



KITEX

**PASSION
POTENTIAL
PROGRESS**

KITEX GARMENTS LIMITED

Annual Report 2022-23

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Our Founder & His Vision



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

At the heart of Kitex's narrative lies a profound commitment to enriching lives through compassion. From the very genesis of our journey, our visionary founder M.C. Jacob imbued our ethos with the essence of "caring," a foundational creed that has evolved into the cornerstone of our triumph.

With each passing year, the resonance of caring has grown stronger, weaving intricate bonds that fortify

our business, empower our employees, and uplift our communities. The story of our origins speaks of empathy and determination. In 1968, our visionary founder, the late Mr. Meckamkunel Chacko Jacob (M.C. Jacob), was moved by the struggles of the farmers in his father's fields. Fueled by compassion, he embarked on a pioneering endeavor, establishing an aluminum-based unit with just eight employees. This marked the initial step in transforming Kizhakkambalam, a remote village in Kerala, into a vibrant industrial hub.

The seeds he planted continued to flourish as the Anna-Kitex group of companies, an embodiment of his legacy, took flight and expanded exponentially. By the time he bid this world farewell in 2011, the group had blossomed into a diverse conglomerate with interests spanning Aluminum, Spices, Textiles, and Apparels. However, our impact extended far beyond business realms. Through relentless social initiatives and a steadfast dedication to providing employment, the group extended a lifeline to countless individuals, nurturing not only their livelihoods but also the very fabric of their aspirations.

In the tapestry of our existence, caring remains not just a motto, but a symphony of purpose that resonates through time and space. It is this caring that ignites our pursuit of excellence and propels us to reshape communities and lives, one compassionate gesture at a time.

Passion Potential Progress

"Passion Potential Progress" encapsulates Kitex Garments Ltd's remarkable journey—a journey rooted in unrelenting passion, harnessed potential, and resolute progress. As Kitex continues to redefine benchmarks and make a lasting impact, it remains a beacon of innovation and quality, carving a global path for the future of infant garment manufacturing.



Passion

The elevated status of Kitex Garments Ltd is a direct result of a profound passion that encompasses innovation, unwavering commitment to quality, and consistent adherence to global benchmarks. This passion extends beyond product excellence; it resonates through relationships, fostering a collaborative environment that empowers the team and strengthens client connections. Moreover, this passion embraces societal responsibility, driving sustainable practices and community engagement. Kitex's success narrative is woven with the threads of innovation, relationships, and societal impact, all fueled by an unwavering passion that propels the company's continuous growth and industry leadership.



Potential

In a world increasingly conscious of safe and premium-quality infant garments, Kitex's role as a pioneer holds greater significance. Responding adeptly to evolving demands, Kitex stands as a leader in addressing the needs of the youngest members of society. Furthermore, with esteemed clients recognising their excellence, Kitex is well-positioned within a landscape characterised by favourable demands, shaping the company's strategic path.



Progress

The momentum of progress propels Kitex's journey as the company charts a course toward uncharted horizons. Anchored by its forthcoming capacity expansion plans in Telangana, Kitex reaffirms its unwavering dedication to advancement. By enhancing production capabilities, Kitex is poised to address the industry's surging demands and elevate the benchmarks it has set for itself.



About Us

Kitex Garments Ltd. (KGL) proudly holds the esteemed position of being the planet's second-largest champion in crafting cotton and organic clothing for the youngest generation. With a heartfelt commitment to dressing infants and children aged 0-24 months, we weave dreams into every stitch, nurturing a world of comfort, care, and limitless possibilities.





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, Oeko-tex 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
[#] (Expired on 30.05.2022)

Board Committees

Audit Committee

CA. Benni Joseph, Chairman
Prof. E. M. Paulose, Member[#]
Mr. C. P. Philipose, Member
Mrs. Sumi Francis – Independent Director^{\$}
[#] (Expired on 30.05.2022)
^{\$} 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^{\$}
[#] (Expired on 30.05.2022)
^{\$} 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

Axis Bank Limited
State Bank of India

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, Vilangu, 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



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





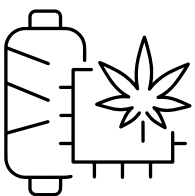
3,50,000 Built up Area
(in sq.ft.)

New Subsidiary

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

₹55,699.55

Lakh Operating Revenue in FY23



End-to-end
sustainable
business model

1992

Year of Establishment

From the desk of CMD



Dear Shareholders,

Welcome to the Integrated Annual Report of Kitex Garments Ltd. for the financial year ending 31st March 2023.

I wish to begin by requoting what I stated in my last year's address to you, "The trials you encounter will introduce you to your strengths. Remain steadfast..." because this adage has never been more relevant for the Company as much as in FY2023. I am glad that we have sailed through the turbulent times and probably entering relatively calmer water in the coming financial year.

The Company

Moving from the initial production of aluminium products such as kitchen utensils and cookware in the 1970s to production of spices, textiles and bags and eventually settling to infant clothing manufacture, Kitex today globally has become the second largest in the industry. Conceptualising the term 'Fibre to Apparel' manufacturing, the Company has evolved from Kizhakkambalam, a small village in Kerala to having a global presence in USA and Europe.. The Company maintains a state-of-the-art production unit with an employee count of 5000 plus.

Execution to Perfection

The underlying principle on which Kitex functions is 'Execution to Perfection', which is responsible for Kitex becoming the world's second largest manufacturer of cotton and organic cotton garments for infants and children, executing international orders from global

brands. The quest for perfection is satiated by the use of robotic technology for achieving the desired level of accuracy, quality and higher output. Since the products cater to new-borns and toddlers, quality standards are preserved across the entire value chain. The use of chemical free, hypoallergenic and sustainable materials, use of stain resistance materials and child safe dyes are some of the practices followed by the Company. While the major chemicals are imported, the in-house manufacture of all fabric requirements adhere to stringent safety norms. The yarn and other raw materials are sourced with an emphasis on comfort, cleanliness, hygiene and efficiency, adhering to global standards. Complying with stringent safety standards, all our products pass the 'saliva test' in any international lab.

The products are available for the customers of USA, on the company's own e-commerce website through its own brands like Little Star and 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

It gives me immense pride to announce that Kitex had received invitations from nine Indian states as well as from countries such as Sri Lanka, the UAE, Bahrain, Mauritius and Bangladesh for investments for manufacturing units. Additionally, UAE and Oman had also offered the opportunity to start a unit in their free zones with tax benefits.

Kitex has currently finalised the decision and considered the state of Telangana to expand to bigger production units. Elevating the investment level to Rs. 3,000 crores in the two manufacturing facilities

Kitex has currently finalised the decision and considered the state of Telangana to expand to bigger production units. Elevating the investment level to Rs. 3,000 crores in the two manufacturing facilities in Telangana, Kitex is right on the track of expansion. Rs. 1,500 crores would be dedicated towards the Kakatiya Mega Textile Park Unit near Warangal and another Rs. 1,500 crores towards Sitarampur facility near Hyderabad. The Kakatiya Park is the largest textile park in India spread over 1350 acres and operations at the unit are expected to start by end of Q4 FY2023. This unit would enable Kitex to undertake cotton spinning, knitting, bleaching, dyeing, printing, cutting and sewing. The Sitarampur unit would commence operations by end of FY2024. With these two units fully functional, the Company is looking forward to making 2.5 million infant garments over the next 3 years. These two projects would create direct employment 22000 people, approximately 80% being women. App: another 18000 indirect jobs are also expected to be evolved.

FY2023 - an opportunity to learn

Global textiles and apparel companies have reported sales at par in FY2023 y-o-y, however all the companies have reported lower profits, primarily due to subdued demand on account of recession. The post-pandemic year saw a rebound of demand, which was a reflection of revenge-based purchasing mode. While the retailers continued to stock huge inventory in anticipation of continued demand, the US-FED hike of interest rates to unprecedented levels led to steeply rising inflation and severely impacted the demand. The resultant piles of non-moving inventory with the retailers and global wholesalers led them to resort to distress selling at deep discounts reaching almost 90%. Businesses are now focusing on reducing inventory and sourcing just enough to manage the crisis.

The Company expects this to be temporary phenomena because the orders are already in queue for FY2024 which indicate achieving a better performance in Q1 FY2024 and normal performance by Q2 FY2024.

CSR - the Need of the Industry

Moving towards a more responsible and sustainable apparel industry is no longer a mere option but a pressing need.

Kitex endeavours to focus on environment and society at large, strategically incorporating the CSR initiatives in all its procedures and operations. Considering workforce health and safety as being primarily important has resulted in

low attrition rate along with higher productivity. Kitex also meets the rigorous international norms for anti-pollution and environmental protection. It maintains an Environment Management System, which involves the usage of energy efficient equipments, water conservation schemes and the green belt system within the factory premises, thus trying to safeguard the natural ecosystem. For the society, improving livelihoods, food security programs, educational initiatives, housing infrastructure and health plans are some of the initiatives taken up by us.

Concluding Remarks

Economic growth and social development are two sides of the balancing scales at Kitex and efforts have always been taken to preserve both at equilibrium. A bottom-up approach and a consistently determined attitude have helped us encounter challenges over the years and will continue to do so in the future as well.

I wish to sincerely thank all the stakeholders for supporting the Company through the ups and downs and continuing the trust. I hope to return next time with brighter days and more positive news.

Warm regards,

Mr Sabu M Jacob

Chairman and Managing Director

Human Capital



Within the fabric of Kitex's identity, human resources stand as an inseparable thread, intricately woven into every policy choice we make. Our company's compass is guided by the art of selecting the finest talents, nurturing their growth through training and development, fostering their flourishing journey, and expressing gratitude through recognition. This symphony of actions, in turn, orchestrates the harmonious expansion of our organization.

Human capital embodies the culmination of education, training, skills, knowledge, attitude, ethics, morale, and well-being within our workforce. Its essence reverberates across all echelons of management, and in this era, strategic stewardship of our human assets has become an imperative.

5,000+
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.

58%
Female Employees

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 Digitization

The remarkable transformation brought about by automating and digitizing HR practices has elevated the competency and professionalism of HR functions, subsequently reshaping the business landscape. At Kitex, we take immense pride in our adept in-house IT team, a driving force behind the development of our proprietary software that caters to a spectrum of technical requirements, especially within the HR domain. The seamless integration of our Employee Management System (EMS) empowers our HR unit to process data promptly, while remaining adaptable to evolving technical demands.

Addressing Concerns

For effective and prompt resolution of concerns, Kitex has established a dedicated HR-Welfare division. Beyond meeting governmental and labor department mandates, our employees gain access to grievance redressal portals, offering them the means to log and monitor their issues. Whether submitted manually, through grievance registers, or via direct interactions with concerned officers, these avenues provide a comprehensive approach to grievance handling.

Retention Success

Harmonious collaboration between various departments, fortified by a robust grievance redressal mechanism, has enabled Kitex to maintain an impressive annual attrition rate. This accomplishment underscores our commitment to nurturing a work environment where employee engagement and satisfaction flourish.



Training

Within Kitex, the spotlight illuminates our profound commitment to training and development, fostering employee growth by nurturing knowledge, skills, and innate talents. Our dedication to safety stands resolute, as Kitex Garments Limited proudly boasts the 'Platinum' certification from Worldwide Responsible Accredited Production (WRAP), an

assurance that our apparel is crafted in a realm marked by safety, legality, humanity, and ethics, recognized globally. Our training tapestry weaves a diverse spectrum of programs, encompassing orientation, compliance, technical and quality assurance, soft skills, and diversity training, all aimed at empowering our employees to transcend limits and become the best versions of themselves.



Safety First

Kitex Garments Limited shines at the 'Platinum' pinnacle, the utmost rating, under Worldwide Responsible Accredited Production (WRAP). This revered certification, embraced globally, reassures key players that our factory crafts apparel ethically, safely, and lawfully.

Dedication to Employee Well-being

Upholding the health and safety of our workforce stands as a paramount pledge of our management. Safeguarding employees against potential harm or occupational ailments is deeply ingrained within the fabric of our operational and human resources endeavors. To ensure the realization of this commitment, a proactive Health and Safety Committee has been instituted, diligently overseeing all aspects pertaining to health and safety within the organization.



Employee Wellbeing

Healthcare Amenities

Within our premises, a dedicated in-house clinic caters to the health needs of our employees. This facility offers regular check-ups during working hours and remains operational 24/7 for urgent medical situations. In the event of a critical condition, our readily accessible ambulance service ensures swift transportation to the nearest hospital, ensuring comprehensive care when it's needed the most.



Employee Enrichment

Understanding the vital role of social and recreational pursuits in nurturing employees' mental well-being, Kitex is unwavering in its commitment to provide such opportunities. Our staff enjoys a range of services, including access to plasma televisions with diverse language options, engaging indoor and outdoor games, a tranquil prayer hall, and convenient transportation for shopping trips to the nearby city. These offerings underscore our dedication to fostering holistic employee enrichment.

Employee Lodging

We are proud to extend complimentary, clean, and thoughtfully appointed accommodation to our valued employees. Our lodgings cater to both genders, with a distinct section for females. The dormitory is fully equipped with essential amenities and is further overseen by a dedicated female security officer, ensuring a safe and comfortable living environment.

Canteen

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

Environmental Capital

Embracing Our Role as Guardians of Nature

In the symphony of existence, every organization harmonizes with its environment. True sustenance unfurls when we safeguard our environmental wealth, a truth Kitex holds dear. Guided by this vision, we have embarked on a journey of purposeful action.

Nurturing a greener tomorrow, Kitex orchestrates an Environment Management System (EMS) that orchestrates a harmonious dance with our planet. This dynamic system curtails the impact of our operations, activities, processes, and offerings, all within the tapestry of legal compliance and defined protocols.

Our anthem resonates with the rhythms of reduction, recycling, and reclamation – a resounding pledge to cherish and preserve. Through this melodious blend, we echo the heartbeat of the Earth, forging ahead with steadfast determination towards a future where vitality, balance, and abundance reign supreme.



98%
Waste
Recycling in
FY23

Environmental Approach as a part of Business Strategy

Eco-Conscious Waste Management

Guided by our commitment to the planet, we've sculpted a robust waste disposal policy. This process unfolds seamlessly, with each department meticulously segregating scrap and waste items, adorning them with bundle tags at their source. This choreography aligns with the innate nature of the material, demarcating them into "Bio Degradable" and "Non-bio Degradable" categories. Thereafter, they undergo reprocessing or disposal in accordance with their inherent character.

Our diligence continues as we entrust discarded materials to Scrap Contractors whose environmental credentials align with our stringent standards. This alliance ensures responsible disposal, fortified by the company's environmental mandates.



Cutting-Edge Treatment Facilities

In the heart of our operations, stand the fully-automated, state-of-the-art effluent treatment plant (ETP) and sewage treatment plant (STP). This remarkable technology goes beyond convention, ensuring the water it treats attains the high standards set by Europe. A transformation takes place here – a rejuvenation that grants water a second life, free from harm. This process reverberates with our commitment to the environment, leaving behind a whisper, not a footprint.

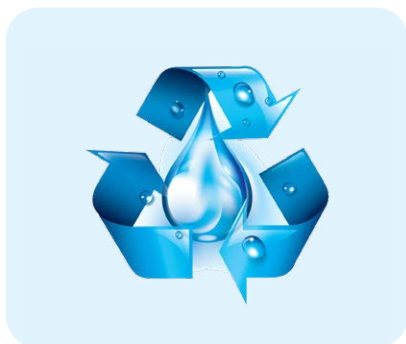
As water emerges from its revitalizing journey, it finds purpose anew. Embracing sustainability, it takes on the role of nurturing life once more. The nourishment it provides rejuvenates the horticultural haven within our factory precincts. In this way, the water embodies our pledge to harmony – where every drop, a testament to our commitment to both innovation and the environment.

Harvesting Nature's Elixir

The dance of rainwater, once collected and transformed, plays an essential role in our manufacturing symphony. This enchanting process commences with the tender gathering of raindrops from rooftops. Guided by nature's course, these droplets find their way to strategically placed trenches, positioned at each corner of our factory grounds.

Yet, the journey doesn't conclude there. Our dedication to excellence continues as the water takes a transformative passage through a meticulously designed water treatment plant. Here, the water's essence is refined through layers of filtration, purification, and meticulous care. This metamorphosis imbues the water with new purpose, rendering it pristine and ready for its next chapter.

In this symphony of conservation and innovation, we proudly unveil the harmony between nature and industry. A harmony where rainwater is more than a fleeting phenomenon – it's a cornerstone of sustainable progress.



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.

UN SDG Linkages



How We Ensure Environment Protection



Establish sound environment objectives and targets.



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



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.



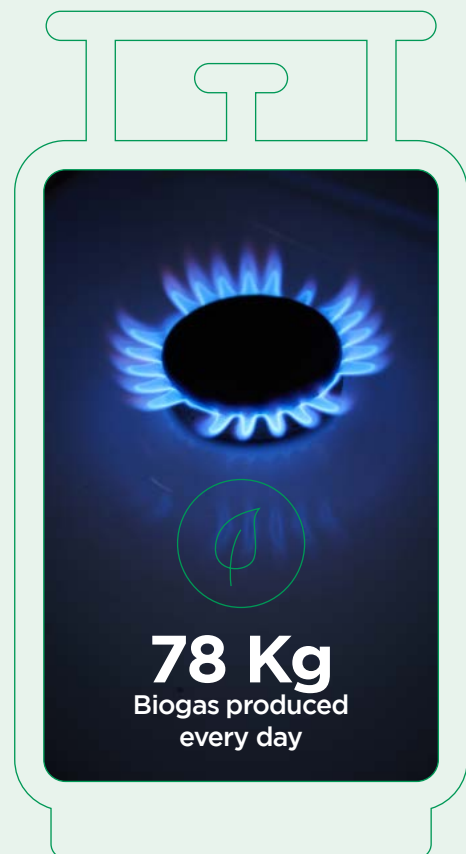
Ensure all employees, suppliers, contractors and vendors act in accordance with our environmental initiatives.



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



Promote improvements in energy efficiency and resource usage.



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.



Manufactured Capital

How We Create Value

Kitex Garments stands tall as a prominent global contender in the realm of infant wear, celebrated for its cutting-edge manufacturing hub that adheres to the highest echelons of global quality standards. Fuelled by an agile production framework, the company showcases its prowess by crafting an expansive array of infant garments with unrivaled competitiveness.

This testament to excellence extends to our supply chain orchestration. Our adept management ensures the punctual delivery of our products, thus bolstering a multitude of multinational retail and infant garment brands worldwide. In the realm where precision meets style, Kitex Garments assumes a mantle of distinction.

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



The quintessential global distinction at Kitex rests in its cohesive, traceable value chain, meticulously aligned with diverse global standards across each phase of the product supply journey.

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.



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.



50
Tones Per Day Textile Capacity



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.



₹2,406 crores
Estimated CAPEX for Telangana Project

Financial Capital

(Rupees in Lakhs)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Income										
(a) Revenue from operations	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	55,699.55
(b) Other income	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	4,307.67
Total Income	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	60,007.22
Expenses										
(a) Cost of materials consumed	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	24,026.44
(b) Changes in inventories of finished goods and work-in-progress	118.23	(21.54)	29.72	(1,575.74)	(3,735.78)	(3,644.54)	439.95	(38.17)	(689.13)	2,426.87
(c) Employee benefits expense	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	10,906.72
(d) Finance costs	1,061.59	1,916.41	1,375.67	926.68	581.18	388.00	702.49	253.95	361.87	447.17
(e) Depreciation and amortization expense	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	2,120.97
(f) Other expenses	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	11,936.86
Total Expenses	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	51,865.03
Profit before tax (I - II)	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	8,142.19
Tax Expense										
(a) Current tax	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	2,408.00
(b) Deferred tax	545.65	98.00	(198.00)	(296.67)	(232.13)	(233.54)	(654.44)	(87.53)	(59.12)	(207.63)
Profit for the year (III - IV)	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	5,941.82
Capital	475.00	475.00	475.00	475.00	665.00	665.00	665.00	665.00	665.00	665.00
Earnings per equity share	12.08	20.74	23.60	19.48	10.64	12.22	16.21	9.01	9.01	8.94

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.



Intellectual Capital

How We Create Intellectual Value

Kitex Garments shines as a prominent global influencer in the realm of infant wear, renowned for its cutting-edge manufacturing hub aligned seamlessly with the world's premier manufacturing quality benchmarks. Empowered by a nimble production strategy, the company boasts the capacity to craft an extensive spectrum of infant garments with unparalleled cost-effectiveness.

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.





This commitment to excellence extends harmoniously to our supply chain symphony. With a deft touch, we ensure the timely delivery of our products, a pillar of support to a myriad of multinational retail and infant garment brands worldwide. In the grand tapestry of innovation and dedication, Kitex Garments stands as a beacon of distinction.

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 FY23

During the year the company channelised its CSR resources towards road development, healthcare and housing with a total outlay of ₹ 511.10 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.

₹ **371** Lakhs

FY23 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

₹ **2.46** Lakhs

FY23 Annual Outlay



CSR Initiatives in FY23

Education

The establishment of schools in Vilangu, Kizhakkambalam Panchayat, Ernakulam District, and Malayidumthuruth in Ernakulam District stands as a significant Corporate Social Responsibility (CSR) initiative in the realm of education. Furthermore, this initiative encompasses the maintenance of pre-existing schools and anganwadis within the Kizhakkambalam vicinity.

₹ **94.33** Lakhs

FY23 Annual Outlay



Housing

Throughout the year, as an integral component of the company's CSR endeavours, the company additionally undertook the construction of homes for those in need.

₹ **43.13** Lakhs

FY23 Annual Outlay



Management Discussion & Analysis

GLOBAL APPAREL INDUSTRY

Exhibiting a rebound after the pandemic, the apparel industry grew from early 2021 through to mid-2022. However, H2 FY 2022 saw a plunge in sales across USA and Europe, hinting at a slowdown in the upstream value chain, primarily due to rising global inflation levels and falling consumer sentiments.

The global apparel consumption in 2021 was around USD 1.5 trillion and is estimated to reach USD 2 trillion by 2025 growing at a CAGR of 4% from 2019. The largest market globally for apparels is USA followed by Europe and China and other nations like Japan, Brazil and Canada. Since these nations amongst all others were plagued by inflation concerns, apparel manufacturers in Asia had an unfavourable effect due to diminished global demand. The apparel manufacturers in the Asian region have been facing operating at 70% capacity and accepting near nil margin orders. dual problems of lesser prices from buyers due to the economic slowdown and increased cost from suppliers put pressure on the apparel manufacturing companies, cumulatively, leading to shrinking profit margins.

Year	Global apparel market value at retail prices (USD billions)
2021	1,500.1
2022	1,671.4
2023	1,736.5
2024	1,895.6
2025	2,000.1

Growing economies such as China and India are growing at much higher rates than developed regions owing to the growing domestic market and increasing disposable income. Together these markets account for 59% of the total apparel market while rest of the world accounts for the remaining 41% share.

The global textile and apparel trade was valued at USD 869 billion in 2021. The trade is projected to grow at CAGR 3% and reach USD 1,000 billion by 2025 with apparel being the largest traded category. India is the 4th largest supplier of textiles and apparel in the world with 5% share and exports worth USD 42 billion and exhibiting growth at 4% CAGR.

Source: FICCI

Factors shaping the global apparel industry

China +1

Countries have become more conscious about their sourcing and have begun focusing on reducing dependency on China for their sourcing requirements and sourcing from other nations like Bangladesh, Vietnam and India. The ban on Xinjiang cotton by USA opened up the market for Indian cotton-based products on global level, thereby increasing their share in the global textile and apparel market and boost exports.

Taking advantage of the production-capacity shift in the labour-intensive industry away from China, countries in South Asia have been steadily increasing their market shares in terms of textile exports to USA.

Sustainability

The textile industry is amongst the most polluting industries and the environmental concerns facing the textile sector are considerable. With the ultimate aim of becoming a green and sustainable industry, the industries across the world are implementing measures like controlled use of natural resources like water and energy in the production processes, using raw materials which are sustainable in the long run, proper handling of hazardous chemicals used in dyeing and coating, proper waste disposal, treatment of water before discharge, using recycled products and adherence to certain guidelines to eliminate health risks of workers, consumers as well as the environment.

Supply Chain

Supply chain in this industry has been influenced by the digitalization of businesses post the pandemic situation, making it more transparent for both buyers and sellers and compliance issues easier. It has enabled buyers to find appropriate suppliers from across the globe and suppliers with efficient, transparent delivery systems have become the first choice of buyers. Supply chain visibility, sourcing approach, collaborations and information analysis have become more simplified in the recent years.

Comfort Factor

Following the pandemic, a need to be in comfortable clothing arose and gave boost to comfort wear clothing. Comfortable

clothing, which is mainly made using stretchable fabrics, further increased demand of cotton-spandex, polyester and nylon spandex raw materials, thus boosting the athleisure category.

The apparel industry across the globe is facing strong headwinds, which is, in reality, enabling the manufacturers to make strategic changes through all the operations, functions and processes, to redesign approaches and prepare themselves for the revival which might arrive in the coming financial year when markets stabilize.

Imports of apparel into USA

Country	2022	2021
World	99.87	81.46
ASEAN	30.60	23.78
China	21.75	19.60
Vietnam	18.20	14.34
Bangladesh	9.72	7.13
India	5.68	4.19

(USD Billion)

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

INDIAN APPAREL INDUSTRY

India's textile and apparel market stood at USD 110 billion in 2021, of which USD 80 billion is contributed by apparel. 70% of the total market comprises of domestic consumption while the balance 30% goes towards exports.

Source: FICCI

In terms of global ranking, India is ranked 4th in apparel exports with 3% share. The textiles and apparel exports are estimated to grow at 9% CAGR from 2021 and reach USD 60 billion by 2025-26. Apparel is the largest exported category in India's exports with a dominant share of 36%.

USA with 30%, UAE with 14% and UK with 9% are the top 3 top markets for India's apparel exports while Germany and France contribute 6% and 4% respectively.

India as one of the largest producers and consumer of textile and apparels. With the market value expected to touch USD 250 billion by 2025-26, it is required that the full potential of this sector be exploited in order to achieve optimum contribution to GDP and exports.

Source: Indiaretailing

Export of apparel from India

(USD billions)

Articles of Apparel and Clothing Accessories	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
- Knitted or Crocheted	7.7	8.2	6.3	7.5	7.8	8.0
- Not Knitted or Crocheted	8.5	7.8	5.9	8.0	8.3	8.7
Export of apparel	16.2	16.0	12.2	15.5	16.1	16.7
Growth	1.25%	31.1%	-21.3%	-3.7%	-3.6%	-4.0%

Source: tradedat.commerce.gov.in

Top 15 Textile Export Market of India (Values in USD Million)

Sl. No.	Importers	Exported value in 2017	Exported value in 2018	Exported value in 2019	Exported value in 2020	Exported value in 2021
1	United States of America	7787.871	8118.862	8450.894	7510.099	10816.665
2	Bangladesh	2260.401	2499.759	2059.204	2079.231	4268.378
3	United Arab Emirates	4109.43	2471.327	2441.259	2070.632	2673.935
4	China	1520.189	1842.894	1400.159	1316.79	2050.709
5	United Kingdom	2242.376	2193.809	2152.551	1596.582	1956.979
6	Germany	1785.767	1705.131	1515.276	1249.513	1464.592
7	France	956.481	972.519	919.371	708.886	903.578
8	Spain	1072.571	1055.924	1011.219	702.876	868.877
9	Netherlands	668.798	700.915	689.03	610.351	806.532
10	Türkey	740.737	654.414	585.937	465.42	779.233
11	Sri Lanka	604.955	601.471	644.202	534.804	777.579
12	Italy	853.32	889.462	745.542	563.742	774.412
13	Vietnam	511.463	634.996	341.023	402.098	648.97
14	Australia	429.913	438.296	466.858	457.226	604.532
15	Canada	438.8	454.528	443.151	399.934	544.377

Source: <https://commerce.gov.in/about-us/divisions/export-products-division/ep-textile/>

REVIEW OF OPERATIONAL PERFORMANCE

On stand alone basis the Company reported a turnover of Rs 600 Crores a decrease of 27% over previous Financial year. Also the PBT dipped from 21% to 14%. This is mainly due to Global recession which gripped both the developed and developing nations alike. Same forced all Global giants into loss of turnover and heavy loss in profits. The Global retailers like Walmart and Target had to resort to distress selling with deep discounts. The major reason is huge stocking in the 1st quarter in expectation of revival in demand from the customers buying with a revenge mode. However it cannot be sustained and Global retailers were left with no option other than putting a stop to stocking and also to liquidate the same with heavy discounts. The same created a down side repercussion across which impacted us also on Sales and Profit front.

The company expects this to be temporary phenomena to extend up to Q4 2022-23. The company's orders in queue for 2023-24 indicate achieving a better performance in Q1 and Q2 and normal performance by Q3 2023-24.

Expansion plans in Telangana

The expansion plans are progressing as per schedule. We have already tied up the Project loans amounting to Rs 2023 crores through a consortium of Banks. The first Project at KMTP Waranga is well advanced with the Land fully procured, Buildings getting near completion and types of machinery have started arriving with major LCs opened for procurement of machines. The Company has already contributed a major portion of Promoters Equity. Commercial production is expected to commence in March 2024.

For the 2nd Project at Sitarampur near Hyderabad the Land of 250 acres is procured and plans for construction and procurement of machinery is under process. The Commercial production is planned to commence on March 2025.

REVIEW OF FINANCIAL PERFORMANCE

As mentioned above the PBT reduced to 14% and resultant impact on EBIDTA coming down to 18% against 25% of last year. Based on the orders and general revival of demand the Company expects the Profitability performance to be back to normal by 3rd Quarter of next year.

Summary of financial performance (Consolidated)

- During FY23, the company achieved operating revenue of 55,699.55 lakhs, which is 29.34% lower than earlier year's ₹78,832.83 lakhs. The decrease is on account of major recessionary impact Globally.
- EBIDTA for FY23 was ₹10710.33 lakhs versus ₹20083.82 lakhs for FY22, a decrease of 46.67%. Lower EBIDTA is primarily on account of the Global recession.

- Earnings per share ₹8.94 for FY23 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 FY22 was ₹1.50 per share).

Revenue

(INR in lakhs)	FY23	FY22	Change
Operating revenue	55,699.55	78,832.83	-29.34%
Other income	4,307.67	2,996.40	43.76%

Cost of materials

(INR in lakhs)	FY23	FY22	Change
Cost of raw materials consumed (including Purchase of stock in trade and Changes in inventories of FG, traded goods and WIP)	26,453.31	36,741.87	-28.00%
Operating revenue	55,699.55	78,832.83	-29.34%
Cost of materials / Operating revenue	47.49%	46.6%	

The cost of raw materials has gone down up by 28% whereas Operating Revenue decreased by 29.34%.

Employee benefits

(INR in lakhs)	FY23	FY22	Change
Employee benefits	10906.72	11426.42	-4.54%
% of Revenue	19.58%	14.5%	

Employee benefits expense, though decreased by 4.54% in absolute amount, has been higher in terms of its proportion to the revenue. Employee cost has been to some extent fixed, and will not go down proportionally to revenue.

Finance costs

(INR in lakhs)	FY23	FY22	Change
Finance costs	447.17	361.87	23.57%
% of Revenue	0.8%	0.4%	

Finance costs increased due to the utilisation of higher working capital.

Depreciation and Amortisation

(INR in lakhs)	FY23	FY22	Change
Depreciation and Amortisation	2,120.97	2,143.77	-1.06%
% of Revenue	3.8%	2.7%	

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

Other expenses

(INR in lakhs)	FY23	FY22	Change
Other expenses	11,936.86	13,577.12	-12.08%
% of Revenue	21.43%	17.2%	

The decrease in other expenses by 12.08% is mainly on account of Processing charges, Power and fuel and Forwarding and transport charges on sales, which were linked to the decrease in production and sales.

Income tax

(INR in lakhs)	FY23	FY22	Change
Income tax	2,200.37	4,749.88	-53.68%
Profit before tax	8,142.19	17,578.18	-53.68%
Tax as % of Profit before tax	27.02%	27.02%	

Credit rating

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

Loan facility	Short-term / Long-term	Rating on June 22 2023	Rating on March 3, 2022
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+ (Negative)	[ICRA A+ (Stable)
	Short term	[ICRA] A1	[ICRA] A1

Dividend

The Board has at its meeting held on 30th May 2023 recommended a final dividend of ₹1.50 per equity share of Re. 1 each (150%) for the year 2022-23, subject to the shareholders' approval at its ensuing Annual General Meeting.

Segment-wise or product-wise performance

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

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.

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 2022-23.

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 4486 employees on rolls of which 2587 were women as on March 31, 2023. The total number of man power came down from 5524 since the Company exercised control on recruitment due to lower turnover. It is pertinent to note that the Company has been successful in maintaining a pay equity for both genders across levels ensuring that it builds an equitable workplace.

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.

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.

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)

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Phone: 91 484 4142000, Fax: 91 484 2680604

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

Notice

Notice is hereby given that the 31st Annual General Meeting of the Members of Kitex Garments Limited will be held on Saturday, September 30, 2023 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, 2023 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 ₹ 1/- each for the Financial Year 2022-23 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 ₹ 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, 2023 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. KLV Narayanan (DIN: 01273573), 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. KLV Narayanan (DIN: 01273573), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

4. To re-appoint the Independent Auditors and to fix their remuneration by considering and if thought fit, to pass with or without modifications(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any amendment(s) thereto or re-enactment(s) thereof for the time being in force, M/s. MSKA & Associates, Chartered Accountants, Chennai (FRN 105047W) be and is hereby re-appointed as the Independent Auditors of the Company to hold office from the conclusion of the 31st Annual General Meeting till conclusion of 36th Annual General Meeting to be held in the year 2028, for a tenure of 5 (FIVE) years on such remuneration plus other taxes as applicable as may be mutually agreed to between the Board of Directors and the said Independent Auditors."

SPECIAL BUSINESS

5. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS WITH KITEX APPAREL PARKS LIMITED

To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and pursuant to Regulations 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, read with Company's policy on materiality of and dealing with Related Party transactions and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ Transaction(s)/ arrangement(s) with Kitex Apparel Parks Limited, a related party within the meaning of Sec 2(76) of the Act and Reg 2(1)(zb) of Listing Regulations or with third party including lenders as against transactions including term loan availed of from the lender, and for such transactions as given in the explanatory statement on such terms and conditions as Board may deem fit, upto a maximum aggregate amount of Rs. 2900 Crore (Rupees Two Thousand and Nine Hundred Crore only) for a period not exceeding fifteen months from the 31st Annual General Meeting, provided that contract(s)/ Transaction(s)/ Arrangement(s) so carried out shall at all times be in the ordinary course of Company's business and also at arms length basis."

"RESOLVED FURTHER that the Board of Directors of the company and/or the Audit Committee as may be applicable from time to time be authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Directors of the Company as it may consider appropriate in order to give effect to this resolution."

6. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS WITH KITEK CHILDRENSWEAR LIMITED

To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution:-

"RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and pursuant to Regulations 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, read with Company's policy on materiality of and dealing with Related Party transaction and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors of the Company to enter into a contract(s)/ Transaction(s)/ arrangement(s) with Kitek Childrenswear Limited, a related party within the meaning of Sec 2(76) of the Act and Reg 2(1)(zb) of Listing Regulations, for such transactions as given in the explanatory statement on such terms and conditions as Board may deem fit, upto a maximum aggregate amount of Rs. 300 Crores (Rupees Three Hundred Crores only) for a period not exceeding fifteen months from the 31st Annual General Meeting provided that contract(s)/ Transaction(s)/ Arrangement(s) so carried out shall at all times be in the ordinary course of Company's business and also at arms length basis."

"RESOLVED FURTHER that the Board of Directors of the company and/or the Audit Committee as may be applicable from time to time be authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Directors of the Company or to any one or more Directors of the Company as it may consider appropriate in order to give effect to this resolution."

7. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS WITH KITEK USA LLC

To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

"RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11.07.2023, read with Company's policy on materiality of and dealing with Related Party transaction and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into a contract(s)/ Transaction(s)/ arrangement(s) with KITEK USA LLC a related party within the meaning of Sec 2(76) of the Act and Reg 2(1)(zb) of Listing Regulations, for such transactions as given in the explanatory statement, on such terms and conditions as may be mutually agreed upon, upto a maximum amount of Rs. 600 Crores (Rupees Six Hundred Crores only) for a period not exceeding fifteen months from the 31st Annual General Meeting however that contract(s)/ Transaction(s)/ Arrangement(s) so carried out shall at all times be in the ordinary course of Company's business and also at arms length basis."

"RESOLVED FURTHER that the Board of Directors of the company and/or the Audit Committee as may be applicable from time to time authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard."

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Board of the Company in order to give effect to this resolution.”

By Order of the Board of Directors of
Kitex Garments Limited

Kizhakkambalam
May 30, 2023

Sabu M Jacob
Managing Director

Notes:

1. In view of the ongoing COVID-19 pandemic and pursuant to General Circular No. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and General Circular No.10/2022 dated December, 28, 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/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/DDHS/DDHS-RACPOD1/P/CIR/2023/001 dated January 5, 2023 (collectively referred to as 'SEBI Circulars'), the Company is convening the 31st 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 Building no. VI/496, Kizhakkambalam, Vilangu P.O., Aluva Kunnathunad 683561, 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. K. L. V. Narayanan (DIN: 01273573), 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. K. L. V. Narayanan (DIN: 01273573), 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 4 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 relogged 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 dematerialisation, 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.

10. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Bank after sending of the Notice and holding shares as of the cut-off date, may obtain the User ID and Password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/ she can use his/her existing User ID and Password for casting the vote.

DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:

11. Notice of the 31st Annual General Meeting along with the Annual Report 2022-23 is being sent only through electronic mode to those Members based on Benpos date i.e., September 01, 2023, whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2022-23 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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.
17. 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. September 30, 2023. Members seeking to inspect such documents can send an email to sect@kitexgarments.com.
18. 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

19. 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 October 29, 2023 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 September 23, 2023;
 - 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 September 23, 2023 .

UNCLAIMED DIVIDEND & IEPF RELATED INFORMATION

20. Members who have not encashed the dividend warrants for the financial year ended 2015-16 (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 2015-16 in the website of the company and the shareholders can view the details at www.kitexgarments.com

21. 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.
22. 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, 2015 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.
23. The details of unpaid and unclaimed dividends lying with the Company as on March 31, 2023 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, 2023 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 has transferred 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 16, 2023. 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 2015-16 onwards are given below:

Financial Year	Declared on	Dividend yield	Amount paid per equity share (₹)	Due date for transfer to IEPF
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
2021-22 (Final)	29.08.2022	150%	₹ 1.50	03.10.2029

25. The Company had released an Advertisement dated April 21, 2023 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, 2023 to the shareholders concerned whose dividend remains unpaid or unclaimed for a period of Seven (7) consecutive years since 2016, 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.
26. 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:

27. Voting through electronic means:

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements)

Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.

2. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, , the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at www.kitexgarments.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. www.evotingindia.com.
6. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
7. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January,13,2021.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on 27th September 2023 at 9.00am and ends on 29th September 2023 at 5.00pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

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.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) 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 abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<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 users to login to Easi / Easiest are requested to visit cdsi website www.cdslindia.com and click on login icon & New System Myeasi Tab. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsi website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	<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.nsdl.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.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.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 (DP)	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.

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

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 toll free no. 1800 22 55 33
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

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
 - 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on "Shareholders" module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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).

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat 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 to be also used by the demat 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Kitex Garments Ltd on which you choose to vote.
- (x) 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.

- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, 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 mandatory 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 at the email address viz; sect@kitexgarments.com,, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
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. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at sect@kitexgarments.com. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. 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.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

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

A. Mr. K. L. V. Narayanan

Name of Director	Mr. K. L. V. Narayanan
Date of Birth	02.04.1957; 66 years of age
Qualification	Bachelor of Arts
Experience and nature of expertise in specific functional areas	Expertise in Export management, Excellent Knowledge of all export related matters with an industry experience of over 49 years in textile industry.
Directorship held in other Companies	SCOOBEE DAY GARMENTS (INDIA) LIMITED as Managing Director <ul style="list-style-type: none"> • Kitex Apparels Limited as Director • Kitex Garments Limited as Director • Kitex Childrenswear Limited as Director Refer Resolution 3 and the Directors Report
Details of terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn	
Date of first appointment on the Board	04.04.2013
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	Kitex Childrenswear Limited- Member of Nomination and Remuneration Committee
Shareholdings in the Company	Nil
listed entities from which the person has resigned in the past three years	

Statement pursuant to Section 102 (1) of the Companies Act, 2013 – Item 4

MSKA & Associates, Chartered Accountants, Chennai (FRN 105047W) were appointed as the Independent Auditors of the company at the Annual General Meeting held on 28.07.2018 to hold office from the conclusion of the 26th Annual General Meeting till conclusion of 31st Annual General Meeting to be held in the year 2023, for a tenure of 5 (FIVE) years.

The Board of Directors of the Company and audit committee have recommended the re-appointment of M/s. MSKA & Associates, Chartered Accountants, Chennai (FRN 105047W) as the Independent Auditors of the company for a second term for a period of 5 (Five) years from the conclusion of 31st Annual General Meeting till the conclusion of 36th Annual General Meeting pursuant to Section 139 (1) and (2) of the Companies Act, 2013 on such remuneration plus other taxes as applicable as may be mutually agreed to between the Board of Directors and the said Independent Auditors.

Consent and certificate u/s 139 of the Act have been obtained from the Auditors to the effect that their appointment if made, shall be in accordance with the applicable provisions of the Act and rules issued thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. MSKA & Associates, Chartered Accountants, Chennai (FRN 105047W) have confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

Relevant documents in respect of the said items would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company between 11.00 AM and 1.00 P.M. on all working days up to the date of the Annual General Meeting. None of the Directors/ Key Managerial Personnel or their relatives are concerned or interested, in the resolutions set out at item no. 4 of the accompanying notice.

The Directors therefore recommend the resolution for the approval of members.

Disclosures as per Regulation 36 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- (a) Proposed fees payable to the statutory auditor(s) –To be decided by the Board of Directors
- (b) terms of appointment: As disclosed in item 4
- (c) in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change; The existing auditors are being reappointed so NA
- (d) Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed .They are leading Auditors PAN India and served as our Statutory Auditors for the last 5 years.

By Order of the Board of Directors of
Kitex Garments Limited

Sabu M Jacob
Chairman
DIN 00046016

Kizhakkambalam
May 30, 2023

Directors' Report

Dear Members,

Your Directors are pleased to present the Thirty first Annual Report of the Company together with the audited financials statements for the financial year ended March 31, 2023.

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, 2023 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, 2023 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales and other Income				
Revenue from operations	55,699.55	78,832.83	55,699.55	78,832.83
Other Income	4,307.67	2,996.40	4,405.69	2,689.08
Total Revenue	60,007.22	81,829.23	60,105.24	81,521.91
Profit Before Interest, Depreciation and Tax	10710.33	20,083.82	10,493.66	19,763.93
Less: Finance Charges	447.17	361.87	447.17	361.87
Depreciation	2,120.97	2,143.77	2,120.97	2,143.77
Net Profit Before Tax	8,142.19	17,578.18	7,925.52	17,258.29
Less: Provision for Tax	2,200.37	4,749.88	2,233.28	4,746.15
Net Profit After Tax	5,941.82	12,828.30	5,692.24	12,512.14
Share Of Profit/ (Loss) Of Associates	-	-	-	-
Net Profit after share of profit of Associates	5,941.82	12,828.30	5,692.24	12,512.14
Balance of Profit brought forward	56,178.71	46,276.77	51,802.54	42,365.60
Balance available for appropriation	62,120.53	59,105.07	57,494.78	54,877.74
Dividend paid on Equity Shares	997.5	997.5	997.5	997.5
Transfer to General Reserve	2000	2000	2000	2000
Surplus carried to Balance Sheet	59,123.03	56,107.57	54,497.28	51,880.40

3. FINANCIAL PERFORMANCE

The Company continues to maintain its market leadership in Infantswear across US markets during the year under review. However major Global recession which has spread from last two Quarters of Financial year has effected the performance of the Company also. The year started with a fillip to growth and 1st half year recorded Rs 415 crores turnover which is the all time record for the Company considering any 1st year in the history. However the momentum could not be maintained since the recession gripped the world economy. There was a major boost for all Global retailers since the demand picked up in a revenge mode against the Corona period. Anticipating the demand to continue the Global retailers stocked huge inventory. However, against expectations, inflation skyrocketed and US-FED hiked interest rates to unprecedented levels, consequently recession fears drastically impacted demand. Retailers were left with piles of non moving inventory. This forced them to go

for heavy discounting which in turn caused losses for retailers and whole sellers globally. The company expects this to be temporary phenomena. The company's orders in queue for 2023-24 indicate achieving a better performance in Q1 and Q2 and normal performance by Q3 2023-24.

STANDALONE PERFORMANCE

On standalone basis, your company reported a turnover of Rs. 60007 lakhs a dip of 27% over the previous financial year. Cost of goods sold as a percentage to revenue from operations increased by 1% to 50.10% as against 49.10% in the previous year. Employee cost decreased by Rs 562 lakhs but increased to 20% as a percentage to revenue from operations as against 15% in the previous year due to lower turnover. The operating profit stood at Rs. 8142 lakhs compared with Rs. 17,578 lakhs in the previous year, a dip of 54% over previous year. The net profit for the year was Rs. 5942 lakhs as against Rs. 12828 lakhs reported in the previous year, a dip of 54% over previous year. The EPS from continuing operations for the reporting year came down to Rs. 8.94 as against Rs. 19.29 reported in the previous year. The reasons for the lower performance is the Global recession and the resultant loss in turnover as explained above.

CONSOLIDATED PERFORMANCE

On consolidated basis, total revenue for the financial year under review was Rs. 60105 lakhs as against Rs. 81522 lakhs for the previous financial year, a dip of 27%. Profit before tax was Rs. 7926 lakhs and net profit after tax was Rs. 5692 lakhs for the financial year under review as against Rs. 17258 lakhs and Rs. 12512 lakhs for the previous year.

Although the performance both on Turnover and Profits front went down During the year under review, your company is confident of coming to a better performance in Q1 and Q2 and also stabilizing fully by Q3. The Company has solid orders from major buyers to substantiate the same. Also, the company has embarked on a slew of cost drive measures for enhancement of Profits.

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, 2023, the Company has an Associate Company, Kitex USA LLC 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 Rs. 15410 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. In addition your Company has 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. This Company is presently in Project stage and 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 2022-23 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, 2023, the applicable accounting standards 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, 2023 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 Rs. 1.50 per share (150 %), subject to the tax for the year ended March 31, 2023 on equity shares of Re. 1/- each fully paid-up. During the year under review, your company transferred a sum of Rs. 2,000 lakhs to the General Reserve on account of future expansions.

The total outgo on account of dividend inclusive of taxes for FY 2022-23 is Rs. 997.50 lakhs which represents a payout of 16.79 % 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, 2023, was Rs. 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 Rs. 10,24,180.00 for the financial year 2014-15 to Investors Education Protection Fund (IEPF) on June 25, 2022. 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.

Pursuant to the provisions of Sec 124 (5) of the Companies Act, 2013, your Company has transferred Rs. 639,258.75 pertaining to interim dividend in 2015 Investors Education Protection Fund (IEPF) on 07/12/2022. This amount was lying unclaimed/ unpaid with the Company for a period of 7 (seven) years after declaration of interim dividend in 2015.

b. Transfer of shares underlying unpaid dividend

The Board of Directors at its meeting held on May 19, 2022, transmitted 6375 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 Board has also transferred 5843 equity shares (pertaining to interim dividend in 2015) of the Company into the demat account of the IEPF Authority 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 1087 shareholders whose unclaimed/ unpaid dividend pertaining to FY 2014-15 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 2015-16 will be transferred to IEPF account on or before Aug 16, 2023 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, 2023, the Fixed Assets stood at Rs. 29218.00 lakhs and net fixed assets of Rs. 13,339.00 lakhs. Additions during the year amount to Rs. 324.00 lakhs.

10. FUTURE PROSPECTS

As explained last year the future prospects is through expansion in state of Telengana through the Subsidiary Kitex Apparel parks Ltd. The revised project is planned at Rs 2890 crores and is being funded at 70:30 proportion through Term loans and Equity along with sister concern Kitex Childrenswear Ltd. The Term loans are tied up through a Consortium of Banks. There are two Projects planned one being at Warangal, Kakatiya Mega Textiles park and one at Sitarampur industrial park, Rangareddy district near Hyderabad. The Warangal Project is in advanced stage with Land fully procured, Buildings almost completed and machineries are under dispatch. The Sitarampur, land has been fully acquired and discussions are in advanced stages for planning of Building and machinery. The initial commercial production of Warangal unit is planned in March 2024.

11. QUALITY AND ACCOLADES

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

12. CHANGE IN THE NATURE OF BUSINESS

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

13. LISTING

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

14. 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.

15. ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134 (3) (a) of the Act, the Annual Return as on March 31, 2023 is available on the website of the Company at the link www.kitexgarments.com.

16. SECRETARIAL STANDARD

The Company complies with all applicable secretarial standards.

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

During the year under review, the Company had given corporate guarantee for Rs. 2000 crores pursuant to the provisions of Section 185 and 186 of the Act and SEBI (LODR) Regulations, 2015, and loan amount of Rs. 307.00 lakhs and Investments of Rs. 26,495.00 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.

18. 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 K.L.V Narayanan (DIN: 01273573), 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.

During the period Mr.ERUMALA MATHEW PAULOSE expired on 30.05.2022 and has ceased as director on the Board and there is no other change in the Board of Directors & Key Managerial Personnel of your company during the financial year 2022-23 except as aforesaid.

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. Benni Joseph, Mr. C. P. Philipose and Mrs. Sumi Francis are treated as independent as on March 31, 2023.

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, as applicable, is complied with in respect of independent directors.

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.

19. 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 February 14, 2023 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.

20. 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 http://www.kitexgarments.com/wp-content/uploads/2019/02/KGL_NRC_policy_140219.pdf

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.

21. 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.

22. 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.

23. 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 Panchayats and neighboring 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

24. 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.

25. BUSINESS RESPONSIBILITY REPORT

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

26. 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.

27. 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

28. 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-à-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.

29. 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.

30. 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.

31. 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.

32. AUDITORS

32.1. INDEPENDENT AUDITORS

As per the provisions of Section 139 of the Companies Act, 2013, M/s. MSKA & Associates, Chartered Accountants, Chennai (FRN 105047W) were appointed as the Independent Auditors of the company at the Annual General Meeting held on 28.07.2018 to hold office from the conclusion of the 26th Annual General Meeting till conclusion of 31st Annual General Meeting to be held in the year 2023, for a tenure of 5 (FIVE) years.

The Board of Directors of the Company and audit committee have recommended the re-appointment of M/s. MSKA & Associates, Chartered Accountants, Chennai (FRN 105047W) as the Independent Auditors of the company for a second term

for a period of 5 (Five) years from the conclusion of 31st Annual General Meeting till the conclusion of 36th Annual General Meeting pursuant to Section 139 (1) and (2) of the Companies Act, 2013 on such remuneration plus other taxes as applicable as may be mutually agreed to between the Board of Directors and the said Independent Auditors.

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.

32.2. 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 2022-23. 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.

32.3. INTERNAL AUDITORS

M/s. K. Venkitachalam Aiyer & Co, Chartered Accountants continue to be the Internal Auditors of your company for the financial year 2022-23.

33. 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.

34. 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, 2022 under the Act with District officer.

35. 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.

36. 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.

37. 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 30, 2023

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	7
Name of the subsidiary:	Kitex Apparel Parks Ltd	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:	18.11.2021	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:	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023	31.03.2023
Reporting currency	INR	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	NA
Share capital:	38775.00	100.00	10.00	10.00	10.00	10.00	100.00
Reserves & surplus:	(511.01)	(708.41)	(89.39)	(203.05)	(137.70)	(96.81)	(291.61)
Total assets:	43523.46	3355.13	386.40	2303.73	640.98	675.45	1,890.84
Total Liabilities:	43523.46	3355.13	386.40	2303.73	640.98	675.45	1,890.84
Investments:	-	-	-	-	-	-	-
Turnover:	103.61	2.08	-	-	-	-	2.27
Profit before taxation:	(204.07)	(1.73)	(2.32)	(2.35)	(2.33)	(2.20)	(1.65)
Provision for taxation:	-	-	-	-	-	-	-
Profit after taxation:	(204.07)	(1.73)	(2.32)	(2.35)	(2.33)	(2.20)	(1.65)
Proposed Dividend:	-	-	-	-	-	-	-
Extent of shareholding (in %)	69.05%	100%	100%	100%	100%	100%	100%

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	31.03.2023
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	(1639.26)
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 30, 2023
Kizhakkambalam

Annexure - B

TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES – 2022-23

(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.com/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., May 19 2022, and November 12, 2022. The members of the CSR Committee as on March 31, 2023 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	1
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

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	2020-21	59.08	-
2	2021-22	260.72	-
3	2022-23	283.07	-
Total		741.78	-

5. Average net profit of the company as per section 135(5) : ₹11401.60 lakhs

6. (a) 2% of average net profit of the company as per section 135(5) : ₹228.03 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) : ₹228.03 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 RS)				
	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
511.10	-	-	-	-	-

(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	2.46	Yes	-	-
2	Road Development	Rural Development	Yes	Kerala	Ernakulam	362.55	No	Twenty20 Association	CSR00003631
3	Education	Rural Development	Yes	Kerala	Ernakulam	94.33	No	Twenty20 Association	SR00003631
4	Housing	Rural Development	Yes	Kerala	Ernakulam	43.13	No	Twenty20 Association	CSR00003631
5	Agriculture	Rural Development	Yes	Kerala	Ernakulam	0.60	Yes	-	-
6	Road Development	Rural Development	Yes	Kerala	Ernakulam	8.03	Yes	-	-
TOTAL						511.10			

- (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): ₹511.10 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)	₹228.03
ii	Total amount spent for the Financial Year	₹511.10
iii	Excess amount spent for the financial year [(ii)-(i)]	₹283.07
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	Name Amount (in ₹)	Amount Date of transfer	
1.	2020-21	-	-	-	-	-	-
2.	2021-22	-	-	-	-	-	-
3.	2022-23	-	-	-	-	-	-
	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
- a. Date of creation or acquisition of the capital asset(s).
- b. Amount of CSR spent for creation or acquisition of capital asset.
- c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- d. 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). – NotApplicable. The Company has spent the required amount.

May 30, 2023
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	13441.43
Kitex Limited				138.02
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	2145.40
Kitex Limited				10.18
Anna Aluminum Company (P) Ltd.				5.88
Donation				
Twenty 20 Kizhakkambalam Association	Enterprises owned or significantly influenced by key management personnel or their relatives	ongoing	Based on Transfer Pricing Guidelines	500.00
Corporate Social Responsibility Activities				
Revenue from services (including expense recovered & other expenses)				

Kitex Littlewear Limited	Enterprises owned or significantly influenced by key management personnel or their relatives	ongoing	Based on Transfer Pricing Guidelines	1.51
Kitex Kidswear Limited		ongoing		1.51
Kitex Knits Limited		ongoing		1.51
Kitex Socks Limited		ongoing		1.51
Kitex Packs Limited		ongoing		1.51
Kitex Babywear Limited		ongoing		1.51
Sales commission paid				
Kitex USA LLC	Enterprises owned or significantly influenced by key management personnel or their relatives	ongoing	Based on Transfer Pricing Guidelines	720.12
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	15410.72

Note

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

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

May 30, 2023
Kizhakkambalam

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 31.03.2023	Year Ended 31.03.2022
Electricity		
a) Purchased		
Units (KWH)	16394415units	20216364units
Total Amount (₹)	12,04,44,222	13,35,88,988
Cost/Unit (₹ / KWH)	7.35	6.61
b) Own generation		
Through Diesel Generator		
Units (KWH)	46857 units	64653 units
Total Amount(₹)	17,57,908	21,49,712
Cost/Unit (₹ / KWH)	37.52	33.25
Fuel		
a) Furnace Oil		
Quantity (KL)	1813 KL	2314 KL
Total Amount(₹)	9,71,19,091	10,14,68,059
Cost/Unit (₹KL)	53,563	43,854
b) Firewood		
Quantity (MT)	17,952 MT	21599 MT
Total Amount(₹)	6,40,47,298	7,66,14,592
Cost/Unit (₹MT)	3568	3547
c) Diesel		
Quantity (KL)	45.48KL	30 KL
Total Amount(₹)	42,23,751	26,75,106
Cost/Unit (₹KL)	92,871	89,170

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 farics 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	2022-23	2021-22
1	Earnings on account of Exports	39,373.95	62,295.80
2	Outgo on account of Imports & Expenditure	1,236.24	7,327.46

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

Sd/-

Sabu M. Jacob

Chairman & Managing Director
(DIN: 00046016)

May 30, 2023
Kizhakkambalam

Annexure - E

TO DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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
Building no. VI/496, Kizhakkambalam
Vilangu P.O., Aluva
Kunnathunad
Cochin – 683561

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 31.03.2023, 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 31.03.2023 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.

Kitex Apparel Parks Limited was incorporated on 18.11.2021 as a Subsidiary of Kitex Garments Limited. Even though subscribers to the Memorandum of Association had subscribed ₹ 100 crores divided into 10 Crore shares of ₹ 10 each, the capital was

not paid up as on 31.03.2022. The subscribers subsequently brought in the subscribed capital on 29.04.2022. Being so, Kitex Apparel Parks Limited does not breach the threshold limit for both income and net worth as on 31.03.2022 to be considered a material subsidiary of Kitex Garments Limited and therefore was not required to undertake secretarial audit. Likewise, owing to the aforesaid explanation, the financials of Kitex Apparel Parks Limited was not consolidated in the Financials of Kitex Garments Limited.

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.

During the period the Company has passed the following resolutions vide Postal Ballot dated **18.04.2022**:

- To make Investments, give Loans, guarantees and provide security under Section 186 of the Companies Act, 2013 upto ₹2000 Crores over and above 60% of the paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account whichever is more
- For material related party transactions with Kitex Apparel Parks Limited upto a maximum aggregate amount of ₹2000 Crores for a period of 10 years with effect from financial year 2022-23

The Company has passed the following resolutions vide Postal Ballot dated **18.02.2023**:

- To make Investments, give Loans, guarantees and provide security under Section 186 of the Companies Act, 2013 upto ₹2200 Crores over and above 60% of the paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account whichever is more
- For material related party transactions with Kitex Apparel Parks Limited upto a maximum aggregate amount of ₹2900 Crores for a period of 10 years with effect from financial year 2022-23
- For material related party transactions with Kitex Childrenswear Limited upto a maximum aggregate amount of ₹300 Crores for a period of 10 years with effect from financial year 2022-23
- For material related party transactions with Kitex USA LLC upto a maximum aggregate amount of ₹600 Crores for a period of 10 years with effect from financial year 2022-23

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: F003067E000420033

**For SVJS & Associates
Company Secretaries**

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

Kochi
30.05.2023

Annexure A

ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members
Kitex Garments Limited
Building no. VI/496, Kizhakkambalam
Vilangu P.O., Aluva
Kunnathunad
Cochin – 683561

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 2023 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: F003067E000420033

**For SVJS & Associates
Company Secretaries**

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

Kochi
30.05.2023

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	308.33	: 1
		Mr. Benni Joseph, Independent Director	2.37	: 1
		Mrs. Sindhu Chandrasekharan, Executive Director	15.08	: 1
		Mr. K L V Narayanan, Non Executive Director	1.22	: 1
		Mr. C. P. Phillipose, Independent Director	1.83	: 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	-53.61%	
		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	5.99%	
		Mr. Bobby Michael, Chief Financial Officer	7.78%	
		Mr. Mithun B Shenoy, Company Secretary	25.23%	
3	The percentage Increase / Decrease in the median remuneration of employees	No change		
4	The number of permanent employees on the rolls of company	4486		
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	March 31, 2023		
		Average increase in remuneration of employees excluding KMP	9.14%	
		Average increase in remuneration of KMP	-48.88%	
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 30, 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	61	Graduate	Employee	Managing Director	16.08.1993	40	4,29,64,146	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 30, 2023
Kizhakkambalam

Corporate Governance Report

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2023 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, 2023 the Company has a judicious combination of Executive and Non-executive Directors with one Independent Woman Director on the Board. Of the total 6 Directors, 2 are Executive Directors, 3 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, 2023 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	0	0		2,27,30,901
2	Ms. Sindhu Chandrasekharan (DIN 06434415)	16.03.2015	Executive Director (Woman Director)	9	0	0	-	-
Non-Executive Independent Directors								
3	Mr. Benni Joseph (DIN 01219476)	12.01.2015	Non-Executive Independent Director	8	1	1	-	-
4	Mr. C P Philipose (DIN 01125157)	20.07.2015	Non-Executive Independent Director	3	0	1	-	-
5	Mrs. Sumi Francis (DIN: 08950675)	13.11.2020	Non-Executive Independent Director	0	0	0	-	-
Non-Executive Non-Independent Director								
6	Mr. K.L.V. Narayanan (DIN 01273573)	04.04.2013	Non-Executive Director	3	-	1	Executive Director	-

Notes:

- 1) Directorship exclude Private Limited Companies, Foreign Companies and Section 8 Companies
- 2) Managing Director in SCOOBEE DAY GARMENTS (INDIA) LIMITED
- 3) 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.
- 4) Details of Director(s) retiring or being re-appointed are given in Notice to Annual General Meeting.
- 5) There are no inter-se relationship between our Board Members
- 6) Prof.E.M.Paulose (DIN 03563106) who has been on the Board of the Company since 12.01.2015 who is a Non Executive Independent Director who has one Directorship in other Indian Public Companies and two memberships in other Committees and who holds 140 shares in the company expired on 30.05.2022 and ceased as a Director.

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-à-vis the budgets/targets.

In the financial year 2022-23, the Board met 6 times. The meetings were held on 19th May 2022, 22nd June 2022, 13th Aug 2022, 12th Nov 2022, 13th Jan 2023 and 14th Feb 2023.

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 29th August, 2022
1.	Mr. Sabu M Jacob (Chairman & MD)	6 of 6	Present
2.	Ms. Sindhu Chandrasekharan	6 of 6	Present
3.	Mr. Benni Joseph	6 of 6	Present
4.	Mr. CP Philipose	6 of 6	Present
5.	Mr. K L V Narayanan	5 of 6	Present
6.	Mrs. Sumi Francis	1 of 6	Absent

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 Director 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 website viz., <http://www.kitexgarments.com/wp-content/uploads/2015/11/FAMILIARISING-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.

*Prof.E.M.Paulose (DIN 03563106) expired on 30.05.2022 and ceased as a Director.

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, Mrs. Sumi Francis and Mr. C.P. Philipose as members of the Committee (Prof.E.M.Paulose (DIN 03563106) expired on 30.05.2022 and ceased as a Director and member of the Committee)

Ø MEETINGS AND ATTENDANCE

The Audit Committee met 5 times during the financial year 2022-23. The maximum gap between two meetings was not more than 120 days. The Committee met on 19th May 2022, 13th Aug 2022, 12th Nov 2022, 13th Jan 2023 and 14th Feb 2023.). The requisite quorum was present at all the meetings. The Audit Committee Chairman was present at the 30th Annual General Meeting of the Company.

Details of attendance of Audit Committee members are given below:

Composition	Mr. Benni Joseph (Chairman)	Mrs. Sumi Francis (Member)	Mr. C. P. Philipose (Member)
No. of Meetings Attended	5/5	0/5	5/5

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 thereon.
- 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 the 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. Mr. Benni Joseph as the Chairman, Mrs. Sumi Francis and Mr. K. L. V. Narayanan, as members (Prof.E.M.Paulose (DIN 03563106) expired on 30.05.2022 and ceased as a Director and Chairman of the Committee). 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 14, 2023. The requisite quorum was present at the meeting. The table below provides the attendance of the Committee members:

Composition	Mr. Benni Joseph (Chairman)	Ms. Sumi Francis (Member)	Mr. K L V Narayanan (Member)
No. of Meetings Attended	1/1	0/1	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)	-	-	-	-	-	3,30,000	3,30,000
Mr. C P Philipose	10.06.2021 to 09.06.2026 (5 years)	-	-	-	-	-	2,55,000	2,55,000
Mrs. Sumi Francis	13.11.2020 to 12.11.2025 (5 years)	-	-	-	-	-	25,000	25,000
Mr. K.L.V. Narayanan	NA	-	-	-	-	-	1,70,000	1,70,000

Prof.E.M.Paulose (DIN 03563106) expired on 30.05.2022 and ceased as a Director. Leave of absence was granted to Prof. E. M. Paulose for board meeting and audit committee meeting on 19.05.2022 and hence no sitting fee was paid to him.

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 Mrs. 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 twice during the year on 19th May 2022 and 12th November 2022. 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	1/2	2/2	2/2	2/2

Ø TERMS OF REFERENCE

The Stakeholders Relationship Committee oversees the following:

- 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.
- 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, 2022 to March 31, 2023	No. of complaints not solved to the satisfaction of shareholders
2	Nil

As on March 31, 2023, 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 including at least one independent director; 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 2(two) times during the year on 19th May, 2022 and 12th November 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	2/2	2/2	2/2

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 there under. The CSR Committee monitors the implementation of CSR projects or programmes undertaken by the Company. The Committee comprises of 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 CSR 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., 19th May 2022 and 12th November 2022. 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 14th February, 2023 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 Mrs. Sumi Francis 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	30th	2022	29.08.2022	11:00 AM	Nil	
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)

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. 2022-23, 2021-22, 2020-21.

POSTAL BALLOT-1

During FY 2022-23, the Company sought the approval of the shareholders by way of postal ballots, through notices dated March 11, 2022 and January 13, 2023 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, CPNo. 7363) Partner 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 : 19.04.2022	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

POSTAL BALLOT-2

During FY 2022-23, the Company sought the approval of the shareholders by way of postal ballots, through notices dated March 11, 2022 and January 13, 2023 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
3	Approval for Material Related Party transactions with Kitex Childrenswear Limited	Ordinary Resolution
4	Approval for Material Related Party transactions with Kitex USA LLC	Ordinary Resolution

The Board of Directors had appointed Mr. Jayan K (Membership No. FCS-8154, CPNo. 7363) Partner 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 : 11.03.2023	Voting period : 20.01.2023 to 18.02.2023
Date of declaration of result : 20.02.2023	Date of Approval : 18.02.2023

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	48287228	47921169	99.24	366059	0.76
Approval for Material Related Party transactions with Kitex Apparel Parks Limited	Ordinary Resolution	10610707	10244683	96.55	366024	3.45
Approval for Material Related Party transactions with Kitex Childrenswear Limited	Ordinary Resolution	10610707	10246698	96.57	364009	3.43
Approval for Material Related Party transactions with Kitex USA LLC	Ordinary Resolution	10610707	10246698	96.57	364009	3.43

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 there under and General Circular Nos. 14/2020, 17/2020 and 11/2022 dated April 8, 2020, April 13, 2020 and December 28, 2022, 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 September 30, 2023 ('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 news paper having national circulation and one Malayalam Newspaper.

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

- Business Line (English Language)
- Chandrika (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 2022-23

Day and Date	Wednesday, September 30, 2023
Time	11.00 A.M
Venue	Through Video conferencing (VC)/ Audio Visual Means (AVM)
Financial Year	April 1, 2022 to March 31, 2023
Book Closure	September 23, 2023 to September 30, 2023
Last date for Receipt of Proxy	Not Applicable since the meeting is done virtually.
E-voting starts	Sunday, September 27, 2023 at 9:00 A.M.
E-Voting ends on	Tuesday, September 29, 2023 at 5:00 P.M.
Results of E-Voting on	On or before October 2, 2023 at 11:00AM
Dividend payment date	On or before October 29,2023

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, 2023	on or before 2nd week of August, 2023
Un-audited Q2 and half year ending September 30, 2023	on or before 2nd week of November, 2023
Un-audited Q3 and Nine months ending December 31, 2023	on or before 2nd week of February, 2024
Audited Results for the year ending March 31, 2024	on or before 3rd week of May, 2024

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 2023-24.

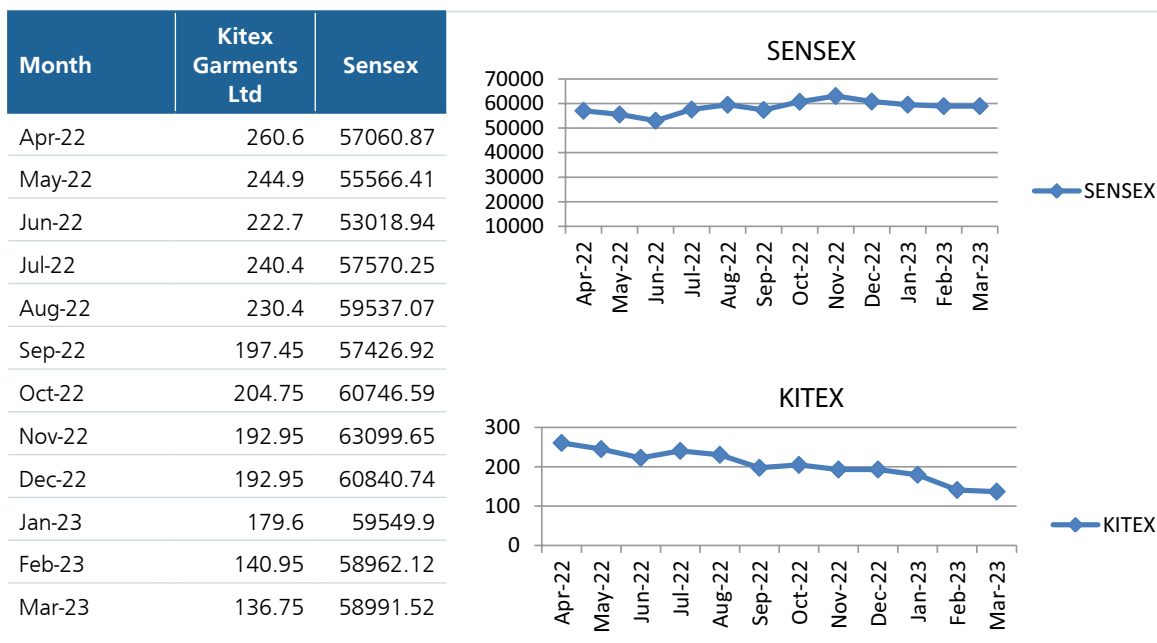
5.4. MARKET PRICE DATA

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 2022-23:

Year (2022-23)	BSE (Amount in ₹)		NSE (Amount in ₹)		Volume (nos.)	
	High	Low	High	Low	BSE	NSE
April	308.90	246.35	309.00	242.20	19,56,570	2,09,55,383
May	288.15	217.55	288.50	217.50	13,50,018	1,42,92,379
June	267.05	196.60	266.90	196.40	8,76,433	89,97,120
July	249.30	217.95	249.50	218.45	3,96,052	52,73,940
August	256.40	213.50	256.70	198.40	5,12,793	50,07,132
September	236.70	193.25	236.50	193.25	3,36,539	39,30,129
October	221.35	197.95	237.70	197.60	1,65,524	25,76,600
November	212.00	189.25	212.05	181.90	1,70,212	16,78,760
December	204.90	168.80	205.40	168.05	3,21,962	43,59,998
January	199.00	175.50	195.60	175.25	1,13,422	10,44,738
February	189.00	138.60	183.50	138.45	2,95,664	20,72,318
March	158.35	135.50	158.52	136.20	2,15,718	19,59,659

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 2022-23 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('DPID') and Client ID number, for any queries to their securities.

5.7. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023

Range	No. of Shareholders	No. of Shares held	% of shareholding
1 and 5000	58133	11490297	17.28
5001 and 10000	197	1424375	2.14
10001 and 20000	71	983944	1.48
20001 and 30000	14	344456	0.52
30001 and 40000	10	339845	0.51
40001 and 50000	5	214529	0.32
50001 and 100000	14	1052262	1.58
100001 and Above	25	50650292	76.17
Total	58469	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, 2023, 6,54,98,810 equity shares of the company, constituting 98.49% were in dematerialized form. Pattern of holding is as follows:

Pattern of holding	No of shares
NSDL	56065579
CDSL	9433231
Physical	1001190
Total	66500000

5.9. CATEGORIES OF SHAREHOLDING AS ON MARCH 31, 2023:

Category	No. of Shareholders	No. of Shares held	% Shareholding
Resident	54925	20080031	30.20
NRI	1479	778804	1.17
Corporate Body	182	17052613	25.64
Clearing Member	16	7724	0.01
HUF	603	305504	0.46
FPI	19	460387	0.69
IEPF	1	485189	0.73
TRUST	1	238080	0.36
Directors/ Relatives	4	27091668	40.74
Total	57230	6,65,00,000	100.00

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

As of March 31, 2023, 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's 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@kitexgarments.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, 2023.

Loan facility	Short-term / Long-term	Rating on Jun 28 23	Rating on March 3 22
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+ (negative)	[ICRA A1]A+ (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	Postal Ballot vide result 20.02.2023
M/s. Kitex USA LLC	Sales of Garments	₹600 Crs each FY	Postal Ballot vide result 20.02.2023
M/s. Kitex Apparel Parks Ltd.	Investments, loans, guarantee, security, fabric sales, fabric purchase, job work and such other transactions.	₹2900 Crs	Postal Ballot vide result dated 20.02.2023

6.2. SUBSIDIARY COMPANIES

The Company has 6 wholly owned subsidiaries and one subsidiary company. 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_subsidiary_Policy.pdf.

Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries

Kitex Apparel Parks Limited was incorporated on 18.11.2021 as a Subsidiary of Kitex Garments Limited. Even though subscribers to the Memorandum of Association had subscribed Rs. 100 crores divided into 10 Crore shares of Rs. 10 each, the capital was not paid up as on 31.03.2022. The subscribers subsequently brought in the subscribed capital on 29.04.2022. Being so, Kitex Apparel Parks Limited does not breach the threshold limit for both income and net worth as on 31.03.2022 to be considered a material subsidiary of Kitex Garments Limited.

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 26.29 lakhs 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.

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.kitexgarments.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_subsidiary_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 areas follows:

Particulars	Amount (₹ In lakhs)
Payment to Statutory Auditors	21.53
Payment to all the entities in the Statutory Auditors network firms	-
Total	21.53

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 30, 2023 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 wherever 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 up to the financial year 2014-15 to the Investor Education and Protection Fund as applicable. Details of such unclaimed/ unpaid dividend transferred up to 2014-15 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 2015-16 to 2021-22, 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 2016-17 must be claimed by the concerned shareholders on or before December 06, 2023 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 who have not claimed their dividends	Unclaimed dividend as on 31.03.2023	Unclaimed dividend as % to total dividend	Date of declaration	Last date for claiming the dividend prior to its transfer to IEPF
2015-16(Final)	1329	6,51,075.00	1.31	10.06.2016	16.07.2023
2016-17(Interim)	1510	7,10,576.25	1.42	31.10.2016	06.12.2023
2016-17(Final)	1224	6,16,082.25	1.24	19.06.2017	24.07.2024
2017-18(Interim)	1905	7,12,761.75	1.43	04.11.2017	09.12.2024
2017-18(Final)	2159	6,70,641.00	1.34	28.07.2018	01.09.2025
2018-19(final)	1164	10,95,241.50	2.20	28.08.2019	02.10.2026
2019-20(Interim)	1067	11,01,991.50	1.10	11.02.2020	18.03.2027
2020-21(final)	1514	9,65,284.50	0.97	07.09.2021	12.10.2028
2021-22(final)	1400	9,74,559.00	0.98	29.08.2022	03.10.2029

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
2014-15	1150	839	36	5500	10,24,180.00
2015-16	1611	770	73	5000	6,39,258.75

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 to 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 share holder 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, 2023 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, 2022	281	242080
Number of Shares transferred in favour of IEPF Authority from the Unclaimed Suspense Account during FY 2022-23	-	-
Number of shareholders who approached listed entity for transfer of shares from suspense account during the FY 2022-23	11	4000
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account during FY 2022-23	-	-
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on March 31, 2023	270	238080

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 frame work 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 en-cash 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 Building no. VI/496, Kizhakkambalam, Vilangu P.O., Aluva, Kunnathunad, Cochin – 683561, for the year ended **31st March, 2023** 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, 2023.

Kitex Apparel Parks Limited was incorporated on 18.11.2021 as a Subsidiary of Kitex Garments Limited. Even though subscribers to the Memorandum of Association had subscribed Rs. 100 crores divided into 10 Crore shares of Rs. 10 each, the capital was not paid up as on 31.03.2022. The subscribers subsequently brought in the subscribed capital on 29.04.2022. Being so, Kitex Apparel Parks Limited does not breach the threshold limit for both income and net worth as on 31.03.2022 to be considered a material subsidiary of Kitex Garments Limited and therefore was not required to undertake secretarial audit. Likewise, owing to the aforesaid explanation, the financials of Kitex Apparel Parks Limited was not consolidated in the Financials of Kitex Garments Limited.

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: F003067E000419989

For SVJS & Associates
Company Secretaries

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

Kochi
30.05.2023

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, 2023 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.

For Kitex Garments Limited

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

CA. Bobby Michael
Chief Financial officer

May 30, 2023
Kizhakkambalam

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
Building no. VI/496, Kizhakkambalam
Vilangu P.O., Aluva
Kunnathunad, Cochin – 683561

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 Building no. VI/496, Kizhakkambalam, Vilangu P.O., Aluva, Kunnathunad, Cochin – 683561, 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, 2023** 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 Meckamkunel 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. Sindhu Chandrasekharan	06434415	16.03.2015
7.	Ms. Sumi Francis	08950675	13.11.2020

*Mr. Erumala Mathew Paulose ceased to be director on 30.05.2022.

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: F003067E000419945

For SVJS & Associates
Company Secretaries

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

Kochi
30.05.2023

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, 2023 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**

May 30, 2023
Kizhakkambalam

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

Business Responsibility and Sustainability Report

Section A) General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity:	L18101KL1992PLC006528
2.	Name of the Listed Entity:	Kitex Garments Limited
3.	Year of incorporation:	1992
4.	Registered office address:	P B No. 5, Vilangu, Kizhakkambalam, Aluva, Kochi Kerala 683 562
5.	Corporate address:	P B No. 5, Vilangu, Kizhakkambalam, Aluva, Kochi Kerala 683 562
6.	E-mail:	sect@kitexgarments.com
7.	Telephone:	0484-4142000
8.	Website:	www.kitexgarments.com
9.	Financial year for which reporting is being done:	2022-23
10.	Name of the Stock Exchange(s) where shares are listed:	BSE & NSE
11.	Paid-up Capital:	6,65,00,000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Boby Michael CFO 9496036001 cfo@kitexgarments.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis

II. Product & Services

14. Details of business activities (accounting for 90% of the turnover):

S No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Garments	Infant Garments	70.68%
2	Fabrics	Knitted Fabrics	24.00%

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover

S No	Product /Service	NIC Code	% of the total turnover contributed
1	Garments	2650	65.62%
2	Fabrics	2650	22.28%

III. Operations

16. Number of locations where plants an/or operations/offices of the entity are situated

Location	Number of Plants	Number of Offices	Total
Kizhakkambalam, Aluva, Kochi Kerala 683 562	1	1	2

17. Markets served by the entity:

a. Number of Locations

Locations / Global	Number
USA	Entire USA

b. What is the contribution of exports as a percentage of the total turnover of the entity ?

65.62%

c. A brief on types of customers: Global infant garment wholesalers

18. a Employees

SL No.	Particulars	Total	Male		Female	
		2005	1771	88%	© 234	12%
Employees	Permanent Employees	525	444	85	81	15
Workers	Permanent Workers	3961	1455	37	2506	63

18. b Differently Abled Employees & Workers

SL No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	Differently Abled Employees	Nil	Nil	0%	Nil	0%
	Differently Abled Workers	3	3	100	0	0%

19 Participation/Inclusion/Representation of Women

Particulars	Total (A)	No. and percentage of Females	
		No.(B)	% (B/A)
Board and KMP	8	2	25%

20. Turnover rate for permanent employees and workers.

	Turnover Rate - FY2023			Turnover Rate – FY2022			Turnover Rate – FY2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employees	32	23	31	24	44	28	10	17	11
Workers	62	73	69	74	87	81	19	48	36

b. What is the contribution of exports as a percentage of the total turnover of the entity ? 71%

c. A brief on types of customers Leading Global Infant Apparel Wholesalers

V. Holding, Subsidiary and Associate Companies (Including joint ventures)

21. (a) Names of holding/subsidiary/associate companies/joint ventures

Name of the Company's	Relationship	Country of incorporation
Kitex Babywear Limited	Wholly owned subsidiary	India
Kitex Kidswear Limited	Wholly owned subsidiary	India
Kitex Knits Limited	Wholly owned subsidiary	India
Kitex Littlewear Limited	Wholly owned subsidiary	India
Kitex Packs Limited	Wholly owned subsidiary	India
Kitex Socks Limited	Wholly owned subsidiary	India
Kitex Apparel Parks Limited	Subsidiary	India
Kitex USA LLC	Associate	United States

22. CSR Details

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) Yes
(ii) Turnover (in Rs.)- 60007.22 Lakhs
(iii) Net worth (in Rs.) -90489.01 Lakhs

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from whom complaint is received	Grievance Redressal Mechanism in Place. Yes/No If yes link	FY2023			FY2022		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	N A	Nil	Nil	Nil	Nil	Nil	Nil
Investors (Other than Shareholders)	N A	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	2	Nil	Nil	2	Nil	Nil
Employees & Workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Other (Please specify)	NA	Nil	Nil	Nil	Nil	Nil	Nil

24. Overview of the entity's material responsible business conduct issues

Indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

SL No	Material Issue Identified	Risk / Opportunity	Rational for identifying risk or opportunity	In case of risk approach to adapt or mitigate	Financial implication of risk or opportunity
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No Material Risks identified

SECTION B: Management and Process Disclosures

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9									
Policy and Management Processes																		
1. a. Whether your entity’s policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
c. Web Link of the Policies, if available	N	N	N	N	N	N	N	N	N									
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	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)																	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.																		
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.																		
Governance, leadership and oversight																		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) – included as part of the letter to shareholders from CMD																		
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Sabu M Jacob Chairman & Managing Director																	
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No).	Yes. Sabu M Jacob, Chairman & Managing Director																	
If yes, details.																		
10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	While the company has not conducted explicit reviews directly tied to NGRBC principles, it is important to note that our ongoing initiatives focused on people, social responsibility, and environmental stewardship align closely with the essence of these principles. Our commitment to these initiatives reflects our dedication to upholding the spirit of NGRBC principles, even though formal reviews specifically targeting them have yet to be undertaken.									Periodically, as the need arises,								

Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The company diligently adheres to compliance requirements directly or indirectly associated with the nine principles, and it is noteworthy that no instances of noncompliance or rectification issues were identified throughout the fiscal year 2023.	Periodically, as the need arises,
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11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, Name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	N	N	N	N	N	N	N	N	N

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Questions

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	The company recognizes the material significance of the nine principles to its business and remains steadfast in adhering to them both in their literal and intended contexts. With ample financial and human resources at its disposal, the company is fully equipped to uphold the principles and pursue their associated goals.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C) Principle 1. Businesses should Conduct and Govern themselves with integrity and in an ethical, transparent and accountable manner.

Essential Indicators:

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	No specific training in the current year		
Key Managerial Personnel	No specific training in the current year		
Employees other than BoD and KMPs	No specific training in the current year		
Workers	No specific training in the current year		

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

A. Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Amount (In Rs.)	Brief of the Case	Has an appeal been preferred ? (Yes/No)
Penalty/Fine	N A	N A	NIL	N A	NA
Settlement	N A	N A	NIL	N A	NA
Compounding Fee	N A	N A	NIL	N A	NA

B. Non Monetary

Particulars	NGRBC Principle	Name of the regulatory / Enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred ? Yes/No
Imprisonment	N A	N A	NIL	N A
Punishment	N A	N A	NIL	N A

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory /enforcement agencies/judicial institutions
--------------	--

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, details in brief and if available, a web-link to the policy: Yes - No weblink
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: NA

	FY2023	FY2022
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest NIL

Particulars	FY2023		FY2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

7. Details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. Not applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year

Total number of awareness programmes held	Topics/principles covered under the training	% of value chain partners covered under the awareness programmes
---	--	--

NIL

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, details of the same. No

Section C) Principle 2. Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators:

- Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Category	FY2023	FY2022	Details of improvements in environmental and social impacts
R&D	Not available		
Capex	Not applicable		

In case the entity desires to disclose any benefits other than those specified in this field, additional columns may be added for such disclosures.

- Sustainable Sourcing
 - Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes
 - If yes, what percentage of inputs were sourced sustainably? Not available
- Processes in place to reclaim products for reuse, recycle, and safe disposal of products at the end of life for
 - Plastics (Including Packaging) Yes
 - E-Waste Yes
 - Hazardous waste Yes
 - other waste Yes
- Extended Producer Responsibility (EPR)

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). No

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, steps taken to address the same.

Leadership Indicators

- Life Cycle Assessment

Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, details in the following format. Not applicable

	% of total turnover contributed	The boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by an independent external agency	Results communicated in public domain (Yes/ No) If yes the link
--	---------------------------------	---	---	--

- If there are any significant social or environmental concerns and/or risks arising from the production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. Not applicable

Name of the product /Service	Description of the risk/concern	Action Taken
Not applicable		

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material	
	FY23	FY22

Not applicable

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: Not applicable

Category	FY23			FY22		
	Re-used	Re-Cycles	Safely Disposed	Re-used	Re-Cycles	Safely Disposed
Plastics (including packaging)						Not applicable
E-waste						Not applicable
Hazardous waste						Not applicable
Other waste						Not applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category. Not applicable

Indicate Product Category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable

Section C) Principle 3. Businesses should respect and promote the well-being of all employees, including those in their value chains.

1.

- a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	%	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
					(C/A)						
Permanent Employees											
Male	444	311	70	311	70	0	0	0	0	0	0
Female	81	47	58	47	58	1	1	0	0	0	0
Total	525	358	67	358	67	1	1	0	0	0	0

- b. Details of measures for the well-being of Workers

Category	% of workers covered by										
	Total A	Health Insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number B	% (B/A)	Number C	% (C/A)	Number D	% (D/A)	Number E	% (E/A)	Number F	% (F/A)
Permanent workers											
Male	1455	1421	98	1421	98	0	0	0	0	0	0
Female	2506	2506	100	2506	100	6	.24	0	0	0	0
Total	3961	3927	99	3927	99	6	.23				

2. Details of retirement benefits, for current FY and previous financial year

Benefits	FY 2023			FY 2022		
	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)	Number of employees covered as % of total employees	Number of Workers covered as % of total employees	Deducted and deposited with the authority (Y/N/N.A)
PF	100	100	Y	100	100	Y
Gratuity	100	100	N	100	100	N
ESI	16	99	Y	18	99	Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. YES

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, a web-link to the policy. Yes no Web link at present

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention rate
Male	-	-	-	-
Female	1	100%	3	50%
Total	1	100%	3	50%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Particulars	Yes/No (if yes then give details of the mechanism in brief)
Permanent Workers	Yes (Grievance Committee)
Other than Permanent Workers	NA
Permanent Employees	Yes (Grievance Committee)
Other than permanent Employees	NA

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY2023			FY2022		
	Total employees	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A	Total employees	Total employees/ workers in respective category, who are part of association (s) or Union (s)	% B/A
	/workers in respective category (A)			/workers in respective category (A)		
Total Permanent Employees						
Male	11	11	100	9	9	100
Female	7	7	100	7	7	100
Total Permanent Workers						
Male	12	12	100	6	6	100
Female	27	27	100	36	36	100

8. Details of Training imparted to the employees and workers on health & safety measures and on skill upgradation

Category	FY2023					FY2022				
	Total (A)	On health and safety Measures		On skill upgradation		Total	On health and safety Measures		On skill upgradation	
		NO. B	% (B/A)	No.C	% (C/A)		No. (E)	% (E/D)	No.(F)	%(F/D)
Workers										
Male	1370	1370	100%			1549	1549	100%		
Female	2686	2686	100%			2934	2934	100%		

9. Details of performance and career development reviews of employees and workers:

Category	FY2023			FY2022		
	Total (A)	No.(B)	% (B/A)	Total C	No.(D)	% (D/C)
Workers						
Male		1233	335	27.16		
Female		2659	507	19.06		
Total		3892	842	21.63		

10. Health and safety management system

- Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system? Yes Coverage for All employees and workers
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? Routine assessment and reviews
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) Yes
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

11. Details of safety related incidents

Safety Incident / Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) Per One million -person hours worked			
Total recordable work-related injuries	Male	4	4
	Female	11	9
No of fatalities		N/A	N/A
		N/A	N/A
High consequence work-related injury or ill-health (excluding fatalities)		N/A	N/A
		N/A	N/A

12. Measures taken by the entity to ensure a safe and healthy work place.

Periodic training programmes on health and safety both internal and external for workers followed by evaluation Risk identification and mitigation as per Risk assessment policy by Safety officers Fully functional Clinic with a team of Doctors, Nurses, Pharmacy and Ambulance present on campus Food served from the canteen (FSSAI registered) is regularly tested before serving

13. Number of complaints made by employees and workers

	FY2023			FY2022		
	Filed during the year	Pending resolutions at the end of the year	Remarks	Filed during the year	Pending resolutions at the end of the year	Remarks
Working Conditions	NIL	NIL		NIL	NIL	
Health & Safety	NIL	NIL		NIL	NIL	

14. Assessments for the year

Particulars	% of plants and offices that were assessed (By entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N). No but workers are covered under ESI
- Measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. Full-fledged Accounts and Payroll team ensure the same
- Number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total Number of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2023	FY2022	FY2023	FY2022
Employees	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No) No

5. Details of Assessment of value chain partners

Particulars	% of value chain partners (by the value of business done with such partners) that were assessed
Health & and safety practices	100%
Working conditions	100%

6. Details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. N A

Section C) Principle 4. Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators:

1. Process for identification of key stakeholders

The Company follows a structured process for identification and prioritization of stakeholder groups. The Board of Directors and Management has identified six key stakeholder groups as given below.

- a. Shareholders & Investors
- b. Customers
- c. Vendors & Service Providers
- d. Employee
- e. Ecosystem & Society
- f. Government & Regulatory Bodies.

2. Key stakeholder groups

	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders & Investors	No.	General meetings/ Postal Ballot Stock Exchange filings Media- Print and digital Email to stakeholders Website publications/ announcements	Frequent, Need-based, Quarterly and Annually	To update on developments, business activity, new initiatives, schemes, Quarterly & Annual audited results, Annual Reports, Investors presentations.
Employee	No.	Training programmes Circulars and emails communications Employee engagement programmes Sports, cultural and extracurricular events	Frequent and need based	To exchange ideas and suggestions, provide merit based opportunity for professional growth and to create an inclusive workplace.
Customers	No	Customer visits & meets Customer care teams	Frequent and need based	Business-related discussions, product and service awareness, and grievance redressal.
Government & Regulatory Bodies	No.	Various interactions with the regulators Submission of periodical reports/ returns Meetings- Physical and Digital Stock Exchange filings	Frequent and need based	Discussions regarding various regulations and amendments, policies and processes. Corporate Governance and Compliance standards.
Ecosystem, and Society	Yes.	Engagement through CSR Arm to identify vulnerable groups for CSR initiatives Improving ecosystems through various CSR activities	Need-based	Support CSR projects, Financial inclusion and other relevant matters affecting the communities.

	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Vendors, and Service Providers	No.	Assessment of suppliers and vendors Email communication and calls Project review meeting	Frequent and need based	Business related discussions, Techno-commercial discussions, grievance redressal.

(Reference: National Guidelines for Responsible Business Conduct, available at the following link: https://www.mca.gov.in/Ministry/pdf/NationalGuideline_15032019.pdf)

Leadership Indicators:

- Processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The consultation with different stakeholders happen at different levels between the companies functional departments . Each stakeholder group is mapped to functional owners who act as the first line of contact. The details of consultation with the stakeholders including their inputs and feedback are monitored by the management through functional departments/ executive-level committees. The departments/ executive-level committees ensure that the feedback from the stakeholders is communicated to the Board level committees/ Board as the case may be.

The table below details the Board level and Executive level authorities for engagement with the key stakeholders.

Key Stakeholder	Board Level Committee	Key Functional Department/ Authority
Shareholders & Investors	<ul style="list-style-type: none"> Stakeholders Relationship Committee 	<ul style="list-style-type: none"> Secretarial Department Investor Relations
Customers	<ul style="list-style-type: none"> Customer Service, 	<ul style="list-style-type: none"> Product Quality Department Business Departments

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). No

If so, details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.NA

- Details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups. - Engagement through CSR Programmes

Section C) Principle 5. Businesses should respect and promote human rights

Essential Indicators

1. Training on human rights issues and policies

Category	FY2023			FY2022		
	Total (A)	Number of employees and workers covered (B)	% (B/A)	Total (C)	Number of employees and workers covered (D)	% (D/C)
Employees						
Permanent	525	525	100%	494	494	100%
Other than Permanent	N/A	N/A	N/A	N/A	N/A	N/A
Total Employees	525	525	100%	494	494	100%
Workers						
Permanent	4056	4056	100%	4483	4483	100%
Other than permanent	N/A	N/A	N/A	N/A	N/A	N/A
Total Workers	4056	4056	100%	4483	4483	100%

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY2023					FY2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal Minimum Wage		More than minimum wage	
		No.(B)	%(B/A)	No.(C)	% (C/A)		No. (E)	%(E/D)	No.(F)	%(F/D)
Employees										
Permanent										
Male	444	NA	NA	444	100	411	NA	NA	411	100
Female	81	NA	NA	81	100	83	NA	NA	83	100
Other than Permanent										
Male						Not Applicable				
Female						Not Applicable				
Workers										
Permanent										
Male	1455	NA	NA	1455	100	2130	NA	NA	2130	100
Female	2506	NA	NA	2506	100	2900	NA	NA	2900	100
Other than Permanent										
Male						Not Applicable				
Female						Not Applicable				

3. Details of remuneration/ salary/ wages (including differently abled)

Category	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors				Not Applicable
Key Managerial Personal				Not Applicable
Employees other than BoD and KMP	568	34559	100	28332
Workers	2339	13104	4273	10402

4. Focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) Yes -
5. Describe the internal mechanisms in place to redress grievances related to human rights issues. Works Committee, Grievance committee and Health and safety committee.
6. Disclosure of complaints made by employees and workers on sexual harassment, discrimination at workplace, Child Labour, Forced Labour/Involuntary Labour, Wages or other human rights related issues.

Category	FY2023			FY2022		
	Filed during the day	Pending Resolution at the end of the year	Remarks	Filed During the Year	Pending Resolution at the end of the year	Remarks
Sexual Harassment	NIL	NIL		NIL	NIL	
Discrimination at workplace	NIL	NIL		NIL	NIL	
Forced Labour/Involuntary Labour	NIL	NIL		NIL	NIL	
Wages	NIL	NIL		NIL	NIL	
Other human right related issues	NIL	NIL		NIL	NIL	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. Yes Internal Compliance Committee
8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) Yes
9. Assessments of the year

Category	% of plants and offices that were assessed by the entity or by the statutory authorities or third parties
Child Labour	100%
Forced/Involuntary Labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	

10. Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. Not applicable

Leadership Indicators

- Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. Not Applicable as there are no grievances/ complaints
- Details of the scope and coverage of any Human rights due-diligence conducted. Not Applicable
- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? Yes

4. Details on assessment of value chain partners

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced labour/Involuntary Labour wages	100%
Others – please specify	100%

5. Details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. Not Applicable

Section C) Principle 6. Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators:

1. Details of total energy consumption (in Joules or multiples) and energy intensity

Parameter	FY23	FY22
Total electricity consumption (A)	16394415 Unit	20216364 Unit
Total fuel consumption (B)	1858.65 KL	2343.79 KL
Energy consumption through other sources (C)	18.33 KL	23.41 KL
Total energy consumption (A+B+C)		
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0479	0.0109
Energy intensity (optional) – the relevant metric may be selected by the entity	N.A	N.A

Any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

2. Sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) No

If yes, disclose whether targets set under the PAT scheme have been) achieved. In case targets have not been achieved, the remedial action taken, if any. Not applicable

3. Details of the following disclosures related to water

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

Parameter	FY23	FY22
Water Withdrawal by Source (In Kiloliters)		
(i) Surface water		
(ii) Groundwater	43622.87	36245.50
(iii) Third party water (Purchased Water)		
(iv) Seawater / desalinated water	139377.13	146,754,504.00
(v) Others (Rain harvested Water From Pond		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	183000.00	201300.00
Total volume of water consumption (in kilolitres)	183000.00	201300.00
Water intensity per rupee of turnover (Water consumed / turnover)	.0037	.0030
Water intensity (optional) – the relevant metric may be selected by the entity		

If yes, name of the external agency

4. Mechanism for Zero Liquid Discharge? If yes, details of its coverage and implementation.

There is In house ETP and STP process implemented supported with modern machinery imported from Italy

5. Details of air emissions (other than GHG emissions) by the entity

Parameter	Please specify unit	FY23	FY22
NOx	mg/Nm3	17.8	Not available
Sox	mg/Nm3	9.69	Not available
Particulate Mater	mg/Nm3	35.5	Not available
Persistent organic pollutants (POP)	Nm3/Hr	1198	Not available
Volatile organic compounds (VOC)	m/sec	7.24	Not available
Hazardous air pollutants (HAP)	mg/Nm3	57.6	Not available
Others – please specify			

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency No

6. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & their intensity

Parameter	Unit	FY23	FY22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Gco2/Littre	268541	Not available
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Gco2/Liire	3364854	Not available
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No

If yes, name of the external agency

7. Project related to reducing Green House Gas emission? If yes, details. No

8. Details of waste generated, re-cycled re-used and disposed off

Parameter	FY23	FY22
Total Waste generated (in metric tonnes)		
Plastic waste (A)		
E-waste (B)		
Bio-medical waste (C)		
Construction and demolition waste (D)		
Battery waste (E)		
Radioactive waste (F)		
Other Hazardous waste (G) (Sludge)	1622.62	2158.08
Other Non-hazardous waste generated (H)		
(Break-up by composition i.e by materials relevant to the sector		
Total (A+B+C+D+E+F+Gg+H)	1622.62	2158.08

Parameter	FY23	FY22
Total Waste generated (in metric tonnes)		

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste

i.Re-cycled

ii.Re-used

iii.Other recovery operations

1622.62

2158.08

Total

1622.62

2158.08

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of Waste

i.Incineration

ii.Landfilling

iii.Other disposal operations

Total

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) Y

If yes, name of the external agency Yes KERALA ENVIRO INFRASTRUCTURE LIMITED

9. Details of waste management practices, strategy adopted by the company to reduce usage of hazardous and toxic chemicals in our products and processes and the practices adopted to manage such wastes

Fully functional ETP and STP

10. Operations/offices if any in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, NO

	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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Not Applicable

11. Details of environmental impact assessments (EIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
EIA & Operational Control	NA	NA	NO	NO	NA

12. Compliance with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). YES

If not, details of all such non-compliances, in the following format

SL No	Law / regulation / guidelines which was not complied with	Details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Not Applicable

Leadership Indicators:

1. Break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:

Parameter	FY23	FY22
From Renewable Sources		
Total Electricity Consumption (A)		
Total Fuel Consumption (B)	17952 MT	21599 MT
Energy Consumption other sources (C)		
Total energy consumed from renewable sources (A+B+C)	17952 MT	21599 MT
From Non-Renewable Sources		
Total Electricity Consumption (A)	16394415 Unit	20216364 Unit
Total Fuel Consumption (B)	1858.65 KL	2343.79 KL
Energy Consumption other sources (C)	46857 Unit	64653 Unit
Total energy consumed from non- renewable sources (A+B+C)	16443130.65	20283360.79

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) No

If yes, name of the external agency

2. Break-up details related to water discharged

Parameter	FY23	FY22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others – Used for Agricultural purpose		
- No treatment	-	-
- With treatment – please specify level of treatment	146400	161000
Total water discharged (in kilolitres)	146400	161000

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, information: NA since not located in Water stress area.

- (i) Name of the area
- (ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY23	FY22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water - Purchased water	43622.87	36245.50
(iv) Seawater / desalinated water	-	-
(v) Others - Rain water from Pond	139377.13	1,65,054.50
Total volume of water withdrawal (in kilolitres)	183000	201300
Total volume of water consumption (in kilolitres)	183000	201300
Water intensity per rupee of turnover (<i>Water consumed / turnover</i>)	0.0037	0.0030
Water intensity (<i>optional</i>) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
- No treatment		
- With treatment – specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – specify level of treatment		
(iv) Sent to third-parties		

4. Details of total Scope 3 emissions & its intensity Not available

Parameter	Unit	FY23	FY22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

If yes, name of the external agency Not available

5. Ecologically sensitive areas reported at Question 10 of Essential Indicators above, details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. Not available

6. Specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, details of the same as well as outcome of such initiatives.

SI No.	Initiative undertaken	Details of the initiative (Web-link, if any, along-with summary)	Outcome of the initiative
	ETP/STP	NA	The proceeds water is fully purified and used for agricultural purpose.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. . We have detailed disaster management plan to cover crucial areas like Loss of Electricity supply, Loss of water supply, failure of key machineries, Malicious sabotage, business vulnerabilities, Cyber attacks, Major break downs, flood, fire, natural disasters etc. Senire Executives of the Company are entrusted with each crisis area
8. Any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
- No
9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. Not applicable

Section C) Principle 7. Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

- 1 a. Number of affiliations with trade and industry chambers/associations.NA
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of /affiliated to NA

SL No	Name of the trade industry chambers/associations	The reach of trade and industry chambers/ associations (State/National)
1	Not applicable	

2. Details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regular authorities.

Name of authority	Brief of the case	Corrective actions taken
Not applicable		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

SL No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of review by Board (annually/half yearly / Quarterly / Others – Please specify	Weblink if available
Not applicable					

Section C) Principle 8. Businesses should promote inclusive growth and equitable development

Essential Indicators

- Details of social impact assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. NA

Name and brief details of the project	SIA notification No.	Date of notification	Whether conducted by an Independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant weblink
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Not applicable

- Information on project (s) for which ongoing rehabilitation and resettlement (R&R) is being undertaken by the entity

SL No	Name of project for which R&R is ongoing	State	District	No. of project-affected families	% of PAFs covered by R&R	Amount paid to PAFs in FY23
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Not applicable

- Mechanisms to receive and redress grievances of the community Not applicable
- Percentage of input material (inputs to total inputs by value) sourced from suppliers

Particulars	FY23	FY22
Directly sourced from MSMEs/small producers	1.54%	0.77%
Sourced directly from within the district and neighbouring districts	7.47%	5.31%

Leadership Indicators

- Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of essential indicators above)

Details of negative social impact identified	Corrective action taken
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Not applicable

- CSR projects undertaken by the entity in designated aspirational districts as identified by government bodies

SL No.	State	Aspirational District	Amount Spent (In Rs)
	Kerala	Ernakulam	511.10

- Preferential procurement policy with preference to purchase from suppliers comprises marginalised /vulnerable groups (Yes/No) NO
 - From which marginalized /vulnerable procured NA
 - Percentage of total procurement (by value) Not applicable
- Details of the benefits derived and shared from the intellectual properties owned or acquired by the entity (in the current financial year) based on traditional knowledge. NA

SI No.	Intellectual property based on traditional knowledge	Owned /acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
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Not applicable

- Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. NA

Name of the authority	Brief of the case	Corrective action taken
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Not applicable

6. Details of the beneficiaries of CSR projects

SI NO.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Healthcare	50	100%
2	Road Development	40000	20%
3	Education	2000	80%
4	Housing	30	100%

Section C) Principle 9. Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

- Describe the mechanism in place to receive and respond to consumer complaints and feedback NA since no interaction with the end consumers.
- Turnover of products and /services as a percentage of turnover from all products/service that carry information about Not applicable

Particulars	As a % of total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	
Recycling and/or safe disposal	

- Number of consumer complaints in respect of the following NA since total exports to USA to specified 3 o4 whole sellers only. Not applicable

Particulars	FY2023		Remarks	FY2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data Privacy			Not applicable			
Advertising			Not applicable			
Cyber-security			Not applicable			
Delivery of essential services			Not applicable			
Restrictive Trade Practices			Not applicable			
Unfair Trade Practices			Not applicable			
Other			Not applicable			

- Details of instances of product recalls on account of safety issues: Not applicable

Particulars	Number	Reasons for recall
Voluntary recalls	NIL	
Forced recalls	NIL	

- Framework/ policy on cyber security and risks related to data privacy? **(Yes/No)** If available, web-link of the policy. Yes. Detailed in house policy to take care of cyber security like controls on net work access, system administration access, Virus protection etc are there.
- Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (web link, if available).
NA
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. NA
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. NA
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, details in brief. Did the entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) NA
5. Information relating to data breaches: NA
 - a. Number of instances of data breaches along-with impact
 - b. Percentage of data breaches involving personally identifiable information of customers

Independent Auditor's Report

To the Members of Kitex Garments Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Kitex Garments Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, 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 ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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 obtained by us 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, 2023 (current year/period). 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.

Valuation of Inventory

Refer to Note 2.07 'Inventories' to consolidated financial statements

The total value of inventory as of March 31, 2023, amounted to ₹ 11,693.28 lakhs representing 11.58 % of the total assets (March 31, 2022: ₹ 15,453.49 Lakhs, 14.91% of the total assets). Inventories are measured the lower of cost and net realisable value.

The Company is an apparel manufacturer and exporter of knitted garments for infants and kids.

The valuation of raw material, semi-finished and finished goods is a comprehensive exercise and is carried out manually. Allocation of indirect production costs is also estimated and loaded as inventory cost, as part of the valuation exercise. This allocation requires judgment and estimation, which are uncertain at the time of such estimation.

Management also applies judgement in identification & determination of obsolete inventories and slow moving items of stocks and estimates the appropriateness of requisite provisions thereon. On account of the subjective judgment and uncertainties involved above, we considered this as a Key Audit Matter.

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

- Assessed the accounting policies relating to valuation of Inventory in compliance with Ind AS 2 ("Inventories");
- Assessed the management process of inventory valuation including allocation of overheads to inventory;
- Evaluated the design and implementation and tested the operative effectiveness of relevant internal controls pertaining to valuation of inventory, including the process for write-down of obsolete inventory and the manual inventorisation of indirect production costs.
- Assessed the adequacy and appropriateness of write-downs for excess and/or obsolete inventory in relation to the 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 the manual inventorisation of indirect production costs.

- Assessed the adequacy and accuracy of disclosures in the standalone financial statements with respect to inventory in accordance with respective accounting 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, Director's report along with annexures 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 the Standalone Financial Statements

The Company's management and Board of Directors are 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 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 management and Board of Directors are 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

- 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.
- As required by Section 143(3) of the Act, we report that:
 - 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.
 - 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.
 - 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.
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023 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 it's 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 it's knowledge and belief, as disclosed in the Note 2.45 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.
 - v. 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
 - vi. Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company w.e.f. April 01, 2023 only, Hence reporting under this clause is not applicable.
 - vii. The Company has declared and paid dividend during the year which is in compliance with Section 123 of the Act.
- 3. 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: 23029409BGTMR2027

Place: Kizhakambalam, Kerala

Date: May 30, 2023

Annexure - A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF 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 adequate 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, 2023 (current year) 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: 23029409BGTMR2027

Place: Kizhakambalam, Kerala

Date: May 30, 2023

Annexure - B

TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF KITEX GARMENTS LIMITED FOR THE YEAR ENDED MARCH 31,2023

[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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification 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 and on the basis of our examination of the records of the Company, 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.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment or the intangible assets or both during the year. 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, as amended 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 discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) During the year the Company has been sanctioned working capital limits in excess of Rs. 500 lakhs in aggregate from Banks/financial institutions on the basis of security of current assets. Statements filed with such Banks are in agreement with the books of account.
- iii. According to the information explanation provided to us, during the year the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) (a) to (f) of the Order are not applicable to the Company.
- iv. 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, investments, guarantees and security made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts deemed to be deposit 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 services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues have been generally regular in depositing by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory

dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub Clause (a) above which have not been deposited as on March 31, 2023 on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Employees Provident Fund Act 1952	Provident fund along with interest	368.37	(i) June 2007-October 2012 (ii) Feb 2014-April 2014 (iii) April 2012-August 2012 (iv) September 2012-January 2014 (v) Nov 2012-April 2014	CGIT, Ernakulam
Employees State Insurance Act	Insurance due	209.78	2008-2009	ESI Court, Alapuzha
Income Tax Act 1961	Income Tax dues	318.35	AY 2011 to 2013 and AY 2016 to 2020	Commissioner of Income Tax (Appeals)

- 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 willful defaulter by any bank or financial institution or government or any government authority.
- (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) According to the information and explanation provided to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by 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 an any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures.
- (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. Hence, reporting under the Clause 3(ix)(f) of the order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, 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. Hence, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our 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 report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) No report under subsection 12 of section 143 of Companies Act 2013 have been filed in ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. 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, the 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 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 of the Company issued till date, for the period under 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.
- xvi. (a) 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 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) 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 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 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Group does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph 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 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 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, 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: 23029409BGTMR2027

Place: Kizhakambalam, Kerala
 Date: May 30, 2023

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 of even date to the Members of Kitex Garments Limited on the Financial Statements for the year ended March 31, 2023]

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

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Kitex Garments Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate 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, 2023, 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").

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. 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 adequate 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 adequacy of 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.

**For MSKA & Associates
Chartered Accountants**

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN:23029409BGTMR2027

Place: Kizhakambalam, Kerala

Date: May 30,2023

Standalone Balance Sheet

AS AT MARCH 31, 2023

(All amounts are stated in lakhs unless stated otherwise)

SI No.	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	2.01A	13,339.03	15,087.28
	(b) Capital work-in-progress	2.01B	2,042.70	1,162.11
	(c) Other intangible assets	2.01C	50.22	98.90
	(d) Financial assets			
	(i) Investments	2.02	29,794.50	3,299.17
	(ii) Loans	2.03	9,245.35	8,938.58
	(iii) Other financial assets	2.04	246.24	4,633.33
	(e) Non-current tax assets	2.05	275.93	275.93
	(f) Other non-current assets	2.06	599.17	1,010.11
	Total Non-Current Assets		55,593.14	34,505.41
2	Current assets			
	(a) Inventories	2.07	11,693.28	15,453.49
	(b) Financial assets			
	(i) Trade receivables	2.08	20,346.24	31,415.36
	(ii) Cash and cash equivalents	2.09	4,178.81	10,697.49
	(iii) Bank balances other than (ii) above	2.10	4,128.82	2,601.30
	(iv) Other financial assets	2.11	1,906.70	6,215.16
	(c) Other current assets	2.12	3,105.49	2,735.39
	Total Current Assets		45,359.34	69,118.19
	TOTAL ASSETS		100,952.48	103,623.60
II	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	2.13	665.00	665.00
	(b) Other equity	2.14	89,824.01	84,807.74
	Total Equity		90,489.01	85,472.74
	Liabilities			
2	Non-current liabilities			
	(a) Provisions	2.15	850.44	982.05
	(b) Deferred tax liabilities (net)	2.16	395.76	579.18
	(c) Other non-current liabilities	2.17	186.76	355.65
	Total Non-Current Liabilities		1,432.96	1,916.88
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	2.18	2,500.00	7,306.55
	(ii) Trade payables	2.19		
	- Total outstanding dues of micro enterprises and small enterprises		348.18	300.76
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,815.11	5,860.16
	(iii) Other financial liabilities	2.20	356.27	161.69
	(b) Other current liabilities	2.21	476.36	593.15
	(c) Provisions	2.22	353.80	354.17
	(d) Current tax liabilities (net)	2.23	1,180.79	1,657.50
	Total Current Liabilities		9,030.51	16,233.98
	TOTAL EQUITY AND LIABILITIES		100,952.48	103,623.60
	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/-

Boby Michael

Chief Financial Officer
Place: Kizhakkambalam
Date: May 30, 2023

Sd/-

CS Mithun B Shenoy

Company Secretary
ICSI M.No. FCS 10527

Place : Kizhakkambalam

Date: May 30, 2023

Standalone Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are stated in lakhs unless stated otherwise)

Sl No.	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Income			
	(a) Revenue from operations	2.24	55,699.55	78,832.83
	(b) Other income	2.25	4,307.67	2,996.40
	Total Income		60,007.22	81,829.23
II	Expenses			
	(a) Cost of materials consumed	2.26	24,026.44	37,431.00
	(b) Changes in inventories of finished goods and work-in-progress	2.27	2,426.87	(689.13)
	(c) Employee benefits expense	2.28	10,906.72	11,426.42
	(d) Finance costs	2.29	447.17	361.87
	(e) Depreciation and amortization expense	2.30	2,120.97	2,143.77
	(f) Other expenses	2.31	11,936.86	13,577.12
	Total Expenses		51,865.03	64,251.05
III	Profit before tax (I - II)		8,142.19	17,578.18
IV	Tax expense:			
	(a) Current tax		2,408.00	4,809.00
	(b) Deferred tax	2.16	(207.63)	(59.12)
	Total Tax Expenses		2,200.37	4,749.88
V	Profit for the year (III -IV)		5,941.82	12,828.30
VI	Other comprehensive income			
A	Items that will not be reclassified to profit or loss			
	(i) Re-measurements of post employment benefit obligations		95.37	164.33
	(ii) Fair value changes on equity instruments carried through other comprehensive income		0.81	(0.11)
	(iii) Income tax relating to items that will not be reclassified to profit or loss		(24.21)	(41.33)
VII	Total comprehensive income for the year (V+VI)		6,013.79	12,951.19
VIII	Earnings per equity share (Face value of Re. 1 each)	2.32		
	Basic & Diluted in `		8.94	19.29
	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/-
Boby Michael
Chief Financial Officer
Place: Kizhakkambalam
Date: May 30, 2023

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

Place : Kizhakkambalam
Date: May 30, 2023

Standalone Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are stated in lakhs unless stated otherwise)

Sl No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	Cash Flows from Operating Activities:		
	Net Profit before tax	8,142.19	17,578.18
	Adjustments for:		
	Depreciation and amortisation expense	2,120.97	2,143.77
	Unrealised foreign exchange (gain) / loss (net)	159.21	(986.63)
	Gain on foreign exchange forward contracts	158.38	(230.83)
	Interest income	(347.82)	(446.26)
	Deferred grant income	(154.97)	(154.97)
	Loss on sale of property, plant and equipment (net)	-	(23.29)
	Sundry balance Wirtten Back	(69.54)	-
	Provision / sundry balances written off through profit and loss	-	(19.88)
	Interest expense	447.17	361.87
	Operating profit before working capital changes	10,455.59	18,221.96
	Changes in working capital:		
	(Increase)/ Decrease in trade and other receivables	14,857.39	(14,175.45)
	(Increase) in inventories	3,760.20	(2,024.55)
	Increase / (Decrease) in trade, other payables and provisions	(2,004.67)	1955.04
	Cash generated from operating activities before taxes	27,068.51	3977.00
	Direct taxes paid (net of refunds)	(2,884.72)	(4922.24)
	Net cash (used) / generated from operating activities (A)	24,183.79	(945.24)
B	Cash Flows from Investing Activities:		
	Purchase of property, plant and equipment and intangible assets, CWIP including capital advances	(726.22)	(1284.02)
	Proceeds from sale of property, plant and equipment	-	23.29
	Bank balances not considered as Cash and cash equivalents	(1,527.52)	2,105.74
	Purchase of investment in subsidiary	(22,386.65)	-
	Share application money to subsidiary.	-	(4388.43)
	Interest received	339.23	162.40
	Loans to wholly owned subsidiaries	(26.29)	(1480.47)
	Net cash used in investing activities (B)	(24,327.45)	(4861.49)
C	Cash Flow from Financing Activities:		
	Proceeds/ (repayment) from bank borrowings (net)	(4,801.41)	7306.55
	Interest paid	(491.06)	(317.97)
	Dividend / dividend distribution tax paid	(1,005.14)	(997.86)
	Net cash used in Investing Activities (C)	(6297.61)	5990.72
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	(6,441.27)	183.99
	Exchange difference on translation of foreign currency cash and cash equivalents	(77.41)	163.22
	Cash and cash equivalents at the beginning of the year	10,697.49	10350.28
	Cash and cash equivalents at the end of the year (See note 1.18)	4,178.81	10697.49
	Net (decrease) / increase in cash and cash equivalents	(6,441.27)	183.99
	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

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/-

Boby Michael

Chief Financial Officer

Place: Kizhakkambalam

Date: May 30, 2023

Sd/-

CS Mithun B Shenoy

Company Secretary

ICSI M.No. FCS 10527

Place : Kizhakkambalam

Date: May 30, 2023

Standalone Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

(All amounts are stated in lakhs unless stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
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, 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
Balance as at April 01, 2022	22.10	28,675.00	56,107.57	3.07	84,807.74
Profit for the year (net of tax)	-	-	5,941.80	-	5,941.80
Re-measurements of post employment benefit obligations (net of tax)	-	-	71.16	-	71.16
Fair value changes on equity instruments carried through other comprehensive income (net of tax)	-	-	0.00	0.81	0.81
Dividends	-	-	(997.50)	-	(997.50)
Transfer to reserves	-	2,000.00	(2,000.00)	-	-
Balance as at March 31, 2023	22.10	30,675.00	59,123.03	3.88	89,824.01

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 Jacob

Chairman &

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DIN:00046016

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Director

DIN: 01219476

Sd/-

Boby Michael

Chief Financial Officer

Place: Kizhakkambalam

Date: May 30, 2023

Sd/-

CS Mithun B Shenoy

Company Secretary

ICSI M.No. FCS 10527

Place : Kizhakkambalam

Date: May 30, 2023

Notes to the Standalone Financial Statements for the year ended March 31, 2023

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 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 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 Standards (including amendments) issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from 01 April 2023:

Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

Notes forming part of Standalone financial statements year ended March 31, 2023

2.01 A - Property, Plant and Equipment- Standalone

(Rupees in Lakhs)

	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2022	Additions during the year	Disposal / Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation during the Year	As at March 31, 2023	As at March 31, 2023
Freehold Land	492.83	-	-	492.83	-	-	-	492.83
Building	6,850.24	-	-	6,850.24	1,186.90	252.34	1,439.24	5,411.00
Plant & Machinery	18,862.64	317.89	-	19,180.53	10,838.56	1,575.61	12,414.17	6,766.36
Furniture & Fixtures	235.72	-	-	235.72	159.64	19.59	179.23	56.49
Vehicles	633.71	-	-	633.71	377.90	63.07	440.97	192.74
Office Equipments	589.08	3.16	-	592.24	391.49	85.55	477.04	115.20
Computers	626.80	0.77	-	627.57	585.83	30.90	616.73	10.84
Electrical Equipments	602.99	2.22	-	605.21	266.41	45.23	311.64	293.57
Total	28,894.01	324.04	-	29,218.05	13,806.73	2,072.29	15,879.02	13,339.03

(Rupees in Lakhs)

	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK	
	As at April 1, 2021	Additions during the year	Disposal / Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation during the Year	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	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	13,806.73	15,087.28

2.01 B - Capital Work-in-Progress - Standalone

(Rupees in Lakhs)

GROSS BLOCK (at cost)			
	As at April 1, 2022	Additions / Adjustments	Capitalisation during the year
Building under Construction	557.57	1,270.70	-
Plant and Equipment under Installation	604.54	59.11	449.22
Total	1,162.11	1,329.81	449.22

(Rupees in Lakhs)

CARRYING VALUE			
	As at April 1, 2021	Additions / Adjustments	Capitalisation during the year
Building under Construction	5.45	651.61	99.49
Plant and Equipment under Installation	2,003.09	532.51	1,931.06
Total	2,008.54	1,184.12	2,030.55

2.01 C - Other Intangible Assets - Standalone

(Rupees in Lakhs)

	GROSS BLOCK			ACCUMULATED AMORTISATION				NET BLOCK	
	As at April 1, 2022	Additions during the year	Disposal / Adjustments	As at March 31, 2023	As at April 1, 2022	During the Year	Disposal / Adjustments	As at March 31, 2023	As at March 31, 2023
Computer software	283.10	-	-	283.10	184.20	48.68	-	232.88	50.22
Total	283.10	-	-	283.10	184.20	48.68	-	232.88	50.22

(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

2.01 D - Intangible Assets under Development - Standalone

(Rupees in Lakhs)

CARRYING VALUE				
	As at April 1, 2022	Additions / Adjustments	Deductions / Adjustments	As at March 31, 2023
Software under development	-	-	-	-
Total	-	-	-	-

(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	-

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	1,329.88	557.56	62.85	-	1,950.30
Projects temporarily suspended	-	-	92.39	-	92.40
Total	1,329.88	557.56	155.24	-	2,042.70

(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	700.32	158.38	226.34	77.07	1,162.11
Projects temporarily suspended	-	-	-	-	-
Total	700.32	158.38	226.34	77.07	1,162.11

2.02 Investments [Non-Current]

(Rupees in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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	100.00	143.74
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Knits Limited	10.00	46.26
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Babywear Limited	10.00	26.33
1,000,000 (1,000,000) fully paid-up equity shares of ₹10/- each in Kitex Littlewear Limited	100.00	246.63
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Packs Limited	10.00	21.15
100,000 (100,000) fully paid-up equity shares of ₹10/- each in Kitex Socks Limited	10.00	36.37
26,77,50,000 fully paid-up equity shares of ₹10/- each in Kitex Apparel Parks Limited	26,775.00	-
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	3.26	2.45
Total	29,794.50	3,299.17
Aggregate amount of unquoted investments	3,016.24	3,296.72
Aggregate amount of quoted investments and market value thereof; (The market value of quoted investments is equal to the carrying value)	3.26	2.45

2.02.1 Cost of investment in subsidiaries include ₹ Nil (31.03.2022: ₹ 280.47 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, 2023	As at March 31, 2022
Unsecured, considered good		
Loans to wholly owned subsidiaries(Refer Note 2.03.1)	9,245.35	8,938.58
Total	9,245.35	8,938.58

2.03.1 Company has revised agreement on 1-10-21 amending the interest clause and thereby making it an interest free loan. These are unsecured and provided to wholly owned subsidiary

2.04 Other Financial Assets [Non-Current]

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposit	246.16	244.90
Share application money/Advance to Kitex Apparel Parks Limited	0.08	4,388.43
Total	246.24	4,633.33

2.04.1 Deposit account represents deposits held as security which are not expected to be refunded next 12 months.

2.05 Non Current Tax Assets

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax receivable	275.93	275.93
Total	275.93	275.93

2.06 Other Non-Current Assets

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances	274.12	685.05
Balances with government authorities	325.05	325.05
Total	599.17	1,010.10

2.07 Inventories

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	3,535.83	4,952.28
Raw materials in transit	66.16	90.87
Work-in-progress	6,023.52	9,945.96
Finished goods [See note 2.07.2]	1,741.66	246.09
Stores and spares	326.11	217.98
Stores and spares in transit	-	0.32
Total	11,693.28	15,453.50

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, 2023- ₹ 434.28 Lakhs (March 31,2022: 307.34) 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, 2023	As at March 31, 2022
Unsecured, considered good [See note 2.08.1]	20,346.24	31,415.36
Less: Allowance for credit impairment	-	-
Total	20,346.24	31,415.36

2.08.1 (i) Trade receivables includes amounts due from related parties ₹ 16,598.55 lakhs (March 31, 2022: ₹ 23,300.67 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 7,539.29 lakhs. Consequently, the provision carried in the books of ₹ 347.03 lakhs was written back during 2018-19. Later, Company has received interim disbursement of ₹ 156.06 lakhs during the year and ₹ 1,734.86 lakhs 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, 2023
	<6 months	6 months - 1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	12,540.53	7,398.18	0.24	0.03	-	19,938.98
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	407.26	407.26
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total						20,346.24

(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

2.09 Cash and Cash Equivalents

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks - In current accounts	3,621.48	1,242.03
Balances with banks - In EFC accounts	547.20	9,436.64
Cash on hand	10.13	18.82
Total	4,178.81	10,697.49

2.10 Bank balances other than Cash and Cash Equivalents

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks		
In deposit accounts [See note 2.10.1]	4,053.51	2,518.23
In earmarked accounts:		
(a) Balances held as security against borrowings, guarantees		-
(b) Unpaid dividend accounts	75.31	82.96
(c) Restricted balance with bank- Dormant	-	0.11
Total	4,128.82	2,601.30

2.10.1 (i) Balances with banks in deposit accounts held as security against Letter of Credits/ Guarantee, with a maturity period of less than 12 months.

2.11 Other Financial Assets-At amortised Cost

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good-at amortised cost		
Subsidy receivable [see note 2.11.2]	1,116.51	1,136.74
Export incentives receivable	713.31	3,483.40
Other deposits	-	-
Rent deposits	15.71	38.60
Interest receivable on deposits	61.17	32.35
Interest receivable on loans to wholly owned subsidiaries	-	1,293.24
Foreign exchange forward contracts	-	230.83
Total	1,906.70	6,215.16

2.11.1 There are no other current financial assets as at March 31, 2023 and March 31, 2022 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 (31.03.2022: 1,116.51 Lakhs)

2.12 Other Current Assets

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received.	194.67	486.44
Balances with government authorities	1,429.65	2,010.38
Advances to staff	33.72	25.59
Prepaid expenses	153.23	74.60
Export entitlements / rebates receivable on export	0.98	138.38
Interest receivable on loans to wholly owned subsidiaries	1,293.24	-
Total	3,105.49	2,735.39

2.13 Equity Share Capital

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
250,000,000 (250,000,000) equity shares of ₹ 1/- each	2,500.00	2,500.00
Issued, subscribed and fully paid-up		
66,500,000 (66,500,000) equity shares of ₹ 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 ₹ 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, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
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, 2023		As at March 31, 2022	
	No. of shares	% of total holding	No. of shares	% of total holding
Mr. Sabu M Jacob	22,730,901	34.18	22,730,901	34.18
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	3,600,000	5.41
Mr. Gopinathan C K	3,615,000	5.44	3,601,000	5.42

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, 2023		As at March 31, 2022	
	No. of shares	%	No. of shares	%
Sabu M Jacob	22,730,901	34.18	22,730,901	34.18
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	32,639	0.05	31,789	0.05

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, 2023	As at March 31, 2022
Capital reserve		
Investment subsidy	22.10	22.10
General reserve		
Opening balance	28,675.00	26,675.00
Add: Transfer from retained earnings	2,000.00	2,000.00
Closing balance	30,675.00	28,675.00
Retained earnings		
Opening balance	56,107.57	46,153.77
Add: Profit for the year	5,917.59	12,828.30
Add: Re-measurements of post employment benefit obligations (net of tax)	95.37	123.00
	62,120.53	59,105.07
Less:		
Transfer to general reserve	2,000.00	2,000.00
Payment of dividends	997.50	997.50
Closing balance	59,123.03	56,107.57
Equity instrument through other comprehensive income		
Opening balance	3.07	3.18
Add : Fair value changes on equity instruments carried through other comprehensive income (net of tax)	0.81	(0.11)
Closing balance	3.88	3.07
Total	89,824.01	84,807.74

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 (31.03.2022: ₹ 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, 2023	As at March 31, 2022
Provision for gratuity [See note 2.15.2]	723.32	807.04
Provision for compensated absences [See note 2.15.2]	127.12	175.01
Total	850.44	982.05

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, 2023	As at March 31, 2022
Employers contribution to provident fund	707.54	612.21
Employers contribution to employees' state insurance	155.65	137.37

2.15.2.b Defined benefit plans - gratuity: unfunded obligation

(Rupees in lakhs)

(i) Actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.30%	6.05%
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, 2023	As at March 31, 2022
(ii) Reconciliation of present value of obligation		
Present value of obligation at the beginning of the year	1,042.21	1,126.76
Current service cost	179.74	189.56
Interest cost	55.94	55.17
Actuarial (gain)/ loss - financial assumptions	(68.20)	(37.41)
Actuarial (gain)/ loss - experience adjustments	(27.17)	(126.92)
Benefits paid	(204.50)	(164.95)
Present value of obligation at the end of the year	978.02	1,042.22
Contributions by the employer	204.50	164.95
Benefits paid	(204.50)	(164.95)
Expected employers' contribution next year	-	-
(iii) Expenses recognized in the statement profit and loss		
Current service cost	179.74	189.56
Interest cost	55.94	55.17
Total expenses recognized in the statement of profit and loss for the year	235.68	244.73

	As at March 31, 2023	As at March 31, 2022
(iv) Expenses recognized in other comprehensive income		
Opening amount recognised in OCI outside profit and loss account	(149.81)	14.52
Re-measurements during the period due to		
(a) Changes in financial assumptions	(68.20)	(37.41)
(b) Experience adjustments	(27.17)	(126.92)
Total re-measurements included in other comprehensive income (a+b)	(95.37)	(164.33)
Closing amount recognised in OCI outside profit and loss account	(245.18)	(149.81)
(v) Sensitivity analysis		
Discount rate +50 basis points	(2.80%)	(2.80%)
Discount rate -50 basis points	2.97%	2.97%
Salary increase rate +50 basis points	2.90%	2.90%
Salary increase rate -50 basis points	(2.75%)	(2.75%)

(Rupees in lakhs)

(vi) Maturity Analysis of the Benefit payments	As at March 31, 2023	As at March 31, 2022
Year 1	254.70	235.17
Year 2	134.99	145.65
Year 3	119.99	127.88
Year 4	114.01	108.07
Year 5	101.02	98.20
Next 5 years and above	865.84	889.05

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, 2023	As at March 31, 2022
Discount rate (per annum)	7.30%	6.05%
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, 2023	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	738.70	823.99
On excess of fair value over cost of quoted equity investments	0.01	0.51
On excess of interest receivable on fair valuation of Inter corporate loans over the actual interest receivable as per Income tax	-	32.90
On foreign exchange forward contracts	(39.87)	58.09
B. Deferred tax assets :		
On provisions for employee benefits	303.08	336.30
Deferred tax liabilities (net) (A-B)	395.76	579.18

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2023

(Rupees in lakhs)

Particulars	As at April 01, 2022	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2023
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	823.99	(85.29)	-	738.70
On excess of fair value over cost of quoted equity investments	0.51	(0.71)	0.21	0.01
On excess of interest receivable on fair valuation of Inter corporate loans over the actual interest receivable as per Income tax	32.90	(32.90)	-	-
On foreign exchange forward contracts	58.09	(97.96)	-	(39.87)
B. Deferred tax assets				
On provisions for employee benefits	(336.31)	9.23	24.00	(303.08)
Deferred tax liabilities (net) (A-B)	579.18	(207.63)	24.21	395.76

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
B. Deferred tax assets				
On provisions for employee benefits	365.61	(29.30)	-	336.31
On foreign exchange forward contracts		(58.09)	-	(58.09)
Deferred tax liabilities (net) (A-B)	596.97	(17.79)	-	579.18

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, 2023	For the year ended March 31, 2022
Profit before tax	8,142.17	17,578.18
Income tax expense calculated at 25.168%	2,049.22	4,424.08
Tax effect on non-deductible expenses	175.36	367.13
Total	2,224.58	4,791.21
Tax expense as per statement of profit and loss	2,224.58	4,791.21

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (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, 2023	As at March 31, 2022
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	186.76	355.65
Total	186.76	355.65

2.18 Borrowings

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand from Banks (Secured)	2,500.00	7,306.55
Total	2,500.00	7,306.55

Notes to Borrowings:

- 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.
- The quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts.
- The interest rate is 5.25% per annum (31.03.2022: 6.25%)
- 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, 2023	As at March 31, 2022
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	348.18	300.76
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,815.11	5,860.16
Total	4,163.29	6,160.92

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, 2023
		<1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) MSME	348.18	-	-	-	-	348.18
(ii) Others	3794.19	-	8.53	4.78	7.62	3,815.11
(iii) Disputed dues MSME		-	-	-	-	-
(iv) Disputed dues others		-	-	-	-	-
Total	4,142.37	-	8.53	4.78	7.62	4,163.29

(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

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, 2023, based on which, principal amount unpaid to such suppliers as at the year end aggregating to Rs.348.18 lakhs (31.03.2022 :Rs.300.76 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, 2023	As at March 31, 2022
a. Principal amount remaining unpaid but not due as at the year end.	348.18	300.76
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	348.18	300.76

2.20 Other Financial Liabilities

(Rupees in lakhs)

Current

Particulars	As at March 31, 2023	As at March 31, 2022
Retention money payable	117.76	35.17
Current maturities of long term borrowings	-	-
Unpaid dividend	74.98	82.63
MTM forward contracts	158.38	-
Interest accrued on borrowings	5.15	43.89
Total	356.27	161.69

2.21 Other Current Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	186.61	169.49
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	154.97	154.97
Advance from customers	134.78	268.69
Total	476.36	593.15

2.22 Short-Term Provisions

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity [See note 2.15.2]	254.70	235.17
Provision for compensated absences [See note 2.15.2]	99.10	119.00
Total	353.80	354.17

2.23 Current Tax Liabilities (Net)

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax payable [net of advance tax ` 6,681.11 lakhs (` 6,251.76 lakhs)]	1,180.79	1,657.50
Total	1,180.79	1,657.50

2.24 Revenue from Operations

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	52,835.87	74,630.41
A	52,835.87	74,630.41
Other operating revenues		
Export entitlements	2,116.05	3,441.94
Job work charges	648.27	662.66
Scrap sales	47.61	41.60
Others**	51.75	56.22
B	2,863.68	4,202.42
Revenue from operations (A+B)	55,699.55	78,832.83

**Others include sample development charges

2.25 Other Income

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	347.82	446.26
Dividend Received	0.05	-
Rent received [see note- 2.37.2D]	41.74	43.72
Net gain on foreign currency transactions and translations	3,693.55	2,328.16
Deferred grant income [see note 2.25.1(iii)]	154.97	154.97
Provision no longer required written back	69.54	-
Other non-operating incomes :		
(a) Gain on sale of property, plant and equipment (net)	-	23.29
Total	4,307.67	2,996.40

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 Rs. Nil (31.03.2022: ` 14.81 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, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	5,043.13	3,683.15
Add: Purchases	22,585.30	39,159.72
Less: Inventory at the end of the year	3,601.99	5,411.87
Total	24,026.44	37,431.00

2.27 Changes in Inventories of Finished Goods and Work-in-Progress

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	246.09	996.74
Work-in-progress	9,945.96	8,506.18
	10,192.05	9,502.92
Less: Inventories at the end of the year		
Finished goods	1,741.66	246.09
Work-in-progress	6,023.52	9,945.96
	7,765.18	10,192.05
Net decrease / (increase)	2,426.87	(689.13)

2.28 Employee Benefits Expense

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries & wages	8,594.40	8,970.40
Contribution to provident and other funds (Refer note 2.15.2.a)	863.19	749.58
Gratuity expenses (Refer note 2.15.2.b)	235.68	191.17
Staff welfare expenses	1,213.45	1,515.27
Total	10,906.72	11,426.42

2.29 Finance Costs

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on export packing credit	291.67	72.62
Interest on net defined benefit liability (net) Gratuity	-	55.17
Other borrowing cost	32.78	61.13
Interest on income tax	122.72	172.95
Total	447.17	361.87

2.30 Depreciation and amortisation expense

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment [See note 2.01A]	2,072.29	2,097.56
Amortisation of intangible assets [See note 2.01C]	48.68	46.21
Total	2,120.97	2,143.77

2.31 Other Expenses

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Processing charges	2,577.23	4,306.76
Consumption of stores and spares	541.68	892.85
Power and fuel	2,875.91	3,164.96
Repairs		
- Building	9.41	60.28
- Plant & machinery	308.57	321.49
- Others	374.43	415.91
Other production expenses	206.75	143.18
Testing charges	158.81	160.63
Forwarding and transport on sales	1,164.89	1,464.40
Insurance	138.14	138.56
Rent [See note 2.39]	124.41	136.01
Rates and taxes	132.36	89.54
Travelling and conveyance	200.10	128.94
Payments to auditors [See note 2.31.2]	21.53	20.95
Advertisement and sales promotion	62.33	61.04
Professional and consultancy charges	128.87	116.48
Donation [See note 2.31.1]	152.31	642.00
Expenses on corporate social responsibility activities [See note 2.31.3]	511.10	529.92
Miscellaneous expenses	915.84	783.22
Loss on foreign exchange forward contracts	1,332.19	-
Total	11,936.86	13,577.12

2.31.1 Donations made to political parties during the year amounts to ₹ 148.30 lakhs (31.03.2022: ₹ 45 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	20.50
(b) Other services		
- Others	-	-
- Reimbursement of expenses	0.83	0.45
Total	21.33	20.95

2.31.3 Details of expenses on corporate social responsibility activities

- Gross amount required to be spent by the Company during the year ₹ 269.20 lakhs (31.03.2022: ₹ 238.80 lakhs) towards CSR compliance as per Companies Act.
- Amount Unspent from previous years : Nil
- Amount approved by the Board to be spent during the year- ₹ 269.20 lakhs (31.03.2022 : ₹ 238.80 lakhs)
- Amount spent during the financial year on :

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	511.10	529.92
Total	511.10	529.92

(e) Details of excess CSR expenditure (Rupees in lakhs)

Nature of Activity	Balance excess as at 01 April 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2023
Agriculture and infrastructure development assistance	-	11.10	11.10	-

(f) CSR Expenditure incurred with Related Parties (Rupees in lakhs)

Name	Nature of Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Twenty 20 Kizhakkambalam Association	Enterprises owned or significantly influenced by key management personal or their relatives	500.00	138.00

2.32 Earnings per equity share

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year	5,941.82	12,828.30
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 `	8.94	19.29

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, 2023	For the year ended March 31, 2022
India	13,461.93	12,334.60
Outside India		
- The United States (US)	36,535.73	60,681.81
- Others	2,838.22	1,614.00
Sale of products	52,835.88	74,630.41

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	22,769.98	43,226.24
Revenue from customers contributing to more than 10 percent of the Company's revenue	51,573.39	72,173.10

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, 2023	As at March 31, 2022
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	1	3.26	2.45
Financial asset measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	2	(158.38)	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, 2023	As at March 31, 2022
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	2.02	3.26	2.45
Financial assets measured at fair value through other comprehensive income			
Foreign exchange forward contracts	Notes forming part of Standalone financial statements year ended March 31, 2023	-	230.83
Financial assets measured at amortised cost			
Non current :			
(i) Security deposits	2.04	246.16	244.90
(ii) Loans to wholly owned subsidiaries	2.04	9,245.35	8,938.58

Particulars	See note	As at March 31, 2023	As at March 31, 2022
(iii) Other Financial Assets	2.04	0.08	4,388.43
Current :			
(i) Trade receivables	2.08	20,346.24	31,415.36
(ii) Cash and cash equivalents	2.09	4,178.81	10,697.49
(iii) Bank balances other than (ii) above	2.10	4,128.82	2,601.30
(iv) Other financial assets	Notes forming part of Standalone financial statements year ended March 31, 2023	613.46	4691.09
(v) Interest receivable on loans to wholly owned subsidiaries	Notes forming part of Standalone financial statements year ended March 31, 2023	1,293.24	1,293.24
		40,055.42	64,503.67
Financial assets measured at cost			
Non current			
(i) Investments in equity shares - Unquoted	2.02	3,016.24	3,296.72
Financial liabilities measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	2.20	158.38	-
Financial Liabilities measured at amortised cost			
Current			
(i) Borrowings	2.18	2,500.00	7,306.55
(ii) Trade payables	2.19	4,163.29	6,160.92
(iii) Other financial liabilities	2.20	197.89	161.69
		6,861.18	13,629.16

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, 2023	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2,500.00	-	-	2,500.00
Trade payable	4,154.76	8.53	-	4,163.29
Other financial liabilities	197.89	-	-	197.89
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

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, 2023	As at March 31, 2022
Assets		
USD	171.87	523.79
HKD	0.01	0.01
Liabilities		
EUR	5.65	10.63
USD	1.25	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
Sensitivity	March 31, 2023	March 31, 2022
INR/USD (Net receivable)	140.28	389.84
INR/EUR (Net payable)	5.06	8.99
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, 2023	As at March 31, 2022
Variable rate instruments		
Financial liability - Loans repayable on demand from banks	2,500.00	7,306.55
Financial liability	2,500.00	7,306.55

Cash flow sensitivity for variable rate instruments

(Rupees in lakhs)

Particulars	Impact on Profit or (Loss)	
	March 31, 2023	March 31, 2022
Sensitivity		
50 BPS increase in rate	12.50	36.53
50 BPS decrease in rate	(12.50)	(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, 2023	As at March 31, 2022
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, 2023, 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, 2023	As at March 31, 2022
Equity attributable to share holders	90,489.01	85,472.74
Borrowings	2,500.00	7,306.55
Less: Cash and cash equivalents	4,178.81	10,697.49
Net debt	(1,678.81)	(3,390.94)
Total capital (equity + debt)	88,810.20	82,081.80
Net debt to capital ratio	(0.019)	(0.041)

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, 2023.

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, 2023	For the year ended March 31, 2022
(i) Kitex Childrenswear Limited		
Revenue from sale of goods and services (including expenses recovered)	13,441.43	12,017.57
Purchases of goods and services (including reimbursements)	2,145.40	3,591.06
(ii) Kitex Limited		
Revenue from sale of goods and services (including expenses recovered)	138.02	246.68
Purchases of goods and services (including reimbursements)	10.18	40.91
(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)	5.88	37.17
(iv) Twenty 20 Kizhakkambalam Association		
Donation paid	500.00	597.00
Payment towards corporate social responsibility activities	-	138.00

(Rupees in lakhs)

B Key management personnel	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Mr. Sabu M Jacob		
Remuneration paid	429.64	926.12
(ii) Ms. Sindhu Chandrasekhar		
Remuneration paid	21.01	18.02

(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	15,410.72	43,226.24
Sales commission paid	720.12	556.85

(Rupees in lakhs)

D Subsidiary companies	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Kitex Littlewear Limited		
INDAS Reversal Investment	146.63	106.99
Loan given/(refunded)	(11.56)	19.51
Rent income (excluding taxes)	1.51	2.35
Interest income	-	147.86

D	Subsidiary companies	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii)	Kitex Kidswear Limited		
	INDAS Reversal Investment	43.74	55.88
	Loan given/(refunded)	(3.76)	197.89
	Rent income (excluding taxes)	1.51	2.35
	Interest income	-	45.37
(iii)	Kitex Knits Limited		
	INDAS Reversal Investment	36.26	30.66
	Loan given	37.60	1,245.86
	Rent income (excluding taxes)	1.51	2.35
	Interest income	-	50.15
(iv)	Kitex Socks Limited		
	INDAS Reversal Investment	26.37	20.89
	Loan given	1.58	6.28
	Rent income (excluding taxes)	1.51	2.35
	Interest income	-	26.41
(v)	Kitex Packs Limited		
	INDAS Reversal Investment	11.15	10.39
	Loan given	3.68	5.91
	Rent income (excluding taxes)	1.51	2.35
	Interest income	-	22.75
(vi)	Kitex Babywear Limited		
	INDAS Reversal Investment	16.33	12.59
	Loan given/(refunded)	(1.25)	5.02
	Rent income (excluding taxes)	1.51	2.35
	Interest income	-	16.45

2.37.3 Outstanding amounts carried in the balance sheet as at March 31, 2023

A Enterprises owned or significantly influenced by key management personnel or their relatives:

(Rupees in lakhs)

Name of related party	As at March 31, 2023	As at March 31, 2022
(i) Kitex Childrenswear Limited		
Trade receivables	6,759.76	1,134.13
(ii) Kitex Limited		
Trade receivables	32.11	8.52
(iii) Anna Aluminium Company Private Limited		
Advances to supplier	-	0.61
Trade payables	-	2.10

B Key management personnel

(Rupees in lakhs)

Name of related party	As at March 31, 2023	As at March 31, 2022
(i) Mr. Sabu M Jacob		
Remuneration payable	287.82	816.09
(ii) Ms. Sindhu Chandrasekhar		
Remuneration payable	1.44	1.11

C Associate enterprise

(Rupees in lakhs)

Name of related party	As at March 31, 2023	As at March 31, 2022
(i) Kitex USA LLC		
Trade receivables	9,806.68	22,158.02
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, 2023	As at March 31, 2022
Kitex Littlewear Limited	100.00	246.63
Kitex Kidswear Limited	100.00	143.74
Kitex Knits Limited	10.00	46.26
Kitex Socks Limited	10.00	36.37
Kitex Packs Limited	10.00	21.15
Kitex Babywear Limited	10.00	26.33

E Unsecured loan receivable from wholly owned subsidiaries

(Rupees in lakhs)

Name of related party	As at March 31, 2023	As at March 31, 2022
Kitex Littlewear Limited	3,343.33	3,208.27
Kitex Kidswear Limited	1,846.83	1,806.84
Kitex Knits Limited	2,321.75	2,247.90
Kitex Socks Limited	653.74	625.78
Kitex Packs Limited	684.50	669.68
Kitex Babywear Limited	395.19	380.12

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, 2023	As at March 31, 2022
Kitex Littlewear Limited	620.07	620.07
Kitex Kidswear Limited	235.46	235.46
Kitex Knits Limited	174.87	174.87
Kitex Socks Limited	114.79	114.79
Kitex Packs Limited	77.60	77.60
Kitex Babywear Limited	70.45	70.45

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, 2023		As at March 31, 2022	
	Foreign currency	Rupees	Foreign currency	Rupees
Export receivables				
USD	164.85	13,553.48	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, 2023		As at March 31, 2022	
	Foreign currency	Rupees	Foreign currency	Rupees
Export Receivables				
USD	90.00	7,399.52	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, 2023		As at March 31, 2022	
	Foreign currency	Rupees	Foreign currency	Rupees
Assets				
EUR	-	0.27	-	0.25
USD	81.87	6,730.99	211.83	16,058.44
HKD	-	0.06	-	0.06
Liabilities				
EUR	5.65	506.70	10.63	899.74
USD	1.25	102.53	9.55	723.70
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, 2023	As at March 31, 2022
Amount charged to statement of profit and loss account during the year		
Rent for premises	94.17	122.24
Rent for equipment	30.25	13.77
Total	124.42	136.01

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, 2023.

2.40.1 Contingent liabilities not provided for:

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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 (31.03.2022: ` 225.74 lakhs)]	822.97	797.33
(ii) Income tax dues [Paid under protest include ` 108.57 lakhs (31.03.2022: ` 108.57 lakhs)]	318.35	396.76
(iii) Customs department [Paid under protest include ` 99.31 lakhs (31.03.2022: ` 99.31 lakhs)]	-	4,533.09
2. Other counter guarantees in favour of banks for guarantees issued by banks	2,093.39	16.09
Total	3,234.71	5,743.27

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 (497.99 Lakh). Contingent liability, to the extent of duty saved in respect of EPCG is ` 150.98 Lakh (31.03.2022: ` 150.98 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, 2023	As at March 31, 2022	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]	5.02	4.26	18%	The working capital borrowing increased due to deployment of existing surplus funds for Telangana investment
(b) Debt-Equity Ratio, (times) (Net debt / Average equity) [Net debt: Non-current borrowings - Cash and cash equivalents] [Equity: Equity share capital + Other equity]	2.84%	9.19%	(69%)	
(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]	-	-	-	

Ratio	As at March 31, 2023	As at March 31, 2022	Variance	Reason (If variation is more than 25%)
(d) Return on Equity Ratio (%) (Profit after tax (PAT) / Average Equity) [Equity: Equity share capital + Other equity]	6.75%	16.14%	-58%	ROI lower due to Lower Turnover on account of global recession
(e) Inventory turnover ratio (in days) (Average inventory/Cost of materials consumed +Changes in inventories of finished goods, work in progress)	187.28	143.46	31%	Inventory holding period higher due to Global Recession
(f) Trade Receivables turnover ratio (in days) (Average trade receivables/Turnover in days) [Turnover: Revenue from operations]	178.79	120.26	49%	Period higher due to Global Recession
(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]	71.23	51.13	39%	Period higher due to Global Recession
(h) Net capital turnover ratio (in days) (Average working capital/Turnover) [Working capital: Current assets - Current liabilities] [Turnover: Revenue from operations]	238	245	-3%	
(i) Net profit ratio (%) (Net profit after tax / Turnover) [Turnover: Revenue from operations]	11%	16%	-34%	Lower due to Recession impact
(j) Return on Capital employed (%) (EBIT / Capital Employed) [Capital Employed: Total Assets - Current Liabilities] [EBIT: Profit before taxes +/(-) Exceptional items + Net finance charges]	9%	21%	-54%	The ROCE in FY 2022-23 was impacted due to Recession

*This ratio isn't applicable since entity has no borrowings

2.42 Capital & Other Commitments

Estimated amount of contract remaining to be executed on capital account (net of advances): ` 1306.48 lakhs (31.03.2022: ` 631.99 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 30, 2023 Board of Directors of the Company have proposed a final dividend of ` 1.50 per share in respect of the year ended March 31, 2023 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 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.

**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/-
Boby Michael
Chief Financial Officer

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

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, 2023, 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 auditors on separate financial statements and on the other financial information of subsidiaries and 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 ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its associate as at March 31, 2023, 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 SAs 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 and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements 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 and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, 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, 2023 (current year). 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.

Valuation of Inventory

Refer to Note 2.06 'Inventories' to the consolidated financial statements.

The total value of inventory as of March 31, 2023 amounted to ₹ 11,693.28 lakhs representing 10.31% of the total assets (March 31, 2022: ₹ 15,453.49 Lakhs, 15.55% of the total assets). Inventories are measured at the lower of cost and net realisable value.

The Company is an apparel manufacturer and exporter of knitted garments for infants and kids.

The valuation of raw material, semi-finished and finished goods is a comprehensive exercise and is carried out manually. Allocation of indirect production costs is also estimated and loaded as inventory cost, as part of the valuation exercise. This allocation requires judgment and estimation, which are uncertain at the time of such estimation.

Management also applies judgement in identification & determination of obsolete inventories and slow moving items of stocks and estimates the appropriateness of requisite provisions thereon. On account of the subjective judgment and uncertainties involved above, we considered this as a Key Audit Matter.

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

- Assessed the accounting policies relating to valuation of Inventory in compliance with Ind AS 2 ("Inventories");
- Assessed the management process of inventory valuation including allocation of overheads to inventory;
- Evaluated the design and implementation and tested the operative effectiveness of relevant internal controls pertaining to valuation of inventory, including the process for write-down of obsolete inventory and the manual inventorisation of indirect production costs.
- Assessed the adequacy and appropriateness of write-downs for excess and/or obsolete inventory in relation to the 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 the manual inventurisation of indirect production costs.
- Assessed the adequacy and accuracy of disclosures in the consolidated financial statements with respect to inventory in accordance with respective accounting 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, Director's report along with annexures 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 management and Board of Directors are 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, consolidated changes in equity and consolidated cash flows of the Group and 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 its associates 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

We did not audit the financial statements of 6 subsidiaries, whose financial statements reflect total assets of ` 9,252.21 lakhs as at March 31, 2023, total revenues of ` 4.35 lakhs and net cash flows amounting to Rs.(46.66) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ` 12.59 lakhs for the year ended March 31, 2023. 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 these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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 reports of the other auditors.
 - 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.
 - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, 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, 2023 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 with reference to consolidated financial statements 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 and its associate– Refer Note 2.40 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 Holding Company.
 - iv.(a) The respective Managements of the Holding Company, 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 as disclosed in note no 2.45, 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.
 - (b) The respective Managements of the Holding Company, 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 as disclosed in note no 2.45, 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.
 - v. 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 and its associate 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 (a) and (b) above, contain any material mis-statement
 - vi. Proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiary companies incorporated in India w.e.f. April 01, 2023 only, Hence reporting under this clause is not applicable.

- vii. The Holding Company has declared and paid dividend during the year which is in compliance with Section 123 of the Act.
2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group 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 Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiaries included in the consolidated financial statements of the Group 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: 23029409BGTMV5388

Place: Kizhakambalam, Kerala
Date: May 30,2023

Annexure - A

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF KITE 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 Group 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, 2023 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: 23029409BGTMV5388

Place: Kizhakambalam, Kerala

Date: May 30, 2023

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, 2023]

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 Holding Company as of and for the year ended March 31, 2023, 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.

Opinion

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 March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Group and its associate for the year ended on that date.

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India to which reporting is applicable has, in all material respects, an adequate 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, 2023, 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 (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to six subsidiary companies which are companies incorporated in India is based on the corresponding reports of the auditors of such companies incorporated in India.

For MSKA & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN: 23029409BGTMOV5388

Place: Kizhakambalam, Kerala

Date: May 30, 2023

Consolidated Balance Sheet

AS AT MARCH 31, 2023

(Rupees in lakhs)

SI No.	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	2.01A	26,325.31	24,209.22
	(b) Capital work-in-progress	2.01B	29,221.36	1,162.11
	(c) Other intangible assets	2.01C	50.22	98.90
	(d) Financial assets			
	(i) Investments	2.02	3.26	2.46
	(ii) Other financial assets	2.03	886.07	4,633.33
	(e) Non-current tax assets	2.04	275.93	275.93
	(f) Other non-current assets	2.05	10,489.39	1,067.11
	Total Non-Current Assets		67,251.54	31,449.06
2	Current assets			
	(a) Inventories	2.06	11,693.28	15,453.49
	(b) Financial assets			
	(i) Trade receivables	2.07	20,346.24	31,415.36
	(ii) Cash and cash equivalents	2.08	4,552.33	10,785.09
	(iii) Bank balances other than (ii) above	2.09	5,528.82	2,601.30
	(iv) Other financial assets	2.10	1,906.70	4,921.92
	(c) Other current assets	2.11	2,119.72	2,735.39
	Total Current Assets		46,147.09	67,912.55
	TOTAL ASSETS		113,398.63	99,361.61
II	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	2.12	665.00	665.00
	(b) Other equity	2.13	85,167.89	80,550.03
	(c) Non-controlling interest		11,841.89	-
	Total Equity		97,674.78	81,215.03
	Liabilities			
2	Non-current liabilities			
	(a) Provisions	2.14	850.44	982.05
	(b) Deferred tax liabilities (net)	2.15	395.76	546.27
	(c) Other non-current liabilities	2.16	5,335.24	355.65
	Total Non-Current Liabilities		6,581.44	1,883.97
3	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	2.17	2,500.00	7,306.55
	(ii) Trade payables	2.18		
	- Total outstanding dues of micro enterprises and small enterprises		348.18	300.76
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,831.69	5,860.16
	(iii) Other financial liabilities	2.19	428.97	161.69
	(b) Other current liabilities	2.20	498.98	621.78
	(c) Provisions	2.21	353.80	354.17
	(d) Current tax liabilities (net)	2.22	1,180.79	1,657.50
	Total Current Liabilities		9,142.41	16,262.61
	TOTAL EQUITY AND LIABILITIES		113,398.63	99,361.61
	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

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/-

Boby Michael

Chief Financial Officer

Place: Kizhakkambalam

Date: May 30, 2023

Sd/-

CS Mithun B Shenoy

Company Secretary

ICSI M.no.FCS 10527

Place: Kizhakkambalam

Date: May 30, 2023

Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in lakhs)

Sl No.	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Income			
	(a) Revenue from operations	2.23	55,699.55	78,832.83
	(b) Other income	2.24	4,405.69	2,689.08
	Total Income		60,105.24	81,521.91
II	Expenses			
	(a) Cost of materials consumed	2.25	24,026.44	37,431.00
	(b) Changes in inventories of finished goods and work-in-progress	2.26	2,426.87	(689.13)
	(c) Employee benefits expense	2.27	10,906.72	11,426.42
	(d) Finance costs	2.28	447.17	361.87
	(e) Depreciation and amortization expense	2.29	2,120.97	2,143.77
	(f) Other expenses	2.30	12,251.55	13,589.69
	Total Expenses		52,179.72	64,263.62
III	Profit before tax (I - II)		7,925.52	17,258.29
IV	Tax expense:			
	(a) Current tax		2,408.00	4,809.00
	(b) Deferred tax	2.15	(174.72)	(62.85)
	Total Tax Expenses		2,233.28	4,746.15
V	Profit for the year (III - IV)		5,692.24	12,512.14
VI	Other comprehensive income			
A	Items that will not be reclassified to profit or loss			
	(i) Re-measurements of post employment benefit obligations		95.37	164.33
	(ii) Fair value changes on equity instruments carried through other comprehensive income		0.81	(0.11)
	(iii) Income tax relating to items that will not be reclassified to profit or loss		(24.21)	(41.33)
	Other comprehensive income for the year, net of tax		71.97	122.89
VII	Total comprehensive income for the year, net of tax (V+VI)		5,764.21	12,635.03
VIII	Profit/(Loss) for the year attributable to:			
	Equity holders of the parent		5,755.40	12,512.14
	Non-controlling interests		(63.16)	-
IX	Other comprehensive income for the year attributable to:			
	Equity holders of the parent		71.97	122.89
	Non-controlling interests		-	-
X	Total comprehensive income for the year attributable to:			
	Equity holders of the parent		5,827.37	12,635.03
	Non-controlling interests		(63.16)	-
XI	Earnings per equity share (Face value of ₹ 1 each)	2.31		
	Basic & Diluted in ₹		8.56	18.82
	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 & AssociatesChartered 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/-

Boby MichaelChief Financial Officer
Place: Kizhakkambalam
Date: May 30, 2023

Sd/-

CS Mithun B ShenoyCompany Secretary
ICSI M.no.FCS 10527

Place: Kizhakkambalam

Date: May 30, 2023

Consolidated Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2023

(Rupees in lakhs)

Sl No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	Cash Flows from Operating Activities:		
	Net Profit before tax	7,925.52	17,258.29
	Adjustments for:		
	Depreciation and amortisation expense	2,120.97	2,143.77
	Unrealised foreign exchange (gain) / loss (net)	159.21	(986.63)
	Gain on foreign exchange forward contracts	158.38	(230.83)
	Interest income	(347.82)	(137.28)
	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	(69.54)	(19.88)
	Interest expense	447.17	361.87
	Operating profit before working capital changes	10,238.92	18,211.05
	Changes in working capital:		
	(Increase)/ Decrease in trade and other receivables	13,898.25	(14,202.16)
	(Increase) in inventories	3,760.20	(2,024.55)
	Increase / (Decrease) in trade, other payables and provisions	4,520.32	1944.48
	Cash generated from operating activities before taxes	32,417.69	3928.82
	Direct taxes paid (net of refunds)	(2,884.72)	(4922.24)
	Net cash generated from operating activities (A)	29,532.97	(993.42)
B	Cash Flows from Investing Activities:		
	Purchase of property, plant and equipment and intangible assets, CWIP including capital advances	(41,602.44)	(2711.22)
	Proceeds from sale of property, plant and equipment	-	23.29
	Bank balances not considered as Cash and cash equivalents	(127.52)	2,105.74
	Share application money given to Kitex Apparel Parks Ltd.	-	(4388.43)
	Interest received	339.23	162.40
	Net cash used in investing activities (B)	(41,390.73)	(4808.22)
C	Cash Flow from Financing Activities:		
	Proceeds/ (repayment) from bank borrowings (net)	(4,801.41)	7306.55
	Interest paid	(491.06)	(317.97)
	Issue of shares to minority share holders	12,000.00	-
	Dividend / dividend distribution tax paid	(1,005.14)	(997.86)
	Net cash flow from financing activities (C)	5,702.39	5990.72
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	(6,155.37)	189.08
	Exchange difference on translation of foreign currency cash and cash equivalents	(77.40)	163.22
	Cash and cash equivalents at the beginning of the year	10,785.09	10432.79
	Cash and cash equivalents at the end of the year (See note 1.18)	4,552.32	10785.09
	Net (decrease) / increase in cash and cash equivalents	(6,155.37)	189.08
	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

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/-

Boby Michael

Chief Financial Officer

Place: Kizhakkambalam

Date: May 30, 2023

Sd/-

CS Mithun B Shenoy

Company Secretary

ICSI M.no.FCS 10527

Place: Kizhakkambalam

Date: May 30, 2023

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2023

A Equity Share Capital

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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, 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	-	-	(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
Balance as at April 01, 2022	22.10	28,675.00	51,880.23	(30.37)	3.07	80,550.03
Profit for the year (net of tax)	-	-	5,755.40	-	-	5,755.40
Re-measurements of post employment benefit obligations (net of tax)	-	-	71.16	-	-	71.16
Fair value changes on equity instruments carried through other comprehensive income (net of tax)	-	-	0.00	-	0.81	0.81
Adjustments on account of consolidation	-	-	(212.02)	-	-	(212.01)
Dividends	-	-	(997.50)	-	-	(997.50)
Transfer to reserves	-	2,000.00	(2,000.00)	-	-	-
Balance as at March 31, 2023	22.10	30,675.00	54,497.27	(30.37)	3.88	85,167.89

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 Jeyakumar
Partner
Membership No. 029409

Place: Kizhakkambalam
Date: May 30, 2023

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/-
Boby Michael
Chief Financial Officer
Place: Kizhakkambalam
Date: May 30, 2023

Sd/-
CA Benni Joseph
Director
DIN: 01219476

Sd/-
CS Mithun B Shenoy
Company Secretary
ICSI M.no.FCS 10527

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%
Kitex Apparel Parks Limited	Subsidiary	India	69.05%	0%

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 -

- (a) Financial assets and liabilities 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 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, 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 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 Standards (including amendments) issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from 01 April 2023:

Below is a summary of such amendments:

(i) Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

(ii) Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after 01 April 2023. The amendments are not expected to have a material impact on the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Company is currently assessing the impact of the amendments.

Notes forming part of Consolidated financial statements for the year ended March 31, 2023

2.01 A - Property, Plant and Equipment

(Rupees in Lakhs)

	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2022	Additions during the year	Disposal / Adjustments	As at March 31, 2023	As at April 1, 2022	Depreciation during the Year	Disposal / Adjustments	As at March 31, 2023	As at March 31, 2023
Freehold Land	9,614.77	3,864.33	-	13,479.10	-	-	-	-	13,479.10
Building	6,850.24	-	-	6,850.24	1,186.90	252.34	-	1,439.24	5,411.00
Plant & Machinery	18,862.64	317.89	-	19,180.53	10,838.56	1,575.61	-	12,414.17	6,766.36
Furniture & Fixtures	235.72	-	-	235.72	159.64	19.59	-	179.23	56.49
Vehicles	633.71	-	-	633.71	377.90	63.07	-	440.97	192.74
Office Equipments	589.08	3.16	-	592.24	391.49	85.55	-	477.04	115.20
Computers	626.80	0.77	-	627.57	585.83	30.90	-	616.73	10.84
Electrical Equipments	602.99	2.22	-	605.21	266.41	45.23	-	311.64	293.57
Total	38,015.95	4,188.37	-	42,204.32	13,806.73	2,072.29	-	15,879.02	26,325.30

(Rupees in Lakhs)

	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2021	Additions during the year	Disposal / Adjustments	As at March 31, 2022	As at April 1, 2021	Depreciation 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

2.01 B - Capital Work-in-Progress

(Rupees in Lakhs)

	CARRYING VALUE			As at March 31, 2023
	As at April 1, 2022	Additions / Adjustments	Capitalisation during the year	
Building under Construction	557.57	28,449.36	-	29,006.93
Plant and Equipment under Installation	604.54	59.11	449.22	214.43
Total	1,162.11	28,508.47	449.22	29,221.36

(Rupees in Lakhs)

	CARRYING VALUE			As at March 31, 2022
	As at April 1, 2021	Additions / Adjustments	Capitalisation during the year	
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

2.01 C - Other Intangible Assets

(Rupees in Lakhs)

	GROSS BLOCK			As at March 31, 2023	ACCUMULATED AMORTISATION			As at March 31, 2023	As at March 31, 2023
	As at April 1, 2022	Additions during the year	Disposal / Adjustments		As at April 1, 2022	During the Year	Disposal / Adjustments		
Computer software	283.10	-	-	283.10	184.20	48.68	-	232.88	50.22
Total	283.10	-	-	283.10	184.20	48.68	-	232.88	50.22

(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

2.01 D - Intangible Assets under Development

(Rupees in Lakhs)

	CARRYING VALUE			As at March 31, 2023
	As at April 1, 2022	Additions / Adjustments	Deductions / Adjustments	
Software under development	-	-	-	-
Total	-	-	-	-

(Rupees in Lakhs)

	CARRYING VALUE			As at March 31, 2022
	As at April 1, 2021	Additions / Adjustments	Deductions / Adjustments	
Software under development	0.90	-	0.90	-
Total	0.90	-	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, 2023
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	28,508.54	557.56	62.85	-	29,128.96
Projects temporarily suspended	-	-	92.40	-	92.40
Total	28,508.54	557.56	155.25	-	29,221.36

(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	226.35	76.17	1,162.11
Projects temporarily suspended	-	-	-	-	-
Total	700.32	158.38	226.35	76.17	1,162.11

2.02 Investments [Non-Current]

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unquoted		
Investments carried at cost		
Investments in equity instruments of associate Group		
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	3.26	2.46
Total	3.26	2.46
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)	3.26	2.46

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, 2023	As at March 31, 2022
Unsecured, considered good		
Security deposit	246.16	244.90
Other Financial Assets	639.83	-
Share application money/Advance to Kitex Apparel Parks Limited	0.08	4,388.43
Total	886.07	4,633.33

2.03.1 Deposit account represents deposits held as security which are not expected to be refunded next 12 months.**2.04 Non Current Tax Assets**

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax receivable	275.93	275.93
Total	275.93	275.93

2.05 Other Non-Current Assets

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Capital advances	10,164.35	742.06
Balances with government authorities	325.05	325.05
Total	10,489.40	1,067.11

2.06 Inventories

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	3,578.30	4,976.97
Raw materials in transit	23.69	66.16
Work-in-progress	6,023.52	9,945.96
Finished goods [See note 2.07.2]	1,741.66	246.10
Stores and spares	326.11	218.30
Total	11,693.28	15,453.49

2.06.1 Method of valuation of inventories - See note 1.6 of significant accounting policies.

2.06.2 During the year ended March 31, 2023- ₹ 434.28 Lakhs (March 31, 2022: 307.34) 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, 2023	As at March 31, 2022
Unsecured, considered good [See note 2.07.1]	20,346.24	31,415.36
Less: Allowance for credit impairment	-	-
Total	20,346.24	31,415.36

2.07.1 (i) Trade receivables includes amounts due from related parties Rs.16,598.55 lakhs (March 31,2022: Rs. 23,300.67 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 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 7,539.29 lakhs. Consequently, the provision carried in the books of ₹ 347.03 lakhs was written back during 2018-19. Later, Company has received interim disbursement of ₹ 156.06 lakhs during the year and ₹ 1,734.86 lakhs 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, 2023
	<6 months	6 months -1 year	1-2 years	2-3 years	>3 year	Total
(i) Undisputed Trade receivables – considered good	12,540.53	7,398.18	0.24	0.03	-	19,938.98
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	407.26	407.26
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total						20,346.24

(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

2.08 Cash and Cash Equivalents

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks - In current accounts	3,995.00	1,329.63
Balances with banks - In EFC accounts	547.20	9,436.64
Cash on hand	10.13	18.82
Total	4,552.33	10,785.09

2.09 Bank balances other than Cash and Cash Equivalents

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks		
In deposit accounts [See note 2.10.1]	5,453.51	2,518.23
In earmarked accounts:		
(a) Balances held as security against borrowings, guarantees		-
(b) Unpaid dividend accounts	75.31	82.96
(c) Restricted balance with bank- Dormant	-	0.11
Total	5,528.82	2,601.30

2.09.1 (i) Balances with banks in deposit accounts held as security against Letter of Credits/ Guarantee, with a maturity period of less than 12 months.

2.10 Other Financial Assets-At amortised Cost

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Subsidy receivable [see note 2.10.2]	1,116.51	1,136.74
Export incentives receivable	713.31	3,483.40
Other deposits	-	-
Rent deposits	15.71	38.60
Interest receivable on deposits	61.17	32.35
Foreign exchange forward contracts	-	230.83
Total	1,906.70	4,921.92

2.10.1 There are no other current financial assets as at March 31, 2023 and March 31, 2022 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 (31.03.2022: 1,116.51 Lakhs)

2.11 Other Current Assets

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received.	194.67	486.44
Balances with government authorities	1,630.56	2,010.38
Advances to staff	33.72	25.59
Prepaid expenses	156.18	74.60
Export entitlements / rebates receivable on export	0.98	138.38
Interest receivable on margin money deposit	103.61	-
Total	2,119.72	2,735.39

2.12 Equity Share Capital

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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 Re. 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, 2023		As at March 31, 2022	
	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, 2023		As at March 31, 2022	
	No. of shares	% of total holding	No. of shares	% of total holding
Mr. Sabu M Jacob	22,730,901	34.18	22,730,901	34.18
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	3,600,000	5.41
Mr. Gopinathan C K	3,615,000	5.44	3,601,000	5.42

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, 2023		As at March 31, 2022	
	No. of shares	%	No. of shares	%
Sabu M Jacob	22,730,901	34.18	22,730,901	34.18
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	32,639	0.05	31,789	0.05

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, 2023	As at March 31, 2022
Capital reserve		
Investment subsidy	22.10	22.10
General reserve		
Opening balance	28,675.00	26,675.00
Add: Transfer from retained earnings	2,000.00	2,000.00
Closing balance	30,675.00	28,675.00
Retained earnings		
Opening balance	51,880.23	42,242.55
Add: Profit for the year	5,692.23	12,512.14
Add: Previous year adjustment	(173.05)	
Add: Re-measurements of post employment benefit obligations (net of tax)	95.37	123.05
	57,494.78	54,877.73

Particulars	As at March 31, 2023	As at March 31, 2022
Less:		
Transfer to general reserve	2,000.00	2,000.00
Payment of dividends	997.50	997.50
Closing balance	54,497.28	51,880.23
Equity instrument through other comprehensive income		
Opening balance	3.07	3.18
Add : Fair value changes on equity instruments carried through other comprehensive income (net of tax)	0.81	(0.11)
Closing balance	3.88	3.07
Total	85,198.26	80,580.40
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	85,167.89	80,550.03

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 (31.03.2022: ₹ 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.

2.14 Provisions

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity [See note 2.15.2]	723.32	807.04
Provision for compensated absences [See note 2.15.2]	127.12	175.01
Total	850.44	982.05

2.14.1 Short-term provisions of employee benefits is disclosed in note 2.22

2.14.2 Disclosures required under Ind AS 19 - "Employee Benefits"

2.14.2.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, 2023	As at March 31, 2022
Employers contribution to provident fund	707.54	612.21
Employers contribution to employees' state insurance	155.65	137.37

2.14.2b Defined benefit plans - gratuity: unfunded obligation

(Rupees in lakhs)

(i) Actuarial assumptions	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.30%	6.05%
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, 2023	As at March 31, 2022
Present value of obligation at the beginning of the year	1,042.21	1,126.76
Current service cost	179.74	189.56
Interest cost	55.94	55.17
Actuarial (gain)/ loss - financial assumptions	(68.20)	(37.41)
Actuarial (gain)/ loss - experience adjustments	(27.17)	(126.92)
Benefits paid	(204.50)	(164.95)
Present value of obligation at the end of the year	978.02	1,042.22
Contributions by the employer	204.50	164.95
Benefits paid	(204.50)	(164.95)
Expected employers' contribution next year	-	-
(iii) Expenses recognized in the statement profit and loss		
Current service cost	179.74	189.56
Interest cost	55.94	55.17
Total expenses recognized in the statement of profit and loss for the year	235.68	244.73
(iv) Expenses recognized in other comprehensive income		
Opening amount recognised in OCI outside profit and loss account	(149.81)	14.52
Re-measurements during the period due to		
(a) Changes in financial assumptions	(68.20)	(37.41)
(b) Experience adjustments	(27.17)	(126.92)
Total re-measurements included in other comprehensive income (a+b)	(95.37)	(164.33)
(v) Sensitivity analysis		
Discount rate +50 basis points	(2.80%)	(2.80%)
Discount rate -50 basis points	2.97%	2.97%
Salary increase rate +50 basis points	2.90%	2.90%
Salary increase rate -50 basis points	(2.75%)	(2.75%)

(Rupees in lakhs)

(vi) Maturity Analysis of the Benefit payments	As at March 31, 2023	As at March 31, 2022
Year 1	254.70	235.17
Year 2	134.99	145.65
Year 3	119.99	127.88
Year 4	114.01	108.07
Year 5	101.02	98.20
Next 5 years and above	865.84	889.05

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, 2023	As at March 31, 2022
Discount rate (per annum)	7.30%	6.05%
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, 2023	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	738.70	823.99
On excess of fair value over cost of quoted equity investments	-	0.51
On excess of interest receivable on fair valuation of Inter corporate loans over the actual interest receivable as per Income tax	-	-
On foreign exchange forward contracts	(39.86)	58.09
B. Deferred tax assets :		
On provisions for employee benefits	303.08	336.32
Deferred tax liabilities (net) (A-B)	395.76	546.27

Movement in deferred tax liabilities / assets balances during the year ended March 31, 2023

(Rupees in lakhs)

Particulars	As at April 01, 2022	Recognised in profit or loss	Recognised in other comprehensive income	As at March 31, 2023
A. Deferred tax liability				
On excess of net book value over income tax written down value of property, plant and equipment	823.99	(85.29)	-	738.70
On excess of fair value over cost of quoted equity investments	0.51	(0.71)	0.21	-
On excess of interest receivable on fair valuation of Inter corporate loans over the actual interest receivable as per Income tax	-			-
On foreign exchange forward contracts	58.09	(97.96)		(39.86)
B. Deferred tax assets				
On provisions for employee benefits	(336.32)	9.23	24.00	(303.08)
Deferred tax liabilities (net) (A-B)	546.27	(174.73)	24.21	395.76

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	-	-		-
B. Deferred tax assets				
On provisions for employee benefits	365.61	(29.29)	-	336.32
On foreign exchange forward contracts		(58.09)	-	(58.09)
Deferred tax liabilities (net) (A-B)	567.80	(21.53)	-	546.27

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, 2023	For the year ended March 31, 2022
Profit before tax	7,925.51	17,578.18
Income tax expense calculated at 25.168%	1,994.69	4,424.08
Tax effect on non-deductible expenses	262.79	367.13
Total	2,257.48	4,791.21
Tax expense as per statement of profit and loss	2,257.49	4,787.48

The tax rate used for reconciliation above is the corporate tax rate of 25.168% (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, 2023	As at March 31, 2022
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	5,335.24	355.65
Total	5,335.24	355.65

2.17 Borrowings

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans repayable on demand from Banks (Secured)	2,500.00	7,306.55
Total	2,500.00	7,306.55

Notes to Borrowings:

- (a) 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 Group, 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 Group also hypothecation charge over the other fixed assets of the Group 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 Group with banks are in agreement with the books of accounts.
- (c) The interest rate is 5.25% per annum (31.03.2022: 6.25%)
- (d) 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, 2023	As at March 31, 2022
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	348.18	300.76
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,831.69	5,860.16
Total	4,179.87	6,160.92

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, 2023
		<1 Year	1-2 Year	2-3 Year	>3 Year	Total
(i) MSME	348.18	-	-	-	-	348.18
(ii) Others	3810.77	-	8.53	4.78	7.62	3,831.69
(iii) Disputed dues MSME		-	-	-	-	-
(iv) Disputed dues others		-	-	-	-	-
Total	4,158.95	-	8.53	4.78	7.62	4,179.87

(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

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, 2023, based on which, principal amount unpaid to such suppliers as at the year end aggregating to ₹348.18 lakhs (31.03.2022 : ₹300.76 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, 2023	As at March 31, 2022
a. Principal amount remaining unpaid but not due as at the year end.	348.18	300.76
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	348.18	300.76

2.19 Other Financial Liabilities

Current

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for capital goods	72.70	-
Retention money	117.76	35.17
Unpaid dividend	74.98	82.63
Foreign exchange forward contracts	158.38	-
Interest accrued on borrowings	5.15	43.89
Total	428.97	161.69

2.20 Other Current Liabilities

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	209.23	198.12
Deferred grant on capital subsidy [see note 2.25.1.(iii)]	154.97	154.97
Advance from customers	134.78	268.69
Total	498.98	621.78

2.21 Short-Term Provisions

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for gratuity [See note 2.15.2]	254.70	235.17
Provision for compensated absences [See note 2.15.2]	99.10	119.00
Total	353.80	354.17

2.22 Current Tax Liabilities (Net)

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax payable [net of advance tax ₹ 6,681.11 lakhs (₹ 6,251.76 lakhs)]	1,180.79	1,657.50
Total	1,180.79	1,657.50

2.23 Revenue from Operations

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	52,835.87	74,630.41
A	52,835.87	74,630.41
Other operating revenues		
Export entitlements	2,116.05	3,441.94
Job work charges	648.27	662.66
Scrap sales	47.61	41.60
Others**	51.75	56.22
B	2,863.68	4,202.42
Revenue from operations (A+B)	55,699.55	78,832.83

**Others include sample development charges

2.24 Other Income

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	347.82	137.28
Dividend Received	0.05	-
Rent received [see note- 2.37.2D]	31.81	29.64
Net gain on foreign currency transactions and translations	3,693.55	2,328.16
Deferred grant income [see note 2.25.1(iii)]	154.97	154.97
Provision no longer required written back	69.54	-
Other non-operating incomes :		
(a) Gain on sale of property, plant and equipment (net)	-	23.29
(b) Other non-operating income	107.95	15.74
Total	4,405.69	2,689.08

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-imbursement of employer’s contribution to employee provident fund is deducted in the employee benefit expense amounting to Rs. Nil (31.03.2022: Rs. 14.81 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 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, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	5,043.13	3,683.15
Add: Purchases	22,585.30	39,159.72
Less: Inventory at the end of the year	3,601.99	5,411.87
Total	24,026.44	37,431.00

2.26 Changes in Inventories of Finished Goods and Work-in-Progress

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the beginning of the year		
Finished goods	246.09	996.74
Work-in-progress	9,945.96	8,506.18
	10,192.05	9,502.92
Less: Inventories at the end of the year		
Finished goods	1,741.66	246.09
Work-in-progress	6,023.52	9,945.96
	7,765.18	10,192.05
Net decrease / (increase)	2,426.87	(689.13)

2.27 Employee Benefits Expense

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries & wages	8,594.40	8,970.40
Contribution to provident and other funds (Refer note 2.15.2.a)	863.19	749.58
Gratuity expenses (Refer note 2.15.2.b)	235.68	191.17
Staff welfare expenses	1,213.45	1,515.27
Total	10,906.72	11,426.42

2.28 Finance Costs

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on export packing credit	291.67	72.62
Interest on net defined benefit liability (net) Gratuity	-	55.17
Other borrowing cost	32.78	61.13
Interest on income tax	122.72	172.95
Total	447.17	361.87

2.29 Depreciation and amortisation expense

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation of property, plant and equipment [See note 2.01A]	2,072.29	2,097.56
Amortisation of intangible assets [See note 2.01C]	48.68	46.21
Total	2,120.97	2,143.77

2.30 Other Expenses

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Processing charges	2,577.23	4,306.76
Consumption of stores and spares	541.68	892.85
Power and fuel	2,875.92	3,164.96
Repairs		
- Building	9.41	60.28
- Plant & machinery	308.57	321.49
- Others	374.43	415.91
Other production expenses	206.75	143.18
Testing charges	158.81	160.63
Forwarding and transport on sales	1,164.89	1,464.40
Insurance	138.14	138.56
Rent [See note 2.39]	129.85	136.01
Rates and taxes	134.45	92.45
Travelling and conveyance	226.01	128.94
Payments to auditors [See note 2.30.2]	23.30	22.45
Advertisement and sales promotion	62.33	61.04
Professional and consultancy charges	155.81	116.78
Donation [See note 2.31.1]	152.31	642.00
Expenses on corporate social responsibility activities [See note 2.31.3]	511.10	529.92
Miscellaneous expenses	1,168.37	791.08
Loss on foreign exchange forward contracts	1,332.19	-
Total	12,251.55	13,589.69

2.30.1 Donations made to political parties during the year amounts to ₹148.30 lakhs (31.03.2022: ₹45 lakhs)**2.30.2 Payments to auditors**

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Statutory audit fees	22.27	21.70
(b) Other services		
- Others	-	-
- Reimbursement of expenses	0.83	0.75
Total	23.10	22.45

2.30.3 Details of expenses on corporate social responsibility activities

- (a) Gross amount required to be spent by the Group during the year ₹ 269.20 lakhs (31.03.2022: ₹238.80 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- ₹269.20 lakhs (31.03.2022 : ₹238.80 lakhs)

(d) Amount spent during the financial year on: (Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	511.10	529.92
Total	511.10	529.92

(e) Details of excess CSR expenditure

Nature of Activity	Balance excess as at 01 April 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess as at 31 March 2023
Agriculture and infrastructure development assistance	-	11.10	11.10	-

(f) CSR Expenditure incurred with Related Parties

Name	Nature of Relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Twenty 20 Kizhakkambalam Association	Enterprises owned or significantly influenced by key management personal or their relatives	500.00	138.00

2.31 Earnings per equity share

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year	5,692.24	12,512.14
Weighted average number of equity shares of ₹ 1/- each (fully paid-up)	66,500,000	66,500,000
Earnings per equity share - Basic & Diluted in ₹	8.56	18.82

2.32 Segment Reporting

The Group'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 Group as one operating segment. Hence, no separate segment information has been furnished herewith.

2.32.1 Information about products and services: The Group 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, 2023	For the year ended March 31, 2022
India	13,461.93	12,334.60
Outside India		
- The United States (US)	36,535.73	60,681.81
- Others	2,838.22	1,614.00
Sale of products	52,835.88	74,630.41

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 Groups's revenue.

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
No of customers who contribute to more than 10 percent of the Group's revenue	3	3
Revenue from top customer	22,769.98	43,226.24
Revenue from customers contributing to more than 10 percent of the Group's revenue	51,573.39	72,173.10

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, 2023	As at March 31, 2022
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	1	3.26	2.46
Financial asset measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	2	(158.38)	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, 2023	As at March 31, 2022
Financial assets measured at fair value through other comprehensive income			
Investments in equity shares - Quoted	2.02	3.26	2.46
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	246.16	244.90
(ii) Loans to wholly owned subsidiaries	2.03	-	-
(iii) Other Financial Assets	2.03	639.91	4,388.43
Current :			
(i) Trade receivables	2.07	20,346.24	31,415.36
(ii) Cash and cash equivalents	2.08	4,552.33	10,785.09

Particulars	See note	As at March 31, 2023	As at March 31, 2022
(iii) Bank balances other than (ii) above	2.09	5,528.82	2,601.30
(iv) Other financial assets	2.10	613.46	4691.09
(v) Interest receivable on loans to wholly owned subsidiaries	2.10	1,293.24	1,293.24
		33,223.42	55,652.70
Financial assets measured at cost			
Non current			
(i) Investments in equity shares - Unquoted	2.02	-	-
Financial liabilities measured at fair value through statement of profit and loss			
Foreign exchange forward contracts	2.19	158.38	-
Financial Liabilities measured at amortised cost			
Current			
(i) Borrowings	2.17	2,500.00	7,306.55
(ii) Trade payables	2.18	4,179.87	6,160.92
(iii) Other financial liabilities	2.19	270.59	161.69
		6,950.46	13,629.16

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 Group's financial liabilities based on contractual undiscounted payments.

(Rupees in lakhs)

Maturities of financial liabilities As at March 31, 2023	Less than 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2,500.00	-	-	2,500.00
Trade payable	4,171.34	8.53	-	4,179.87
Other financial liabilities	270.59	-	-	270.59
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

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, 2023	As at March 31, 2022
Assets		
USD	171.87	523.79
HKD	0.01	0.01
Liabilities		
EUR	5.65	10.63
USD	1.25	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	Impact in statement of profit and loss for 1% change
Sensitivity	March 31, 2023	March 31, 2022
INR/USD (Net receivable)	140.28	389.84
INR/EUR (Net payable)	5.06	8.99
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, 2023	As at March 31, 2022
Variable rate instruments		
Financial liability - Loans repayable on demand from banks	2,500.00	7,306.55
Financial liability	2,500.00	7,306.55

Cash flow sensitivity for variable rate instruments

(Rupees in lakhs)

Particulars	Impact on Profit or (Loss)	
	March 31, 2023	March 31, 2022
Sensitivity		
50 BPS increase in rate	12.50	36.53
50 BPS decrease in rate	(12.50)	(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 Group 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 Group 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 Group aims at maintaining a strong capital base largely towards supporting the future growth of its businesses as a going concern.

As at March 31, 2023, the Group has only one class of equity shares and is virtually debt-free. The Group is not subject to any externally imposed capital requirements.

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Equity attributable to share holders	85,832.89	81,215.03
Borrowings	2,500.00	7,306.55
Less: Cash and cash equivalents	4,552.32	10,785.09
Net debt	(2,052.32)	(3,478.54)
Total capital (equity + debt)	83,780.57	77,736.49
Net debt to capital ratio	(0.024)	(0.045)

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, 2023		As at March 31, 2022	
	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	91.56%	77,982.12	105.32%	85,538.56
Wholly owned subsidiaries	43.42%	36,977.01	(1.22%)	(993.91)
Associate (Investment as per equity method):				
Share of loss and unrealised profit	(3.26)%	(2,776.24)	(3.42)%	(2,776.24)
Elimination on account of consolidation	(31.72)%	(27,015.00)	(0.68)%	(553.38)
Total	100.00%	85,167.89	100.00%	81,215.03

Name of the entity	For the year ended March 31, 2023		For the year ended March 31, 2022	
	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	104.38%	5,941.81	102.53%	12,828.30
Wholly owned subsidiaries	(4.21%)	(239.64)	0.00	3.19
Associate (Investment as per equity method):				
Share of loss and unrealised profit	-	-	-	-
Elimination on account of consolidation	(0.17%)	(9.93)	(2.55%)	(319.35)
Total	100.00%	5,692.24	100.00%	12,512.14

Name of the entity	For the year ended March 31, 2023		For the year ended March 31, 2022	
	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%	71.97	100.00%	122.89
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%	71.97	100.00%	122.89

Summarised financial Information in respect of Kitex USA LLC

(Rupees in lakhs)

Particulars	As at / For the year ended March 31, 2023	As at / For the year ended March 31, 2022
Current assets	6,704.79	22,150.43
Non current assets	490.70	490.70
Current liabilities	23,790.56	23,790.56
Revenue from operations	49,477.67	49,477.67
(Loss)/Profit	(102.49)	(102.49)
Other comprehensive income	-	-
Total comprehensive income	(102.49)	(102.49)

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, 2023.

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 Group 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, 2023	For the year ended March 31, 2022
(i) Kitex Childrenswear Limited		
Revenue from sale of goods and services (including expenses recovered)	13,441.43	12,017.57
Purchases of goods and services (including reimbursements)	2,145.40	3,591.06
(ii) Kitex Limited		
Revenue from sale of goods and services (including expenses recovered)	138.02	246.68
Purchases of goods and services (including reimbursements)	10.18	40.91
(iii) Anna Aluminium Group Private Limited		
Revenue from sale of goods and services (including expenses recovered)	-	0.70
Purchases of goods and services (including reimbursements)	5.88	37.17
(iv) Twenty 20 Kizhakkambalam Association		
Donation paid	500.00	597.00
Payment towards corporate social responsibility activities	-	138.00

(Rupees in lakhs)

B Key management personnel	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Mr. Sabu M Jacob		
Remuneration paid	429.64	926.12
(ii) Ms. Sindhu Chandrasekhar		
Remuneration paid	21.01	18.02

(Rupees in lakhs)

C Associate enterprise	For the year ended March 31, 2023	For the year ended March 31, 2022
(i) Kitex USA LLC		
Sale of readymade garments	15,410.72	43,226.24
Sales commission paid	720.12	556.85

2.37.3 Outstanding amounts carried in the balance sheet as at March 31, 2023

A Enterprises owned or significantly influenced by key management personnel or their relatives: (Rupees in lakhs)

Name of related party	As at March 31, 2023	As at March 31, 2022
(i) Kitex Childrenswear Limited		
Trade receivables	6,759.76	1,134.13
(ii) Kitex Limited		
Trade receivables	32.11	8.52
(iii) Anna Aluminium Group Private Limited		
Advances to supplier	-	0.61
Trade payables	-	2.10

B Key management personnel

(Rupees in lakhs)

Name of related party	As at March 31, 2023	As at March 31, 2022
(i) Mr. Sabu M Jacob		
Remuneration payable	287.82	816.09
(ii) Ms. Sindhu Chandrasekhar		
Remuneration payable	1.44	1.11

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	9,806.68	22,158.02
Net carrying value of investment	2,776.24	2,776.24

2.38 As a part of Group'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, 2023		As at March 31, 2022	
	Foreign currency	Rupees	Foreign currency	Rupees
Export receivables				
USD	164.85	13,553.48	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, 2023		As at March 31, 2022	
	Foreign currency	Rupees	Foreign currency	Rupees
Export Receivables				
USD	90.00	7,399.52	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, 2023		As at March 31, 2022	
	Foreign currency	Rupees	Foreign currency	Rupees
Assets				
EUR	-	0.27	-	0.25
USD	81.87	6,730.99	211.83	16,058.44
HKD	-	0.06	-	0.06
Liabilities				
EUR	5.65	506.70	10.63	899.74
USD	1.25	102.53	9.55	723.70
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, 2023	As at March 31, 2022
Amount charged to statement of profit and loss account during the year		
Rent for premises	94.17	122.24
Rent for equipment	30.25	13.77
Total	124.42	136.01

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, 2023.

2.40.1 Contingent liabilities not provided for:

(Rupees in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
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 (31.03.2022: ₹ 225.74 lakhs)]	822.97	797.33
(ii) Income tax dues [Paid under protest include ₹ 108.57 lakhs (31.03.2022: ₹ 108.57 lakhs)]	318.35	396.76
(iii) Customs department [Paid under protest include ₹ 99.31 lakhs (31.03.2022: ₹ 99.31 lakhs)]	-	4,533.09
2. Other counter guarantees in favour of banks for guarantees issued by banks	2,780.89	16.09
Total	3,922.21	5,743.27

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 (31.03.2022: ₹ 150.98 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, 2023	As at March 31, 2022	Variance	Reason (If variation is more than 25%)
(a) Current Ratio, (times)	5.05	4.18	21%	
(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]				
(b) Debt-Equity Ratio, (times)*	0.03	0.10	(69%)	The working capital borrowing increased due to deployment of existing surplus funds for Telangana investment
(Net debt / Average equity) [Net debt: Non-current borrowings - Cash and cash equivalents] [Equity: Equity share capital + Other equity]				
(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]				
(d) Return on Equity Ratio (%)	6.82%	16.59%	-59%	ROI lower due to Lower Turnover on account of global recession
(Profit after tax (PAT) / Average Equity) [Equity: Equity share capital + Other equity]				
(e) Inventory turnover ratio (in days)	187.28	143.46	31%	Inventory holding period higher due to Global Recession
(Average inventory/Cost of materials consumed +Changes in inventories of finished goods, work in progress)				
(f) Trade Receivables turnover ratio (in days)	179	120	49%	Period higher due to Global Recession
(Average trade receivables/Turnover in days) [Turnover: Revenue from operations]				

Ratio	As at March 31, 2023	As at March 31, 2022	Variance	Reason (If variation is more than 25%)
(g) Trade payables turnover ratio (in days)	71.34	51.13	40%	Period higher due to Global Recession
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]				
(h) Net capital turnover ratio (in days)	242.49	239.14	1%	
(Average working capital/Turnover) [Working capital: Current assets - Current liabilities] [Turnover: Revenue from operations]				
(i) Net profit ratio (%)	10%	16%	-36%	Lower due to Recession impact
(Net profit after tax / Turnover) [Turnover: Revenue from operations]				
(j) Return on Capital employed (%)	4%	11%	-61%	The ROCE in FY 2022-23 was impacted due to Recession
(EBIT / Capital Employed) [Capital Employed: Total Assets - Current Liabilities] [EBIT: Profit before taxes +/- Exceptional items + Net finance charges]				

2.42 Capital & Other Commitments

Estimated amount of contract remaining to be executed on capital account (net of advances): ₹ 2271.68 lakhs (31.03.2022: ₹631.99 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 30, 2023 Board of Directors of the Group have proposed a final dividend of ₹ 1.50 per share in respect of the year ended March 31, 2023 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 Group 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 Group (Ultimate Beneficiaries).

The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("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 Group 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 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.

**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/-
Boby Michael
Chief Financial Officer

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

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