

**KITEX****Kitex Garments Limited**

P.B.NO 5, KIZHAKKAMBALAM-683562, KOCHI, KERALA, INDIA

PHONE: 91 484 4142000, FAX: 91 484 2680604

E mail: kgl@kitexgarments.com

CIN: L18101KL1992PLC006528

www.kitexgarments.com

Ref: **Ref: KGL/Q4 results/2017-18**Date: **Date: 18th May, 2018**

Dept. of Corporate Services
Corporate Relationship Department
Bmbay Stock Exchange Limited
Floor 25, P.J Towers
Dalal Street, Mumbai – 400001

CODE: 521248

National Stock Exchange of India limited,
Exchange plaza,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400051

CODE: KITEX

Dear Sirs,

Sub: Audited Financial Results for the year ended 31st March, 2018**Ref: Scrip Code 521248 (BSE) and KITEX (NSE)**

Please find attached herewith the Audited Standalone Financial Results for the year ended 31st March, 2018 along with declarations per SEBI(Listing Obligations & Disclosure Requirement) Regulations, 2015.

The above were taken on record at the meeting of the Board of Directors of the Company held today started at 12.15 P.M and concluded at 4:45 P.M

Thanking you,

Yours faithfully,

For KITEX GARMENTS LIMITED
Sabu M Jacob**Chairman & Managing Director**


**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015**

**To
Board of Directors
Kitex Garments Limited**

1. We have audited the quarterly financial results of Kitex Garments Limited ("the Company") for the quarter ended 31st March 2018, annual financial results of the Company for the year ended 31st March 2018 and the consolidated financial results for the year ended 31st March 2018 which includes the annual financial results of the associate, Kitex USA LLC for the year ended 31st March 2018 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The figures for the quarter ended 31st March 2018 are the balancing figures between audited figures in respect of the full financial year ended on such date and the published year to date figures upto nine months of the relevant financial year ended on 31st December 2017, which were subject to limited review by us. The financial results (including consolidated financial results) for the year ended 31st March 2018 have been prepared on the basis of the audited financial statements for the said year, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of the annual financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.
3. The consolidated financial statements /results also include the Company's share of net loss (after elimination of share of unrealized profit on transactions with associate) of Rs. 647.29 Lakhs (Previous year – Net loss of Rs.875.95 Lakhs) for the year ended 31st March 2018, as considered in the consolidated financial statements/results, in respect of the above associate, whose financial statements and other financial information have not been audited by us. These financial statements



and other financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements/results, in so far as it relates to the amounts and disclosures in respect of the associate, is based solely on such unaudited financial statements/ other financial information as certified by the management. In our opinion and according to the information and explanations given to us, these financial statements and other financial information are not material to the Company. Our opinion is not modified in respect of this matter.

4. In our opinion and to the best of our information and according to the explanations given to us, these quarterly financial results as well as the annual financial results (including consolidated financial results):

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No.CIR/CFD/FAC/62/2016 dated July 5,2016 in this regard; and

(ii) give a true and fair view of the net profit and other financial information for the quarter ended 31st March 2018 as well as the year to date results (including consolidated results) for the year ended 31st March 2018.

Place: Kochi - 19
Date: 18.05.2018

For VARMA & VARMA
(FRN : 004532S)


(V. SATHYANARAYANAN)
Partner
CHARTERED ACCOUNTANTS
Membership No 21941



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Date:

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Regd. Office : P B NO.5, KIZHAKKAMBALAM, ALWAYE, KERALA-683562,

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STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31.03.2018 AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2018

(Rs. In Lakhs)

Particulars	Standalone					Consolidated	
	Quarter Ended		Year ended			Year ended	
	31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Audited (Refer Note 8)	Unaudited	Audited	Audited	Audited	Audited	Audited
1 Income							
(a) Revenue from Operations	13,116.83	14,733.10	17,723.85	55,725.42	54,590.13	55,725.42	54,590.13
(b) Other Income	76.84	(144.75)	61.85	267.07	346.41	267.07	346.41
Total Income	13,193.67	14,588.35	17,785.70	55,992.49	54,936.54	55,992.49	54,936.54
2 Expenses							
(a) Cost of Materials Consumed	6,580.65	6,369.54	6,393.34	25,404.54	21,096.16	25,404.54	21,096.16
(b) Changes in Inventories of finished goods, work in progress and stock in trade	(714.27)	(796.44)	38.49	(3,735.78)	(1,575.74)	(3,735.78)	(1,575.74)
(c) Employee Benefits Expense	2,494.51	2,544.85	2,498.07	9,851.37	9,199.03	9,851.37	9,199.03
(d) Finance Costs	106.38	161.71	233.14	581.18	926.68	581.18	926.68
(e) Depreciation and amortisation expense	614.27	577.64	546.28	2,340.14	2,182.92	2,340.14	2,182.92
(f) Other Expenses	2,936.49	2,942.06	4,031.18	10,802.12	8,886.76	10,802.12	8,886.76
Total Expenses	12,018.03	11,799.36	13,740.50	45,243.57	40,715.81	45,243.57	40,715.81
3 Profit / (Loss) before tax (1-2)	1,175.64	2,788.99	4,045.20	10,748.92	14,220.73	10,748.92	14,220.73
4 Tax expense							
Current Tax	332.00	1,215.00	1,596.33	4,000.00	5,312.70	4,000.00	5,312.70
Deferred Tax	(168.02)	(187.68)	(236.05)	(232.13)	(313.76)	(232.13)	(313.76)
Income tax for earlier years	(21.18)	-	-	(21.18)	-	(21.18)	-
5 Net Profit / (Loss) for the period / year (3-4)	1,032.84	1,761.67	2,684.92	7,002.23	9,221.79	7,002.23	9,221.79
6 Share of Profit / (loss) of Associate	-	-	-	-	-	(647.29)	(875.95)
7 Net Profit / (Loss) for the period / year after Share of profit / (Loss) of Associate (5+6)	1,032.84	1,761.67	2,684.92	7,002.23	9,221.79	6,354.94	8,345.84
8 Other Comprehensive Income							
a (i) Items that will not be reclassified to profit or loss	99.94	7.02	34.92	113.53	20.80	113.53	20.80
(ii) Income tax relating to items that will not be reclassified to profit or loss	(40.63)	-	(5.60)	(40.63)	(5.60)	(40.63)	(5.60)
b (i) Items that will be reclassified to profit or loss	-	-	-	-	-	12.33	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-
9 Total Comprehensive Income for the Period (7+8)	1,092.15	1,768.69	2,714.24	7,075.13	9,236.99	6,440.17	8,361.04
10 Paid-up equity share capital (Face Value Re.1 per share)	665	665	475	665	475	665	475
11 Earnings Per Share (In Rupees) - (Refer note No 6)							
(of Re. 1/- each) (Not Annualised)							
(a) Basic	1.55	2.65	4.04	10.53	13.87	9.56	12.55
(b) Diluted	1.55	2.65	4.04	10.53	13.87	9.56	12.55



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Date: **STATEMENT OF ASSETS AND LIABILITIES - STANDALONE AND CONSOLIDATED**

(Rs. In Lakhs)

Sl No	Particulars	STANDALONE		CONSOLIDATED	
		Year ended 31.03.2018 Audited	Year ended 31.03.2017 Audited	Year ended 31.03.2018 Audited	Year ended 31.03.2017 Audited
A	ASSETS				
1	Non-current assets				
	(a) Property, Plant and Equipment	17,129.78	17,229.69	17,129.78	17,229.69
	(b) Capital work-in-progress	3,201.36	1,367.79	3,201.36	1,367.79
	(c) Other Intangible assets	34.51	53.96	34.51	53.96
	(d) Intangible assets under development	200.28	197.61	200.28	197.61
	(e) Financial Assets				
	(i) Investments	2,652.96	1,180.65	902.01	64.66
	(ii) Loans	174.37	221.09	174.37	221.09
	(iii) Other financial assets	18.03	-	18.03	-
	(f) Non-Current Tax Assets	275.93	275.93	275.93	275.93
	(g) Other non-Current Assets	403.17	568.86	403.17	568.86
	Total Non current Assets	24,090.39	21,095.58	22,339.44	19,979.59
2	Current assets				
	(a) Inventories	8,782.44	4,049.72	8,782.44	4,049.72
	(b) Financial Assets				
	(i) Trade receivables	12,300.53	13,114.99	12,300.53	13,114.99
	(ii) Cash and Cash Equivalents	9,268.03	13,047.98	9,268.03	13,047.98
	(iii) Bank balances other than (ii) above	422.60	404.60	422.60	404.60
	(iv) Loans	2.00	2.00	2.00	2.00
	(c) Other Current Assets	6,879.39	4,875.30	6,879.39	4,875.30
	Total Current Assets	37,654.99	35,494.59	37,654.99	35,494.59
	TOTAL ASSETS	61,745.38	56,590.17	59,994.43	55,474.18
B	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity Share Capital	665.00	475.00	665.00	475.00
	(b) Other Equity	50,956.00	45,099.91	49,205.05	43,983.92
	Total Equity	51,621.00	45,574.91	49,870.05	44,458.92
	Liabilities				
2	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	62.58	314.29	62.58	314.29
	(b) Provisions	676.26	741.59	676.26	741.59
	(c) Deferred tax liabilities (Net)	1,572.48	1,763.98	1,572.48	1,763.98
	(d) Other Non Current Liabilities	824.56	979.54	824.56	979.54
	Total Non-Current Liabilities	3,135.88	3,799.40	3,135.88	3,799.40
3	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	29.22	-	29.22	-
	(ii) Trade payables	4,407.28	4,535.02	4,407.28	4,535.02
	(iii) Other financial liabilities	1,101.13	688.77	1,101.13	688.77
	(b) Other Current Liabilities	323.73	391.26	323.73	391.26
	(c) Provisions	208.94	84.85	208.94	84.85
	(d) Current Tax Liabilities (Net)	918.20	1,515.96	918.20	1,515.96
	Total Current Liabilities	6,988.50	7,215.86	6,988.50	7,215.86
	TOTAL EQUITY AND LIABILITIES	61,745.38	56,590.17	59,994.43	55,474.18

Notes:

- The Financial results for the three months and the year ended March 31, 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 18 May 2018.
- The Financial results for the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015, Companies (Indian Accounting Standard) Amendment Rules, 2016 and the other accounting principles generally accepted in India. The company has for the first time adopted Ind AS for the financial year commencing from April 01, 2017 with a transition date of April 01, 2016 and discloses the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing and Disclosure Requirements) regulation 2015 and amendment thereon.



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Ref: 3 The reconciliation of net profit as previously reported (referred to as 'previous GAAP') and the total comprehensive income as per Ind AS for the quarter and year ended 31 March 2017 is as per table below:

Description	Standalone		Consolidated
	Quarter ended 31.03.2017	Year ended 31.03.2017	Year ended 31.03.2017
	Audited (Refer Note 8)	Audited	Audited
Net Profit for the Period as per Indian GAAP	2,699.65	9,254.07	8,378.12
Add/(Less) : Adjustments under Ind AS			
a. On account of amortisation of Government grant reclassified as deferred income	37.42	146.64	146.64
b. On account of depreciation arising in respect of reclassification of government grant	(37.42)	(146.64)	(146.64)
c. On account of remeasurements of net defined benefit liability	(32.45)	(16.18)	(16.18)
d. Adjustment on MTM of Hedging Instruments in a cash flow hedge	0.62	(33.20)	(33.20)
e. Deferred tax impact of above Ind AS Adjustments	17.10	17.10	17.10
Total	(14.73)	(32.28)	(32.28)
Net Profit for the Period as per Ind AS	2,684.92	9,221.79	8,345.84
Other Comprehensive Income /(Expenses)			
a. Fair value changes on equity instruments carried through other comprehensive income	2.47	4.62	4.62
b. On account of remeasurements of net defined benefit liability	32.45	16.18	16.18
c. Deferred tax impact of above Ind AS Adjustments	(5.60)	(5.60)	(5.60)
Items that will not be reclassified to profit and loss (net of tax)	29.32	15.20	15.20
Total comprehensive Income reported under Ind AS	2,714.24	9,236.99	8,361.04

4 Reconciliation of Equity as previously reported on account of transition from the previous Indian GAAP to IND AS: (Rs. in lakhs)

Description	Standalone	Consolidated
	Year ended 31.03.2017	Year ended 31.03.2017
	Audited	Audited
Equity as per Previous GAAP	45,564.80	44,448.81
Add/(Less) : Adjustments under Ind AS		
a. Fair value changes on equity instruments carried through other comprehensive income	10.11	10.11
Total	10.11	10.11
	45,574.91	44,458.92

- In accordance with Ind AS 108 on "Operating Segments", the company operates in one business segment viz. Textiles Business and hence segment information is not required to be furnished.
- During the quarter ended June 30, 2017, 1,90,00,000 bonus shares were allotted in the ratio of 2:5 and accordingly the basic and diluted earnings per share for the current period and previous periods have been restated retroactively for comparative purposes in the manner required by Indian Accounting Standard (Ind AS) 33 "Earnings Per Share".
- Implementation of an integrated ERP System covering all functional areas/transactions including inventories, is in progress.
- The figures for the quarter ended 31/03/2018 and 31/03/2017 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to nine months of relevant financial year.
- During the year, TOYS "R" US, Inc. one of the customers of the Company filed a petition in the Bankruptcy Court in The United States of America to wind down its US operation and the process is pending. A motion is pending in the said court regarding claims of its creditors which would establish streamlined procedures and forms for asserting those types of claims, which is set to be heard on 24th May 2018. The management is waiting on the court to enter the order on that motion so that the claim of the Company is consistent with the procedures set by the Court. The Company has to recover trade receivables from them aggregating to Rs.1735.15 lakhs (US\$2.66 million) and the Company also holds merchandise/other materials in stock for them in inventory. The Company has engaged the services of Attorneys and Counselors at Law, M/s Nelson Mullins Riley & Scarborough LLP, USA to file the claim for recovery of all its dues and no shortfall is anticipated thereon by the management at this stage. However as a prudential measure, an estimated provision of Rs. 347.03 lakhs has been made in the said accounts towards loss, if any on recovery of receivables.
- During the year the Board of Directors of the Company had declared and paid interim dividend of Rs 0.75 per share for the financial year ending 31/03/2018. At the meeting held on 18/05/2018, the Board of Directors have proposed, subject to the approval of the shareholders, final dividend @ Rs 0.75 (Rs.0.75) per equity shares of face value of Re 1 each.
- Figures of the corresponding previous period have been regrouped / rearranged wherever necessary to conform to the classification of the current period.

Place : Kizhakkambalam
 Date : 18/05/2018



For KITE X GARMENTS LIMITED

SABU M JACOB
 Managing Director
 DIN:00046016



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Dear Sirs,

Sub: Declaration Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for unmodified opinion**Ref: Scrip Code 521248 (BSE) and KITEX (NSE)**

I, Sabu M Jacob, Chairman & Managing Director and CFO of M/s. Kitex Garments Limited having its registered office at Door NO. 9/536 A, Kizhakkambalam, Kochi, Kerala 683 562 hereby declare that the Independent Auditors of the Company, M/s. Varma & Varma, Chartered Accountants (Regn No FRN:004532S) have issued an Audit Report with unmodified opinion on Audited Financial Results for the Quarter and year ended 31st March, 2018.

This declaration is issued in compliance of Regulations 33(3)(d) of SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015 as amended vide circular No.CIR/CFD/CMD/56/2016 dated 27.05.2016.

Yours faithfully,
For KITEX GARMENTS LIMITED


Sabu M Jacob
Chairman & Managing Director