	Directorship in other Indian Public Limited Companies (excluding KGL)	No. of Board Committees in which Chairman/ Member (Excluding (KGL)		Directorship in other listed entity (Category of Directorship)	No of shares or convertible Instruments
					Chairman	Member		
Executive and promoter Directors								
1	Mr. Sabu M Jacob (DIN 00046016)	16.08.1993	Promoter/ Exe. Chairman & MD	9	-	-	-	2,27,30,901
2	Ms. Sindhu Chandrasekharan (DIN 06434415)	16.03.2015	Executive Director (Woman Director)	9	1	1	-	-
Non Executive Independent Directors								
3	Mr. Benni Joseph (DIN 01219476)	12.01.2015	Non-Executive Independent Director	8	2	1	-	-
4	Prof. E M Paulose (DIN 03563106)	12.01.2015	Non-Executive Independent Director	1	-	2	-	140
5	Mr. C P Philipose (DIN 01125157)	20.07.2015	Non-Executive Independent Director	1	-	-	-	-
6	Mrs. Sumi Francis (DIN: 08950675)	13.11.2020	Non-Executive Independent Director	-	-	-	-	-
Non Executive Non Independent Director								
7	Mr. K.L.V. Narayanan (DIN 01273573)	04.04.2013	Non-Executive Director	3	-	1	Scoobee Day Garments (India) Limited (Executive Director)	-

Notes:

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

2. A. 2. INDEPENDENT DIRECTORS

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

2.A.3. BOARD MEETINGS

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

The Notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis- -vis the budgets/ targets.

In the financial year 2021-22, the Board met 11 times. The meetings were held on May 28, 2021, June 29, 2021, July 20, 2021, August 11, 2021, September 13, 2021, October 4, 2021, November 9, 2021, January 28, 2022, February 24, 2022, March 3, 2022 (1st adjourned meeting) and March 11, 2022 (2nd adjourned meeting). The interval between two Meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and Regulations 17(2) of the Listing Regulations.

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

Sr. No	Name of the Directors	No. of Board Meetings attended	Attendance at the AGM held on September 7, 2021
1.	Mr. Sabu M Jacob (Chairman & MD)	11 of 11	Present
2.	Ms. Sindhu Chandrasekharan	11 of 11	Present
3.	Mr. Benni Joseph	11 of 11	Present
4.	Prof. E M Paulose	1 of 11	Leave sought
5.	Mr. C P Philipose	11 of 11	Present
6.	Mr. K L V Narayanan	11 of 11	Present
7	Mrs. Sumi Francis	1 of 11	Present

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

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

2. A. 5. POST MEETING MECHANISM

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

2. A. 6. BOARD SUPPORT

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

2. A. 7. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him/ her, which inter alia explains the role, function, duties and responsibilities expected from him as a Director of the Company. The director is also explained

in detail the Compliance required from him/ her under Companies Act, 2013, the Listing Regulations and other various statutes and an affirmation is obtained in this regard. The Chairman and Managing Director also have a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of agenda of Board/ Committee meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. Plant visits are conducted at regular intervals to familiarize about the production process. The details of the familiarization programme for directors are available on the Company's weblink viz., <http://www.kitexgarments.com/wp-content/uploads/2015/11/FAMLIARISING-PROGRAM.pdf>

2. A. 8. GOVERNANCE CODES

• CODE OF CONDUCT

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

• CONFLICT OF INTERESTS

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of Board restrict themselves from any discussion and voting in transactions in which they have concern or interest.

• INSIDER TRADING CODE

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

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

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

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

- a. Finance & Accounting Competence
(Exposure in handling financial management of a large organization along with understanding financial statements)
- b. Leadership quality in running large enterprise
(Expertise in leading well-governed large organization with an understanding of organizational structure and its environment, risk management and emerging local & global trends)
- c. Understanding use of latest technology in textile sector:
(Understanding the use of latest technology across textile sector and ability to anticipate technology driven changes and disruption impacting the business)
- d. Expertise in understanding of changing regulatory framework
(Expertise in handling large public companies with high governance standard and understanding of changing regulatory framework)

- e. Exposure in setting the Business Strategies
(Ability to build up long term business strategies to bring growth in business consistently, profitability, competitively and in a sustainable manner in a diverse business environments and changing economic conditions)

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

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

2. B. BOARD COMMITTEES

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

The Board currently has the following committees:

2.B.1. AUDIT COMMITTEE

Ø COMPOSITION

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

Ø MEETINGS AND ATTENDANCE

The Audit Committee met 10 times during the financial year 2021-22. The maximum gap between two meetings was not more than 120 days. The Committee met on May 28, 2021, June 29, 2021, August 11, 2021, September 13, 2021, October 4, 2021, November 9, 2021, January 28, 2022, February 24, 2022, March 3, 2022 (1st adjourned) and March 11, 2022 (2nd adjourned). The requisite quorum was present at all the meetings. The Audit Committee Chairman was present at the 28th Annual General Meeting of the Company.

Details of attendance of Audit Committee members are given below:

Composition	Mr. Benni Joseph (Chairman)	Prof. E. M. Paulose (Member)	Mr. C. P. Philipose (Member)
No. of Meetings Attended	10/10	1/10	10/10

Mr. Sabu M. Jacob, Chairman & Managing Director, Ms. Sindhu Chandrasekharan, Executive Director and Mr. Bobby Michael, Chief Financial Officer are permanent invitees to the Audit Committee meetings. The Independent Auditors of the Company are also invited to the Audit Committee meeting. The Company Secretary is the Secretary to the Committee.

Ø TERMS OF REFERENCE

- The recommendation of appointment, remuneration and terms of appointment of auditors of the Company.
- Review and monitor the auditors' independence and performance and effectiveness of audit process.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity including any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - i. Matters required to be included in the Directors Responsibility Statement to be included in the Board Report in terms of Section 134 of the Act.
 - ii. Changes, if any, in accounting policies and practices and reason for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements.
 - vi. Disclosure of any related party transactions.
 - vii. Modified opinion in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing and monitoring the auditors independence and effectiveness of audit process
- Approval or subsequent modification of transactions of the listed entity with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the listed entity wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with Independent auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism.
- Approval of appointment of Chief Financial officer after assessing the qualifications, experience and background etc.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing the utilization of loan and / or advances from / investment by the holding company in the subsidiary exceeding ₹100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of these provisions.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations.
- statement of significant related party transactions (as defined by the audit committee), submitted by the management.
- Management letters/ letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- the appointment, removal and terms of remuneration of the chief internal auditor and
- statement of deviations:
 - quarterly statement of deviation(s), including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Listing Regulations;
 - Annual statement of funds utilized for the purposes other than those stated in the offer document/ prospectus/ notice in terms of Listing Regulations.

Composition of the Committee is available on Company's website: <http://www.kitexgarments.com>

2.B.2.NOMINATION AND REMUNERATION COMMITTEE

Ø COMPOSITION

The Nomination and Remuneration Committee comprises of 3 non-executive directors. Prof. E. M. Paulose as the Chairman, Shri. Benni Joseph and Shri. K. L. V. Narayanan, as members. The Composition of Nomination and Remuneration Committee is in accordance with the provisions of Section 178 of the Companies Act, 2013 and Reg 19 of the Listing Regulations. The Company Secretary acts as Secretary to the Committee.

Ø MEETING AND ATTENDANCE

The Nomination and Remuneration Committee met once during the year on February 28, 2022. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

Composition	Prof. E M Paulose (Chairman)	Mr. Benni Joseph (Member)	Mr. K L V Narayanan (Member)
No. of Meetings Attended	0/1	1/1	1/1

Ø TERMS OF REFERENCE

Terms of reference of the Committee inter alia consists of

- o Formulate criteria for determining qualifications, positive attributes and independence of director and recommend to the Board a policy relating to the remuneration of directors, Key Managerial Personnel and other employees;
- o Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- o Identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments / removals where necessary;
- o Evaluate the performance of every director;
- o Devise a policy on Board diversity;
- o Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- o ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and senior management of the quality required to run the Company successfully;
- o ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- o Review and implement succession plans for Managing Director, Executive Directors and Senior Management; and
- o Recommend to the Board, all the remuneration, in whatever form, payable to Senior Management.

Ø REMUNERATION POLICY

The Board has approved Nomination & Remuneration Policy as recommended by the Nomination and Remuneration Committee which forms part of Directors Report.

A. DETAILS OF PECUNIARY RELATIONSHIP OR TRANSACTION OF NON-EXECUTIVE DIRECTOR(S) WITH THE COMPANY

There were no other pecuniary relationships or transactions between any other Non-Executive Director and the Company except sitting fees paid for attending the meetings of Board and committee of Board during the year under review.

B. CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The Company has adopted Nomination, Remuneration and Evaluation Policy, which describes the criteria of making payments to Non-Executive Directors. The Policy is available on the website of the Company www.kitexgarments.com under head 'investor's relations'

The Non-Executive Directors are paid sitting fees for attending meetings of Board and Committees of Board, which is duly approved by the Board of Directors of the Company and the present fee payable to the Directors for attending the meetings is within the limits specified in Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. They are paid remuneration based on their contribution and current trends. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee decides the remuneration of the Non-Executive Directors.

C. DETAILS OF REMUNERATION PAID TO THE DIRECTORS

The following are the details of remuneration and sitting fees paid to the Directors of the Company during the Financial Year under review:

Name of the Director	Term of appointment	Salary	Retirement Benefits	Perquisites	Commission/ Variable Pay	Others: contribution to PF	Sitting fees	Total
Mr. Sabu M Jacob	16.08.2020 to 15.08.2025 (5 years)	1,08,00,000	-	-	8,11,57,094	6,54,492	-	9,26,11,586
Ms. Sindhu Chandrasekharan,	16.03.2020 to 15.03.2025 (5 years)	11,25,001	-	-	6,65,145	21,600	-	18,11,746
Mr. Benni Joseph	12.01.2020 to 11.01.2025 (5 years)	-	-	-	-	-	4,50,000	4,50,000
Prof. E M Paulose	12.01.2020 to 11.01.2025 (5 years)	-	-	-	-	-	40,000	40,000
Mr. C P Philipose	10.06.2021 to 09.06.2026 (5 years)	-	-	-	-	-	3,75,000	3,75,000
Mrs. Sumi Francis	13.11.2020 to 12.11.2025 (5 years)	-	-	-	-	-	25,000	25,000
Mr. K.L.V. Narayanan	NA	-	-	-	-	-	2,85,000	2,85,000

The appointment and remuneration including annual increments if any, of Executive Directors including Chairman & Managing Director and Whole-time Director is governed by the recommendation of the Nomination & Remuneration Committee followed by the approval of Board of Directors and Shareholders

of the Company. The remuneration package of Chairman & Managing Director and Whole-time Director comprises of Salary, performance bonus, perquisites and allowances and contributions to Provident fund.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talents. Presently, the Company does not have a stock option schemes for its Directors. The Nomination and Remuneration Policy of the Company is displayed on the Company's website www.kitexgarments.com

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance of the Board was evaluated on the basis of various criteria such as composition of the Board, information flow to the board and its dynamism, strategic issues, roles and functions of the Board, relationship with the management, engagement with the Board and external stakeholders and other development areas.

The performance of the Committees was evaluated after seeking the inputs of committee members on the criteria such as understanding the terms of reference, Committee composition, Independence, contributions to Board decisions, etc.

The performance of the individual Directors was evaluated after seeking inputs from all the Directors other than the one who is being evaluated. The evaluation was based on the criteria such as Director's knowledge and understanding of their role, Company's vision and mission, market potential, Director's Commitment, qualification, skill and experience, openness in communication, fulfillment of the independence criteria as specified in these regulations and their independence from the management (in case of Independent Directors) etc subject to the schedule IV of the Companies Act, 2013.

The performance of the Board Chairperson was evaluated after seeking the inputs from all the Directors other than the Board Chairperson, on the basis of the criteria such as Chairperson's role, accountability and responsibilities, promotion of effective relationship and open communication, positive and appropriate working relationship with other executive directors, commitment, etc.

The Board evaluation report was submitted to the Board Chairperson and the Chairperson of Nomination and Remuneration Committee. The Board Chairperson discussed the outcome of evaluation of the individual Directors separately with them in detail.

The evaluation report contains an executive summary of findings and several key recommendations from the evaluation process. The report of the Board evaluation was adopted at the NRC and the Board meetings.

2.B.3. STAKEHOLDERS RELATIONSHIP COMMITTEE

Ø COMPOSITION

The Committee consists of 4 Directors viz., Mr. K. L. V. Narayanan as Chairman, Mr. Sabu M. Jacob, Mr. Benni Joseph and Ms. Sindhu Chandrasekharan as the members. Company Secretary acts as Secretary to the Committee. Mr. Mithun B Shenoy, Company Secretary, is the Compliance officer in accordance with Regulation 6 of Listing Regulations.

Ø MEETING AND ATTENDANCE

The Stakeholders Relationship Committee met once during the year on June 29, 2021. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

Composition	Mr. K.L.V. Narayanan (Chairman)	Mr. Sabu M. Jacob (Member)	Ms. Sindhu Chandrasekharan (Member)	Benni Joseph (Member)
No. of Meetings attended	1/1	1/1	1/1	1/1

Ø TERMS OF REFERENCE

The Stakeholders Relationship Committee oversees the following:

- a. redressal of security holder's complaints relating to share transfers / transmission, non-receipt of annual reports, non-receipt of declared dividend, issue of new / duplicate share certificates, general meeting etc.
- b. Review of measure taken for effective exercise of voting rights of shareholders.
- c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar.
- d. Review of various measures and initiative taken by the listed entity for reducing quantum of unclaimed dividend and ensuring timely receipt of dividend warrants / annual Report / statutory notices to the shareholders by the Company.

Your Company's shares are compulsorily traded in the de-materialized form. To expedite transfers in the physical segment, necessary authority has been delegated to the Share Transfer committee to approve transfers / transmissions of shares. Details of share transfers / transmissions approved by the Directors and Officers are placed before the Board.

Status of investor complaints is as below:

No. of investor queries / complaints received from April 01, 2021 to March 31, 2022	No. of complaints not solved to the satisfaction of shareholders
2	Nil

As on March 31, 2022, there was no pending investor complaint.

2.B.4. RISK MANAGEMENT COMMITTEE

In compliance with the provisions of Regulation 21 of the Listing Regulations and other applicable provisions, if any, the Board of Directors had constituted the Risk Management Committee. The Company satisfies the requirement of the Listing Regulations, which states that the majority of Committee shall consist of members of the Board of Directors; senior executives of the Company may be members of the said committee but Chairman of the Risk Committee shall be member of the Board of Directors.

Ø COMPOSITION

The Committee consists of 3 directors viz., Mr. Sabu M. Jacob as Chairman, Mrs. Sindhu Chandrasekharan and Mr. Benni Joseph as the members. Company Secretary acts as Secretary to the Committee.

Ø MEETING AND ATTENDANCE

The Risk Management Committee met three times during the year on June 29, 2021, September 13, 2021 and January 28, 2022. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

Composition	Mr. Sabu M. Jacob (Chairman)	Mrs. Sindhu Chandrasekharan (Member)	Mr. Benni Joseph (Member)
No. of Meetings Attended	3/3	3/3	3/3

Ø TERMS OF REFERENCE:

- formulation of a detailed risk management policy and monitoring its implementation and its periodic review;
- the identification, evaluation / assessment, prevention and control of the risks;
- monitoring and reviewing of the risk management plan and such other functions, as it may deem fit;
- determining the cost of risk likely to be and ensuring that adequate financial resources are available for implementing the selected technique;
- measuring and monitoring effectiveness of controls and reviewing and reporting the Risk Management process at appropriate intervals, at least annually;
- review of the appointment, removal and terms of remuneration of the Chief Risk Officer (if any), etc;

2.B.5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

The Board of Directors of the Company has a Corporate Social Responsibility (CSR) Committee and the terms of reference are in conformity with the provisions of Section 135 read with Schedule VII of the Act and the Rules framed thereunder. The CSR Committee monitors the implementation of CSR projects or programmes undertaken by the Company. The Committee comprises Mr. Sabu M. Jacob as the Chairman, Mr. K. L. V. Narayanan, Mr. Benni Joseph and Mr. C. P. Philipose as the members. The Company Secretary acts as the Secretary to the Committee.

Key Responsibilities of the CSR Committee:

- Formulate, monitor and recommend to the Board CSR Policy and the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the activities undertaken.
- Review the Company's performance in the area of CSR.
- Evaluate the social impact of the Company's CSR activities.
- Review the Company's disclosure of CSR matters, including any annual social responsibility report.
- Review the CSR Report, with the Management, before submission to the Board for approval.
- Formulate and implement the BR policies in consultation with the respective stakeholders.
- Establish a monitoring mechanism to ensure that the funds contributed by the Company are spent for the intended purpose only.

The CSR Policy intends to strive for economic development that positively impacts the society at large with minimal resource footprints. The Policy is available on the Company's website at <http://www.kitexgarments.com>.

During the year, the Committee met 2 times viz., June 29, 2021 and November 9, 2021. Attendance at CSR Committee meetings is as below:

Composition	Mr. Sabu M. Jacob (Chairman)	Mr. Benni Joseph (Member)	Mr. K. L. V. Narayanan (Member)	Mr. C. P. Philipose (Member)
No. of Meeting attended	2/2	2/2	2/2	2/2

2.B.6. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on January 28, 2022 inter-alia to:

- Ø Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Ø Evaluate performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Ø Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors except Prof. E. M. Paulose were present at this meeting due to various pre-occupations.

3. GENERAL BODY MEETING

Location, date and time of the last three Annual General Meetings held:

Sl No.	AGM	Year	Date	Time	Details of special resolutions passed	Location
1	29th	2021	07.09.2021	11:00 AM	Nil	
2	28th	2020	30.09.2020	10:00 AM	<ul style="list-style-type: none">• Re-appointment of Mr. C. P. Philipose (DIN: 01125157) as an Independent Director for a second term• Re-appointment of Mr. Sabu M. Jacob (DIN: 00046016) as Chairman and Managing Director• Approval to borrow in excess of the paid-up share capital and free reserves of the Company under Section 180(1)(c) of the Companies Act, 2013• Approval to create charge/ mortgage over the properties of the Company for the purpose of borrowing in the terms of Section 180(1) (a) of the Companies Act, 2013.	Through Video Conferencing (VC)/ Other Audio Visual Means (OVAM)

3	27th	2019	28.08.2019	10.00 AM	<ul style="list-style-type: none"> Re-appointment of Mr. Benni Joseph (DIN: 01219476) as an Independent Director Re-appointment of Prof. E. M. Paulose (DIN: 03563106) as an Independent Director. Re-appointment of Prof. E. M. Paulose, Independent Director who has attained the age of above 75 years. 	Building No. 9/536 A, Kizhakkambalam, Kochi 683 562. Kerala
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All resolutions as set out in the respective notices were duly passed by the shareholders in the meeting.

EXTRA-ORDINARY GENERAL MEETING (EGM) & NCLT CONVENED MEETING

No Extraordinary General Meeting (EGM) and court convened meeting were held during the last 3 financial years i.e. 2021-22, 2020-21 and 2019-20.

POSTAL BALLOT

During FY 2021-22, the Company sought the approval of the shareholders by way of postal ballot, through notice dated March 11, 2022, on the following Special / Ordinary Resolution(s):

Sl. No.	Name of the resolution	Type of resolution
1	To make investments, give loans, guarantees and provide security under section 186 of the Companies Act, 2013	Special Resolution
2	Approval for Material Related Party transactions with Kitex Apparel Parks Limited	Ordinary Resolution

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

Date of Postal Ballot Notice : 11.03.2022

Voting period : 20.03.2022 to 18.04.2022

Date of declaration of result : 18.04.2022

Date of Approval : 18.04.2022

Name of the resolution	Type of resolution	No of votes polled	Votes cast in favor		Votes cast against	
			No of votes	%	No of votes	%
To make investments, give loans, guarantees and provide security under section 186 of the Companies Act, 2013	Special Resolution	40282468	39897513	99.04	384955	0.96
Approval for Material Related Party transactions with Kitex Apparel Parks Limited	Ordinary Resolution	2636345	2270292	86.12	366053	13.88

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

Procedure for Postal Ballot:

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular Nos. 14/2020, 17/2020, 22/2020, 33/2020, 39/2020, 10/2021 and 20/2021 dated April 8, 2020, April 13, 2020, June 15, 2020, September 28, 2020, December 31, 2020, June 23, 2021 and December 8, 2021, issued by the Ministry of Corporate Affairs.

Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing Annual General Meeting, scheduled to be held on August 29, 2022 ('AGM'), requires passing of a Special Resolution through Postal Ballot.

4. MEANS OF COMMUNICATION

The Un-audited Quarterly Results are announced within 45 days from the end of the quarter and the Audited Annual Results are announced within 60 days from the end of the financial year as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. The Company provides the information to the stock exchange where shares of the Company are listed. The results are also published in one English newspaper having national circulation and one Malayalam Newspaper.

The Financial Results of the Company are normally published in the following newspapers:

- The Hindu Business Line (English Language)
- Malayala Manorama (Malayalam Language)

The Financial Results and other official news release of the Company are displayed on the Company's website <http://www.kitexgarments.com/>

Disclosure pursuant to various provisions of Listing Regulations, as applicable, are promptly communicated to the stock exchanges where the shares of your Company are listed and are displayed by them on their websites. FAQ giving details about the company and its shares is uploaded on the Company's website.

5. GENERAL SHAREHOLDER INFORMATION:

5.1. ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR 2021-22

Day and Date	Monday, August 29, 2022
Time	11.00 A.M
Venue	Through Video conferencing (VC)/ Audio Visual Means (AVM)
Financial Year	April 1, 2021 to March 31, 2022
Book Closure	August 23, 2022 to August 29, 2022
Last date for Receipt of Proxy	Not Applicable since the meeting is done virtually.
E-voting starts	Friday, August 26, 2022 at 9:00 A.M.
E-Voting ends on	Sunday, August 28, 2022 at 5:00 P.M.
Results of E-Voting on	On or before August 31, 2022 at 11:00 AM
Dividend payment date	On or before September 27, 2022

5.2. TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING MARCH 31, 2023

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

Un-audited Q1 ending June 30, 2022	on or before 2nd week of August, 2022
Un-audited Q2 and half year ending September 30, 2022	on or before 2nd week of November, 2022
Un-audited Q3 and Nine months ending December 31, 2022	on or before 2nd week of February, 2023
Audited Results for the year ending March 31, 2023	on or before 3rd week of May, 2023

5.3. DETAILS OF STOCK EXCHANGES WHERE LISTED

Stock Exchanges	Stock Code
BSE Ltd. (BSE) Corporate Relationship Dept, 1st Floor, New Trading Ring, Rotunda Building, PJ Towers, Dalal Street, Fort Mumbai - 400001, Maharashtra	521248
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra	KITEX

Listing fees have been paid for the Financial Year 2022-23.

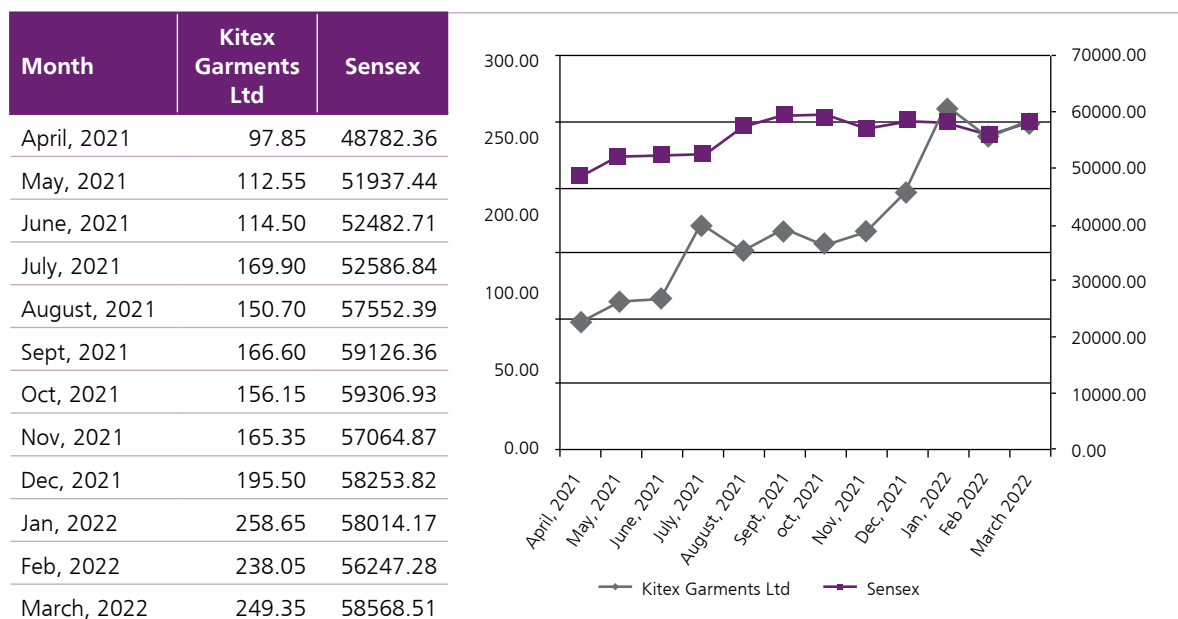
5.4. MARKET PRICE DATA

Market Price and Volume of the Company's Shares of face value of Re. 1 each traded in the major stock exchanges where Company's shares are listed during the financial year 2021-22:

Year (2021-22)	BSE (Amount in ₹)		NSE (Amount in ₹)		Volume (nos.)	
	High	Low	High	Low	BSE	NSE
April	102.25	91.75	102.40	91.15	1,24,997	10,49,643
May	118.65	95.50	118.70	95.55	5,44,008	58,30,229
June	134.90	108.40	135.00	108.90	11,60,268	1,29,47,580
July	224.45	108.30	223.90	108.20	51,65,001	48,842,737
August	175.00	141.00	174.80	141.20	8,32,860	57,38,423
September	180.50	147.00	181.00	146.85	9,34,486	65,89,020
October	176.55	152.35	176.50	152.30	4,38,852	25,71,558
November	185.95	155.40	186.50	155.85	7,15,808	61,75,793
December	210.00	160.00	210.60	162.85	14,56,026	2,02,50,416
January	284.05	191.15	284.25	194.15	26,94,056	3,50,50,838
February	279.80	202.80	279.90	199.00	13,45,642	1,23,28,072
March	265.25	222.20	265.85	222.00	9,94,671	1,08,67,692

Source – Websites: BSE Ltd. (www.bseindia.com) and The National Stock Exchange of India Ltd. (www.nseindia.com)

5.5. A PERFORMANCE CHART SHOWING SHARE PRICE OF THE COMPANY IN COMPARISON WITH BSE SENSEX DURING THE YEAR 2021-22 IS AS BELOW:



5.6. SHARE TRANSFER PROCESS

Trading in equity shares of the Company through recognized stock exchanges can be done only in dematerialized form.

Share Transfer, Transmission and Duplicate issue of Shares in physical form are normally effected within a period of 15 days, 21 days (7 days if the transmission is in de-mat form) and 30 days respectively if receipt of documents complete in all respects. All share transfers are approved by the Share Transfer Committee with Mr. Sabu M Jacob as Chairman, Mrs. Sindhu Chandrasekharan and Mr. C P Philipose, Director as members, which meets periodically, thus ensuring smooth processing and completion of dispatch of the share certificates within the aforesaid period from the lodgment

of the documents. A summary of transactions so approved by the committee is placed at the Board Meeting held quarterly. The Company obtains a yearly certificate from Practicing Company Secretaries as per the requirement of Regulation 40 (9) of Listing Regulations and the same is filed with the Stock Exchanges and available in the website of the Company. In terms of requirements to amendments to Regulation 40 of Listing Regulations w.e.f March 31, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the dematerialized form with a depository. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, mandated all listed companies to issue securities in dematerialized form only, while processing the service request of issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/ exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of de-materialisation, Members are advised to de-materialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

Also, share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale /purchase transaction from the broker, shareholders should approach the Depository Participant ('DP') with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. Shareholders should communicate with Cameo Corporate Services Ltd., the Company's Registrars and Transfer Agent ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries to their securities.

5.7. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022

Range	No. of Shareholders	No. of Shares held	% of shareholding
1 and 5000	59043	10983931	16.52
5001 and 10000	212	1529347	2.29
10001 and 20000	96	1376900	2.07
20001 and 30000	22	549661	0.83
30001 and 40000	11	379654	0.57
40001 and 50000	7	315712	0.48
50001 and 100000	22	1559125	2.34
100001 and Above	22	49805670	74.90
Total	59435	66500000	100.00

5.8. DE-MATERIALIZATION OF SHARES

The Company has entered into a tripartite agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to provide trading of shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE602G01020. As on March 31, 2022, 65346410 equity shares of the company, constituting 98.27% were in dematerialized form. Pattern of holding is as follows:

Pattern of holding	No of shares
NSDL	56054150
CDSL	9292260
Physical	1153590
Total	66500000

5.9. CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2022:

Category	No. of Shareholders	No. of Shares held	% Shareholding
Resident	56955	20027089	30.12
NRI	1498	960662	1.45
Corporate Body	216	16969969	25.52
Clearing Member	103	167700	0.25

HUF	631	308715	0.46
FPI	25	501367	0.75
IEPF	1	472971	0.71
TRUST	1	737	0.00
Directors/ Relatives	5	27090790	40.74
Total	59435	6,65,00,000	100.00

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

As of March 31, 2022, the Company does not have any outstanding convertible instruments, which are likely to have an impact on the equity of the Company.

5.11. COMMODITY RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages its risk through forward booking Inventory management and proactive vendor development practices. The Company' reputation for quality, product differentiation and service, coupled with existence of powerful brand image mitigates the impact of price risk on finished goods. Business risk evaluation and Management is an ongoing process within the Company. The Assessment is periodically examined by the Board. Disclosure on risks is forming part of Management Discussion and Analysis Report during the period under review.

5.12. PLANT LOCATION: Kizhakkambalam, Aluva, Kochi 683 562

5.13. ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE	REGISTRAR AND SHARE TRANSFER AGENT
Kitex Garments Limited (CIN: L18101KL1992PLC006528) 9/536 A, Kizhakkambalam, Aluva, Kochi – 683562, Kerala Tel: 0484 4142310, Fax: 0484 2680604 E-mails: sect@kitexgaments.com Website: www.kitexgarments.com	M/s. Cameo Corporate Services Ltd. Subramanian Building No. 1, Club House Road, Chennai 600002, Tamil Nadu Tel No.044-28460390 Fax No.044-28460129 Email: cameo@cameoindia.com website: www.cameoindia.com

5.18. CREDIT RATING

The Company has obtained rating from ICRA during the year ended March 31, 2022.

Loan facility	Short-term / Long-term	Rating on March 3, 2022	Rating on October 1, 2021
Fund-based Working capital facilities	Short term	[ICRA] A1	[ICRA] A1+
Non-fund-based Working capital facilities	Short term	[ICRA] A1	[ICRA] A1+
Unallocated	Long-term	[ICRA] A+ (Stable)	[ICRA A1]AA- (Stable)
	Short term	[ICRA] A1	[ICRA] A1+

6. OTHER DISCLOSURE

6. 1. RELATED PARTY TRANSACTIONS

All Related Party Transactions were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Details of all such transactions placed before the Audit Committee was reviewed and approved through Omnibus approval route. The Board has approved a 'policy on materiality of related party transactions and on dealing with related party transactions' web link of which forms part of Director's report. The policy is available on the website of the Company viz., www.kitexgarments.com. The particulars of contract and arrangement with the Related Parties of your company referred to in Sec 188 (1) of the Companies Act, 2013 in prescribed "Form AoC-2" is appended to the Directors Report.

There were Three materially significant transactions with related parties during the financial year, the details are as follows and do not have any potential conflict with the interest of listed entity at large:

Name of the party	Type of transaction	Limits upto which the amounts are approved	Sanction given by Shareholders through
M/s. Kitex Childrenswear Ltd.	Sale, purchase and service rendered	₹300 Crs each FY	Annual General meeting held on 07.09.2021
M/s. Kitex USA LLC	Sales of Garments	₹600 Crs each FY	Annual General meeting held on 07.09.2021
M/s. Kitex Apparel Parks Ltd.	Investments, loans, guarantee, security, fabric sales, fabric purchase, job work and such other transactions.	₹2000 Crs	Postal Ballot held on 20.03.2022

6.2. SUBSIDIARY COMPANIES

The Company has 6 wholly owned subsidiaries and a subsidiary company during the year under review. The minutes of all the subsidiaries of the Company are placed before the Board of Directors of the Company. The details of the policy for determining "material subsidiaries are made available on the website of the Company viz. http://www.kitexgarments.com/wp-content/uploads/2019/02/KGL_material_subsiary_Policy.pdf.

6.3. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT

During the year under review, no guarantees pursuant to the provisions of Section 185 and 186 of the Act and SEBI (LODR) Regulations, 2015, were made by the Company and its Subsidiaries. However, loan amount of ₹17.18 Crores have been made in its wholly owned subsidiary Companies, the details that are covered under the provision of the said section are given in the notes to financial Statements.

6.4. STATUTORY COMPLIANCE, PENALTY AND STRICTURES

The Company has complied with all the requirements specified under the listing regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authorities for non-compliance of any matters related to the Capital Market during the last three financial years except as below:

As per proviso to Regulation 17 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of directors of the top 1000 listed entities shall have at least one independent woman director by April 1, 2020. Owing to the various difficulties imposed on account of the Covid-19 pandemic, the Independent Woman Director was appointed on November 13, 2020 instead of April 1, 2020 as per the requirement of proviso to Regulation 17 (1) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Under Standing Operating Procedure (SOP) with respect to non compliance of certain listing regulations, the BSE and NSE had imposed fine of ₹2,53,700 for the period 01.10.2020 to 12.11.2020 and of ₹13,33,400/- for the quarter ended June 30, 2020, September 30, 2020 and December 31, 2020 and the same had paid by the Company.

6.5. VIGIL MECHANISM/WHISTLE BLOWER POLICY

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013, and Regulations 22 of the Listing Regulations, the Company has formulated Vigil Mechanism (Whistle Blower Policy) for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provisions for direct access to the Chairman of the audit Committee in exceptional cases. None of the personnel of the company has been denied access to the Audit Committee. The whistle Blower Policy is displayed on the Company's website viz., www.kitexgaments.com

6.6. DETAILS OF COMPLIANCE WITH THE MANDATORY REQUIREMENTS & ADOPTION OF THE NON MANDATORY REQUIREMENTS

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. SEBI listing regulations states that the non-mandatory requirements may be implemented as per the discretion of the Company. Details of compliance of non-mandatory requirements are listed below:

- **UN-MODIFIED OPINION IN AUDITORS REPORT**

During the year under review, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

6.7. POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

The policy for determining 'material' subsidiaries is available on the website of the Company at http://www.kitexgarments.com/wp-content/uploads/2019/02/KGL_material_subsiary_Policy.pdf

6.8. POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

The policy on materiality of and dealing with Related Party Transactions is available on the website of the Company at http://www.kitexgarments.com/wp-content/uploads/2019/02/KGL_RPT_policy_140219.pdf

6.9. DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable. The Significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements and that the Company has not done a treatment different from that prescribed in the Standard.

6.10. AUDITORS' REMUNERATION

The total fees for all services paid by Company and its subsidiaries, on a consolidated basis, to the statutory auditors during the year under review and all entities in the network firm/ network entity of which the statutory auditor is a part of are as follows:

Particulars	Amount (₹ In lakhs)
Payment to Statutory Auditors	20.95
Payment to all the entities in the Statutory Auditors network firms	-
Total	20.95

6.11. UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT

During the year under review, the Company has not raised any proceeds by way of preferential issue or qualified institutional placement.

6.12. CERTIFICATE ON CORPORATE GOVERNANCE

Your Company has obtained certificate affirming the Compliances with these regulations from Practising Company Secretary and forms part of this Report. The Certificate issued for the said FY form part of this Report and is self-explanatory.

6.13. CERTIFICATE FROM CEO and CFO

The CEO and CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on May 19, 2022 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations.

6.14. OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE ICSI

The Institute of Company Secretaries of India (ICSI), one of the India's premier professional bodies has issued Secretarial Standards on important aspects like Board Meetings, and General Meetings under series SS-1 and SS-2 which came into force from 1st July, 2015 upon endorsement of the same by Ministry of Corporate Affairs by notification and your company adheres to these standards where ever applicable. The other standards which are as on date of report recommendatory in nature are also adhered to voluntarily.

6.15. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has constituted Internal Complaints Committee (POSH Committee) which looks into the complaints raised and resolves the same. The above Committee reports to the Audit Committee and Board. The shareholders may refer necessary disclosures as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been disclosed in Directors' Report. The Audit Committee looks into matters reported on a quarterly basis and track matters to closure as per law.

No personnel have been denied access to the Audit Committee.

7. OTHER USEFUL SHAREHOLDERS INFORMATION

7.1 GREEN INITIATIVE

The Company's philosophy focuses on making the environment greener for the benefit of prosperity. To support the Green Initiative, members (holding shares in electronic form) who have not registered their email addresses, are requested to register the same with their Depository Participants. Members holding shares in physical mode are also requested to register their email ID with the Registrar and Share Transfer Agent of the Company.

7.2 CHANGE IN ADDRESS AND FURNISHING BANK DETAILS

Shareholders holding shares in physical form should notify to the Company's RTA, change in their address with PIN Code number and Bank Account details by written request under the signatures of sole / first joint holder.

Beneficial Owners of shares in de-mat form should send their instructions regarding change of address, bank details, nomination, power of attorney, change in E-mail address, etc., directly to their DP, as the said records are maintained by the DPs.

To prevent fraudulent encashment of dividend warrants, Shareholders, who hold shares in physical form, should provide their Bank Account details to the Company's RTA, while those Shareholders who hold shares in dematerialized form should provide their Bank Account details to their DP, for printing of the same on the dividend warrants.

7.3 REGISTERING OF EMAIL ADDRESS

Shareholders, who have not yet registered their E-mail address for availing the facility of E-communication, are requested to register the same with the Company's RTA (in case the shares are held in physical form) or their DP (in case the shares are held in dematerialized form) so as to enable the Company to serve them fast.

7.4 NOMINATION FACILITY

Shareholders whose shares are in physical form and wish to make/ change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Act, may submit to RTA the prescribed Forms SH-13/ SH-14. The Nomination Form shall be provided on request.

7.5 UNCLAIMED DIVIDEND/SHARES

As per Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top One Thousand listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, the Board approved and adopted Dividend Distribution policy is available on the Company's Website: viz., http://www.kitexgarments.com/wp-content/uploads/2017/05/KGL_Dividend-Policy_2017.pdf

Pursuant to Section 124(5) of the Companies Act, 2013, the Company has transferred all unclaimed/ unpaid dividends upto the financial year 2013-14 to the Investor Education and Protection Fund as applicable. Details of such unclaimed/ unpaid dividend transferred upto 2013-14 are available on the website of the Company viz., www.kitexgarments.com. Further Section 124(6) of the Companies Act, 2013 mandates transfer of all those shares in respect of which Unpaid or Unclaimed dividend have been transferred by the company to the IEPF.

Members who have either not received or have not en-cashed their dividend warrant(s) for the financial years 2014-15 to 2020-21, are requested to claim the unpaid dividend from the Company before transfer to the above mentioned fund. After transfer of unpaid/unclaimed dividend amount to the IEPF, the same can be claimed subsequently after following the procedure.

Further dividend which has become unclaimed for the last 7 years since 2014-15 must be claimed by the concerned shareholders on or before July 9, 2022 for which Company had sent the reminder letter to them. The details are provided in the Shareholder information section of this Annual Report and are also available on our website www.kitexgarments.com.

Details of the unclaimed dividend and the last date for claiming the same, prior to its transfer to the IEPF are given below:

Financial year	No. of Members show have not claimed their dividends	Unclaimed dividend as on 31.03.2022	Unclaimed dividend as % to total dividend	Date of declaration	Last dated for claiming the dividend prior to its transfer to IEPF
2014-15	1088	10,38,592.50	2.19	04.06.2015	09.07.2022
2015-16 (interim)	1549	6,45,825.00	1.36	30.10.2015	04.12.2022

2015-16 (Final)	1185	6,46,350.00	1.36	10.06.2016	16.07.2023
2016-17 (Interim)	1201	6,64,140.00	1.40	31.10.2016	06.12.2023
2016-17 (Final)	1203	6,38,173.50	1.34	19.06.2017	24.07.2024
2017-18 (Interim)	1638	9,86,511.75	1.48	04.11.2017	09.12.2024
2017-18 (Final)	963	7,65,427.50	1.15	28.07.2018	01.09.2025
2018-19 (final)	881	11,56,410.00	1.16	28.08.2019	02.10.2026
2019-20 (Interim)	725	11,45,572.50	1.15	11.02.2020	18.03.2027
2020-21 (final)	1525	985,879.00	0.99	07.09.2021	12.10.2028

Summary of equity shares transferred to IEPF account are given below:

Financial year	No. of shareholders whose shares were transferred	No. of shares transferred to demat Account in NSDL	No. of shares transferred to demat Account in CDSL	No. of shares transferred to Demat Account in Physical Form	Unclaimed dividend transferred
2008-09	257	1516	3359	2,44,500	6,06,753.75
2009-10	40	828	1932	12,700	2,77,817.00
2010-11	26	980	175	1,63,000	7,90,103.00
2011-12	38	1333	467	24000	6,68,905.00
2012-13	10	1381	200	1000	8,80,640.80
2013-14	22	550	250	24,500	9,14,555.00

In terms of the said Regulation, voting rights on the equity shares lying in said demat accounts shall remain frozen till the rightful owner claims such shares. Further all corporate benefits in terms of securities accruing on the said shares viz., bonus shares, split etc if any shall also be credited to the said IEPF account.

The Concerned shareholder(s) can claim the dividend and /or shares that have been transferred to IEPF account after complying with the procedure prescribed by the Ministry of Corporate Affairs, Government of India. A brief outline of the procedure for claiming the dividend/shares from IEPF authority is listed for the benefit of the concerned Shareholder(s).

Submit the duly filled web-form only at www.iepf.gov.in. On successful upload, download the acknowledgement that get generated automatically

Take a printout of the duly filled form IEPF-5 and the acknowledgement. Submit the same to the Nodal Officer (IEPF) of the Company at its registered office in an envelope marked as "claim for refund from IEPF Authority" along with the following documents:

- o Indemnity in original with claimant's signature
- o Advance Stamped receipt (in original)
- o Copy of Aadhaar Card (for Indian citizens)
- o Copy of Pass-port (for NRIs)
- o Proof of entitlement (Share Certificate/Dividend Warrants etc)
- o Cancelled cheque leaf and
- o Other required documents.
- Ø The Company on receipt of the complete set of documents will submit its verification report tot the IEPF Authority
- Ø Upon submission of the verification report by the Company, the corresponding action will solely be at the discretion of the IEPF Authority.

For more details, the concerned shareholder is requested to refer to the "Refund" section of www.iepf.gov.in.

7.6 DEMAT SUSPENSE ACCOUNT

Regulation 39(4) of the Listing Regulations inter alia requires every listed company to comply with certain procedures in respect of shares issued by it in physical form pursuant to a public issue or any other issue and which remained unclaimed for any reason whatsoever. In terms of the said Regulation, voting rights on the equity shares lying in the said Unclaimed Suspense Account shall remain frozen till the rightful owner claims such shares. Further, all corporate benefits in terms of securities accruing on the said unclaimed shares viz. bonus shares, split, etc., if any, shall also be credited to the said Unclaimed Suspense Account. The Company had sent the reminders to the shareholders whose share certificates were returned undelivered and lying unclaimed. In case your shares are lying unclaimed with the Company, you are requested to claim the same by writing a letter to the Company.

The status of the aforesaid unclaimed shares, as on March 31, 2022 is given below:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2021	283	243480
Number of Shares transferred in favour of IEPF Authority from the Unclaimed Suspense Account during FY 2021-22	-	-
Number of shareholders who approached listed entity for transfer of shares from suspense account during the FY 2021-22	2	1400
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account during FY 2021-22	-	-
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2022	281	242080

7.7 DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46:

The Board of Directors quarterly reviews the compliance of all applicable laws. Your company has compliance framework for adherence to the mandatory requirements of Corporate Governance norms as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations to the extent applicable to the Company and has duly complied with.

7.8 ENCASH DIVIDEND PROMPTLY

The shareholders are advised to encash their dividend promptly to avoid hassles of revalidation or losing right to claim dividend owing to transfer of unclaimed dividends beyond 7 (Seven) years to the Investor Education and Protection Fund.

7.9 QUOTE FOLIO NO. / DP ID NO.

Shareholders / Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company. Shareholders are also requested to quote their E-mail IDs, and Contact number for prompt reply to their correspondence.

CERTIFICATE ON CORPORATE GOVERNANCE

To the members of **Kitex Garments Limited**

We have examined the compliance of conditions of Corporate Governance by **Kitex Garments Limited** [CIN: L18101KL1992PLC006528] having its registered office at P.B.No.5, Kizhakkambalam, Alwaye, Ernakulam-683562, for the year ended **31st March, 2022** as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Peer Review Certificate No.648 /2019
UDIN:F003067D000427733

For SVJS & Associates
Company Secretaries

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

Kochi
19.05.2022

CEO'S AND CFO'S CERTIFICATE

We, Sabu M. Jacob, Chairman and Managing Director & Bobby Michael CFO of the Company, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we have aware and the steps we have taken or propose to be taken to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

May 19, 2022
Kizhakkambalam

For Kitex Garments Limited
Sabu M. Jacob
Chairman and Managing Director
(DIN: 00046016)

CA. Bobby Michael
Chief Financial officer

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members
Kitex Garments Limited
P.B.No.5, Kizhakkambalam
Alwaye-683562
Kerala

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kitex Garments Limited having CIN: L18101KL1992PLC006528 and having registered office at P.B.No.5, Kizhakkambalam, Alwaye-683562, Kerala (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr.Sabu Meckamkunnel Jacob	00046016	16.08.1993
2.	Mr.Chenakkott Philipose Philipose	01125157	20.07.2015
3.	Mr.Benni Joseph	01219476	12.01.2015
4.	Mr.Kalpathy Lekshmi Venkitanarayanan Narayanan	01273573	04.04.2013
5.	Mr.Erumala Mathew Paulose	03563106	12.01.2015
6.	Ms.SindhuChandrasekharan	06434415	16.03.2015
7.	Ms.Sumi Francis	08950675	13.11.2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Peer Review Certificate No.648 /2019
UDIN: F003067D000427986

For SVJS & Associates
Company Secretaries

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

Kochi
19.05.2022

DECLARATION – CODE OF CONDUCT

I, Sabu M. Jacob, Managing Director of Kitex Garments Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2022 affirmed compliance with the Code of Conduct laid down for the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **Kitex Garments Limited**

Sd/-

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

May 19, 2022
Kizhakkambalam

BUSINESS RESPONSIBILITY REPORT

Your Company has pleasure in presenting Business Responsibility Report (BRR) for the FY 2021-22. The Company foresees to invest the fund effectively for the social and economic development of societies in which Company operates. Our Vision converges on CSR for Kizhakkambalam, where we dream to make this Panchayat the no. 1 in the state of Kerala. The Company targets to develop products and Services centered on driving Customer satisfaction while contributing to the overall objective of community development.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	CIN of the Company	L18101KL1992PLC006528						
2	Name of the Company	Kitex Garments Limited						
3	Registered address	P B No. 5, Kizhakkambalam, Aluva, Kochi Kerala 683 562						
4	Website	www.kitexgarments.com						
5	e-mail id	sect@kitexgarments.com						
6	Financial Year reported	2021-22						
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	<table border="1"> <thead> <tr> <th>Name of the Sector</th> <th>NIC Code</th> </tr> </thead> <tbody> <tr> <td>Garments</td> <td>2650</td> </tr> <tr> <td>Fabrics</td> <td>2650</td> </tr> </tbody> </table>	Name of the Sector	NIC Code	Garments	2650	Fabrics	2650
Name of the Sector	NIC Code							
Garments	2650							
Fabrics	2650							
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Baby Suits, Sleepwear, Rompers, Bibs Burps etc..						
9	Total number of locations where business activity is undertaken by the Company							
	a. Number of International Locations (Provide details of major 5)	Nil						
	b. Number of National Locations	One						
10	Markets served by the Company – Local/ State/ National/ International/	USA and UK						

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	₹6,65,00,000
2	Total Turnover (INR)	₹818.29 Crores
3	Total profit after taxes (INR)	₹128.28 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	₹5.30 Crores (> 2% of Average Net Profit for the last 3 financial years)
5	List of activities in which expenditure in 4 above has been incurred.	<p>The major areas in which the CSR expenditure has been incurred include:</p> <ol style="list-style-type: none"> 1. Health care 2. Rural Development (House construction) 3. Basic infrastructure (Road development) <p>For more details, please refer Directors Report.</p>

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes. The CSR initiative (through Twenty20 Kizhakkambalam Association) is jointly promoted and monitored by the Company along with M/s. Kitex Childrenswear Limited, M/s. Kitex Limited and Anna Aluminum Co Pvt. Ltd, all of them are promoter group companies. The other group entities contribution is less than 50% of the overall contribution made to this initiative.

SECTION D: BR INFORMATION

1	Details of Director/ Directors responsible for BR										
	(a) Details of the Director/ Directors responsible for implementation of the BR policy/policies										
	DIN Number	00046016									
	Name	Mr. Sabu M Jacob									
	Designation	Chairman & Managing Director									
	(b) Details of the BR head										
	DIN Number (if applicable)	00046016									
	Name	Mr. Sabu M Jacob									
	Designation	Chairman & Managing Director									
	Telephone number	0484 4142000									
	e-mail id	sect@kitexgarments.com									
2.	Principle-Wise (as per National Voluntary Guidelines) BR Policy/policies										
	P-1 Business should conduct and govern themselves with ethics, transparency and Accountability										
	P-2 Business should provide goods and services that are safe and contribute to sustainability through their life cycle.										
	P-3 Business should promote the wellbeing of all employees										
	P-4 Businesses should respect the interest of, and be responsive towards all stakeholders, specially those who are disadvantaged, vulnerable and marginalized										
	P-5 Business should respect and promote human rights										
	P-6 Business should respect, protect and make efforts to restore the environment										
	P-7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.										
	P-8 Business should support inclusive growth and equitable development										
	P-9 Business should engage with and provide value to their customers and consumers in a responsible manner.										
	(a) Details of compliance (Reply in Y/N)										
No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
1	Do you have a policy/ policies for BR	Y	Y	Y	Y	Y	Y	Y	Y	Y	
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y	

3	Does the policy conform to any national / international standards? If yes, specify?	Y WRAP (Worldwide Responsible Accredited Production, GSV(Global Security Verification), OEKO-TEX Standard 100 pertaining to Consumer Product Safety Commission by US in Class-1 and GOTS (Global Organic Textile Standard)
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y. It has been signed by appropriate director and placed before the Board.
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y Y Y Y Y Y Y Y Y
6	Indicate the link for the policy to be viewed online?	Corporate Social Responsibility Policy: http://www.kitexgarments.com/wp-content/uploads/2021/07/CSR-policy_final_290621.pdf Code of conduct: www.kitexgarments.com
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been communicated to key internal stakeholders. The communication is an ongoing process to cover all the internal and external stakeholders.
8	Does the company have in-house structure to implement the policy / policies.	Yes, the CSR Committee of the Board of Directors is responsible for the implementation of company's policies.
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes. CSR Committee/ Stakeholders Relationship Committee of the Board of Directors is responsible for addressing stakeholder concerns related to policies.
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The policy is evaluated internally. The Internal and External Auditors of the Company from time to time monitor the implementation of these policies.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months	Not Applicable								
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Management along with the Board of Directors periodically assesses the BR performance of the Company every three months.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company publishes its Business Responsibility report in their Annual Report which can be viewed from the company's website: www.kitextarments.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Business should conduct and govern themselves with ethics, transparency and Accountability

- | | |
|--|---|
| <p>1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs / Others?</p> | <p>Yes. The company's governance structure guides the organization keeping in mind its core values of Integrity, Commitment and Passion.</p> <p>The Corporate Principles and the Code of Conduct cover the company and its associate companies and are applicable to all its employees.</p> |
| <p>2 How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.</p> | <p>No stakeholder complaints were received during the year on the conduct of the business involving ethics, transparency and accountability except from 2 shareholders, the same has disposed off by giving proper replies.</p> |

Principle 2: Business should provide goods and services that are safe and contribute to sustainability through their life cycle.

- | | |
|---|---|
| <p>1 List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.</p> | <p>The Company is a responsible corporate citizen and is committed to sustainable development and looks at ways to preserve the environment and manage resources responsibly. The Company understands its obligations relating to social and environmental concerns and risks and opportunities. Accordingly the company has devised the manufacturing processes in these products and systems factoring social and environmental concerns. Your company's manufacturing facility at Kizhakkambalam is certified by WRAP(Worldwide Responsible Accredited Production) GSV (Global Security Verification) OEKO-TEX Standard 100, Global Organic Textile Standard and other standards</p> |
| <p>2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> | |
| <p>(a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?</p> | <p>The Company has worked towards cost optimization, optimization of logistics and reduction in input consumption ratio in the processes and has reduced the consumption of major inputs including energy, water etc by adoption of new techniques and alternate methods.</p> |
| <p>(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?</p> | <p>The Company has put considerable efforts in conservation of energy and reuse water which has resulted in reduced consumption since the previous year.</p> <p>The products of the company are used by diverse consumer all of whom are outside India; hence it is not feasible to measure the usage of water, energy and consumers.</p> <p>For more details, please refer director's report for FY 2022.</p> |
| <p>3 Does the company have procedures in place for sustainable sourcing (including transportation)?</p> | <p>Yes</p> |
| <p>(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</p> | <p>The Company has built up highly integrated horizontal and vertical integration processes in its operations. All the major inputs under the company's control are sourced most efficiently. The internal processes and procedures ensure adequate safety during transportation and optimization of logistics, which in turn help to mitigate climate change.</p> <p>With respect to yarn procurement which is one of the important inputs for the manufacture of garments, the company is continuously increasing the sourcing of yarns from well-known manufacturers who follow best quality and technology. The company is also continuously encouraging yarn manufacturers to install most modern equipments and technology.</p> |

4	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes
	(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company fosters local and small suppliers for procurement of goods and services in the proximity to its plant location. First preference is given to local vendors for input material locally available and also encourages setting up of many ancillary units around its plant in Kizhakkambalam. Through various CSR programs training and technical support are being provided to them to improve and build their capability and to educate and raise their standards.
5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company follows the principle 3R (Reduce, Recycle and Reuse). It recycles products and waste in the range of around 10% in its factory. Further Waste Water Recycling is also being done at our factory. The company has installed Reverse Osmosis Plant for treating waste Water. More than 10% process has been reused in yarns.

Principle 3 : Business should promote the wellbeing of all employees

1	Please indicate the Total number of employees.	5524
2	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.	Nil
3	Please indicate the Number of permanent women employees.	2983
4	Please indicate the Number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by management.	No
6	What percentage of your permanent employees is members of this recognized employee association?	Not Applicable
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	No cases of child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment were reported during the reporting year. Statutorily, KGL has formed Prevention of Harassment and Abuse Committee where employees can register their complaints against sexual harassment. This is supported by the Prevention of Sexual Harassment Policy which ensures a free and fair enquiry process with clear timelines.

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
i	Child labour/ forced labour/ involuntary labour	Nil	Nil
ii	Sexual harassment	Nil	Nil
iii	Discriminatory employment	Nil	Nil

8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?	Safety Training	Skill Upgradation
	(a) Permanent Employees	100%	100%
	(b) Permanent Women Employees	100%	100%
	(c) Casual/Temporary/Contractual Employees	Nil	Nil
	(d) Employees with Disabilities	Nil	Nil

Principle 4: Businesses should respect the interest of, and be responsive towards all stakeholders, specially those who are disadvantaged, vulnerable and marginalized

- 1 Has the company mapped its internal and external stakeholders? Yes/No
Yes. The company has identified its internal as well as external stakeholders.

Stakeholders	Medium of Engagements
Government and regulatory authorities	Industry bodies/ forums
Employees	Meetings, newsletters, employee satisfaction survey and trainings
Customers	Customer meets, customer satisfaction survey and web-based portals
Local community	Visits and camps
Investors and shareholders	Investor meets, annual general meeting and annual report
Suppliers	Site visits and personal/ telephonic interactions

- 2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes. The Company has identified disadvantaged, vulnerable and marginalized stakeholders through baseline surveys.

- 3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
The Company's endeavors to bring in inclusive growth are channelized through the Twenty20 Association program in which the Company's Chairman & Managing Director, Shri. Sabu M. Jacob is the Chairperson.
Several programmes such as health care, education, infrastructure, safe drinking water and sanitation, sustainable livelihood, self-help groups and income generation programs etc are extended to the people living near the company's manufacturing unit.
The safety of the workers is of utmost importance and a culture of safety is brought in, not just for the Company's employees but also for other stakeholders.

Principle 5: Business should respect and promote human rights

- 1 Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?
The Company has been following the Human Rights as enshrined in the Constitution of India as the policy which is also made applicable to all its associate companies.
- 2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
NIL

Principle 6: Business should respect, protect and make efforts to restore the environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others.	The company's Policy on Safety, Health and Environment extends to its associate companies. A common guidelines/ frame work for the company is being framed by the Company's sustainability cell, incorporating key point from all of its businesses.
2	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company is committed to address issues of global warming and reduction of emissions. The company has regularly opted for technology upgradation with the latest state-of-the-art generation technology that reduces energy consumption. Reduction of water consumption is being achieved through reuse, recycle and installation of condensate Pollution Unit.
3	Does the company identify and assess potential environmental risks? Y/N	Yes, the Company regularly assesses the environmental risks emanating from its operations. Environment/Safety management programmes are initiated for the mitigation of identified environment aspects as well as safety hazards. Organization-wide technology standards are developed for assessment of energy, carbon, waster water air emissions, solid waste disposal and also remediation of contaminated sites.
4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	The Company has undertaken various projects on Clean Development Mechanism (CDM) at its manufacturing Unit. The environmental compliance reports are filed periodically with the respective State Authorities. Company has also made arrangements with local authorities for disposing the ETP sludge to them in the normal course of operation.
5	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, the Company has taken several initiatives on clean technology, energy efficiency, renewable energy etc. Clean Technology: New and latest technology including organic dyes is being used in the processing plant on a pilot scale and initiative to establish production at commercial scale is envisaged. Energy Efficiency: This is a continuous exercise and adoption of energy efficient equipment for new projects, better utilization of waste head from main processing plant as well as ancillary units. Renewable Energy: Currently, feasibility studies are being done to understand the viability of solar energy in production lines at both in processing and garmenting. Please refer to the Board's Report forming part of the Annual Report for Energy conservation initiatives. The same is also available on Company's website: www.kitexgarments.com
6	Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes, The emissions/ Waste generated by the Company are within the permissible limits given by CPCB/SPCB and are reported on periodic basis.

7 Number of show cause/ legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. Nil

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	The Company is a member of Apparel Export Promotion Council of India
2	Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes the broad areas are Economic Reforms, Environment and Energy Issues and Sustainable Business Principles.

Principle 8: Business should support inclusive growth and equitable development.

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. The Company has formulated a well-defined CSR policy which focuses on the following major areas: <ol style="list-style-type: none"> 1. Education 2. Health Care 3. Environment and Livelihood 4. Rural Development 5. Social Empowerment 6. Gender diversity 7. Housing & Sanitation
2	Are the programmes/ projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organization?	The programmes/ projects are undertaken through in-house teams/ Twenty20 Kizhakkambalam Association as well as in partnership with non-governmental organizations and the Local Panchayath to serve areas of community growth and sustainable development.
3	Have you done any impact assessment of your initiative?	Yes. The company has in general conducted impact assessment of its CSR initiatives and has seen positive outcomes and benefits for the people in and around the Company's location at Kizhakkambalam.
4	What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.	During the year under review, the Company has spent an amount of ₹5.30 Crores on CSR activities mainly on rural development, Health care, House construction etc and to bring about a social change by advocating and supporting various social campaigns and programmes.
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. The Company has taken steps to ensure that the community initiatives benefit the community. Projects evolve out of the felt need of the communities and they are engaged in the implementation of the welfare driven initiatives, as well. The communities actively partner with the company and take ownership of the projects, eventually as its positive outcome benefits them hugely.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner.

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	The Company has a well-defined system of addressing customer complaints. All complaints are appropriately addressed and resolved. However, the Company manufactures garments on private labels, the same is fully adhered to the buyer terms and conditions from time to time.
2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. / Remarks (additional information)	The Company displays product information on the products' label. Since the company is an 100% export oriented unit, its products are labeled and packed according to the standards prescribed by those countries like USA and UK
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your company carry out any consumer survey / consumer satisfaction trends?	Yes. Consumer satisfaction surveys are being conducted periodically to assess the consumer satisfaction levels. Since the company manufactures garments primarily for private labels the in-house facility is being used for the survey and feedback reviews.

For Kitex Garments Limited

May 19, 2022
Kizhakkambalam

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

INDEPENDENT AUDITOR'S REPORT

To the Members v Kitex Garments Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kitex Garments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory: [Refer to Note 1.6 to Standalone financial statements]

The total value of inventory as of March 31, 2022, amounted to ₹15,453.49 lakhs representing 15% of the total assets (March 31, 2021: ₹13428.93 Lakhs, 16% of the total assets). Inventories are measured the lower of cost and net realisable value.

The valuation of inventory is dependent on implementing appropriate controls w.r.t valuation. Management applies judgement in identification & determination of obsolete inventories and estimates the appropriateness of requisite provision. Allocation of indirect production costs is also estimated which is manually loaded as inventory cost. We considered this as a Key Audit Matter as these judgements are key elements in the valuation of inventories.

We have performed the following audit procedures in relation to Inventory valuation:

- Verified relevant internal controls which the Company uses to ensure proper valuation of inventory, including the procedures for write-down of obsolete inventory and the indirect production costs manually loaded as inventory.
- Verified the adequacy of write-downs for excess and/or obsolete inventory by verifying future demand data, historical usage, historical accuracy of write-downs and management's plans to utilise the inventory.
- Evaluated the significant judgements and estimates made by Management in applying Company's accounting policy in relation to indirect production costs allocation in inventory valuation
- Assessed the Company's disclosures in the financial statements in respect of inventory as per respective standards and framework

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Management report, Chairman's statement, Director's report etc but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with Governance for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.40.1 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 2.45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity's, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity's, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (iv) (a) and (b) above, contain any material misstatement
 - v. The Company has declared and paid dividend during the year which is in compliance with section 123 of the Act.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 22029409AJFWZF4393

Place: Chennai
Date: May 19, 2022

ANNEXURE – A

TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS KITEX GARMENTS LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For MSKA & Associates
Chartered Accountants**

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 22029409AJFWZF4393

Place: Chennai

Date: May 19, 2022

ANNEXURE – B

TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph [1] under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) [A] The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
- [B] The Company has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements are held in the name of the Company except for the title deeds of immovable properties aggregating to ₹267.13 Lakhs are pledged with the banks and are not available with the Company. The same has been independently confirmed by the bank and verified by us.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency, coverage and procedure of such verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.
- (b) The Company has been sanctioned working capital limits in excess of ₹5 crores in aggregate from Banks on the basis of security of current assets. Statements filed with such Banks are in agreement with the books of account.
- iii. (a) According to the information explanation provided to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.
- (A) The details of such loans or advances to subsidiaries are as follows:

	Unsecured Loans (Amount in ₹ Lakhs)	Advances (Amount in ₹ Lakhs)
Aggregate amount granted/provided during the year:		
- Six wholly owned Subsidiaries	1480.46	Nil
- One designated subsidiary	Nil	4388.43
Balance outstanding as at balance sheet date in respect of above cases		
- Six wholly owned Subsidiaries	8938.58	Nil
- One designated subsidiary	Nil	4388.43

- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made and advances in the nature of loans are not prejudicial to the interest of the Company.
- (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest.
- (d) There are no amounts overdue for more than ninety days in respect of the loan granted to Companies.
- (e) According to the information explanation provided to us, the loan or advance in the nature of loan granted has not fallen due during the year. Hence, the requirements under paragraph 3(iii) (e) of the Order are not applicable to the Company.
- (f) According to the information explanation provided to us, the Company has not any granted loans and / or advances in the nature of loans. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans and investments made.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, duty of customs, cess have generally been regularly deposited by the company with appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which it relates	Forum where dispute is pending
The Customs Act, 1962	Customs Duty and interest	220.26	1996-97 to 1997-98	Hon'ble Supreme Court of India
The Customs Act, 1962	Customs Duty and interest	4213.51	2010-11 to 2019-20	Hon'ble High Court of Kerala
Income Tax Act, 1961	Income tax dues	1129.12	AY 2011 to 2013 and AY 2016 to 2020	Commissioner of Income Tax (Appeals)
Kerala Municipality Act, 1994 read with Kerala Building Rules, 1999	One time building tax	3.09	1997	Hon'ble High Court of Kerala

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.

- (d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, or associate companies.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to company.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of standalone financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the

standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund or to a Special Account as per the provisions of section 135 of the act read with schedule VII. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

**For MSKA & Associates
Chartered Accountants**

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 22029409AJFWZF4393

Place: Chennai

Date: May 19, 2022

ANNEXURE – C

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls with reference to standalone financial statements of **Kitex Garments Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note

**For MSKA & Associates
Chartered Accountants**

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 22029409AJFWZF4393

Place: Chennai

Date: May 19, 2022

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2022

(Rupees in lakhs)

SI No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	2.01A	15,087.28	15,121.08
	(b) Capital work-in-progress	2.01B	1,162.11	2,008.54
	(c) Other intangible assets	2.01C	98.90	31.43
	(d) Intangible assets under development	2.01D	-	0.90
	(e) Financial assets			
	(i) Investments	2.02	3,299.17	3,536.68
	(ii) Loans	2.03	8,938.58	7,220.71
	(iii) Other financial assets	2.04	4,633.33	1,237.14
	(f) Non-current tax assets	2.05	275.93	275.93
	(g) Other non-current assets	2.06	1,010.11	938.51
2	Current assets			
	(a) Inventories	2.07	15,453.49	13,428.93
	(b) Financial assets			
	(i) Trade receivables	2.08	31,415.36	17,764.59
	(ii) Cash and cash equivalents	2.09	10,697.49	10,350.28
	(iii) Bank balances other than (ii) above	2.10	2,601.30	4,707.04
	(iv) Other financial assets	2.11	6,215.16	3,267.29
	(c) Other current assets	2.12	2,735.39	2,786.77
	TOTAL ASSETS		103,623.60	82,675.82
II	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	2.13	665.00	665.00
	(b) Other equity	2.14	84,807.74	72,854.05
	Liabilities			
2	Non-current liabilities			
	(a) Provisions	2.15	982.05	1,096.67
	(b) Deferred tax liabilities (net)	2.16	579.18	596.97
	(c) Other non-current liabilities	2.17	355.65	442.64
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	2.18	7,306.55	-
	(ii) Trade payables	2.19		
	- Total outstanding dues of micro enterprises and small enterprises		300.76	133.84
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,860.16	3,999.25
	(iii) Other financial liabilities	2.20	161.69	327.59
	(b) Other current liabilities	2.21	593.15	433.16
	(c) Provisions	2.22	354.17	355.91
	(d) Current tax liabilities (net)	2.23	1,657.50	1,770.74
	TOTAL EQUITY AND LIABILITIES		103,623.60	82,675.82
	Significant accounting policies	1 - 1.22		

The accompanying notes are an integral part of standalone financial statements

As per our separate report of even date attached

For MSKA & Associates

Chartered Accountants
Firm Registration No. 105047W

Sd/-

Geetha Jeyakumar

Partner

Membership No. 029409

For and on behalf of the Board of Directors of

Kitex Garments Limited

CIN: L18101KL1992PLC006258

Sd/-

Sabu M Jacob

Chairman &

Managing Director

DIN:00046016

Sd/-

CA Benni Joseph

Director

DIN: 01219476

Sd/-

CA Bobby Michael

Chief Financial Officer

Place: Kizhakkambalam

Date: May 19, 2022

Sd/-

CS Mithun B Shenoy

Company Secretary

Place: Chennai

Date: May 19, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs)

Sl No.	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Income			
	(a) Revenue from operations	2.24	78,832.83	45,538.82
	(b) Other income	2.25	2,996.40	1,010.46
	Total Income		81,829.23	46,549.28
II	Expenses			
	(a) Cost of materials consumed	2.26	37,431.00	19,524.90
	(b) Changes in inventories of finished goods and work-in-progress	2.27	(689.13)	(38.17)
	(c) Employee benefits expense	2.28	11,426.42	7,725.77
	(d) Finance costs	2.29	361.87	253.95
	(e) Depreciation and amortization expense	2.30	2,143.77	2,310.44
	(f) Other expenses	2.31	13,577.12	8,287.95
	Total Expenses		64,251.05	38,064.84
III	Profit before tax (I - II)		17,578.18	8,484.44
IV	Tax expense:			
	(a) Current tax		4,809.00	2,581.77
	(b) Deferred tax	2.16	(59.12)	(87.53)
			4,749.88	2,494.24
V	Profit for the year (III - IV)		12,828.30	5,990.20
VI	Other comprehensive income			
A	Items that will not be reclassified to profit or loss			
	(i) Re-measurements of post employment benefit obligations		164.33	16.51
	(ii) Fair value changes on equity instruments carried through other comprehensive income		(0.11)	0.30
	(iii) Income tax relating to items that will not be reclassified to profit or loss		(41.33)	(4.23)
VII	Total comprehensive income for the year (V+VI)		12,951.19	6,002.78
VIII	Earnings per equity share (Face value of Re. 1 each)	2.32		
	Basic & Diluted in ₹		19.29	9.01
	Significant accounting policies	1 - 1.22		

The accompanying notes are an integral part of standalone financial statements

As per our separate report of even date attached

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

Sd/-
Geetha Jeyakumar
Partner
Membership No. 029409

Place: Chennai
Date: May 19, 2022

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

Sd/-
Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Sd/-
CA Bobby Michael
Chief Financial Officer
Place: Kizhakkambalam
Date: May 19, 2022

Sd/-
CA Benni Joseph
Director
DIN: 01219476

Sd/-
CS Mithun B Shenoy
Company Secretary

STANDALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs)

Sl No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	Cash Flows from Operating Activities:		
	Net Profit before tax	17,578.18	8,484.44
	Adjustments for:		
	Depreciation and amortisation expense	2,143.77	2,310.44
	Unrealised foreign exchange (gain) / loss (net)	(986.63)	(276.79)
	Gain on foreign exchange forward contracts	(230.83)	(210.62)
	Interest income	(446.26)	(702.18)
	Deferred grant income	(154.97)	(154.97)
	Loss on sale of property, plant and equipment (net)	(23.29)	-
	Provision / sundry balances written off through profit and loss	(19.88)	58.30
	Interest expense	361.87	253.95
	Operating profit before working capital changes	18,221.96	9,762.57
	Changes in working capital:		
	(Increase) / Decrease in trade and other receivables	(12,882.21)	4,659.70
	(Increase) in inventories	(2,024.55)	(396.06)
	Increase / (Decrease) in trade, other payables and provisions	1,955.04	(410.21)
	Cash generated from operating activities before taxes	5,270.24	13,616.00
	Direct taxes paid (net of refunds)	(4,922.24)	(1,979.83)
	Net cash generated from operating activities (A)	348.00	11,636.17
B	Cash Flows from Investing Activities:		
	Purchase of property, plant and equipment and intangible assets, CWIP including capital advances	(1,284.02)	(469.79)
	Proceeds from sale of property, plant and equipment	23.29	-
	Bank balances not considered as Cash and cash equivalents	2,105.74	-
	Share application money given to Kitex Apparel Parks Ltd.	(4,388.43)	-
	Interest received	(1,130.84)	148.82
	Loans to wholly owned subsidiaries	(1,480.47)	(553.26)
	Net cash used in investing activities (B)	(6,154.73)	(874.23)
C	Cash Flow from Financing Activities:		
	Proceeds / (repayment) from bank borrowings (net)	7,306.55	(9612.57)
	Interest paid	(317.97)	(253.95)
	Dividend / dividend distribution tax paid	(997.86)	(10.91)
	Net cash flow from / (used in) financing activities (C)	5,990.72	(9877.43)
	Net increase in cash and cash equivalents (A+B+C)	183.99	884.51
	Exchange difference on translation of foreign currency cash and cash equivalents	163.22	85.60
	Cash and cash equivalents at the beginning of the year	10,350.28	9380.17
	Cash and cash equivalents at the end of the year (See note 2.09)	10,697.49	10350.28
	Significant accounting policies	1 - 1.22	

The accompanying notes are an integral part of standalone financial statements

Note: a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows.

As per our separate report of even date attached

For MSKA & Associates

Chartered Accountants
Firm Registration No. 105047W

Sd/-

Geetha Jeyakumar

Partner

Membership No. 029409

Place: Chennai

Date: May 19, 2022

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

CIN: L18101KL1992PLC006258

Sd/-

Sabu M Jacob

Chairman &

Managing Director

DIN:00046016

Sd/-

CA Bobby Michael

Chief Financial Officer

Place: Kizhakkambalam

Date: May 19, 2022

Sd/-

CA Benni Joseph

Director

DIN: 01219476

Sd/-

CS Mithun B Shenoy

Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A Equity Share Capital

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the reporting year	665.00	665.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	665.00	665.00

B Other Equity

(Rupees in lakhs)

Particulars	Reserves and surplus			Equity instrument through other comprehensive income	Total
	Capital reserve	General reserve	Retained earnings		
Balance as at April 01, 2020	22.10	24,675.00	42,151.22	2.95	66,851.27
Profit for the year	-	-	5,990.20	-	5,990.20
Re-measurements of post employment benefit obligations (net of tax)	-	-	12.35	-	12.35
Fair value changes on equity instruments carried through other comprehensive income	-	-	-	0.23	0.23
Transfer to reserves	-	2,000.00	(2,000.00)	-	-
Balance as at March 31, 2021	22.10	26,675.00	46,153.77	3.18	72,854.05
Balance as at April 01, 2021	22.10	26,675.00	46,153.77	3.18	72,854.05
Profit for the year	-	-	12,828.30	-	12,828.30
Re-measurements of post employment benefit obligations (net of tax)	-	-	123.00	-	123.00
Fair value changes on equity instruments carried through other comprehensive income (net of tax)	-	-	-	(0.11)	(0.11)
Dividends	-	-	(997.50)	-	(997.50)
Transfer to reserves	-	2,000.00	(2,000.00)	-	-
Balance as at March 31, 2022	22.10	28,675.00	56,107.57	3.07	84,807.74

Significant accounting policies - 1 to 1.22

The accompanying notes are an integral part of standalone financial statements

As per our separate report of even date attached

For MSKA & Associates

Chartered Accountants
Firm Registration No. 105047W

Sd/-

Geetha Jeyakumar

Partner

Membership No. 029409

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

CIN: L18101KL1992PLC006258

Sd/-

Sabu M JacobChairman &
Managing Director
DIN:00046016

Sd/-

CA Benni JosephDirector
DIN: 01219476

Sd/-

CA Bobby MichaelChief Financial Officer
Place: Kizhakkambalam
Date: May 19, 2022

Sd/-

CS Mithun B Shenoy

Company Secretary

Place: Chennai

Date: May 19, 2022

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

General Information

Kitex Garments Limited ('the Company') is a Public Company incorporated and domiciled in India having its registered office at Kizhakkambalam, Alwaye, Ernakulam- 683562, Kerala, India. The Company is leading Indian apparel manufacturer and exporter of knitted garments for infants and kids. The Company was incorporated in the year 1992 under erstwhile Companies Act; 1956. Its manufacturing locations are at Kizhakkambalam. It has six wholly owned subsidiaries and one overseas associate. The Company's equity shares are listed on the BSE Limited and The National Stock Exchange India Limited.

1. Significant Accounting Policies

1.1 Basis of Accounting and Preparation of Standalone Financial Statements

(i) Statement of compliance

The Standalone financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable. Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Basis of measurement

The standalone financial statements have been prepared on a historical cost basis on the accrual basis of accounting, except for the following -

- (a) Certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- (b) Defined benefit plans - plan assets measured at fair value;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Rounding off amounts

All amounts disclosed in standalone financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

(iv) Use of estimates and judgement

In the preparation of standalone financial statements, the management makes estimates and assumptions in conformity with the Generally Accepted Accounting Principles in India. Such estimates and assumptions are made on reasonable and prudent basis taking into account all available information. However, actual results could differ from these estimates and assumptions and such differences are recognised in the period in which results are ascertained. The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the standalone financial statements are disclosed in Note 1.21.

1.2 Current versus Non-Current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for atleast twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

1.3 Property, Plant & Equipment

Property, plant and equipment (except freehold land) are stated at cost of acquisition less accumulated depreciation and impairment if any. Freehold land is carried at historical cost. The company is adopting the cost model for determining gross carrying amount. Cost comprises of purchase price, inward freight, duties, taxes and any attributable cost of bringing the assets to its working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by the management at each financial year and adjusted prospectively, if appropriate.

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment, with corresponding adjustments to recognise the amount of unamortised deferred grant income as at the date of the transition.

Depreciation methods, estimated useful lives

Depreciation on property, plant and equipment is provided on Straight Line Method at the useful lives based on a review by the management at the year end as under:

- (a) Assets (other than capital spares) - based on useful lives prescribed under Schedule II of the Companies Act, 2013.
- (b) Capital spares - based on useful life of each replaced part (2 - 5 years).

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

1.4 Intangible Assets

Cost of software is capitalised as intangible asset and amortised on a straight-line basis over the economic useful life of three years.

The residual values, useful lives and methods of depreciation of intangible assets are reviewed by the management at each financial year and adjusted prospectively, if appropriate.

1.5 Investment in Subsidiaries and Associates

Investment in subsidiaries and associate is measured at cost less provision for impairment.

1.6 Inventories

Inventories are valued at lower of cost or net realisable value. For this purpose, the cost of bought-out inventories comprises of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on First-In, First-Out (FIFO) basis. Cost of Inventory comprises Cost of Purchase, Cost of Conversion and other Costs incurred to bring them to their respective present location and condition. The net realisable value of bought-out inventories is taken at their current replacement value. The cost of manufactured inventories comprises of the direct cost of production plus appropriate fixed and variable production overheads.

Difference between the purchase price for normal credit terms and the amount paid for deferred settlement terms, if any, is recognised as an expense.

1.7 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the standalone financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The standalone financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Company.

(b) Transactions and balances

Foreign exchange transactions are recorded at the functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary assets and liabilities denominated in foreign currencies existing as on the Balance Sheet date are translated at the functional currency exchange rate prevailing as at the Balance Sheet date. The exchange difference arising from the settlement of transactions during the period and effect of translations of assets and liabilities at the Balance Sheet date are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit and loss are also recognised in Other Comprehensive Income or profit and loss, respectively).

(c) Derivative instruments and hedge accounting

The company uses foreign currency derivative contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The company designates these as cash flow hedges applying the recognition and measurement principles set out in Ind AS 109 – Financial Instruments.

The use of foreign currency and derivative contracts is governed by the Company's policies approved by the Board of Directors which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

Foreign currency derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income in the cash flow hedge reserve and later reclassified to profit and loss when the hedge item affects profit and loss.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

1.8 Leases

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 01, 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured

when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

1.9 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

1.10 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Government grants shall be recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to depreciable assets are presented in the Balance Sheet by setting up the grant as deferred income and are recognised in profit and loss over the periods and in the proportions in which depreciation expense on those assets is recognised and are presented under Other Income.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit and loss of the period in which it becomes receivable and are presented under Other Income/deducted from the related heads of expenditure.

1.11 Financial Instruments

(a) Financial asset

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- (a) at amortized cost; or
- (b) at fair value through other comprehensive income; or at fair value through profit or loss.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

(iii) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(b) Financial liabilities

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except, financial liabilities at fair value through profit or loss which are initially measured at fair value.

After initial recognition at fair value net of directly attributable transaction costs, interest-bearing borrowings, finance lease liabilities, Trade payables and other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are de-recognised as well as through the amortisation of effective interest.

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments

Derivative instruments not designated as Cash flow hedges

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, like foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

1.12 Revenue Recognition

The Company derives revenues primarily from sale of manufactured fabric and readymade garments.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Other operating revenue - Export incentives: Export Incentives under various schemes are accounted upon fulfilling the conditions established by respective regulations as applicable to the Company and as amended from time to time.

Income is recognised at the value or rate prescribed by respective regulations.

1.13 Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with the provisions of the Income Tax Act, 1961. Taxable income differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the

liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or items related to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Defined contribution plans

The company has defined contribution plans for employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are recognised as employee benefit expense in the Statement of Profit and Loss for the year.

(c) Defined benefit plans: Gratuity

The net present value of the obligation for gratuity benefits are determined by independent actuarial valuation, conducted annually using the projected unit credit method.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of plan assets. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefits are recognised immediately in Statement of Profit and Loss as past service cost, if any, and net interest on the defined benefit liability/(asset) are recognised in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

(d) Long-term employee benefits: Compensated absences

The company has a scheme for compensated absences for employees, the liability of which is determined based on an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

1.15 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

1.16 Earnings Per Share

Basic/diluted earnings per share is calculated by dividing the net profit and loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/diluted potential equity shares outstanding as at the end of the year, as the case may be.

1.17 Impairment of Non-Financial Assets

The Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. An asset or a cash generating unit is treated as impaired, when the carrying value of assets exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Based on such assessment, impairment loss if any is recognised in the Statement of Profit and Loss for the period in which the asset is identified as impaired.

1.18 Cash Flow Management

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

1.19 Cash and Cash Equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.20 Provisions and Contingent Liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) because of a past event, for which it is probable that a cash outflow will be required, and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it's carrying amount is the present value of those cash flows (when the effect of time value of money is material). These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

When the company expects some or all the provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent liabilities are disclosed when the company has a possible obligation, or a present obligation and it is probable that an outflow of resources will not be required to settle the obligation, or the amount of obligation cannot be measured with sufficient reliability.

1.21 Significant Accounting Judgments, Estimates and Assumptions

The preparation of standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

- (i) Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

- (ii) Actuarial valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after considering inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the standalone financial statements.

- (iii) Impairment of assets:

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

- (iv) Recoverability of advances/receivables:

Management reviews its receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics.

1.22 Recent Pronouncements

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The amendments do not have significant impact on the financial statements

Amendment to Ind AS 103 “Business Combination” – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The Company does not expect the amendment to have any significant impact in its financial statements.

Amendment to Ind AS 16 “Property, Plant and Equipment” – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS YEAR ENDED MARCH 31, 2022

2.01 A - Property, Plant and Equipment- Standalone

(Rupees in Lakhs)

	GROSS BLOCK			As at March 31, 2022	ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2021	Additions during the year	Disposal / Adjustments		As at April 1, 2021	During the Year	Disposal / Adjustments	As at March 31, 2022	As at March 31, 2022
Freehold Land	492.83	-	-	492.83	-	-	-	-	492.83
Building	6,753.15	97.09	-	6,850.24	952.67	234.23	-	1,186.90	5,663.34
Plant & Machinery	17,170.14	1,692.50	-	18,862.64	9,281.66	1,556.90	-	10,838.56	8,024.08
Furniture & Fixtures	235.72	-	-	235.72	139.74	19.90	-	159.64	76.08
Vehicles	690.47	-	56.76	633.71	359.06	75.60	56.76	377.90	255.81
Office Equipments	569.40	19.68	-	589.08	296.16	95.33	-	391.49	197.59
Computers	610.67	16.13	-	626.80	504.54	81.29	-	585.83	40.97
Electrical Equipments	364.63	238.36	-	602.99	232.10	34.31	-	266.41	336.58
Total	26,887.01	2,063.76	56.76	28,894.01	11,765.93	2,097.56	56.76	13,806.73	15,087.28

(Rupees in Lakhs)

	GROSS BLOCK			As at March 31, 2021	ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2020	Additions during the year	Disposal / Adjustments		As at April 1, 2020	During the Year	Disposal / Adjustments	As at March 31, 2021	As at March 31, 2021
Freehold Land	492.83	-	-	492.83	-	-	-	-	492.83
Building	6,745.81	7.34	-	6,753.15	719.98	232.69	-	952.67	5,800.48
Plant & Machinery	16,742.93	427.21	-	17,170.14	7,588.43	1,693.23	-	9,281.66	7,888.48
Furniture & Fixtures	231.24	4.48	-	235.72	118.46	21.28	-	139.74	95.98
Vehicles	690.47	-	-	690.47	274.99	84.07	-	359.06	331.41
Office Equipments	564.33	5.07	-	569.40	190.78	105.38	-	296.16	273.24
Computers	607.77	2.90	-	610.67	378.87	125.67	-	504.54	106.13
Electrical Equipments	325.44	39.19	-	364.63	204.67	27.43	-	232.10	132.53
Total	26,400.82	486.19	-	26,887.01	9,476.18	2,289.75	-	11,765.93	15,121.08

2.01 B - Capital Work-in-Progress - Standalone

(Rupees in Lakhs)

	GROSS BLOCK (at cost)			
	As at April 1, 2021	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2022
Building under Construction	5.45	651.61	99.49	557.57
Plant and Equipment under Installation	2,003.09	532.51	1,931.06	604.54
Total	2,008.54	1,184.12	2,030.55	1,162.11

(Rupees in Lakhs)

	CARRYING VALUE			
	As at April 1, 2020	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2021
Building under Construction	1.63	11.16	7.34	5.45
Plant and Equipment under Installation	2,029.45	266.61	292.97	2,003.09
Total	2,031.08	277.77	300.31	2,008.54

2.01 C - Other Intangible Assets - Standalone

(Rupees in Lakhs)

	GROSS BLOCK			ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 1, 2021	Additions during the year	Disposal / Adjustments	As at March 31, 2022	As at April 1, 2021	During the Year	Disposal / Adjustments	As at March 31, 2022	As at March 31, 2022
Computer software	169.42	113.68	-	283.10	137.99	46.21	-	184.20	98.90
Total	169.42	113.68	-	283.10	137.99	46.21	-	184.20	98.90

(Rupees in Lakhs)

	GROSS BLOCK			ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 1, 2020	Additions during the year	Disposal / Adjustments	As at March 31, 2021	As at April 1, 2020	During the Year	Disposal / Adjustments	As at March 31, 2021	As at March 31, 2021
Computer software	137.04	32.38	-	169.42	117.30	20.69	-	137.99	31.43
Total	137.04	32.38	-	169.42	117.30	20.69	-	137.99	31.43

2.01 D - Intangible Assets under Development - Standalone

(Rupees in Lakhs)

	CARRYING VALUE			
	As at April 1, 2021	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2022
Software under development		0.90	-	0.90
Total		0.90	-	0.90

(Rupees in Lakhs)

	CARRYING VALUE			
	As at April 1, 2020	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2021
Software under development		32.39	0.90	32.39
Total		32.39	0.90	32.39

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

(Rupees in Lakhs)

Particulars	Amount in CWIP for a period of				As at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	700.32	158.38	226.34	77.07	1,162.11

(Rupees in Lakhs)

Particulars	Amount in CWIP for a period of				As at March 31, 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	197.16	304.66	381.67	1,125.05	2,008.54

2.02 Investments [Non-Current]

(Rupees in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted		
Investments carried at cost		
Investments in equity instruments of associate company		
4,250,210.09 (4,250,210.09) fully paid-up membership units of USD 1 each in Kitex USA LLC	2,776.24	2,776.24
Investments in equity instruments of subsidiaries [See note 2.02.1]		
1,000,000 (1,000,000) fully paid-up equity shares of ₹10/- each in Kitex Kidswear Limited	143.74	199.62
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Knits Limited	46.26	76.92
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Babywear Limited	26.33	38.91
1,000,000 (1,000,000) fully paid-up equity shares of ₹10/- each in Kitex Littlewear Limited	246.63	353.62
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Packs Limited	21.15	31.54
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Socks Limited	36.37	57.28
Quoted		
Investments carried at fair value through other comprehensive income		
7,000 (7,000) fully paid-up equity shares of ₹2/- each in Punjab National Bank Limited	2.45	2.55
Total	3,299.17	3,536.68
Aggregate amount of unquoted investments	3,296.72	3,534.13
Aggregate amount of quoted investments and market value thereof; (The market value of quoted investments is equal to the carrying value)	2.45	2.55

2.02.1 Cost of investment in subsidiaries include ₹280.47 lakhs (31.03.2021: ₹517.89 Lakhs) on account of fair value of unsecured loans granted to them.

2.03 Loans [Non-current]

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Loans to wholly owned subsidiaries	8,938.58	7,220.71
Total	8,938.58	7,220.71

2.04 Other Financial Assets [Non-Current]

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security deposit	244.90	226.14
Interest receivable on loans to wholly owned subsidiaries	-	1,011.00
Share application money to Kitex Apparel Parks Limited [see note below]	4,388.43	-
Total	4,633.33	1,237.14

2.04.1 Deposit account represents deposits held as security which are not expected to be refunded next 12 months.

2.04.2 The designated subsidiary company, "Kitex Apparel Parks Limited" incorporated on November 18, 2021 with a proposed investment of ₹75,000 lakhs has decided to issue and allot equity shares to the tune of ₹10,000 lakhs subsequently to its subscribers. The designated subsidiary company's operations will encompass all verticals from spinning to ready made garments including manufacture of accessories and packing materials.

2.05 Non Current Tax Assets

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax (net)	275.93	275.93
Total	275.93	275.93

2.06 Other Non-Current Assets

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital advances	685.06	613.46
Balances with government authorities	325.05	325.05
Total	1,010.11	938.51

2.07 Inventories

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	4,976.97	3,592.28
Raw materials in transit	66.16	90.87
Work-in-progress	9,945.96	8,506.18
Finished goods [See note 2.07.2]	246.10	996.74
Stores and spares	218.30	242.54
Stores and spares in transit	-	0.32
Total	15,453.49	13,428.93

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

2.07.2 During the year ended March 31, 2022 - ₹307.34 Lakhs (31.03.2021: Nil) was recognised as an expense for write down in value of inventories to their net realisable value.

2.07.3 See detailed note 2.18 [a] of pari passu charge on the inventory of the company.

2.08 Trade Receivables

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good [See note 2.08.1]	31,415.36	17,764.59
Total	31,415.36	17,764.59

2.08.1 (i) Trade receivables includes amounts due from related parties ₹23,300.67 lakhs (31.03.2021: ₹16,496.94 lakhs). See note 2.37.

(ii) Trade receivables are non-interest bearing and are generally on credit terms not exceeding 90 days.

(iii) There are no outstanding receivables due from directors or other officers of the Company. No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

2.08.2 During 2017-18, TOYS "R" US, Inc., a customer of the Company had filed a petition in the Bankruptcy Court in the United States to wind down its US operation. Provision of ₹347.03 lakhs was made for the receivables towards loss, if any on recovery of receivables in the same year. After the hearings at the US Bankruptcy court on September 6, 2018 and November 13, 2018, Plan submitted under Chapter 11 was confirmed. The Claim allowed to the company aggregates to 9.17 Million USD. Consequently, the provision carried in the books of ₹347.03 lakhs was written back during 2018-19. Later, Company has received interim disbursement of 2.31 million USD in earlier years from the liquidator of TOY"R" US, Inc.

2.08.3 Trade Receivables ageing schedule

(Rupees in lakhs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2022
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	30,894.40	0.80	0.62	0.17	-	30,895.96
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	519.40	519.40
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total						31,415.36

(Rupees in lakhs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2021
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	17,256.57	0.08	4.27	0.07	-	17,260.97
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	503.62	503.62
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total						17,764.59

2.09 Cash and Cash Equivalents

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks - In current accounts	10,678.67	10,330.16
Cash on hand	18.82	20.12
Total	10,697.49	10,350.28

2.10 Bank balances other than Cash and Cash Equivalents

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks		
In deposit accounts [See note 2.10.1]	2,518.23	4,623.72
In earmarked accounts:		
(a) Unpaid dividend accounts	82.96	83.32
(b) Restricted balance with bank- Dormant	0.11	-
Total	2,601.30	4,707.04

2.10.1 (i) Balances with banks in deposit accounts held as security against Letter of Credits / Guarantee as on 31.03.2022 was ₹1896.47 lakhs with a maturity period of less than 12 months.

2.11 Other Financial Assets

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Subsidy receivable [see note 2.11.2]	1,136.74	1,116.51
Export incentives receivable	3,483.40	2,059.31
Other deposits	-	2.00
Rent deposits	38.60	38.51
Interest receivable on deposits	32.35	50.96
Interest receivable on loans to wholly owned subsidiaries	1,293.24	-
Foreign exchange forward contracts	230.83	-
Total	6,215.16	3,267.29

2.11.1 There are no other current financial assets as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired

2.11.2 Includes Technology upgradation fund scheme subsidy receivable from Ministry of Textiles ₹1,116.51 Lakhs (31.03.2021: 1,116.51 Lakhs)

2.12 Other Current Assets

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received.	486.44	511.68
Balances with government authorities	2,010.38	2,021.80
Advances to staff	25.59	33.64
Prepaid expenses	74.60	97.58
Export entitlements / rebates receivable on export	138.38	122.07
Total	2,735.39	2,786.77

2.13 Equity Share Capital

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
250,000,000 (250,000,000) equity shares of Re. 1/- each	2,500.00	2,500.00
Issued, subscribed and fully paid-up		
66,500,000 (66,500,000) equity shares of Re. 1/- each	665.00	665.00
Total	665.00	665.00

2.13.1 Terms / rights attached to equity shareholders

The Company has only one class of shares referred to as equity shares with a face value of Re. 1/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed / declared by the Board of Directors is subject to approval / regularisation of the shareholders in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

2.13.2 Reconciliation of subscribed equity shares with voting rights at the beginning and at the end of the financial year

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount (Rupees in lakhs)	No. of shares	Amount (Rupees in lakhs)
No. of shares as at the beginning of the financial year	66,500,000	665.00	66,500,000	665.00
Add: Issued during the year	-	-	-	-
No. of shares as at the end of the financial year	66,500,000	665.00	66,500,000	665.00

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of total holding	No. of shares	% of total holding
Mr. Sabu M Jacob	22,730,901	34.18	22,015,606	33.11
Kitex Childrenswear Limited	10,585,822	15.92	10,585,822	15.92
Ms. Renjitha Joseph	4,328,100	6.51	4,328,100	6.51
C K G Super Market Limited	3,600,000	5.41	4,000,000	6.02
Mr. Gopinathan C K	3,601,000	5.42	4,467,900	6.72

As per records of the Company, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

2.13.4 Particulars of promoters' shareholding percentage in the Company is as below

Promoters Name	As at March 31, 2022		As at March 31, 2021	
	No. of shares	%	No. of shares	%
Sabu M Jacob	22,730,901	34.18	22,015,606	33.11
Kitex Childrenswear Limited	10,585,822	15.92	10,585,822	15.92
Renjitha Joseph	4,328,100	6.51	4,328,100	6.51
Boby M Jacob	31,789	0.05	27,289	0.04

2.13.5 Aggregate number of bonus shares Issued during the period of five years immediately preceding the reporting date

Particulars	No. of shares	Rupees in lakhs
Equity shares allotted as fully paid-up bonus shares		
Financial Year 2017-18	19,000,000	190.00

2.14 Other Equity

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve		
Investment subsidy	22.10	22.10
General reserve		
Opening balance	26,675.00	24,675.00
Add: Transfer from retained earnings	2,000.00	2,000.00
Closing balance	28,675.00	26,675.00
Retained earnings		
Opening balance	46,153.77	42,151.22
Add: Profit for the year	12,828.30	5,990.20
Less: Re-measurements of post employment benefit obligations (net of tax)	123.00	12.35
	59,105.07	48,153.77
Less:		
Transfer to general reserve	2,000.00	2,000.00
Payment of dividends	997.50	-
Closing balance	56,107.57	46,153.77
Equity instrument through other comprehensive income		
Opening balance	3.18	2.95
Add : Fair value changes on equity instruments carried through other comprehensive income (net of tax)	(0.11)	0.23
Closing balance	3.07	3.18
Total	84,807.74	72,854.05

2.14.1 Description of nature and purpose of each reserve

- (i) **Capital reserve:** Capital reserve denotes investment subsidy received by the company amounting to ₹22.10 lakhs (31.03.2021: ₹22.10 lakhs).
- (ii) **General reserve:** General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of comprehensive income.
- (iii) **Equity instruments through other comprehensive income:** This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

2.15 Provisions

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity [See note 2.15.2]	807.04	897.93
Provision for compensated absences [See note 2.15.2]	175.01	198.74
Total	982.05	1,096.67

2.15.1 Short-term provisions of employee benefits is disclosed in note 2.22

2.15.2 Disclosures required under Ind AS 19 - "Employee Benefits"

2.15.2.a Defined contribution plans

During the year, the following amounts have been recognised in the statement of profit and loss on account of defined contribution plans:

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Employers contribution to provident fund	612.21	389.23
Employers contribution to employees' state insurance	137.37	101.34

2.15.2.b Defined benefit plans - gratuity: unfunded obligation

(Rupees in lakhs)

(i) Actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.05%	5.45%
Salary escalation rate*	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

*The assumption of future salary escalation takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(Rupees in lakhs)

	As at March 31, 2022	As at March 31, 2021
(ii) Reconciliation of present value of obligation		
Present value of obligation at the beginning of the year	1,126.76	1,003.66
Current service cost	189.56	184.88
Interest cost	55.17	50.07
Actuarial (gain) / loss - financial assumptions	(37.41)	6.80
Actuarial (gain) / loss - experience adjustments	(126.92)	(23.31)
Benefits paid	(164.95)	(95.35)
Present value of obligation at the end of the year	1,042.21	1,126.76
Contributions by the employer	164.95	95.35
Benefits paid	(164.95)	(95.35)
Expected employers' contribution next year	-	-
(iii) Expenses recognized in the statement profit and loss		
Current service cost	189.56	184.88
Interest cost	55.17	50.07
Total expenses recognized in the statement of profit and loss for the year	244.73	234.95
(iv) Expenses recognized in other comprehensive income		
Opening amount recognised in OCI outside profit and loss account	14.52	31.03
Re-measurements during the period due to		
(a) Changes in financial assumptions	(37.41)	6.80
(b) Experience adjustments	(126.92)	(23.31)
Total re-measurements included in other comprehensive income (a+b)	(164.33)	(16.51)
Closing amount recognised in OCI outside profit and loss account	(149.81)	14.52

	As at March 31, 2022	As at March 31, 2021
(v) Sensitivity analysis		
Discount rate +50 basis points	(2.80%)	(2.94%)
Discount rate -50 basis points	2.97%	3.13%
Salary increase rate +50 basis points	2.90%	3.04%
Salary increase rate -50 basis points	(2.75%)	(2.88%)

(Rupees in lakhs)

(vi) Maturity Analysis of the Benefit payments	As at March 31, 2022	As at March 31, 2021
Year 1	235.17	228.82
Year 2	145.65	150.42
Year 3	127.88	141.10
Year 4	108.07	125.54
Year 5	98.20	107.02
Next 5 years and above	889.05	929.33

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.

2.15.2.c Long term employee benefits

Compensated absences (vesting and non-vesting): unfunded obligation

(Rupees in lakhs)

(i) Actuarial Assumptions	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.05%	5.45%
Salary escalation rate*	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

*The assumption of future salary escalation takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

2.16 Deferred Tax Liabilities (Net)

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Deferred tax liability:		
On excess of net book value over income tax written down value of property, plant and equipment	823.99	932.87
On excess of fair value over cost of quoted equity investments	0.51	0.54
On excess of interest receivable on fair valuation of Inter corporate loans over the actual interest receivable as per Income tax	32.90	29.17
On foreign exchange forward contracts	58.09	-
B. Deferred tax assets:		
On provisions for employee benefits	336.30	365.61
Deferred tax liabilities (net) (A-B)	579.18	596.97

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2022

(Rupees in lakhs)

Particulars	As at April 01, 2021	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2022
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	932.87	(108.88)	-	823.99
On excess of fair value over cost of quoted equity investments	0.54	(0.03)		0.51
On excess of interest receivable on fair valuation of Inter corporate loans over the actual interest receivable as per Income tax	29.17	3.73	-	32.90
On foreign exchange forward contracts	-	58.09	-	58.09
B. Deferred tax assets	-			
On provisions for employee benefits	365.61	(29.31)		336.30
Deferred tax liabilities (net) (A-B)	596.97	(17.79)	-	579.18

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2021

(Rupees in lakhs)

Particulars	As at April 01, 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2021
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	1,075.47	(142.60)	-	932.87
On excess of fair value over cost of quoted equity investments		0.54		0.54
On excess of interest receivable on fair valuation of Inter corporate loans over the actual interest receivable as per Income tax		29.17		29.17
B. Deferred tax assets				
On provisions for employee benefits	337.95	27.66	-	365.61
On foreign exchange forward contracts	53.02	(53.02)	-	-
Deferred tax liabilities (net) (A-B)	684.50	(87.53)	-	596.97

Reconciliation of effective tax rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	17,578.18	8,484.44
Income tax expense calculated at 25.168%	4,424.08	2,135.36
Tax effect on non-deductible expenses	367.13	363.11
Total	4,791.21	2,498.47
Tax expense as per statement of profit and loss	4,791.21	2,498.47

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (31.03.2021, 25.168%) payable on taxable profit under the Income Tax Act, 1961.

2.17 Other Non-Current Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	355.65	442.64
Total	355.65	442.64

2.18 Borrowings

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand from Banks (Secured)	7,306.55	-
Total	7,306.55	-

Notes to Borrowings:

- (a) The Company has availed export packing credit foreign currency loan for working capital which is secured by first charge over the entire current assets of the Company, both present and future, second charge over immoveable fixed assets ie; equitable mortgage over 25.44 acres of the land and building belonging to the Company also hypothecation charge over the other fixed assets of the Company apart from personal guarantee of the Managing Director. The short term loans are repayable on demand and are re-drawable subsequently after repayment.
- (b) The quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts.
- (c) The interest rate is 6.25% per annum (31.03.2021: 8.45%)
- (d) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

2.19 Trade Payables

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	300.76	133.84
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,860.16	3,999.25
Total	6,160.92	4,133.09

2.19.1 Trade Payables – ageing analysis and segregation of MSME / Other payables & Disputed Payables

(Rupees in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				As at March 31, 2022
		<1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) MSME	300.76	-	-	-	-	300.76
(ii) Others	5681.34	177.44	1.37	-	-	5,860.16
(iii) Disputed dues MSME		-	-	-	-	-
(iv) Disputed dues others		-	-	-	-	-
Total	5,982.10	177.44	1.37	-	-	6,160.92

(Rupees in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				As at March 31, 2021
		<1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) MSME	133.84	-	-	-	-	133.84
(ii) Others	3875.26	117.02	4.21	0.79	1.98	3,999.25
(iii) Disputed dues MSME		-	-	-	-	-
(iv) Disputed dues others		-	-	-	-	-
Total	4,009.10	117.02	4.21	0.79	1.98	4,133.09

2.19.2 The company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Intimations have been received from some of the suppliers regarding their status under the said Act as at March 31, 2022, based on which, principal amount unpaid to such suppliers as at the year end aggregating to ₹300.76 lakhs (31.03.2021: ₹133.84 lakhs) has been included under Trade payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material.

Disclosures required under the Micro, Small and Medium Enterprises Development Act 2006 are as follows:

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Principal amount remaining unpaid but not due as at the year end.	300.76	133.84
b. Interest due thereon and remaining unpaid as at the year end.	-	-
c. Interest paid by the Company in terms of Section 16 of Micro, Small & Medium Enterprises Development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e. Interest accrued and remaining unpaid as at the year end.	-	-
f. Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	300.76	133.84

2.20 Other Financial Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for capital goods	-	17.24
Retention money	35.17	2.87
Unpaid dividend	82.63	82.99
Grants received in advance	-	224.49
Interest accrued on borrowings	43.89	-
Total	161.69	327.59

2.21 Other Current Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	169.49	190.79
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	154.97	154.97
Advance from customers	268.69	87.40
Total	593.15	433.16

2.22 Short-Term Provisions

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity [See note 2.15.2]	235.17	228.82
Provision for compensated absences [See note 2.15.2]	119.00	127.09
Total	354.17	355.91

2.23 Current Tax Liabilities (Net)

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax payable [net of advance tax ₹6,681.11 lakhs (31.03.2021: ₹6,251.76 lakhs)]	1,657.50	1,770.74
Total	1,657.50	1,770.74

2.24 Revenue from Operations

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	74,630.41	42,798.00
A	74,630.41	42,798.00
Other operating revenues		
Export entitlements	3,441.93	2,056.70
Job work charges	662.66	609.96
Scrap sales	41.60	36.29
Others**	56.23	37.87
B	4,202.42	2,740.82
Revenue from operations (A+B)	78,832.83	45,538.82

**Others include sample development charges

2.25 Other Income

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	446.26	702.18
Rent received [see note- 2.37.2D]	43.72	39.03
Net gain on foreign currency transactions and translations	2,328.16	114.28
Deferred grant income [see note 2.25.1(iii)]	154.97	154.97
Other non-operating incomes :		
(a) Gain on sale of property, plant and equipment (net)	23.29	-
Total	2,996.40	1,010.46

2.25.1 The company is in receipt of the Government Grant/Assistance as defined under Ind AS 20 – ‘Accounting for Government Grants and Disclosure of Government Assistance’ as under:

- (i) Grants in the nature of Merchandise Export Incentive Scheme, Rebate of State & Central Taxes and Levies, Remission on Duties and Taxes on Exported Products and Duty Drawback are disclosed under the head 'Export Entitlements' in other operating revenue.
- (ii) Grants in the nature of Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Scheme being re-imbursement of employer's contribution to employee provident fund is deducted in the employee benefit expense amounting to ₹14.81 lakhs (31.03.2021: ₹38.41 lakhs).
- (iii) Grants in the nature of re-imbursement of cost towards capital asset under the Technology Upgradation Fund Scheme (TUFS) and Integrated Skill Development Scheme (ISDS) Project which is disclosed as deferred grant. The amount is disclosed under the head 'Other Income' in the proportions in which depreciation expense on those assets is recognised.
- (iv) Grants in the nature of re-imbursement of interest cost on borrowings under the TUFS is disclosed under the head 'Other Income'.
- (v) EPCG authorisation is obtained by the Company from Directorate General of Trade as import duty waiver over procurement of capital goods defined in Foreign Trade Policy 2015-20. The company has deferred the grant in the books and it will be amortised in the books as and when the conditions attached (export obligation) to authorisations are fulfilled.

2.26 Cost of Materials Consumed

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	3,683.15	3,368.78
Add: Purchases	39,159.72	19,839.27
Less: Inventory at the end of the year	5,411.87	3,683.15
Total	37,431.00	19,524.90

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

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year		
Finished goods	996.74	1,350.98
Work-in-progress	8,506.18	8,113.77
	9,502.92	9,464.75
Less: Inventories at the end of the year		
Finished goods	246.09	996.74
Work-in-progress	9,945.96	8,506.18
	10,192.05	9,502.92
Net decrease / (increase)	(689.13)	(38.17)

2.28 Employee Benefits Expense

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries & wages	8,970.40	6,003.52
Contribution to provident and other funds (Refer note 2.15.2.a)	749.58	490.57
Gratuity expenses (Refer note 2.15.2.b)	191.17	234.95
Staff welfare expenses	1,515.27	996.73
Total	11,426.42	7,725.77

2.29 Finance Costs

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on export packing credit	72.62	76.75
Interest on net defined benefit liability (net) Gratuity	55.17	50.06
Other borrowing cost	61.13	48.93
Interest on income tax	172.95	78.21
Total	361.87	253.95

2.30 Depreciation and amortisation expense

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment [See note 2.01A]	2,097.56	2,289.75
Amortisation of intangible assets [See note 2.01C]	46.21	20.69
Total	2,143.77	2,310.44

2.31 Other Expenses

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Processing charges	4,306.76	2,494.26
Consumption of stores and spares	892.85	439.05
Power and fuel	3,164.96	1,928.33
Repairs		
- Building	60.28	3.09
- Plant & machinery	321.49	222.48
- Others	415.91	243.42
Other production expenses	143.18	191.88
Testing charges	160.63	69.31
Forwarding and transport on sales	1,464.40	554.93
Insurance	138.56	155.11
Rent [See note 2.39]	136.01	107.78
Rates and taxes	89.54	77.44
Travelling and conveyance	128.94	60.99
Payments to auditors [See note 2.31.2]	20.95	19.98
Advertisement and sales promotion	61.04	10.02
Professional and consultancy charges	116.48	59.79
Donation [See note 2.31.1]	642.00	781.00
Expenses on corporate social responsibility activities [See note 2.31.3]	529.92	312.98
Miscellaneous expenses	783.22	556.11
Loss on foreign exchange forward contracts	-	-
Total	13,577.12	8,287.95

2.31.1 Donations made to political parties during the year amounts to ₹45 lakhs (31.03.2021: ₹150.50 lakhs)

2.31.2 Payments to auditors

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Statutory audit fees	20.50	19.50
(b) Other services		
- Others	-	0.20
- Reimbursement of expenses	0.45	0.28
Total	20.95	19.98

2.31.3 Details of expenses on corporate social responsibility activities

- (a) Gross amount required to be spent by the Company during the year ₹238.80 lakhs (31.03.2021: ₹254.24 lakhs) towards CSR compliance as per Companies Act.
- (b) Amount Unspent from previous years : Nil
- (c) Amount approved by the Board to be spent during the year- ₹238.80 lakhs (31.03.2021: ₹253.90 lakhs)
- (d) Amount spent during the financial year on:

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	529.92	312.98
Total	529.92	312.98

- (e) Details of excess CSR expenditure

(Rupees in lakhs)

Nature of Activity	Balance excess as at 01 April 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2022
Covid relief assistance	-	291.11	291.11	-

- (f) CSR Expenditure incurred with Related Parties

(Rupees in lakhs)

Name	Nature of Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
Twenty 20 Kizhakkambalam Association	Enterprises owned or significantly influenced by key management personal or their relatives	138.00	280.00

2.32 Earnings per equity share

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year	12,828.30	5,990.20
Weighted average number of equity shares of Re. 1/- each (fully paid-up)	66,500,000	66,500,000
Earnings per equity share - Basic & Diluted in ₹	19.29	9.01

2.33 Segment Reporting

The Company's operations predominantly relate to one operating segment i.e. Textile – Infant / Kids Apparel manufacturing. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence, no separate segment information has been furnished herewith.

2.33.1 Information about products and services: The Company earns revenue from only a single group of product and service viz. Textile Business comprising of sale of garments and fabrics products / services.

2.33.2 Information regarding geographical revenue is as follows: (Rupees in lakhs)

Revenue from external customers	For the year ended March 31, 2022	For the year ended March 31, 2021
India	12,334.60	9,046.28
Outside India		
- The United States (US)	60,681.81	32,238.13
- Others	1,614.00	1,513.59
Sale of products	74,630.41	42,798.00

2.33.3 All non current assets of the company are located in India.

2.33.4 The following table gives details in respect of percentage of revenue generated from the top customer and revenue from transactions with customers amounting to more than 10 percent or more of the Company's revenue.

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
No of customers who contribute to more than 10 percent of the Company's revenue	3	3
Revenue from top customer	43,226.24	26,031.14
Revenue from customers contributing to more than 10 percent of the Company's revenue	72,173.10	39,418.25

2.34 Fair Value Measurement

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

Fair value hierarchy of financial instruments measured at fair value on a recurring basis is as follows: (Rupees in lakhs)

Particulars	Fair value hierarchy (level)	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	1	2.45	2.55
Financial asset measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	1	230.83	-

There have been no transfers between levels during the period

Category wise classification of financial instruments is as follows:

(Rupees in lakhs)

Particulars	See note	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	2.02	2.45	2.55
Financial assets measured at fair value through other comprehensive income			
Foreign exchange forward contracts	2.11	230.83	-
Financial assets measured at amortised cost			
Non current :			
(i) Security deposits	2.04	244.90	226.14
(ii) Loans to wholly owned subsidiaries	2.04	8,938.58	7,220.71
(iii) Other Financial Assets	2.04	4,388.43	1,011.00
Current:			
(i) Trade receivables	2.08	31,415.36	17,764.59
(ii) Cash and cash equivalents	2.09	10,697.49	10,350.28
(iii) Bank balances other than (ii) above	2.10	2,601.30	4,707.04
(iv) Other financial assets	2.11	4,691.09	3,267.29
(v) Interest receivable on loans to wholly owned subsidiaries	2.11	1,293.24	-
		64,503.67	44,549.60
Financial assets measured at cost			
Non current			
(i) Investments in equity shares - Unquoted	2.02	3,296.72	3,534.13
Financial Liabilities measured at amortised cost			
Current			
(i) Borrowings	2.18	7,306.55	-
(ii) Trade payables	2.19	6,160.92	4,133.09
(iii) Other financial liabilities	2.20	161.69	327.59
		13,629.16	4,460.68

2.35 Financial Risk Management - Objectives and Policies

The Company has a well managed risk management framework, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

1) Liquidity risk

Liquidity risk is the risk that the Company will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The company has sound financial strength represented by its aggregate current assets as against aggregate current liabilities and its strong equity base and low working capital debt. In such circumstances, liquidity risk does not exist.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rupees in lakhs)

Maturities of financial liabilities As at March 31, 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,306.55	-	-	7,306.55
Trade payable	6,159.55	1.37	-	6,160.92
Other financial liabilities	161.69	-	-	161.69
Maturities of financial liabilities As at March 31, 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	4,133.09	-	-	4,133.09
Other financial liabilities	327.59	-	-	327.59

2) Market risk

As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible.

a) Foreign currency risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risks.

The Company has established risk management policies to hedge the volatility arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward contracts. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are highly rated banks, the risk of their non-performance is considered to be insignificant.

- i) The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets		
USD	523.79	352.10
HKD	0.01	-
Liabilities		
EUR	10.63	9.72
USD	9.55	4.10
CHF	0.03	-

- ii) Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant.

(Rupees in lakhs)

Particulars	Impact in statement of profit and loss for 1% change	Impact in statement of profit and loss for 1% change
	March 31, 2022	March 31, 2021
INR/USD (Net receivable)	389.84	255.80
INR/EUR (Net payable)	8.99	8.36
INR/CHF (Net payable)	0.02	-

b) Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of the loans and borrowings effected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate instruments		
Financial liability - Loans repayable on demand from banks	7,306.55	-
Financial liability	7,306.55	-

Cash flow sensitivity for variable rate instruments

(Rupees in lakhs)

Particulars	Impact on Profit or (Loss)	
	March 31, 2022	March 31, 2021
Sensitivity		
50 BPS increase in rate	36.53	-
50 BPS decrease in rate	(36.53)	-

3) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers (including related parties) to which the Company grants credit terms in the normal course of the business.

(Rupees in lakhs)

Movement in expected credit loss allowance on trade receivables	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	-
Loss allowance reversed on measurement	-	-
Balance at the end of the year	-	-

2.36 Capital Management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

As at March 31, 2022, the Company has only one class of equity shares and is virtually debt-free. The company is not subject to any externally imposed capital requirements.

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity attributable to share holders	85,472.74	73,519.05
Borrowings	7,306.55	-
Less: Cash and cash equivalents	10,697.49	10,350.28
Net debt	(3,390.94)	(10,350.28)
Total capital (equity + debt)	82,081.80	63,168.77
Net debt to capital ratio	(0.041)	(0.164)

2.37 Related Party Disclosure

Disclosure of transactions with related parties as required by Ind AS 24 - Related Party Disclosures for the year ended March 31, 2022.

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

- A Key managerial personnel
 - (i) Mr. Sabu M Jacob, Managing Director
 - (ii) Ms. Sindhu Chandrasekhar, Whole Time Director
- B Enterprise owned or significantly influenced by key management personnel or their relatives
 - (i) Kitex Childrenswear Limited
 - (ii) Kitex Limited
 - (iii) Anna Aluminium Company Private Limited
 - (iv) Kitex Herbals Limited
 - (v) Kitex Apparels Limited
 - (vi) Kitex Infantswear Limited
 - (vii) Twenty 20 Kizhakkambalam Association
- C Associate enterprise
 - (i) Kitex USA LLC
- D Wholly owned subsidiary companies
 - (i) Kitex Littlewear Limited
 - (ii) Kitex Kidswear Limited
 - (iii) Kitex Knits Limited
 - (iv) Kitex Socks Limited
 - (v) Kitex Packs Limited
 - (vi) Kitex Babywear Limited
- E Subsidiary
 - Kitex Apparel Parks Limited (w.e.f November 18, 2021)

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

(Rupees in lakhs)

A Enterprises owned or significantly influenced by key management personal or their relatives	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Kitex Childrenswear Limited		
Revenue from sale of goods and services (including expenses recovered)	12,017.57	7,286.73
Purchases of goods and services (including reimbursements)	3,591.06	2,218.70
(ii) Kitex Limited		
Revenue from sale of goods and services (including expenses recovered)	246.68	728.09
Purchases of goods and services (including reimbursements)	40.91	667.49
(iii) Anna Aluminium Company Private Limited		
Revenue from sale of goods and services (including expenses recovered)	0.70	-
Purchases of goods and services (including reimbursements)	37.17	21.69
(iv) Twenty 20 Kizhakkambalam Association		
Donation paid	597.00	630.00
Payment towards corporate social responsibility activities	138.00	280.00

(Rupees in lakhs)

B Key management personnel	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Mr. Sabu M Jacob		
Remuneration paid	926.12	447.15
(ii) Ms. Sindhu Chandrasekhar		
Remuneration paid	18.02	11.50

(Rupees in lakhs)

C Associate enterprise	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Kitex USA LLC		
Sale of readymade garments	43,226.24	26,031.14
Sales commission paid	556.85	211.50

(Rupees in lakhs)

D Wholly owned Subsidiary Companies	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Kitex Littlewear Limited		
INDAS Reversal Investment	106.99	-
Loan given	19.51	34.45
Rent income (excluding taxes)	2.35	2.12
Interest income	147.86	276.37

D Wholly owned Subsidiary Companies	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii) Kitex Kidswear Limited		
INDAS Reversal Investment	55.88	-
Loan given	197.89	30.58
Rent income (excluding taxes)	2.35	2.12
Interest income	45.37	106.55
(iii) Kitex Knits Limited		
INDAS Reversal Investment	30.66	-
Loan given	1,245.86	110.14
Rent income (excluding taxes)	2.35	2.12
Interest income	50.15	73.26
(iv) Kitex Socks Limited		
INDAS Reversal Investment	20.90	-
Loan given	6.28	8.01
Rent income (excluding taxes)	2.35	2.12
Interest income	26.41	51.38
(v) Kitex Packs Limited		
INDAS Reversal Investment	10.39	-
Loan given	5.91	363.92
Rent income (excluding taxes)	2.35	2.12
Interest income	22.75	39.98
(vi) Kitex Babywear Limited		
INDAS Reversal Investment	12.58	-
Loan given	5.01	6.16
Rent income (excluding taxes)	2.35	2.12
Interest income	16.45	31.49

2.37.3 Outstanding amounts carried in the balance sheet as at March 31, 2022

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

(Rupees in lakhs)

Name of related party	As at March 31, 2022	As at March 31, 2021
(i) Kitex Childrenswear Limited		
Trade receivables	1,134.13	1,203.99
(ii) Kitex Limited		
Trade receivables	8.52	36.54
(iii) Anna Aluminium Company Private Limited		
Advances to supplier	0.61	0.43
Trade payables	2.10	0.06

B Key management personnel

(Rupees in lakhs)

Name of related party	As at March 31, 2022	As at March 31, 2021
(i) Mr. Sabu M Jacob		
Remuneration payable	816.09	336.01
(ii) Ms. Sindhu Chandrasekhar		
Remuneration payable	1.11	0.32

C Associate enterprise

(Rupees in lakhs)

Name of related party	As at March 31, 2022	As at March 31, 2021
(i) Kitex USA LLC		
Trade receivables	22,158.02	15,256.41
Net carrying value of investment	2,776.24	2,776.24

D Investment in wholly owned subsidiaries

(Rupees in lakhs)

Name of related party	As at March 31, 2022	As at March 31, 2021
Kitex Littlewear Limited	246.63	353.62
Kitex Kidswear Limited	143.74	199.62
Kitex Knits Limited	46.26	76.92
Kitex Socks Limited	36.37	57.28
Kitex Packs Limited	21.15	31.54
Kitex Babywear Limited	26.33	38.91

E Unsecured loan receivable from wholly owned subsidiaries

(Rupees in lakhs)

Name of related party	As at March 31, 2022	As at March 31, 2021
Kitex Littlewear Limited	3,208.27	3,081.77
Kitex Kidswear Limited	1,806.84	1,553.07
Kitex Knits Limited	2,247.90	971.38
Kitex Socks Limited	625.78	598.59
Kitex Packs Limited	669.68	653.38
Kitex Babywear Limited	380.11	362.52

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

(Rupees in lakhs)

Name of related party	As at March 31, 2022	As at March 31, 2021
Kitex Littlewear Limited	620.07	483.13
Kitex Kidswear Limited	235.46	195.82
Kitex Knits Limited	174.87	129.21
Kitex Socks Limited	114.79	90.50
Kitex Packs Limited	77.60	57.06
Kitex Babywear Limited	70.45	55.28

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

2.38 As a part of Company's risk management policy, the exchange risks arising from foreign currency fluctuations are hedged by forward contracts.

2.38.1 The particulars of forward contracts entered into by the Company and outstanding as at Balance Sheet date is as under: (Rupees in lakhs)

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign currency	Rupees	Foreign currency	Rupees
Export receivables				
USD	311.96	23,648.77	-	-

2.38.2 The particulars of hedged export receivables / payables as at balance sheet date is as under: (Rupees in lakhs)

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign currency	Rupees	Foreign currency	Rupees
Export Receivables				
USD	311.96	23,648.77	-	-

2.38.3 The particulars of un hedged items as at Balance Sheet date is as under: (Rupees in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign currency	Rupees	Foreign currency	Rupees
Assets				
EUR	-	0.25	-	0.26
USD	211.83	16,058.44	352.10	25,880.86
HKD	-	0.06	-	0.06
Liabilities				
EUR	10.63	899.74	9.72	836.56
USD	9.55	723.70	4.10	301.05
CHF	0.03	2.14	-	-

2.39 Lease Accounting

Operating Lease

Office premises, godown & equipment are hired on operating lease. The lease term is renewable every year at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Amount charged to statement of profit and loss account during the year		
Rent for premises	122.24	107.49
Rent for equipment	13.77	0.29
Total	136.01	107.78

2.40 The details of provisions, contingent liabilities and contingent assets are as required under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets for the year ended March 31, 2022.

2.40.1 Contingent liabilities not provided for:

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Claims against the Company not acknowledged as debts being demand raised against the Company, disputed on Appeal before various Appellate authorities.		
(i) PF and ESI [Paid under protest include ₹225.74 lakhs (31.03.2021: ₹225.74 lakhs)]	797.33	804.44
(ii) Income tax dues [Paid under protest include ₹108.57 lakhs (31.03.2021: ₹108.57 lakhs)]	396.76	223.96
(iii) Customs department [Paid under protest include ₹99.31 lakhs (31.03.2021: ₹99.31 lakhs)]	4,533.09	4,044.21
2. Other counter guarantees in favour of banks for guarantees issued by banks	16.09	127.49
Total	5,743.27	5,200.10

2.40.2 The Company has purchased capital assets under EPCG license against which the Company has a balance export obligation of ₹497.99 Lakh (31.03.2021: ₹497.99 Lakh). Contingent liability, to the extent of duty saved in respect of EPCG is ₹150.98 Lakh (31.03.2021: ₹83 Lakh). The balance export obligation to be fulfilled as per license is upto year 2026-27.

2.40.3 The above demands are disputed by the company and matters pending in appeal before appellate authorities in various stages. In the opinion of the management and based on legal advice received the company is hopeful of getting full relief and hence no provision has been made thereof.

2.41 Financial Ratios

Ratio	As at March 31, 2022	As at March 31, 2021	Variance	Reason (If variation is more than 25%)
(a) Current Ratio, (times) (Total current assets/Current liabilities) [Current Assets= Inventories + Trade Receivable + Cash & bank balances+ Other Current Assets] [Current liabilities: Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Provisions + Other Current Liability]	4.26	7.45	(43%)	In FY 20-21 borrowing was Nil hence higher.
(b) Debt-Equity Ratio, (times) (Net debt / Average equity) [Net debt: Non-current borrowings - Cash and cash equivalents] [Equity: Equity share capital + Other equity]	0.18	0.0	100%	Nil debt in FY 20-21
(c) Debt Service Coverage Ratio, [EBIT/ Net finance charges + Scheduled principal repayments of non-current borrowings] [EBIT: Profit before taxes +/(-) Exceptional items + Net finance charges] [Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]	-	-	-	Nil debt in FY 20-21
(d) Return on Equity Ratio (%) (Profit after tax (PAT) / Average Equity) [Equity: Equity share capital + Other equity]	16%	8%	91%	FY 20-21 impacted due to Covid

Ratio	As at March 31, 2022	As at March 31, 2021	Variance	Reason (If variation is more than 25%)
(e) Inventory turnover ratio (in days) (Average inventory/Cost of materials consumed +Changes in inventories of finished goods, work in progress)	143	248	(42%)	Higher in FY 20-21 due to Covid impact.
(f) Trade Receivables turnover ratio (in days) (Average trade receivables/Turnover in days) [Turnover: Revenue from operations]	120	183	(34%)	Higher in FY 20-21 due to Covid impact.
(g) Trade payables turnover ratio (in days) Average Trade Payables / Cost of materials consumed +Changes in inventories of finished goods, work in progress [Average Trade Payables: (Opening Trade Payables + Closing Trade Payables)/2]	26	55	(54%)	Higher in FY 20-21 due to Covid impact.
(h) Net capital turnover ratio (in days) (Average working capital/Turnover) [Working capital: Current assets - Current liabilities] [Turnover: Revenue from operations]	227	335	(32%)	Higher due to Covid impact.
(i) Net profit ratio (%) (Net profit after tax / Turnover) [Turnover: Revenue from operations]	16%	13%	24%	
(j) Return on Capital employed (%) (EBIT / Capital Employed) [Capital Employed: Total Assets - Current Liabilities] [EBIT: Profit before taxes +/- Exceptional items + Net finance charges]	21%	12%	78%	FY 2020-21 ROI impacted due to Covid

2.42 Capital & Other Commitments

Estimated amount of contract remaining to be executed on capital account (net of advances): ₹631.99 lakhs (31.03.2021: ₹2230.73 lakhs).

2.43 In the opinion of the Directors, short term loans and advances and other current assets, have the value at which they are stated in the balance sheet, if realised in the ordinary course of business.

2.44 Subsequent event

Dividends declared by the Company are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable tax deducted at source (TDS). On May 19 ,2022 Board of Directors of the Company have proposed a final dividend of ₹1.50 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting. The proposal if approved, would result in a cash outflow of approximately ₹997.50 Lakhs.

2.45 Note on Ultimate Beneficiaries

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2.46 Other Disclosures

- (a) Relationship with Struck off Companies - The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (b) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (c) There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.
- (d) There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.
- (e) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

2.47 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2.48 Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's disclosure.

INDEPENDENT AUDITOR'S REPORT

To the Members of Kitex Garments Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Kitex Garments Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditor on separate financial statements of the associate, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory: [Refer to Note 1.6 to Consolidated financial statements]

The total value of inventory as of March 31, 2022 amounted to ₹15,453.49 lakhs representing 16 % of the total assets (March 31, 2021: ₹13428.93 Lakhs, 17% of the total assets). Inventories are measured at the lower of cost and net realisable value.

The valuation of inventory is dependent on implementing appropriate controls w.r.t valuation. Management applies judgement in identification & determination of obsolete inventories and estimates the appropriateness of requisite provision. Allocation of indirect production costs is also estimated which is manually loaded as inventory cost. We considered this as a Key Audit Matter as these judgements are key elements in the valuation of inventories.

We have performed the following audit procedures in relation to Inventory valuation:

- Verified relevant internal controls which the Company uses to ensure proper valuation of inventory, including the procedures for write-down of obsolete inventory and the indirect production costs manually loaded as inventory.
- Verified the adequacy of write-downs for excess and/or obsolete inventory by verifying future demand data, historical usage, historical accuracy of write-downs and management's plans to utilise the inventory.
- Evaluated the significant judgements and estimates made by Management in applying Company's accounting policy in relation to indirect production costs allocation in inventory valuation
- Assessed the Company's disclosures in the financial statements in respect of inventory as per respective standards and framework

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Management report, Chairman's statement, Director's report etc. but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for overseeing the financial reporting process of the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- a. The consolidated financial statements also include the Group's share of net loss of ₹Nil for the year ended March 31, 2022 (March 31, 2021: ₹Nil) and other comprehensive loss of ₹Nil for the year ended March 31, 2022 (March 31, 2021: ₹Nil), as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 2.40.1 to the consolidated financial statements.
 - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
 - iv(a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, to or in any other person(s) or entities, including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - iv(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (iv) (a) and (iv) (b) above, contain any material mis-statement.
 - (v) The Holding Company have declared and paid dividend during the year which is in compliance with section 123 of the Act

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
3. According to the information and explanations given to us and based on the CARO reports issued by us for the Company and on consideration of CARO reports by statutory auditors of subsidiaries incorporated in India included in the consolidated financial statements of the Company to which reporting under CARO is applicable, we report that there are no Qualifications/ adverse remarks.

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

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 22029409AJFWZF4393

Place: Chennai
Date: May 19, 2022

ANNEXURE – A

TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For MSKA & Associates
Chartered Accountants**

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 22029409AJFWZF4393

Place: Chennai

Date: May 19, 2022

ANNEXURE – B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Kitex Garments Limited on the consolidated Financial Statements for the year ended March 31, 2022]

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Kitex Garments Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For MSKA & Associates
Chartered Accountants**

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 22029409AJFWZF4393

Place: Chennai

Date: May 19, 2022

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

(Rupees in lakhs)

Sl No.	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	2.01A	24,209.22	22,712.83
	(b) Capital work-in-progress	2.01B	1,162.11	2,008.54
	(c) Other intangible assets	2.01C	98.90	31.43
	(d) Intangible assets under development	2.01D	-	0.90
	(e) Financial assets			
	(i) Investments	2.02	2.46	2.55
	(ii) Other financial assets	2.03	4,633.33	226.14
	(f) Non-current tax assets	2.04	275.93	275.93
	(g) Other non-current assets	2.05	1,067.11	1,098.51
2	Current assets			
	(a) Inventories	2.06	15,453.49	13,428.93
	(b) Financial assets			
	(i) Trade receivables	2.07	31,415.36	17,764.59
	(ii) Cash and cash equivalents	2.08	10,785.09	10,432.79
	(iii) Bank balances other than (ii) above	2.09	2,601.30	4,707.04
	(iv) Other financial assets	2.10	4,921.92	3,267.29
	(c) Other current assets	2.11	2,735.39	2,786.77
	TOTAL ASSETS		99,361.61	78,744.24
II	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	2.12	665.00	665.00
	(b) Other equity	2.13	80,550.03	68,912.46
	Liabilities			
2	Non-current liabilities			
	(a) Provisions	2.14	982.05	1,096.67
	(b) Deferred tax liabilities (net)	2.15	546.27	567.80
	(c) Other non-current liabilities	2.16	355.65	442.64
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	2.17	7,306.55	-
	(ii) Trade payables	2.18		
	- Total outstanding dues of micro enterprises and small enterprises		300.76	133.84
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,860.16	3,999.25
	(iii) Other financial liabilities	2.19	161.69	327.59
	(b) Other current liabilities	2.20	621.78	472.34
	(c) Provisions	2.21	354.17	355.91
	(d) Current tax liabilities (net)	2.22	1,657.50	1,770.74
	TOTAL EQUITY AND LIABILITIES		99,361.61	78,744.24
	Consolidated significant accounting policies	1 - 1.22		

The accompanying notes are an integral part of consolidated financial statements

As per our separate report of even date attached

For MSKA & Associates

Chartered Accountants
Firm Registration No. 105047W

Sd/-

Geetha Jeyakumar

Partner

Membership No. 029409

Place: Chennai

Date: May 19, 2022

For and on behalf of the Board of Directors of

Kitex Garments Limited

CIN: L18101KL1992PLC006258

Sd/-

Sabu M Jacob

Chairman &

Managing Director

DIN:00046016

Sd/-

CA Bobby Michael

Chief Financial Officer

Place: Kizhakkambalam

Date: May 19, 2022

Sd/-

CA Benni Joseph

Director

DIN: 01219476

Sd/-

CS Mithun B Shenoy

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs)

Sl No.	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Income			
	(a) Revenue from operations	2.23	78,832.83	45,538.82
	(b) Other income	2.24	2,689.08	431.29
	Total Income		81,521.91	45,970.11
II	Expenses			
	(a) Cost of materials consumed	2.25	37,431.00	19,524.90
	(b) Changes in inventories of finished goods and work-in-progress	2.26	(689.13)	(38.17)
	(c) Employee benefits expense	2.27	11,426.42	7,725.77
	(d) Finance costs	2.28	361.87	255.59
	(e) Depreciation and amortization expense	2.29	2,143.77	2,310.44
	(f) Other expenses	2.30	13,589.69	8,299.25
	Total Expenses		64,263.62	38,077.78
III	Profit before tax (I - II)		17,258.29	7,892.33
IV	Tax expense:			
	(a) Current tax		4,809.00	2,581.77
	(b) Deferred tax	2.15	(62.85)	(116.70)
			4,746.15	2,465.07
V	Profit for the year (III-IV)		12,512.14	5,427.26
VI	Other comprehensive income			
A	Items that will not be reclassified to profit or loss			
	(i) Re-measurements of post employment benefit obligations		164.33	16.51
	(ii) Fair value changes on equity instruments carried through other comprehensive income		(0.11)	0.30
	(iii) Income tax relating to items that will not be reclassified to profit or loss		(41.33)	(4.23)
VII	Total comprehensive income for the year (V+VI)		12,635.03	5,439.84
VIII	Earnings per equity share (Face value of Re. 1 each)	2.31		
	Basic & Diluted in ₹		18.82	8.16
	Consolidated significant accounting policies	1 - 1.22		

The accompanying notes are an integral part of consolidated financial statements

As per our separate report of even date attached

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

Sd/-
Geetha Jeyakumar
Partner
Membership No. 029409

Place: Chennai
Date: May 19, 2022

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

Sd/-
Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Sd/-
CA Bobby Michael
Chief Financial Officer
Place: Kizhakkambalam
Date: May 19, 2022

Sd/-
CA Benni Joseph
Director
DIN: 01219476

Sd/-
CS Mithun B Shenoy
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

(Rupees in lakhs)

Sl No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	Cash Flows from Operating Activities:		
	Net Profit before tax	17,258.29	7,892.33
	Adjustments for:		
	Depreciation and amortisation expense	2,143.77	2,310.44
	Unrealised foreign exchange (gain) / loss (net)	(986.63)	(276.79)
	Gain on foreign exchange forward contracts	(230.83)	(210.62)
	Interest income	(137.28)	(123.14)
	Deferred grant income	(154.97)	(154.97)
	Loss on sale of property, plant and equipment (net)	(23.29)	-
	Provision / sundry balances written off	(19.88)	58.30
	Interest expense	361.87	253.95
	Operating profit before working capital changes	18,211.05	9,749.50
	Changes in working capital:		
	(Increase) / Decrease in trade and other receivables	(12,908.92)	4,659.70
	(Increase) in inventories	(2,024.55)	(396.06)
	Increase / (Decrease) in trade, other payables and provisions	1,944.48	(422.14)
	Cash generated from operating activities before taxes	5,222.06	13591.00
	Direct taxes paid (net of refunds)	(4,922.24)	(1979.83)
	Net cash generated from operating activities (A)	299.82	11611.17
B	Cash Flows from Investing Activities:		
	Purchase of property, plant and equipment and intangible assets, CWIP including capital advances	(2,711.22)	(953.09)
	Proceeds from sale of property, plant and equipment	23.29	-
	Bank balances not considered as Cash and cash equivalents	2,105.74	-
	Share application money given to Kitex Apparel Parks Ltd.	(4,388.43)	-
	Interest received	(1,130.84)	112.24
	Net cash used in investing activities (B)	(6,101.46)	(840.85)
C	Cash Flow from Financing Activities:		
	Proceeds / (repayment) from bank borrowings (net)	7,306.55	(9612.57)
	Interest paid	(317.97)	(253.95)
	Dividend / dividend distribution tax paid	(997.86)	(10.91)
	Net cash flow from / (used in) financing activities (C)	5,990.72	(9877.43)
	Net increase in cash and cash equivalents (A+B+C)	189.08	892.89
	Exchange difference on translation of foreign currency cash and cash equivalents	163.22	85.60
	Cash and cash equivalents at the beginning of the year	10,432.79	9454.30
	Cash and cash equivalents at the end of the year (See note 2.08)	10,785.09	10432.79
	Consolidated significant accounting policies	1-1.22	

The accompanying notes are an integral part of consolidated financial statements

Note: a) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - Statement of Cash Flows.

As per our separate report of even date attached

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

Sd/-
Geetha Jeyakumar
Partner
Membership No. 029409

Place: Chennai
Date: May 19, 2022

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

Sd/-
Sabu M Jacob
Chairman &
Managing Director
DIN:00046016

Sd/-
CA Bobby Michael
Chief Financial Officer
Place: Kizhakkambalam
Date: May 19, 2022

Sd/-
CA Benni Joseph
Director
DIN: 01219476

Sd/-
CS Mithun B Shenoy
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

A Equity Share Capital

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the reporting year	665.00	665.00
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	665.00	665.00

B Other Equity

(Rupees in lakhs)

Particulars	Reserves and surplus			Exchange difference on translating the share of accumulated reserves of the associate	Equity instrument through other comprehensive income	Total
	Capital reserve	General reserve	Retained earnings			
Balance as at April 01, 2020	22.10	24,675.00	38,802.94	(30.37)	2.95	63,472.62
Profit for the year	-	-	5,427.26	-	-	5,427.26
Re-measurements of post employment benefit obligations (net of tax)	-	-	12.35	-	-	12.35
Fair value changes on equity instruments carried through other comprehensive income (net of tax)	-	-	-	-	0.23	0.23
Transfer to reserves	-	2,000.00	(2,000.00)	-	-	-
Balance as at March 31, 2021	22.10	26,675.00	42,242.55	(30.37)	3.18	68,912.46
Balance as at April 01, 2021	22.10	26,675.00	42,242.55	(30.37)	3.18	68,912.46
Profit for the year	-	-	12,512.14	-	-	12,512.14
Re-measurements of post employment benefit obligations (net of tax)	-	-	123.05	-	-	123.05
Fair value changes on equity instruments carried through other comprehensive income (net of tax)	-	-	-	-	(0.11)	(0.11)
Dividends paid	-	-	(997.50)	-	-	(997.50)
Transfer to reserves	-	2,000.00	(2,000.00)	-	-	-
Balance as at March 31, 2022	22.10	28,675.00	51,880.23	(30.37)	(3.07)	80,550.03

Consolidated significant accounting policies - 1 to 1.22

The accompanying notes are an integral part of consolidated financial statements

As per our separate report of even date attached

For MSKA & Associates

Chartered Accountants
Firm Registration No. 105047W

Sd/-

Geetha JeyakumarPartner
Membership No. 029409

Place: Chennai

Date: May 19, 2022

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

Sd/-

Sabu M JacobChairman &
Managing Director
DIN:00046016

Sd/-

CA Bobby MichaelChief Financial Officer
Place: Kizhakkambalam
Date: May 19, 2022

Sd/-

CA Benni JosephDirector
DIN: 01219476

Sd/-

CS Mithun B Shenoy

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

General Information

Kitex Garments Limited ('the Holding Company') and its subsidiaries (collectively, "the Group") and associate is primarily involved in manufacturer and export of knitted garments for infants and kids. The Holding Company is a Public Company incorporated and domiciled in India having its registered office at Kizhakkambalam, Alwaye, Ernakulam - 683562, Kerala, India. The Holding Company has been incorporated under the provisions of Companies Act; 1956 and its equity shares are listed on the BSE Limited and The National Stock Exchange India Limited in India.

1. Significant Accounting Policies

1.1 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and entities controlled by the Holding Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Holding Company obtains control over the subsidiary and ceases when the Holding Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Holding Company gains control until the date when the Holding Company ceases to control the subsidiary.

The consolidated financial statements of the Holding Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profit or losses. These financial statements are prepared by applying uniform accounting policies in use at the Group. The excess of the Holding Company's portion of equity of the subsidiaries as at the date of its investment over the cost of its investment is treated as Capital Reserve on consolidation. The excess of cost to the Holding Company of its investment over the Holding Company's portion of equity as at the date of investment is treated as Goodwill on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Holding Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Holding Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the holding company's accounting policies.

Investments in associate

An associate is an entity over which the Holding Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Holding Company's investments in its associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Holding Company's share of net assets of the associate since the acquisition date.

The statement of profit and loss reflects the Holding Company's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Holding Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Holding Company recognises its share of any changes, when applicable, in the statement of changes in equity.

The aggregate of the Holding Company's share of profit or loss of an associate is shown on the face of the consolidated statement of profit and loss.

Entities controlled by the Company are consolidated from the date the control commences until the date control ceases. The subsidiary companies which are included in the consolidation and the Holding Company ownership interest are as under:

Name of the Company's	Relationship	Country of incorporation	Ownership interest March 31, 2022	Ownership interest March 31, 2021
Kitex Babywear Limited	Wholly owned subsidiary	India	100%	100%
Kitex Kidswear Limited	Wholly owned subsidiary	India	100%	100%
Kitex Knits Limited	Wholly owned subsidiary	India	100%	100%
Kitex Littlewear Limited	Wholly owned subsidiary	India	100%	100%
Kitex Packs Limited	Wholly owned subsidiary	India	100%	100%
Kitex Socks Limited	Wholly owned subsidiary	India	100%	100%

The associate company which are included in the Consolidation and the Holding Company ownership interest are as under:

Name of the body corporate	Relationship	Country of incorporation	Ownership interest March 31, 2022	Ownership interest March 31, 2021
Kitex USA LLC	Associate	United States	50%	50%

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.

1.2 Basis of Preparation of Consolidated Financial Statements

(i) Statement of compliance

The Consolidated Financial Statements of the Group and its associate have been prepared in accordance with Indian Accounting Standard ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules 2015, as amended read with section 133 of the Companies Act ("the Act") and other relevant provisions of the Act.

(ii) Basis of measurement

Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated financial statements have been prepared on a historical cost basis on the accrual basis of accounting, except for the following -

- Financial assets and liabilities that is measured at fair value;
- Defined benefit plans - plan assets measured at fair value;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(iii) Rounding off amounts

All amounts disclosed in consolidated financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

(iv) Use of estimates

In the preparation of consolidated financial statements, the management makes estimates and assumptions in conformity with the Generally Accepted Accounting Principles in India. Such estimates and assumptions are made on reasonable and prudent basis taking into account all available information. However actual results could differ from these estimates and assumptions and such differences are recognised in the period in which results are ascertained. The estimates and underlying assumptions are reviewed on an ongoing basis.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 1.21.

1.3 Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the group has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

1.4 Property, Plant & Equipment

Property, plant and equipment (except freehold land) are stated at cost of acquisition less accumulated depreciation and impairment if any. Freehold land is carried at historical cost. The group is adopting the cost model for determining gross carrying amount. Cost comprises of purchase price, inward freight, duties, taxes and any attributable cost of bringing the assets to its working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the group and the cost of the item can be measured reliably.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed by the management at each financial year and adjusted prospectively, if appropriate.

Capital work in progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Depreciation methods, estimated useful lives

Depreciation on Property, plant and equipment is provided on Straight Line Method at the useful lives based on a review by the management at the year-end as under:

- (a) Assets (other than capital spares) - based on useful lives prescribed under Schedule II of the Companies Act, 2013
- (b) Capital spares - based on useful life of each replaced part (2 - 5 years).

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

1.5 Intangible Assets

Cost of software is capitalised as intangible asset and amortised on a straight-line basis over the economic useful life of three years.

The residual values, useful lives and methods of depreciation of intangible assets are reviewed by the management at each financial year and adjusted prospectively, if appropriate.

1.6 Inventories

Inventories are valued at lower of cost or net realisable value. For this purpose, the cost of bought-out inventories comprises of the purchase cost of the items, net of applicable tax/duty credits and cost of bringing such items into the factory on First-In, First-Out (FIFO) basis. Cost of Inventory comprises Cost of Purchase, Cost of Conversion and other Costs incurred to bring them to their respective present location and condition. The net realisable value of bought out inventories is taken at their current replacement value. The cost of manufactured inventories comprises of the direct cost of production plus appropriate fixed and variable production overheads.

Difference between the purchase price for normal credit terms and the amount paid for deferred settlement terms, if any, is recognised as an expense.

1.7 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the consolidated financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Group.

(b) Transactions and balances

Foreign exchange transactions are recorded at the functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary assets and liabilities denominated in foreign currencies existing as on the Balance Sheet date are translated at the functional currency exchange rate prevailing as at the Balance Sheet date. The exchange difference arising from the settlement of transactions during the period and effect of translations of assets and liabilities at the Balance Sheet date are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or profit and loss are also recognised in Other Comprehensive Income or profit and loss, respectively).

(c) Derivative instruments and hedge accounting

The group uses foreign currency derivative contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecasted transactions. The group designates these as cash flow hedges applying the recognition and measurement principles set out in Ind AS 109- Financial Instruments.

The use of foreign currency and derivative contracts is governed by the Group's policies approved by the Board of directors which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy. The group does not use derivative financial instruments for speculative purposes.

Foreign currency derivative instruments are initially measured at fair value and are re-measured at subsequent reporting dates. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit and loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income in the cash flow hedge reserve and later reclassified to profit and loss when the hedge item affects profit and loss.

Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

1.8 Leases

The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after April 01, 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense over the lease term.

1.9 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as expenditure in the period in which they are incurred.

1.10 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants shall be recognised in profit and loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to depreciable assets are presented in the balance sheet by setting up the grant as deferred income and are recognised in profit and loss over the periods and in the proportions in which depreciation expense on those assets is recognised and are presented under Other Income.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit and loss of the period in which it becomes receivable and are presented under Other Income/ deducted from the related heads of expenditure.

1.11 Financial Instruments

(a) Financial asset

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- (a) at amortized cost; or
- (b) at fair value through other comprehensive income; or at fair value through profit or loss.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

(iii) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

(b) Financial liabilities

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except, financial liabilities at fair value through profit or loss which are initially measured at fair value.

After initial recognition at fair value net of directly attributable transaction costs, interest-bearing borrowings, finance lease liabilities, Trade payables and other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit and loss when the liabilities are de-recognised as well as through the amortisation of effective interest.

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments

Derivative instruments not designated as Cash flow hedges

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, like foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

1.12 Revenue Recognition

The Group derives revenues primarily from sale of manufactured fabric and readymade garments.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Other operating revenue - Export incentives: Export Incentives under various schemes are accounted upon fulfilling the conditions established by respective regulations as applicable to the Group and as amended from time to time.

Income is recognised at the value or rate prescribed by respective regulations.

1.13 Taxes

Current tax is determined as the amount of tax payable in respect of taxable income for the year computed in accordance with the provisions of the Income Tax Act, 1961. Taxable income differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or items related to equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.14 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including nonmonetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) Defined contribution plans

The group has defined contribution plans for employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are recognised as employee benefit expense in the Statement of Profit and Loss for the year.

(c) Defined benefit plans: Gratuity

The net present value of the obligation for gratuity benefits are determined by independent actuarial valuation, conducted annually using the projected unit credit method.

The retirement benefit obligations recognised in the Balance Sheet represents the present value of the defined benefit obligations reduced by the fair value of plan assets. All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefits are recognised immediately in Statement of Profit and Loss as past service cost, if any, and net interest on the defined benefit liability/(asset) are recognised in the Statement of Profit and Loss.

Remeasurements of the net defined benefit liability/(asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest), are recognised in Other Comprehensive Income. Such remeasurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

(d) Long-term employee benefits: Compensated absences

The group has a scheme for compensated absences for employees, the liability of which is determined based on an independent actuarial valuation carried out at the end of the year, using the projected unit credit method. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

1.15 Segment Reporting

Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Group.

1.16 Earnings Per Share

Basic/diluted earnings per share is calculated by dividing the net profit and loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares/diluted potential equity shares outstanding as at the end of the year, as the case may be.

1.17 Impairment of Non-financial Assets

The Group assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. An asset or a cash generating unit is treated as impaired, when the carrying value of assets exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Based on such assessment, impairment loss if any is recognised in the Statement of Profit and Loss for the period in which the asset is identified as impaired.

1.18 Consolidated Cash Flow Statement

Consolidated cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The consolidated cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

1.19 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.20 Provisions and Contingent Liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) because of a past event, for which it is probable that a cash outflow will be required, and a reliable estimate can be made of the amount of the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

When the group expects some or all the provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liabilities are disclosed when the group has a possible obligation, or a present obligation and it is probable that an outflow of resources will not be required to settle the obligation, or the amount of obligation cannot be measured with sufficient reliability.

1.21 Significant Accounting Judgments Estimates and Assumptions

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

(i) Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

(ii) Actuarial valuation:

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after considering inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the consolidated financial statements.

(iii) Impairment of assets:

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

(iv) Recoverability of advances/receivables:

Management reviews its receivables for objective evidence of impairment at least quarterly. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics.

1.22 Recent Pronouncements

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- Changes to contractual cash flows - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- Hedge accounting - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The amendments do not have significant impact on the financial statements

Amendment to Ind AS 103 "Business Combination" – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired, and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 – Business Combinations. The Group does not expect the amendment to have any significant impact in its financial statements.

Amendment to Ind AS 16 "Property, Plant and Equipment" – Proceeds before intended use

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

2.01 A - Property, Plant and Equipment

(Rupees in Lakhs)

	GROSS BLOCK			As at March 31, 2022	ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2021	Additions during the year	Disposal / Adjustments		As at April 1, 2021	During the Year	Disposal / Adjustments	As at March 31, 2022	As at March 31, 2022
Freehold Land	8,084.58	1,530.19	-	9,614.77	-	-	-	-	9,614.77
Building	6,753.15	97.09	-	6,850.24	952.67	234.23	-	1,186.90	5,663.34
Plant & Machinery	17,170.14	1,692.50	-	18,862.64	9,281.66	1,556.90	-	10,838.56	8,024.08
Furniture & Fixtures	235.72	-	-	235.72	139.74	19.90	-	159.64	76.08
Vehicles	690.47	-	56.76	633.71	359.06	75.60	56.76	377.90	255.81
Office Equipments	569.40	19.68	-	589.08	296.16	95.33	-	391.49	197.59
Computers	610.67	16.13	-	626.80	504.54	81.29	-	585.83	40.97
Electrical Equipments	364.63	238.36	-	602.99	232.10	34.31	-	266.41	336.58
Total	34,478.76	3,593.95	56.76	38,015.95	11,765.93	2,097.56	56.76	13,806.73	24,209.22

(Rupees in Lakhs)

	GROSS BLOCK			As at March 31, 2021	ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2020	Additions during the year	Disposal / Adjustments		As at April 1, 2020	During the Year	Disposal / Adjustments	As at March 31, 2021	As at March 31, 2021
Freehold Land	6,908.95	1,175.63	-	8,084.58	-	-	-	-	8,084.58
Building	6,745.81	7.34	-	6,753.15	719.98	232.69	-	952.67	5,800.48
Plant & Machinery	16,742.93	427.21	-	17,170.14	7,588.43	1,693.23	-	9,281.66	7,888.48
Furniture & Fixtures	231.24	4.48	-	235.72	118.46	21.28	-	139.74	95.98
Vehicles	690.47	-	-	690.47	274.99	84.07	-	359.06	331.41
Office Equipments	564.33	5.07	-	569.40	190.78	105.38	-	296.16	273.24
Computers	607.77	2.90	-	610.67	378.87	125.67	-	504.54	106.13
Electrical Equipments	325.44	39.19	-	364.63	204.67	27.43	-	232.10	132.53
Total	32,816.94	1,661.82	-	34,478.76	9,476.18	2,289.75	-	11,765.93	22,712.83

2.01 B - Capital Work-in-Progress

(Rupees in Lakhs)

	CARRYING VALUE			As at March 31, 2022
	As at April 1, 2021	Additions / Adjustments	Deductions / Adjustments	
Building under Construction	5.45	651.61	99.49	557.57
Plant and Equipment under Installation	2,003.09	532.51	1,931.06	604.54
Total	2,008.54	1,184.12	2,030.55	1,162.11

(Rupees in Lakhs)

	CARRYING VALUE			As at March 31, 2021
	As at April 1, 2020	Additions / Adjustments	Deductions / Adjustments	
Building under Construction	1.63	11.16	7.34	5.45
Plant and Equipment under Installation	2,029.45	266.61	292.97	2,003.09
Total	2,031.08	277.77	300.31	2,008.54

2.01 C - Other Intangible Assets

(Rupees in Lakhs)

	GROSS BLOCK			As at March 31, 2022	ACCUMULATED AMORTISATION			As at March 31, 2022	As at March 31, 2022
	As at April 1, 2021	Additions during the year	Disposal / Adjustments		As at April 1, 2021	During the Year	Disposal / Adjustments		
Computer software	169.42	113.68	-	283.10	137.99	46.21	-	184.20	98.90
Total	169.42	113.68	-	283.10	137.99	46.21	-	184.20	98.90

(Rupees in Lakhs)

	GROSS BLOCK			As at March 31, 2021	ACCUMULATED AMORTISATION			As at March 31, 2021	As at March 31, 2021
	As at April 1, 2020	Additions during the year	Disposal / Adjustments		As at April 1, 2020	During the Year	Disposal / Adjustments		
Computer software	137.04	32.38	-	169.42	117.30	20.69	-	137.99	31.43
Total	137.04	32.38	-	169.42	117.30	20.69	-	137.99	31.43

2.01 D - Intangible Assets under Development

(Rupees in Lakhs)

	CARRYING VALUE			
	As at April 1, 2021	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2022
Software under development	0.90	-	0.90	0
Total	0.90	-	0.90	0

(Rupees in Lakhs)

	CARRYING VALUE			
	As at April 1, 2020	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2021
Software under development	32.39	0.90	32.39	0.90
Total	32.39	0.90	32.39	0.90

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

(Rupees in Lakhs)

Particulars	Amount in CWIP for a period of				As at March 31, 2022
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	700.32	158.38	226.34	77.07	1,162.11

(Rupees in Lakhs)

Particulars	Amount in CWIP for a period of				As at March 31, 2021
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	197.16	304.66	381.67	1,125.05	2,008.54

2.02 Investments [Non-Current]

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted		
Investments carried at cost		
Investments in equity instruments of associate company		
4,250,210.09 (4,250,210.09) fully paid-up membership units of USD 1 each in Kitex USA LLC	2,776.24	2,776.24
Less:		
Share of accumulated reserve	(2,776.24)	(2,776.24)
	-	-
Quoted		
Investments carried at fair value through other comprehensive income		
7,000 (7,000) fully paid-up equity shares of ₹2/- each in Punjab National Bank Limited	2.46	2.55
Total	2.46	2.55
Aggregate amount of unquoted investments	-	-
Aggregate amount of quoted investments and market value thereof; (The market value of quoted investments is equal to the carrying value)	2.46	2.55

2.02.1 Loss on investment restricted to the investment available**2.03 Other Financial Assets [Non-Current]**

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security deposit	244.90	226.14
Share application money to Kitex Apparel Parks Limited [see note below]	4,388.43	-
Total	4,633.33	226.14

2.03.1 Deposit account represents deposits held as security which are not expected to be refunded next 12 months.

2.03.2 The designated subsidiary company, "Kitex Apparel Parks Limited" incorporated on November 18, 2021 with a proposed investment of ₹75,000 lakhs has decided to issue and allot equity shares to the tune of ₹10,000 lakhs subsequently to its subscribers. The designated subsidiary company's operations will encompass all verticals from spinning to ready made garments including manufacture of accessories and packing materials.

2.04 Non Current Tax Assets

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax (net)	275.93	275.93
Total	275.93	275.93

2.05 Other Non-Current Assets

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Capital advances	742.06	773.46
Balances with government authorities	325.05	325.05
Total	1,067.11	1,098.51

2.06 Inventories

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials	4,976.97	3,592.28
Raw materials in transit	66.16	90.87
Work-in-progress	9,945.96	8,506.18
Finished goods [See note 2.07.2]	246.10	996.74
Stores and spares	218.30	242.54
Stores and spares in transit	-	0.32
Total	15,453.49	13,428.93

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

2.06.2 During the year ended March 31, 2022 - ₹307.34 Lakhs (31.03.2021: Nil) was recognised as an expense for write down in value of inventories to their net realisable value.

2.06.3 See detailed note 2.18 [a] of pari passu charge on the inventory of the Group.

2.07 Trade Receivables

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good [See note 2.08.1]	31,415.36	17,764.59
Total	31,415.36	17,764.59

2.07.1 (i) Trade receivables includes amounts due from related parties ₹23,300.67 lakhs (31.03.2021: ₹16,496.94 lakhs). See note 2.37.

(ii) Trade receivables are non-interest bearing and are generally on credit terms not exceeding 90 days.

(iii) There are no outstanding receivables due from directors or other officers of the Group. No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

2.07.2 During 2017-18, TOYS "R" US, Inc., a customer of the Group had filed a petition in the Bankruptcy Court in the United States to wind down its US operation. Provision of ₹347.03 lakhs was made for the receivables towards loss, if any on recovery of receivables in the same year. After the hearings at the US Bankruptcy court on September 6, 2018 and November 13, 2018, Plan submitted under Chapter 11 was confirmed. The Claim allowed to the group aggregates to 9.17 Million USD. Consequently, the provision carried in the books of ₹347.03 lakhs was written back during 2018-19. Later, Group has received interim disbursement of 2.31 million USD in earlier years from the liquidator of TOY"R" US, Inc.

2.07.3 Trade Receivables ageing schedule

(Rupees in lakhs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2022
	<6 months	6 months -1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	30,894.40	0.80	0.62	0.17		30,895.96
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	519.40	519.40
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total						31,415.36

(Rupees in lakhs)

Particulars	Outstanding for following periods from due date of payment					As at March 31, 2021
	<6 months	6 months -1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	17,256.57	0.08	4.27	0.07		17,260.97
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	503.62	503.62
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total						17,764.59

2.08 Cash and Cash Equivalents

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks - In current accounts	10,766.27	10,412.67
Cash on hand	18.82	20.12
Total	10,785.09	10,432.79

2.09 Bank balances other than Cash and Cash Equivalents

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks		
In deposit accounts [See note 2.10.1]	2,518.23	4,623.72
In earmarked accounts:		
(a) Unpaid dividend accounts	82.96	83.32
(b) Restricted balance with bank- Dormant	0.11	-
Total	2,601.30	4,707.04

2.09.1 (i) Balances with banks in deposit accounts held as security against Letter of Credits/ Guarantee as on 31.03.2022 was ₹1896.47 lakhs, with a maturity period of less than 12 months.

2.10 Other Financial Assets

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Subsidy receivable [see note 2.11.2]	1,136.74	1,116.51
Export incentives receivable	3,483.40	2,059.31
Other deposits	-	2.00
Rent deposits	38.60	38.51
Interest receivable on deposits	32.35	50.96
Foreign exchange forward contracts	230.83	-
Total	4,921.92	3,267.29

2.10.1 There are no other current financial assets as at March 31, 2022 and March 31, 2021 which have significant increase in credit risk or which are credit impaired

2.10.2 Includes Technology upgradation fund scheme subsidy receivable from Ministry of Textiles ₹1,116.51 Lakhs (31.03.2021: 1,116.51 Lakhs)

2.11 Other Current Assets

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received.	486.44	511.68
Balances with government authorities	2,010.38	2,021.80
Advances to staff	25.59	33.64
Prepaid expenses	74.60	97.58
Export entitlements / rebates receivable on export	138.38	122.07
Total	2,735.39	2,786.77

2.12 Equity Share Capital

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised		
250,000,000 (250,000,000) equity shares of Re. 1/- each	2,500.00	2,500.00
Issued, subscribed and fully paid-up		
66,500,000 (66,500,000) equity shares of Re. 1/- each	665.00	665.00
Total	665.00	665.00

2.12.1 Terms / rights attached to equity shareholders

The Group has only one class of shares referred to as equity shares with a face value of ₹1/- each. Each holder of equity share is entitled to one vote per share. The Group declares and pays dividends in Indian Rupees. The dividend proposed / declared by the Board of Directors is subject to approval / regularisation of the shareholders in the Annual General Meeting. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group after distribution of all preferential amounts, in proportion to the number of equity shares held by the shareholders.

2.12.2 Reconciliation of subscribed equity shares with voting rights at the beginning and at the end of the financial year

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount (₹ in lakhs)	No. of shares	Amount (₹ in lakhs)
No. of shares as at the beginning of the financial year	66,500,000	665.00	66,500,000	665.00
Add: Issued during the year	-	-	-	-
No. of shares as at the end of the financial year	66,500,000	665.00	66,500,000	665.00

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of total holding	No. of shares	% of total holding
Mr. Sabu M Jacob	22,730,901	34.18	22,015,606	33.11
Kitex Childrenswear Limited	10,585,822	15.92	10,585,822	15.92
Ms. Renjitha Joseph	4,328,100	6.51	4,328,100	6.51
C K G Super Market Limited	3,600,000	5.41	4,000,000	6.02
Mr. Gopinathan C K	3,601,000	5.42	4,467,900	6.72

As per records of the Group, including its Register of Members and other declarations received from them regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

2.12.4 Particulars of promoters' shareholding percentage in the Group is as below

Promoters name	As at March 31, 2022		As at March 31, 2021	
	No. of shares	%	No. of shares	%
Sabu M Jacob	22,730,901	34.18	22,015,606	v.11
Kitex Childrenswear Limited	10,585,822	15.92	10,585,822	15.92
Renjitha Joseph	4,328,100	6.51	4,328,100	6.51
Boby M Jacob	31,789	0.05	27,289	0.04

2.12.5 Aggregate number of bonus shares Issued during the period of five years immediately preceding the reporting date

Particulars	No. of shares	Rupees in lakhs
Equity shares allotted as fully paid-up bonus shares		
Financial Year 2017-18	19,000,000	190.00

2.13 Other Equity

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve		
Investment subsidy	22.10	22.10
General reserve		
Opening balance	26,675.00	24,675.00
Add: Transfer from retained earnings	2,000.00	2,000.00
Closing balance	28,675.00	26,675.00
Retained earnings		
Opening balance	42,242.55	38,802.00
Add: Profit for the year	12,512.14	5,427.26
Less: Re-measurements of post employment benefit obligations (net of tax)	123.05	12.35
	54,877.74	44,242.55
Less:		
Transfer to general reserve	2,000.00	2,000.00
Payment of dividends	997.50	-
Closing balance	51,880.24	42,242.55
Equity instrument through other comprehensive income		
Opening balance	3.18	2.95
Add : Fair value changes on equity instruments carried through other comprehensive income (net of tax)	(0.11)	0.23
Closing balance	3.07	3.18
Total	80580.40	68942.83
Exchange difference on translating the share of accumulated reserve of the associate		
Opening balance	(30.37)	(30.37)
Add: Exchange differences on translation relating to associate	-	-
Closing balance	(30.37)	(30.37)
Total	80,550.03	68,912.46

2.13.1 Description of nature and purpose of each reserve

- (i) Capital reserve: Capital reserve denotes investment subsidy received by the Group amounting to ₹22.10 lakhs (31.03.2021: ₹22.10 lakhs).
- (ii) General reserve: General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General Reserve is created by a transfer from one component of equity to another and is not an item of comprehensive income.
- (iii) Equity instruments through other comprehensive income: This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.
- (iv) Exchange differences on translating the share of accumulated reserves of the Associate : The exchange differences arising on translation of the share of accumulated reserve of the Associate from functional currency to presentation currency in accordance with Ind AS 21, the effects of changes in Foreign Exchange Rates

2.14 Provisions

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity [See note 2.15.2]	807.04	897.93
Provision for compensated absences [See note 2.15.2]	175.01	198.74
Total	982.05	1,096.67

214.1 Short-term provisions of employee benefits is disclosed in note 2.22

2.14.2 Disclosures required under Ind AS 19 - "Employee Benefits"

2.14.2a Defined contribution plans

During the year, the following amounts have been recognised in the statement of profit and loss on account of defined contribution plans:

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Employers contribution to provident fund	612.21	389.23
Employers contribution to employees' state insurance	137.37	101.34

2.14.2b Defined benefit plans - gratuity: unfunded obligation

(Rupees in lakhs)

(i) Actuarial assumptions	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.05%	5.45%
Salary escalation rate*	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

*The assumption of future salary escalation takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

(Rupees in lakhs)

(ii) Reconciliation of present value of obligation	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the beginning of the year	1,126.76	1,003.66
Current service cost	189.56	184.88
Interest cost	55.17	50.07
Actuarial (gain) / loss - financial assumptions	(37.41)	6.80
Actuarial (gain) / loss - experience adjustments	(126.92)	(23.31)
Benefits paid	(164.95)	(95.35)
Present value of obligation at the end of the year	1,042.21	1,126.76
Contributions by the employer	164.95	95.35
Benefits paid	(164.95)	(95.35)
Expected employers' contribution next year	-	-

(iii) Expenses recognized in the statement profit and loss		
Current service cost	189.56	184.88
Interest cost	55.17	50.07
Total expenses recognized in the statement of profit and loss for the year	244.73	234.95
(iv) Expenses recognized in other comprehensive income		
Opening amount recognised in OCI outside profit and loss account	14.52	31.03
Re-measurements during the period due to		
(a) Changes in financial assumptions	(37.41)	6.80
(b) Experience adjustments	(126.92)	(23.31)
Total re-measurements included in other comprehensive income (a+b)	(164.33)	(16.51)
Closing amount recognised in OCI outside profit and loss account	(149.81)	14.52
(v) Sensitivity analysis		
Discount rate +50 basis points	(2.80%)	(2.94%)
Discount rate -50 basis points	2.97%	3.13%
Salary increase rate +50 basis points	2.90%	3.04%
Salary increase rate -50 basis points	(2.75%)	(2.88%)

(Rupees in lakhs)

(vi) Maturity Analysis of the Benefit payments	As at March 31, 2022	As at March 31, 2021
Year 1	235.17	228.82
Year 2	145.65	150.42
Year 3	127.88	141.10
Year 4	108.07	125.54
Year 5	98.20	107.02
Next 5 years and above	889.05	929.33

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.

2.14.2c Long term employee benefits

Compensated absences (vesting and non-vesting): unfunded obligation (Rupees in lakhs)

(i) Actuarial Assumptions	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.05%	5.45%
Salary escalation rate*	7.00%	7.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	Indian Assured Lives Mortality (2012-14) Ult table

*The assumption of future salary escalation takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

2.15 Deferred Tax Liabilities (Net)

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Deferred tax liability:		
On excess of net book value over income tax written down value of property, plant and equipment	823.99	932.87
On excess of fair value over cost of quoted equity investments	0.51	0.54
On foreign exchange forward contracts	58.09	-
B. Deferred tax assets :		
On provisions for employee benefits	336.32	365.61
Deferred tax liabilities (net) (A-B)	546.27	567.80

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2022

(Rupees in lakhs)

Particulars	As at April 01, 2021	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2022
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	932.87	(108.88)	-	823.99
On excess of fair value over cost of quoted equity investments	0.54	(0.03)		0.51
On foreign exchange forward contracts	-	58.09	-	58.09
B. Deferred tax assets				
On provisions for employee benefits	365.61	(29.29)		336.32
Deferred tax liabilities (net) (A-B)	567.80	(21.53)	-	546.27

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2021

(Rupees in lakhs)

Particulars	As at April 01, 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2021
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	1,075.47	(142.60)	-	932.87
On excess of fair value over cost of quoted equity investments		0.54		0.54
B. Deferred tax assets				
On provisions for employee benefits	337.95	27.66	-	365.61
On foreign exchange forward contracts	53.02	(53.02)	-	-
Deferred tax liabilities (net) (A-B)	684.50	(116.70)	-	567.80

Reconciliation of effective tax rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	17,578.18	8,484.44
Income tax expense calculated at 25.168%	4,424.08	2,135.36
Tax effect on non-deductible expenses	367.13	333.94
Total	4,791.21	2,469.30
Tax expense as per statement of profit and loss	4,787.48	2,469.30

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (31.03.2021, 25.168%) payable on taxable profit under the Income Tax Act, 1961.

2.16 Other Non-Current Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	355.65	442.64
Total	355.65	442.64

2.17 Borrowings

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Loans repayable on demand from Banks (Secured)	7,306.55	-
Total	7,306.55	-

Notes to Borrowings:

- The Group has availed export packing credit foreign currency loan for working capital which is secured by first charge over the entire current assets of the Holding Company, both present and future, second charge over immoveable fixed assets ie; equitable mortgage over 25.44 acres of the land and building belonging to the Holding Company also hypothecation charge over the other fixed assets of the Holding Company apart from personal guarantee of the Managing Director. The short term loans are repayable on demand and are re-drawable subsequently after repayment.
- The quarterly returns or statements of current assets filed by the Group with banks are in agreement with the books of accounts.
- The interest rate is 6.25% per annum (31.03.2021: 8.45%)
- The Group has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

2.18 Trade Payables

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	300.76	133.84
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,860.16	3,999.25
Total	6,160.92	4,133.09

2.18.1 Trade Payables – ageing analysis and segregation of MSME / Other payables & Disputed Payables

(Rupees in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				As at March 31, 2022
		<1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) MSME	300.76	-	-	-	-	300.76
(ii) Others	5681.34	177.44	1.37	-	-	5,860.16
(iii) Disputed dues MSME		-	-	-	-	-
(iv) Disputed dues others		-	-	-	-	-
Total	5,982.10	177.44	1.37	-	-	6,160.92

(Rupees in lakhs)

Particulars	Not due	Outstanding for following periods from due date of payment				As at March 31, 2021
		<1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) MSME	133.84	-	-	-	-	133.84
(ii) Others	3875.26	117.02	4.21	0.79	1.98	3,999.25
(iii) Disputed dues MSME		-	-	-	-	-
(iv) Disputed dues others		-	-	-	-	-
Total	4,009.10	117.02	4.21	0.79	1.98	4,133.09

2.18.2 The Group has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Intimations have been received from some of the suppliers regarding their status under the said Act as at March 31, 2022, based on which, principal amount unpaid to such suppliers as at the year end aggregating to ₹300.76 lakhs (31.03.2021 : ₹133.84 lakhs) has been included under Trade payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material.

Disclosures required under the Micro, Small and Medium Enterprises Development Act 2006 are as follows:

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a. Principal amount remaining unpaid but not due as at the year end.	300.76	133.84
b. Interest due thereon and remaining unpaid as at the year end.	-	-
c. Interest paid by the Group in terms of Section 16 of Micro, Small & Medium Enterprises Development Act 2006 along with the amount of payment made to the supplier beyond the appointed day during the year.	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
e. Interest accrued and remaining unpaid as at the year end.	-	-
f. Further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
Total	300.76	133.84

2.19 Other Financial Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for capital goods	-	17.24
Retention money	35.17	2.87
Unpaid dividend	82.63	82.99
Grants received in advance	-	224.49
Interest accrued on borrowings	43.89	-
Total	161.69	327.59

2.20 Other Current Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	198.12	229.97
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	154.97	154.97
Advance from customers	268.69	87.40
Total	621.78	472.34

2.21 Short-Term Provisions

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for gratuity [See note 2.15.2]	235.17	228.82
Provision for compensated absences [See note 2.15.2]	119.00	127.09
Total	354.17	355.91

2.22 Current Tax Liabilities (Net)

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax payable [net of advance tax ₹6,681.11 lakhs (₹6,251.76 lakhs)]	1,657.50	1,770.74
Total	1,657.50	1,770.74

2.23 Revenue from Operations

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	74,630.41	42,798.00
A	74,630.41	42,798.00
Other operating revenues		
Export entitlements	3,441.93	2,056.70
Job work charges	662.66	609.96
Scrap sales	41.60	36.29
Others**	56.23	37.87
B	4,202.42	2,740.82
Revenue from operations (A+B)	78,832.83	45,538.82

**Others include sample development charges

2.24 Other Income

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	137.28	123.14
Rent received [see note - 2.37.2D]	29.64	26.33
Net gain on foreign currency transactions and translations	2,328.16	114.28
Deferred grant income [see note 2.25.1(iii)]	154.97	154.97
Other non-operating incomes:		
(a) Gain on sale of property, plant and equipment (net)	23.29	-
(b) Other non-operating income	15.74	12.57
Total	2,689.08	431.29

2.24.1 The Group is in receipt of the Government Grant/Assistance as defined under Ind AS 20 – ‘Accounting for Government Grants and Disclosure of Government Assistance’ as under:

- (i) Grants in the nature of Merchandise Export Incentive Scheme, Rebate of State & Central Taxes and Levies, Remission on Duties and Taxes on Exported Products and Duty Drawback are disclosed under the head ‘Export Entitlements’ in other operating revenue.
- (ii) Grants in the nature of Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Scheme being re-imbursment of employer’s contribution to employee provident fund is deducted in the employee benefit expense amounting to ₹14.81 lakhs (31.03.2021: ₹38.41 lakhs).
- (iii) Grants in the nature of re-imbursment of cost towards capital asset under the Technology Upgradation Fund Scheme (TUFS) and Integrated Skill Development Scheme (ISDS) Project which is disclosed as deferred grant. The amount is disclosed under the head ‘Other Income’ in the proportions in which depreciation expense on those assets is recognised.
- (iv) Grants in the nature of re-imbursment of interest cost on borrowings under the TUFS is disclosed under the head ‘Other Income’.
- (v) EPCG authorisation is obtained by the Group from Directorate General of Trade as import duty waiver over procurement of capital goods defined in Foreign Trade Policy 2015-20. The Group has deferred the grant in the books and it will be amortised in the books as and when the conditions attached (export obligation) to authorisations are fulfilled.

2.25 Cost of Materials Consumed

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	3,683.15	3,368.78
Add: Purchases	39,159.72	19,839.27
Less: Inventory at the end of the year	5,411.87	3,683.15
Total	37,431.00	19,524.90

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

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the beginning of the year		
Finished goods	996.74	1,350.98
Work-in-progress	8,506.18	8,113.77
	9,502.92	9,464.75

Less: Inventories at the end of the year		
Finished goods	246.09	996.74
Work-in-progress	9,945.96	8,506.18
	10,192.05	9,502.92
Net decrease / (increase)	(689.13)	(38.17)

2.27 Employee Benefits Expense

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries & wages	8,970.40	6,003.52
Contribution to provident and other funds (Refer note 2.15.2.a)	749.58	490.57
Gratuity expenses (Refer note 2.15.2.b)	191.17	234.95
Staff welfare expenses	1,515.27	996.73
Total	11,426.42	7,725.77

2.28 Finance Costs

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on export packing credit	72.62	76.75
Interest on net defined benefit liability (net) Gratuity	55.17	50.06
Other borrowing cost	61.13	48.93
Interest on income tax	172.95	79.85
Total	361.87	255.59

2.29 Depreciation and amortisation expense

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of property, plant and equipment [See note 2.01A]	2,097.56	2,289.75
Amortisation of intangible assets [See note 2.01C]	46.21	20.69
Total	2,143.77	2,310.44

2.30 Other Expenses

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Processing charges	4,306.76	2,494.26
Consumption of stores and spares	892.85	439.05
Power and fuel	3,164.96	1,928.33
Repairs		
- Building	60.28	3.09
- Plant & machinery	321.49	222.48

- Others	415.91	243.42
Other production expenses	143.18	191.88
Testing charges	160.63	69.31
Forwarding and transport on sales	1,464.40	554.93
Insurance	138.56	155.11
Rent [See note 2.39]	136.01	107.78
Rates and taxes	92.46	80.07
Travelling and conveyance	128.94	60.99
Payments to auditors [See note 2.31.2]	22.45	21.48
Advertisement and sales promotion	61.04	10.02
Professional and consultancy charges	116.78	60.25
Donation [See note 2.31.1]	642.00	781.00
Expenses on corporate social responsibility activities [See note 2.31.3]	529.92	312.98
Miscellaneous expenses	791.07	562.82
Total	13,589.69	8,299.25

2.30.1 Donations made to political parties during the year amounts to ₹45 lakhs (31.03.2021: ₹150.50 lakhs)

2.30.2 Payments to auditors

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Statutory audit fees	21.70	21.00
(b) Other services		
- Others	-	0.20
- Reimbursement of expenses	0.75	0.28
Total	22.45	21.48

2.30.3 Details of expenses on corporate social responsibility activities

(a) Gross amount required to be spent by the Group during the year ₹238.80 lakhs (31.03.2021: ₹254.24 lakhs) towards CSR compliance as per Companies Act.

(b) Amount Unspent from previous years: Nil

(c) Amount approved by the Board to be spent during the year- ₹238.80 lakhs (31.03.2021: ₹253.90 lakhs)

(d) Amount spent during the financial year on:

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	529.92	312.98
Total	529.92	312.98

(e) Details of excess CSR expenditure

Nature of Activity	Balance excess as at 01 April 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2022
Covid relief assistance	-	291.11	291.11	-

(f) CSR Expenditure incurred with Related Parties

Name	Nature of Relationship	For the year ended March 31, 2022	For the year ended March 31, 2021
Twenty 20 Kizhakkambalam Association	Enterprises owned or significantly influenced by key management personal or their relatives	138.00	280.00

2.31 Earnings per equity share

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit for the year	12,512.14	5,427.26
Weighted average number of equity shares of Re. 1/- each (fully paid-up)	66,500,000	66,500,000
Earnings per equity share - Basic & Diluted in ₹	18.82	8.16

2.32 Segment Reporting

The Group operations predominantly relate to one operating segment i.e. Textile – Infant / Kids Apparel manufacturing. The Chief Operating Decision Maker (CODM) reviews the operations of the Group as one operating segment. Hence, no separate segment information has been furnished herewith.

2.32.1 Information about products and services: The Group earns revenue from only a single group of product and service viz. Textile Business comprising of sale of garments and fabrics products / services.

2.32.2 Information regarding geographical revenue is as follows:

(Rupees in lakhs)

Revenue from external customers	For the year ended March 31, 2022	For the year ended March 31, 2021
India	12,334.60	9,046.28
Outside India		
- The United States (US)	60,681.81	32,238.13
- Others	1,614.00	1,513.59
Sale of products	74,630.41	42,798.00

2.32.3 All non current assets of the Group are located in India.

2.32.4 The following table gives details in respect of percentage of revenue generated from the top customer and revenue from transactions with customers amounting to more than 10 percent or more of the Company's revenue.

(Rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
No of customers who contribute to more than 10 percent of the Company's revenue	3	3
Revenue from top customer	43,226.24	26,031.14
Revenue from customers contributing to more than 10 percent of the Company's revenue	72,173.10	39,418.25

2.33 Fair Value Measurement

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

There were no transfers between Level 1 and Level 2 during the year.

Fair value hierarchy of financial instruments measured at fair value on a recurring basis is as follows: (Rupees in lakhs)

Particulars	Fair value hierarchy (level)	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	1	2.46	2.55
Financial asset measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	1	230.83	-
There have been no transfers between levels during the period			

Category wise classification of financial instruments is as follows:

(Rupees in lakhs)

Particulars	See note	As at March 31, 2022	As at March 31, 2021
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	2.02	2.46	2.55
Financial assets measured at fair value through other comprehensive income			
Foreign exchange forward contracts	2.1	230.83	-
Financial assets measured at amortised cost			
Non current :			
(i) Security deposits	2.03	244.90	226.14
(ii) Other Financial Assets	2.03	4,388.43	-
Current:			
(i) Trade receivables	2.07	31,415.36	17,764.59
(ii) Cash and cash equivalents	2.08	10,785.09	10,432.79
(iii) Bank balances other than (ii) above	2.09	2,601.30	4,707.04
(iv) Other financial assets	2.10	4,691.09	3,267.29
		54,359.46	36,400.40
Financial Liabilities measured at amortised cost			
Current			
(i) Borrowings	2.17	7,306.55	-
(ii) Trade payables	2.18	6,160.92	4,133.09
(iii) Other financial liabilities	2.19	161.69	327.59
		13,629.16	4,460.68

2.34 Financial Risk Management - Objectives and Policies

The Group has a well managed risk management framework, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as liquidity risk, market risk, credit risk and foreign currency risk) that may arise as a consequence of its business operations as well as its investing and financing activities.

Accordingly, the Group's risk management framework has the objective of ensuring that such risks are managed within acceptable risk parameters in a disciplined and consistent manner and in compliance with applicable regulation.

1) Liquidity risk

Liquidity risk is the risk that the Group will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has sound financial strength represented by its aggregate current assets as against aggregate current liabilities and its strong equity base and low working capital debt. In such circumstances, liquidity risk does not exist.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

(Rupees in lakhs)

Maturities of financial liabilities As at March 31, 2022	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	7,306.55	-	-	7,306.55
Trade payable	6,159.55	1.37	-	6,160.92
Other financial liabilities	161.69	-	-	161.69
Maturities of financial liabilities As at March 31, 2021	Less than 1 year	1 year to 5 years	More than 5 years	Total
Trade payable	4,133.09	-	-	4,133.09
Other financial liabilities	327.59	-	-	327.59

2) Market risk

As the Group is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible.

a) Foreign currency risk

The Group undertakes transactions denominated in foreign currency (mainly US Dollar) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risks.

The Group has established risk management policies to hedge the volatility arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward contracts. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are highly rated banks, the risk of their non-performance is considered to be insignificant.

- i) The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(Amount in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Assets		
USD	523.79	352.10
HKD	0.01	-
Liabilities		
EUR	10.63	9.72
USD	9.55	4.10
CHF	0.03	-

ii) Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant.

(Rupees in lakhs)

Particulars	Impact in statement of profit and loss for 1% change	
	March 31, 2022	March 31, 2021
INR/USD (Net receivable)	389.84	255.80
INR/EUR (Net payable)	8.99	8.36
INR/CHF (Net payable)	0.02	-

b) Interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of the loans and borrowings effected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate instruments		
Financial liability - Loans repayable on demand from banks	7,306.55	-
Financial liability	7,306.55	-

Cash flow sensitivity for variable rate instruments

(Rupees in lakhs)

Particulars	Impact on Profit or (Loss)	
	March 31, 2022	March 31, 2021
Sensitivity		
50 BPS increase in rate	36.53	-
50 BPS decrease in rate	(36.53)	-

3) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management considers that the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of the customers (including related parties) to which the Company grants credit terms in the normal course of the business.

2.35 Capital Management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Group funds its operations through internal accruals. The Company aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

As at March 31, 2022, the Group has only one class of equity shares and is virtually debt-free. The company is not subject to any externally imposed capital requirements.

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity attributable to share holders	81,215.03	69,577.46
Borrowings	7,306.55	-
Less: Cash and cash equivalents	10,785.09	10,432.78
Net debt	(3,478.54)	(10,432.78)
Total capital (equity + debt)	77,736.49	59,144.68
Net debt to capital ratio	(0.045)	(0.176)

2.36 Additional information as required under the General Instructions for Preparation of Consolidated Financial Statements to Schedule III Division II to the Companies Act, 2013

Name of the entity	As at March 31, 2022		As at March 31, 2021	
	Net assets, i.e., total assets - total liabilities		Net assets, i.e., total assets - total liabilities	
	As a % of consolidated net assets	Amount in lakhs	As a % of consolidated net assets	Amount in lakhs
Holding Company	105.32%	85,538.56	105.67%	73,519.05
Wholly owned subsidiaries	(1.22)%	(993.91)	(0.63)%	(436.64)
Associate (Investment as per equity method):				
Share of loss and unrealised profit	(3.42)%	(2,776.24)	(3.99)%	(2,776.24)
Elimination on account of consolidation	(0.68)%	(553.38)	(1.05)%	(728.71)
Total	100.00%	81,215.03	100.00%	69,577.46

Name of the entity	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Share in profit or loss		Share in profit or loss	
	As a % of consolidated profit	Amount in lakhs	As a % of consolidated profit	Amount in lakhs
Holding Company	102.53%	12,828.30	110.37%	5,990.20
Wholly owned subsidiaries	0.00	3.19	(0.01)%	(0.38)
Associate (Investment as per equity method):				
Share of loss and unrealised profit	-	-	-	-
Elimination on account of consolidation	(2.55)%	(319.35)	(10.37)%	(562.56)
Total	100.00%	12,512.14	100.00%	5,427.26

Name of the entity	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Share in other comprehensive income		Share in other comprehensive income	
	As a % of consolidated other comprehensive income	Amount in lakhs	As a % of consolidated other comprehensive income	Amount in lakhs
Holding Company	100.00%	122.89	100.00%	12.58
Wholly owned subsidiaries	-	-	-	-
Associate (Investment as per equity method):				
- Kitex USA LLC- Investment at cost				
Share of other comprehensive income	-	-	-	-
Elimination on account of consolidation		-		-
Total	100.00%	122.89	100.00%	12.58

Summarised financial information in respect of Kitex USA LLC

(Rupees in lakhs)

Particulars	As at / For the year ended March 31, 2022	As at / For the year ended March 31, 2021
Current assets	22,150.43	14,360.34
Non current assets	490.70	531.14
Current liabilities	23,790.56	15,904.93
Revenue from operations	49,477.67	33,488.46
(Loss)/Profit	(102.49)	274.23
Other comprehensive income	-	-
Total comprehensive income	(102.49)	274.23

2.37 Related Party Disclosure

Disclosure of transactions with related parties as required by Ind AS 24 - Related Party Disclosures for the year ended March 31, 2022.

2.37.1 Related parties with whom transactions have taken place during the year**A Key managerial personnel**

- (i) Mr. Sabu M Jacob, Managing Director
- (ii) Ms. Sindhu Chandrasekhar, Whole Time Director

B Enterprise owned or significantly influenced by key management personnel or their relatives

- (i) Kitex Childrenswear Limited
- (ii) Kitex Limited
- (iii) Anna Aluminium Company Private Limited
- (iv) Kitex Herbals Limited
- (v) Kitex Apparels Limited

- (vi) Kitex Infantswear Limited
- (vii) Twenty 20 Kizhakkambalam Association

C Associate enterprise

- (i) Kitex USA LLC

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

(Rupees in lakhs)

A Enterprises owned or significantly influenced by key management personal or their relatives	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Kitex Childrenswear Limited		
Revenue from sale of goods and services (including expenses recovered)	12,017.57	7,286.73
Purchases of goods and services (including reimbursements)	3,591.06	2,218.70
(ii) Kitex Limited		
Revenue from sale of goods and services (including expenses recovered)	246.68	728.09
Purchases of goods and services (including reimbursements)	40.91	667.49
(iii) Anna Aluminium Company Private Limited		
Revenue from sale of goods and services (including expenses recovered)	0.70	-
Purchases of goods and services (including reimbursements)	37.17	21.69
(iv) Twenty 20 Kizhakkambalam Association		
Donation paid	597.00	630.00
Payment towards corporate social responsibility activities	138.00	280.00

(Rupees in lakhs)

B Key management personnel	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Mr. Sabu M Jacob		
Remuneration paid	926.12	447.15
(ii) Ms. Sindhu Chandrasekhar		
Remuneration paid	18.02	11.50

(Rupees in lakhs)

C Associate enterprise	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Kitex USA LLC		
Sale of readymade garments	43,226.24	26,031.14
Sales commission paid	556.85	211.50

2.37.3 Outstanding amounts carried in the balance sheet as at March 31, 2022**A Enterprises owned or significantly influenced by key management personnel or their relatives:** (Rupees in lakhs)

Name of related party	As at March 31, 2022	As at March 31, 2021
(i) Kitex Childrenswear Limited		
Trade receivables	1,134.13	1,203.99
(ii) Kitex Limited		
Trade receivables	8.52	36.54
(iii) Anna Aluminium Company Private Limited		
Advances to supplier	0.61	0.43
Trade payables	2.10	0.06

B Key management personnel (Rupees in lakhs)

Name of related party	As at March 31, 2022	As at March 31, 2021
(i) Mr. Sabu M Jacob		
Remuneration payable	816.09	336.01
(ii) Ms. Sindhu Chandrasekhar		
Remuneration payable	1.11	0.32

C Associate enterprise (Rupees in lakhs)

Name of related party	As at March 31, 2022	As at March 31, 2021
(i) Kitex USA LLC		
Trade receivables	22,158.02	15,256.41
Net carrying value of investment	2,776.24	2,776.24

2.38 As a part of Company's risk management policy, the exchange risks arising from foreign currency fluctuations are hedged by forward contracts.

2.38.1 The particulars of forward contracts entered into by the Group and outstanding as at Balance Sheet date is as under:

(Rupees in lakhs)

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign currency	Rupees	Foreign currency	Rupees
Export receivables				
USD	311.96	23,648.77	-	-

2.38.2 The particulars of hedged export receivables / payables as at balance sheet date is as under:

(Rupees in lakhs)

Currency	As at March 31, 2022		As at March 31, 2021	
	Foreign currency	Rupees	Foreign currency	Rupees
Export Receivables				
USD	311.96	23,648.77	-	-

2.38.3 The particulars of un hedged items as at Balance Sheet date is as under:

(Rupees in lakhs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign currency	Rupees	Foreign currency	Rupees
Assets				
EUR	-	0.25	-	0.26
USD	211.83	16,058.44	352.10	25,880.86
HKD	-	0.06	-	0.06
Liabilities				
EUR	10.63	899.74	9.72	836.56
USD	9.55	723.70	4.10	301.05
CHF	0.03	2.14	-	-

2.39 Lease Accounting

Operating Lease

Office premises, godown & equipment are hired on operating lease. The lease term is renewable every year at the option of the Group. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Amount charged to statement of profit and loss account during the year		
Rent for premises	122.24	107.49
Rent for equipment	13.77	0.29
Total	136.01	107.78

2.40 The details of provisions, contingent liabilities and contingent assets are as required under Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets for the year ended March 31, 2022.

2.40.1 Contingent liabilities not provided for:

(Rupees in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Claims against the Group not acknowledged as debts being demand raised against the Group, disputed on Appeal before various Appellate authorities.		
(i) PF and ESI [Paid under protest include ₹225.74 lakhs (31.03.2021: ₹225.74 lakhs)]	797.33	804.44
(ii) Income tax dues [Paid under protest include ₹108.57 lakhs (31.03.2021: ₹108.57 lakhs)]	396.76	223.96
(iii) Customs department [Paid under protest include ₹99.31 lakhs (31.03.2021: ₹99.31 lakhs)]	4,533.09	4,044.21
2. Other counter guarantees in favour of banks for guarantees issued by banks	16.09	127.49
Total	5,743.27	5,200.10

2.40.2 The Group has purchased capital assets under EPCG license against which the Group has a balance export obligation of ₹497.99 Lakh (497.99 Lakh). Contingent liability, to the extent of duty saved in respect of EPCG is ₹150.98 Lakh (31.03.2021: ₹83 Lakh). The balance export obligation to be fulfilled as per license is upto year 2026-27.

2.40.3 The above demands are disputed by the Group and matters pending in appeal before appellate authorities in various stages. In the opinion of the management and based on legal advice received the Group is hopeful of getting full relief and hence no provision has been made thereof.

2.41 Financial Ratios

Ratio	As at March 31, 2022	As at March 31, 2021	Variance	Reason (If variation is more than 25%)
(a) Current Ratio, (times) (Total current assets / Current liabilities) [Current Assets= Inventories + Trade Receivable + Cash & bank balances+ Other Current Assets] [Current liabilities: Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Provisions + Other Current Liability]	4.18	7.42	(44%)	In FY 20-21 borrowing was Nil hence higher.
(b) Debt-Equity Ratio, (times) (Net debt / Average equity) [Net debt: Non-current borrowings - Cash and cash equivalents] [Equity: Equity share capital + Other equity]	0.18	0.0	100%	Nil debt in FY 20-21
(c) Debt Service Coverage Ratio, [EBIT / Net finance charges + Scheduled principal repayments of non-current borrowings] [EBIT: Profit before taxes +/- Exceptional items + Net finance charges] [Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]	-	-	-	Nil debt in FY 20-21
(d) Return on Equity Ratio (%) (Profit after tax (PAT) / Average Equity) [Equity: Equity share capital + Other equity]	17%	8%	104%	FY 20-21 impacted due to Covid
(e) Inventory turnover ratio (in days) (Average inventory / Cost of materials consumed + Changes in inventories of finished goods, work in progress)	143	248	(42%)	Higher in FY 20-21 due to Covid impact.
(f) Trade Receivables turnover ratio (in days) (Average trade receivables / Turnover in days) [Turnover: Revenue from operations]	120	183	(34%)	Higher in FY 20-21 due to Covid impact.
(g) Trade payables turnover ratio (in days) Average Trade Payables / Cost of materials consumed + Changes in inventories of finished goods, work in progress [Average Trade Payables: (Opening Trade Payables + Closing Trade Payables) / 2]	26	55	(54%)	Higher in FY 20-21 due to Covid impact.
(h) Net capital turnover ratio (in days) (Average working capital / Turnover) [Working capital: Current assets - Current liabilities] [Turnover: Revenue from operations]	227	336	(32%)	Higher due to Covid impact.
(i) Net profit ratio (%) (Net profit after tax / Turnover) [Turnover: Revenue from operations]	16%	12%	33%	Lower in FY 20-21 due to Covid impact.
(j) Return on Capital employed (%) (EBIT / Capital Employed) [Capital Employed: Total Assets - Current Liabilities] [EBIT: Profit before taxes +/- Exceptional items + Net finance charges]	21%	11%	87%	FY 2020-21 ROI impacted due to Covid

2.42 Capital & Other Commitments

Estimated amount of contract remaining to be executed on capital account (net of advances): ₹631.99 lakhs (31.03.2021: ₹2230.73 lakhs).

2.43 In the opinion of the Directors, short term loans and advances and other current assets, have the value at which they are stated in the balance sheet, if realised in the ordinary course of business.

2.44 Subsequent event

Dividends declared by the Group are based on the profit available for distribution. Distribution of dividends out of general reserve and retained earnings is subject to applicable tax deducted at source (TDS). On May 19, 2022 Board of Directors of the Group have proposed a final dividend of ₹1.50 per share in respect of the year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting. The proposal if approved, would result in a cash outflow of approximately ₹997.50 Lakhs.

2.45 Note on Ultimate Beneficiaries

No funds have been received by the Company or any of its Indian subsidiaries from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group or any of its Indian subsidiaries shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

The Group or any of its Indian subsidiaries have not received any fund from any party(s) (Funding Party) with the understanding that the Company or any of its Indian subsidiaries shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group or any of its Indian subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

2.46 Other Disclosures

- (a) Relationship with Struck off Companies - The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (b) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (c) There are no transactions that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which have not been recorded in the books of account.
- (d) There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.
- (e) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

2.47 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

2.48 Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's disclosure.

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



Registered Office

Kitex Garments Limited

(CIN: L18101KL1992PLC006528)

P. B. No. 5, Kizhakkambalam - 683562, Alwaye, Kochi, Kerala

Phone: 91 0484 4142000, Fax: 91 484 2680604

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