KITEX
Kitex Garments Limited
PB.NO.5, KIZHAKKAMBALAM - 683 562, KOCHI, KERALA, INDIA.
PHONE : 91 484 4142002, FAX : 91 484 2682604
E-mail : kgl@kitexgarments.com

19/04/2013

Ref :

Date:

Department of Corporate Services /-
Corporate Relationship Department
Bombay Stock Exchange Limited
Floor 25, P.J Towers
Dalal Street, Mumbai-400001

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex, BANDRA (EAST)
MUMBAI 400 051.

The Manager-Legal
The Cochin Stock Exchange Ltd
MES Dr.P.K Abdul Gafoor Memorial Cultural Complex
36/1565, 4th Floor, Judges Avenue
Kaloor, Kochi-682 017

Dear Sirs,

Sub: Submission of Annual Report 2012-13
Ref: Stock Code 521248 (BSE) KITEX (NSE) KGR (Cochin)

We enclose herewith 6 copies of the Annual Report for the year ended 31/03/2013 along with Form A filled in and signed as required under Cl. 31 of the Listing Agreement.

Thanking You,

Yours faithfully,
For Kitex Garments Limited

C Mohan
Director-Finance /
Company Secretary

FORM A

Format of covering letter of the annual audit report to be filed withn the Stock Exchange

1. Name of the Company	KITEX GARMENTS LIMITED
2. Annual financial statements for the year ended:	31st March, 2013
3. Type of audit observation	Un-qualified
4. Frequency of observation	Not applicable
5. To be signed by:	
(a) CEO / Managing Director	Mr. Sabu M Jacob Managing Director
(b) CFO	Mr. G Mohan Director - Finance / Company Secretary
(c) Auditor of the Company	Mr. Liju V Rajan Kolath Membership No. 209309 Partner Kolath & Co., Chartered Accountants, Ernakulam Firm's Registration No. 008926S
(d) Audit Committee Chairman	Mr. Benni Joseph Director

Kitex Garments Limited

21st Annual Report 2012-13

Mr. M.C. Jacob (22.4.1933 - 5.6.2011)
Illustrious Founder - Chairman of Kitex Group of Companies

Board of Directors	Mr. Sabu M Jacob, Chairman & Managing Director Prof. E.M. Paulose Mr. Benni Joseph Mr. M. P. Kuriakose (up to 31.03.2013) Mr. K.L.V. Narayanan (from 4.04.2013) Mr. C. Mohan, Director - Finance/Company Secretary
Auditors	M/s. Kolath & Co. Chartered Accountants 41/3951 A, O.R.S. Road Kacheripady, Kochi - 682018
Legal Advisors	M/s. Dandapani Associates Advocates Thirupathi, T.D.Road North End Kochi -682035
Bankers	State Bank of India The Federal Bank Ltd
Registered Office	Building No.9/536A Kitex House Kizhakkambalam Kochi -683562
Share Transfer Agents	M/s. Cameo Corporate Services Ltd Subramanian Building No.1 Club House Road, Chennai -600 002 Tel No.:044 - 28460390 Fax No.044 - 28460129 E-mail Id: Cameo@cameoindia.com

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NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Members of Kitex Garments Limited will be held at the Factory Premises of the Company at Building No. 9/536A, Kizhakkambalam, Kochi – 683 562 on Tuesday, the 14 th May, 2013 at 10 AM . to transact the following business:-

ORDINARY BUSINESS

1) To receive, consider and adopt the Directors' Report for the year ended 31st March 2013, audited Statement of Profit and Loss for the year, Balance Sheet as at that date, and the Report of the Auditors thereon.

2) To consider declaration of dividend for the year.

3) To appoint a Director in the place of Mr. C Mohan, who retires by rotation and, being eligible, offers himself for reappointment.

4) To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The retiring Auditors, M/s. Kolath & Co, Chartered Accountants are eligible for re-appointment and have given a written certificate to the effect that the re-appointment, if made, will be in accordance with the limits specified in Section 224(1B) of the Companies Act, 1956.

By Order of the Board of Directors
For KITEX GARMENTS LIMITED
Sd/-
SABU M JACOB
Chairman & Managing Director

Kizhakkambalam
4 th April, 2013

Notes:-

1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself/herself and the proxy need not be a member.

2) The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

3) Members /proxies should bring the attendance slips duly filled in and PHOTO ID Proof for attending the meeting. Transport facility will be provided to the shareholders from Kizhakkambalam to the Factory premises and back for attending the meeting.

4) Request for any clarification needed on the accounts should be lodged in writing at the Registered Office of the Company on or before 5 P.M. on 9th May, 2013.

5) The Share Transfer Books and the Register of Members shall remain closed from 9th May, 2013 to 14th May, 2013 both days inclusive.

6) The Board of Directors have recommended a dividend at 80%(80 Ps per Share of face value Re 1/-) of the paid up capital for the year. If declared at the Annual General Meeting, the same will be paid to the share holders, whose names are on the Register of Members as on 14th May, 2013.

DETAILS OF DIRECTOR SEEKING REAPPOINTMENT AT THE ANNUAL GENERAL MEETING

(In pursuance of clause 49 of the Listing Agreement)

Re-appointment of Mr. C Mohan as Director :

(a) Brief Resume of the Director: Mr. C Mohan is a Graduate in commerce and Fellow Member of the Institute of Company Secretaries of India as well as the Institute of Cost Accountants of India. He has industrial experience in reputed companies for 25 years and professional experience as a practicing Cost Accountant for 15 years. He was an Independent Director of the Company and also Chairman of the Audit Committee from 19th August, 2002 to 3rd July 2011. He has been holding the position as Director – Finance from 4th July, 2011.

(b)	Nature of his expertise in specific functional areas:	Finance Management, Accounts, Costing, Taxation and Corporate & Allied Laws.
(c)	Names of companies in which he holds directorship and membership of committees of the Board :	1. Karl Kubel Foundation for Child and Family 2. RNS Techno Solutions P Ltd
(d)	Shares held by him (both own or held/for other persons on a beneficial basis):	Nil
(e)	Relationship with other directors:	Nil

By Order of the Board of Directors
For KITEX GARMENTS LIMITED

Sd-
SABU M JACOB
Chairman & Managing Director

Kizhakkambalam
4th April, 2013

FOR THE ATTENTION OF THE MEMBERS:

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

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

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

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

Year	% of share paidup value	Year	% of share paidup value
2005-06	10	2008-09	25
2006-07	15	2009-10	30
2007-08	20	2010-11	40
		2011-12	60

The amount of unclaimed / unpaid dividend for 2005-06 Rs. 194375 was remitted into the Investor Education and Protection Fund on 1/12/2012. In respect of dividends for other years mentioned above, those shareholders who have not encashed their warrants so far are requested to send their claims for payment , by giving the details in the attached format to the Company. Lists of shareholders to whom dividends remain unpaid are available on the website of the Ministry of Corporate Affairs.

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

(1) FORMAT FOR REGISTERING EMAIL ID

DP/Client ID / Folio No :

Name of the sole / first holder :

Postal Address :

Email Address :

Signature

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

Folio No :

Name of the sole / first holder :

Postal Address :

Email Address :

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

Bank Name :

Branch Name :

Branch Address :

MICR code :

IFSC code :

Account Type :

Account No :

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

Photocopy of Bank Pass Book / Bank Statement

Photocopy of a Blank cheque leaf of the account

Signature

(3) FORMAT FOR CLAIMING UNPAID DIVIDENDS OF PREVIOUS YEARS

DP / Client ID / Folio No :

Name of the sole / first holder :

Postal Address :

Years for which dividend not received:

Signature

DIRECTORS' REPORT

TO THE MEMBERS OF KITEX GARMENTS LIMITED

The Directors have pleasure to present their 21st Annual Report and the audited Annual Accounts for the year ended 31st March 2013.

Financial Results

	Year ended 31st March, 2013 (Rs in lakhs)	Year ended 31st March, 2012 (Rs in lakhs)
Total Income	32100.85	31834.69
Profit before Depreciation	5266.21	4697.46
Profit before Tax	4404.08	4010.81
Profit After Tax	2937.68	2711.55
Transfer to General Reserve	300.00	300.00

Performance Review

Even though the total income for the year was stable at the previous year's level, the net profit after tax went up by 8% . The earnings per equity share (of face value Re. 1) for the year increased to Rs. 6.18 from Rs. 5.71 for the previous year.

Dividend

Your directors recommend a dividend of 80% (80 Ps per Share of face value Re1/-) for the year, (an increase of 20 Ps over the previous year ended 31st March, 2012), subject to the approval of the shareholders at the ensuing Annual General Meeting.

Capital Expenditure

As at 31st March 2013 the gross fixed assets stood at Rs. 16377.07 lakhs and net fixed assets Rs 11724.73 lakhs. Additions during the year amounted to Rs 303.70 lakhs, which include addition to land and building for Rs 151.14 lakhs, plant & machinery and other assets amounting to Rs 152.56 lakhs.

Future Prospects

Despite stiff competition from other countries, international buyers show preference to your company's product for its quality and timely delivery and hence your Directors are confident of achieving better working results in the coming years.

Expansion Project:

The expansion plan for increasing the capacity of the existing Fabric Processing Unit is being implemented and is expected to be completed by December, 2013. This project envisages a total investment of Rs. 108 crores in buildings and machinery, for which State Bank of India has sanctioned a term loan of Rs. 82 crores.

Directors' Responsibility Statement

The directors report that

i) In the preparation of the annual accounts, the applicable accounting standards have been followed.

ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss account of the company for that period.

iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

iv) The Directors have prepared the annual accounts on a going concern basis.

Listing on Stock Exchanges
The Directors are happy to inform that the company's shares are listed on the National Stock Exchange with effect from 25th September, 2012, in addition to Bombay and Cochin Stock Exchanges.

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

Secretarial compliance
Secretarial compliance certificate from a practicing Company Secretary is enclosed.

Cost Compliance
Pursuant to Sec. 209 (1)(d) of the Companies Act, 1956, Cost Compliance Report for the financial year ended 31/03/2012 was submitted to the Central Government on 21/12/2012

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

Corporate Social Responsibility:.
As a CSR activity, the Company organized a Medical Relief Camp on 3rd March, 2013 where 3800 patients residing in and around Kizhakkambalam were benefitted by medical treatment / advice free of cost from expert doctors. They were provided with medicines and follow up treatment also free of cost.

Directors

Due to personal reasons, Mr. M P Kuriakose resigned from the Directorship effective from 31/03/2013. In the vacancy caused thereby, Mr. K L V Narayanan has been appointed effective from 4/04/2013. He will have the remaining tenure of Mr. M P Kuriakose. The Directors place on record their appreciation for the services rendered by Mr. M.P. Kuriakose during his tenure. Mr. C Mohan retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for reappointment. His tenure as Director - Finance expires at the meeting.

Auditors
M/S Kolath & Co., Chartered Accountants, Financial Auditors of the Company will retire at the forthcoming Annual General Meeting and are eligible for reappointment.

With the prior approval of the Central government, M/s. Rajendran Mani & Varier , Cost Accountants, Ernakulam have been appointed as Cost Auditors for the financial year ended 31/03/2013. They will submit their report to the Central Government before 30/09/2013.

Acknowledgement

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

For and on behalf of the Board of Directors

Sd/-

SABU M JACOB
Chairman & Managing Director

Kizhakkambalam
4th April, 2013

Annexure to the Directors' Report

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

Name	Age (Yrs)	Designation	Qualification	Experience (Yrs)	Remuneration received (Rs.lakhs)	Date of Commencement of employment	Last employment/ Designation
A. Employed throughout the financial year							
Sabu M Jacob	51	Managing Director	Graduate	30	231.88	1992	Executive Director Kitex Limited
Dan De Yoe	63	Vice President & Director of Operations (USA)		41	102.25	2011	Vice President Toys "R" Us USA

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

A. CONSERVATION OF ENERGY

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

(1) More usage of electricity purchased from KSEB.

(2) Improved efficiency of own generation by usage of diesel generator only for emergencies and as stand by.

(3) Intensified vigil on wastage/leakage control.

Disclosure of particulars with respect to conservation of energy

POWER & FUEL CONSUMPTION

		Year Ended 31.03.2013	Year Ended 31.03.2012
Electricity			
	a) Purchased		
	Units (KWH)	9095251	9911696
	Total Amount(Rs.)	49168510	39649003
	Cost/Unit (Rs/KWH)	5.41	4.00
	b) Own generation Through Diesel Generator		
	Units (KWH)	196261	97114
	Total Amount(Rs.)	2582222	1131376
	Cost/Unit (Rs/KWH)	13.16	11.65
Fuel			
	a) Furnace Oil		
	Quantity (KL)	1480	1644
	Total Amount(Rs.)	66237647	67079906
	Cost/Unit (Rs/KL)	44755	40803
	b) Firewood		
	Quantity (MT)	8650	11371
	Total Amount(Rs.)	19273557	31993110
	Cost/Unit (Rs/MT)	2228	2813
	c) Diesel		
	Quantity (KL)	16	25
	Total Amount(Rs.)	787580	1116988
	Cost/Unit (Rs/KL)	50486	44680

B. CONSUMPTION PER UNIT OF PRODUCTION

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

C. TECHNOLOGY ABSORPTION

Disclosure of particulars with respect to technology absorption:-

RESEARCH & DEVELOPMENT

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

a) Quality Up gradation
b) Developing wide range of products
c) Productivity enhancement
d) Quality Control Management

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

a) Increase in production and capacity utilization
b) Repeat order from customers due to consistency in quality

3. FUTURE PLAN OF ACTION

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

4. EXPENDITURE IN R&D

Specific expenditure of recurring or capital nature is not involved.
Technology absorption, adoption and innovation

EFFORTS

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

BENEFITS

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

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

	2012 – 13 (Rs in lakhs)	**2011 - 12 (Rs in lakhs)**
Earnings on account of Exports	24808.90	21658.25
Outgo on account of Import & Expenditure	2805.48	2506.51

For and on behalf of the Board of Directors

Sd/-
SABU M JACOB
Chairman & Managing Director

Kizhakkambalam
4th April, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

This report discusses and analyses the performance for the year ended 31st March 2013.

❖ Overall review of operations

The company is in the business of manufacturing and exporting garments. The Company achieved a turnover of Rs.32100.85 lakhs. The operational profits has improved on account of optimizing all the operations of the company.

❖ Industry

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

❖ Opportunities and Threats

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

However we perceive threats by way of competition from the neighbouring countries like China, Pakistan and Sri Lanka. Although the competition is hectic we have an edge over others with our quality and timely execution of orders. The more transit time due to geographical position and adverse movement of foreign exchange rate of the rupee are major concerns for the growth of the industry.

❖ Outlook

The company is taking all efforts to improve the quality and productivity to get more orders at competitive rates. Due to the own processing plant the company is able to quote better rates and maintain high quality & productivity in the finished goods manufactured. Barring unforeseen circumstances the company is confident of achieving better results in the current year.

❖ Internal Control Systems and their Adequacy

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

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

❖ Financial and operational performance

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

❖ Human Resources/Industrial Relations

The Company's HR philosophy is to establish and build a high performing organization, where each individual is motivated to perform to the fullest capacity: to contribute to developing and achieving individual excellence and departmental objectives and continuously improve performance to realize the full potential of our personnel. The Company is giving direct employment to 3100 employees. Industrial relations are cordial and satisfactory.

❖ Cautionary Statement

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

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS

Composition of the Board and category of Directors

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

The above directors are not inter-related.

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

Name of the Director	No. of Board Meetings attended	Attendance at the last AGM	No. of other Directorships held	No. of Member ship in Committee of Board
Mr. Sabu M Jacob	6	Present	1	NIL
Prof. E M Paulose	5	Present	NIL	NIL
Mr. Benni Joseph	5	Present	1	NIL
Mr. M P Kuriakose	5	Present	NIL	NIL
Mr. C.Mohan	6	Present	NIL	NIL

Six Board Meetings were held during the year on 20/04/2012, 17/07/2012, 15/10/2012, 9/01/2013, 11/02/2013 and 26/03/2013.. Last Annual General Meeting was held on 30/05/2012

3. CODE OF CONDUCT

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

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

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

I hereby confirm that:

"The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2012-13"

Sd/-
Sabu M Jacob
Chairman & Managing Director

4. AUDIT COMMITTEE:

Brief description of terms of reference:

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

Composition and names of members and chairperson:

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

The committee met four times during the year on 20/04/2012, 17/07/2012, 15/10/2012and 9/01/2013

5. REMUNERATION COMMITTEE

The Committee with Prof. E M Paulose as Chairman and Mr. Benni Joseph and Mr. M P Kuriakose as Members. met on 20/04/2012 and reviewed the remuneration policy of the company.

DIRECTORS' REMUNERATION

The Managing Director was paid remuneration of Rs.23187540 consisting of Rs 5638462 as salary and allowances, Rs 288000 as Provident Fund Contribution and Rs 17261078 as commission for the year. The Director-Finance was paid Rs.2489208 consisting of Rs.1889208 as salary and allowances and Rs. 600000 as bonus. Other non-executive directors were paid sitting fees as follows:

1. Prof. E M Paulose	Rs 62000 /-
2. Mr. Benni Joseph	Rs 62000 /-
3. Mr. M P Kuriakose	Rs 39500/-

6. Shareholder's / Investors' Grievances Committee:

Composition, and names of members

The Committee with Mr. M P Kuriakose as Chairman and Mr. Sabu M Jacob as Member met on 20/04/2012 and reviewed the status of the investor complaints. Company received oral / written enquiries from the shareholders, which were responded immediately. No. of complaints pending as on 31/03/2013 NIL

Name and Designation of the Compliance Officer: Mr. C Mohan, Director –Finance /Company Secretary .

7. General Body Meetings

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

Year	Venue	Date	Day	Time
2011-12	Building No. 9/536A, Kizhakkambalam, Aluva – 683 562	30.05.2012	Wednesday	10.00 a.m
2010-11	Building No. 9/536A, Kizhakkambalam, Aluva – 683 562	30.05.2011	Monday	10.00 a.m
2009-10	Building No. 9/536A, Kizhakkambalam, Aluva – 683 562	30.12.2010	Thursday	10.00 a.m

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

8. Disclosures:

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

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

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

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

None

3. Compliance with Accounting Standards

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

4. Compliance Certificate from the auditors

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

5. Adoption of non mandatory requirements under clause 49

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

(a) Remuneration Committee

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

(b) Whistle blower policy

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

9. Means of Communication

Whether Half yearly reports sent to each household of shareholders:

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

Quarterly results:

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

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

10. General Shareholder Information:

1. Annual General Meeting Date : 14th May,2013 at 10 A.M.

   Venue : Building No. 9/536A, Kitex House, Kizhakkambalam.

2. Financial Year : April 2012 to March 2013

3. Book closure date : 9th May, 2013 to 14th May, 2013 (both days inclusive.)

4. Dividend recommended for the year : 80% (80Ps per Share of face value Re1/-)

5. Listing on stock exchange : Cochin , Bombay and National Stock Exchanges

6. Stock Code : COCHIN: KGR BOMBAY: 521248 NSE: KITEX

7. Market price Data (Face value of Re 1) (BSE) : High: Rs.71.90 Low: Rs 45.25

   (NSE) High: Rs.72.05 Low: Rs.47.30

	Bombay Stock Exchange		National Stock Exchange	
Month	**High**	**Low**	**High**	**Low**
April 2012	55.80	45.25	-	-
May 2012	55.60	46.00	-	-
June 2012	67.50	50.75	-	-
July 2012	60.40	51.55	-	-
August 2012	55.95	49.00	-	-
September 2012	66.00	49.15	70.00	58.25
October 2012	69.50	57.40	70.00	55.00
November 2012	69.80	55.00	68.00	50.00
December 2012	69.90	59.40	70.00	58.35
January 2013	71.90	60.30	72.05	62.20
February 2013	65.50	46.00	66.25	52.15
March 2013	58.20	47.30	58.50	47.30

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

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

10. Distribution of shareholding:

(a) The shareholding pattern as on 31st March 2013 is as follows.

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

(b) Distribution of shareholding as on 31-03-2013

Distribution of shares	No. of shareholders	% to total no. of shareholders	No. of shares held	% to total share capital
1 - 5000	6113	96.5108	4356624	9.1718
5001 - 10000	96	1.5156	739572	1.5569
10001 – 20000	53	0.8367	771326	1.6238
20001 - 30000	17	0.2683	425220	0.8952
30001 - 40000	5	0.0789	168641	0.3550
40001 - 50000	8	0.1263	373562	0.7864
50001 - 100000	13	0.2052	862031	1.8148
Above 100000	29	0.4578	39803024	83.7958
TOTAL	6334	100.0000	47500000	100.0000

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

Sd/-

Kizhakkambalam **Sabu M Jacob**

4 thApril, 2013 Chairman & Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of KITEX GARMENTS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by Kitex Garments Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Ernakulam
04.04.2013

SECRETARIAL COMPLIANCE CERTIFICATE

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

To
The Members
M/S. Kitex Garments Limited
P B No. 5, Kizhakkambalam
Alwaye, Ernakulam, Kerala – 683562

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

1. The Company has kept and maintained all registers as stated in Annexure `A' to this certificate, as per the provisions of the Companies Act and the Rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure `B' to this certificate, with the Registrar of Companies, Regional Director and the Central Government under the Act and the Rules made there under.
3. The Company being a Public Limited Company, comments under Section 3 (1) (iii) of the Act are not required.
4. The Board of Directors duly met 6 (Six) times respectively on 20.04.2012, 17.07.2012, 15.10.2012, 09.01.2013, 11.02.2013 and 26.03.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. No circular resolutions have been passed by the company during the financial year.
5. The Company closed its Register of Members during the financial year from 24th May, 2012 to 30th May, 2012 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2012 was held on 30th May, 2012 after giving due notice to the members of the Company and others concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the Register of Contracts maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or central government.
12. The issue of duplicate share certificates was approved by the Managing Director.
13.
    (i) There was no allotment of shares during the financial year under scrutiny. The Company has delivered all the certificates on lodgment thereof for transfer/transmission. The issue of certificates after transfer/transmission was approved by the Managing Director.
    (ii) The Company has deposited the amount of dividend declared in a separate bank account on 4th June 2012 which is within 5 days from the date of declaration of such dividend.

(iii) The Company has posted warrants for dividends to all members within a period of 30 days from the date of declaration and that all unclaimed / unpaid dividend has been transferred to Unpaid Dividend Account of the Company with Axis Bank, Aluva Branch on 30.06.2012.

(iv) The Company has transferred the amounts in unpaid dividend account which has remained unclaimed or unpaid for a period of seven years to the Investor Education and Protection Fund pursuant to Section 205 C of the Act.

(v) The Company has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancy during the financial year.
15. The company has not appointed any Whole-time Director/Manager during the financial year. However re-appointment of Managing Director has been made in compliance with Section 269 of the Companies Act 1956 read with Schedule XIII thereof.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained approval of the Central Government for the appointment of Cost Auditor under section 233B of the Companies Act. The said form was filed after the due date. No other approvals are required to be obtained from Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the Rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from financial institutions and banks during the financial year ending 31.03.2013 are within the borrowing limits of the company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum of Association with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There were no prosecution initiated against or show cause notice received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act. However there was a delay by the Company in filing Form 8s in a few cases for creation of charges and the Registrar Of Companies of Kerala has directed the Company to approach the Regional Director for condonation of delay. In one case, application for condonation of delay has been submitted to Regional Director. Other applications are underway.

32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate Provident Fund Trust for its employees or classes of employees as contemplated under Section 418.

For SVJS & Associates
Company Secretaries

Kochi
04.04.2013

Sd/-
CS. Sivakumar. P
Managing Partner
CP No. 2210

M/S. KITEX GARMENTS LIMITED

CIN: L18101KL1992PLC006528

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31.03.2013

Annexure A

Registers as maintained by the Company

Statutory Registers:

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

M/S. KITEX GARMENTS LIMITED

CIN: L18101KL1992PLC006528

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31.03.2013

Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government and other authorities during the financial year ended on 31st March, 2013.

• With Registrar of Companies:

Sl No.	Form No/ Return	Filed under section	For	Date of Filing	Whether filed within the prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form 66	383A	Secretarial Compliance Certificate for the year ended 31.03.2012	26.06.2012	Yes	No
2	Form 23 AC XBRL	220	Balance Sheet as on 31.03.2012	22.02.2013	Yes	Yes*
3	Form 23 ACA XBRL	220	Profit and loss account for the year ended 31.03.2012	22.02.2013	Yes	Yes*

4	Form 20B	159	Annual Return made up to 30.05.2012	26.07.2012	Yes	No
5	Form 8	125	Creation of charge	21.12.2012	No	Yes
6	Form 8	125	Modification of charges	27.12.2012	No	NA
7	Form 61	141	Condonation of delay in filing form 8	24.02.2013	Yes	No
8	Form 8	125	Creation of charge	18.03.2013	No	NA
9	Form 8	125	Creation of charge	18.03.2013	No	NA
10	Form 8	125	Creation of charge	18.03.2013	No	NA
11	Form 8	125	Creation of charge	18.03.2013	No	NA
12	Form 23	192	Registration of resolutions and agreements	26.06.2012	No	Yes
13	Form 25 C	269 (2)	Return of appointment of Managing Director	16.08.2012	Yes	No
14	Form 32	269	Change in designation of Director	27.06.2012	Yes	No
15	Form 1INV	Rule 3 of IEPF	Statement of Amount credited to IEPF	06.12.2012	Yes	No
16	Form 5INV	Rule 3 of IEPF	Statement of Unclaimed/unpaid amounts	23.11.2012	No	NA
17	Form 5INV	Rule 3 of IEPF	Statement of Unclaimed/unpaid amounts	10.01.2013	No	NA

*Due to Technical Issues on MCA portal

- With Regional Director:

Sl No.	Form No/ Return	Filed under section	For	Date of Filing	Whether filed within the prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form 24AAA	141	For Condonation of delay in filing Form 8	28.02.2013	Yes	No

- With Central Government:

Sl No.	Form No/ Return	Filed under section	For	Date of Filing	Whether filed within the prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	Form A XBRL	209 (1)	Document in respect of Compliance of Compliance report and other documents	21.12.2012	Yes	NA
2	Form 23C	Section 233B	Application to the Central Govt for appointment of cost auditor	23.08.2012	No	Yes

For SVJS & Associates
Company Secretaries
Sd/-

Kochi
04.04.2013

CS. Sivakumar. P
Managing Partner
CP No. 2210

INDEPENDENT AUDITOR'S REPORT

To the Members of Kitex Garments Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Kitex Garments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedure to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013.

(b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub¬-section (3C) of Section 211 of the Companies Act, 1956;

e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For KOLATH & CO

Chartered Accountants
Firm's Registration Number 008926S

Sd/-

CA. Liju.V.Rajan.Kolath
Partner
Membership No.209309

Ernakulam
04.04.2013

Annexure to Auditors' Report

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

(i)

(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.

(c) During the year, the Company has not disposed off a substantial part of its fixed assets, which affect the going concern status of the Company.

(ii)

(a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion, the Company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventories as compared to the book records.

(iii)

The Company has neither granted nor taken any loans, secured or unsecured, to/from Companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

(iv)

In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and also with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.

(v)

(a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions made in pursuance of contracts or arrangements, that need to be entered in the Register maintained under Section 301 of the Companies Act, 1956, have been so entered.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956, and exceeding the value of Rs. 5 Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi)

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year. Therefore, the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.

(vii)

The internal audit functions are carried out by the Internal Audit Department of the Company and the same is reviewed by the Audit Committee. In our opinion, the same can be considered as adequate.

(viii)

According to the information and explanations given to us, the Central Government has prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.

(ix)

(a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and any other material statutory dues applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31.03.2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following dues demanded by the relevant authority have not been deposited on account of pending disputes:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which it Relates	Forum where Dispute is Pending
Customs Act	Customs Duty	3,25,20,531/- (out of which Rs.1,21,29,942/- has been paid)	FY 1997-98	Honourable Supreme Court of India
Income Tax Act	Income Tax	6,29,406/-	AY 2003-04 & 2004-05	Honourable High court of Kerala
Income Tax Act	Income Tax	21,29,567/-	AY 2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	38,32,909/- (Out of which Rs.31,50,000/- has been deposited)	AY 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act	Fringe Benefit Tax	9,07,553/-	AY 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act	Income Tax	3,16,22,680/- (Out of which Rs.1,17,57,862 has been deposited)	AY 2008-09	Income Tax Appellate Tribunal, Kochi
Income Tax Act	Income Tax	58,87,640/-	AY 2009-10	Commissioner of Income Tax (Appeals)
Provident Fund Act	Provident Fund	1,31,86,588/- (Out of which Rs.52,74,636/- has been deposited)	FY 2001-02 to 2005-06	Honourable High Court of Kerala
Employees State Insurance Act	Employee State Insurance	3,66,333/- with interest of 2,69,330 upto 30.11.2003 (Out of which Rs.75,000/- has been deposited)	FY 1996-1997 and 1997-98	The Director ESI Regional Office, Ernakulam
Employees State Insurance Act	Employee State Insurance	5,61,692/- (Out of which Rs.2,15,791/- has been deposited)	FY 1998 -99 to 2001-02	Honourable High Court of Kerala
Employees State Insurance Act	Employee State Insurance	57,72,341/- (Out of which Rs.15,00,000/- has been deposited)	2003 to 2009	Honourable ESI Court
Kerala Municipality Act, 1994 read with Kerala Building Rules, 1999	One Time Building Tax	3,08,945/-	1997	Honourable High Court of Kerala

(x)

In our opinion, the Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.

(xi)

Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders. There were no debenture holders at any time during the year.

(xii)

Based on our examination of documents and records and according to the information and explanations given by the Management, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii)

In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.

(xiv)

In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. The investment made in equity shares is held in its own name.

(xv)

According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.

(xvi)

In our opinion, the term loans have been applied for the purposes for which they were raised.

(xvii)

According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no funds raised on short term basis have been used for long term investment.

(xviii)

According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

(xix)

The Company has not issued any debenture during the year. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.

(xx)

The Company has not raised money by public issues during the year and hence the question of disclosure and verification of the end use of such money does not arise.

(xxi)

To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company during the year was noticed or reported, nor have we been informed of such case by the management.

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

Sd/-

CA. Liju V.Rajan Kolath
Partner
Membership Number 209309

Ernakulam
04.04.2013

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Notes	31st March 2013 ₹	31st March 2012 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholders' Fund			
a) Share Capital	3	47,500,000	47,500,000
b) Reserves and Surplus	4	1,176,076,739	926,766,726
Sub-Total		1,223,576,739	974,266,726
(2) Non-Current Liabilities			
a) Long-term borrowings	5	25,204,604	68,553,766
b) Deferred tax liabilities (Net)	6	161,499,695	163,359,695
c) Other Long term liabilities		-	-
d) Long-term provisions	7	25,313,308	16,152,576
Sub-Total		212,017,607	248,066,037
(3) Current Liabilities			
a) Short-term borrowings	8	892,654,801	815,136,629
b) Trade Payables	9	228,899,546	268,207,441
c) Other current liabilities	10	197,460,133	210,984,374
d) Short-term provisions	7	195,128,650	158,012,845
Sub-Total		1,514,143,130	1,452,341,289
TOTAL		2,949,737,476	2,674,674,052
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets	11		
i) Tangible assets		1,168,366,212	1,220,336,506
ii) Intangible assets		4,106,964	7,604,695
iii) Capital Work-in-Progress		22,819,214	3,530,415
(b) Non-current investments	12	43,400	43,400
(c) Long term loans and advances	13	98,990,811	31,318,853
(d) Other non-current assets	14	6,949,636	6,949,636
Sub-Total		1,301,276,237	1,269,783,505
(2) Current Assets			
a) Current investments		-	-
b) Inventories	15	458,619,528	519,621,478
c) Trade receivables	14	506,292,648	318,251,082
d) Cash and cash equivalents	16	411,832,939	365,235,558
e) Short-term loans and advances	13	217,152,711	183,485,999
f) Other current assets	14	54,563,413	18,296,430
Sub-Total		1,648,461,239	1,404,890,547
TOTAL		2,949,737,476	2,674,674,052
Summary of Significant Accounting Policies	2.2		

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

As per our Report of even date

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

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

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

Sd/-
Sabu M Jacob
Managing Director

Sd/-
C Mohan
Director - Finance/
Company Secretary

Sd/-
Benni Joseph
Director

Kizhakkambalam
4th April, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Particulars	Notes	31st March 2013 ₹	31st March 2012 ₹
Revenue			
I. Revenue from operations	17	3,169,833,111	3,119,987,720
II. Other income	18	40,251,464	63,481,601
III Total Revenue (I+II)		3,210,084,575	3,183,469,321
IV Expenses			
Cost of Raw Materials Consumed	19	1,612,670,741	1,749,124,125
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	38,910,777	(26,583,435)
Employee Benefits Expense	21	437,644,326	378,073,674
Finance Costs	24	114,720,425	176,069,111
Depreciation and amortization expense	23	86,213,188	68,663,786
Other Expenses	22	479,517,005	437,040,481
Total Expenses		2,769,676,462	2,782,387,742
V. Profit before exceptional and extraordinary items and tax		440,408,113	401,081,579
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		440,408,113	401,081,579
VIII. Extra ordinary items		-	-
IX. Profit before tax (VII-VIII)		440,408,113	401,081,579
X. Tax Expense			
(1) Current Tax		148,500,000	123,500,000
(2) Deferred Tax		(1,860,000)	6,426,000
XI. Profit/ (Loss) for the year from continuing operations		**293,768,113**	**271,155,579**
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit/(Loss) for the year (XI + XIV)		**293,768,113**	**271,155,579**
XVI. Earnings per equity share	25		
(1) Basic		6.18	5.71
(2) Diluted		6.18	5.71
Summary of Significant Accounting Policies	2.2		

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

As per our Report of even date

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

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

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

Sd/-
Sabu M Jacob
Managing Director

Sd/-
C Mohan
Director - Finance/
Company Secretary

Sd/-
Benni Joseph
Director

Kizhakkambalam
4th April, 2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. Corporate Information

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

2. Basis of Preparation

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

2.2 Summary of Significant accounting policies

2.2.1 Basis of Accounting

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

2.2.2 Use of Estimates

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

2.2.3 Inventories

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

2.2.4 Revenue Recognition

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

2.2.5 Own Fixed Assets

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

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

2.2.6 Leased Assets

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

Finance Leases: The lower of the fair value of the leased assets at the inception of the lease and present value of the minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease

liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Statement of Profit and Loss.

2.2.7 *Depreciation and Amortisation*

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Capitalised Software costs is amortised over a period of three years.

2.2.8 *Foreign Currency Transactions*

Transactions denominated in foreign currency are recorded at the rate of exchange prevailing on the date of transaction.

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

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

2.2.9 *Government Grants*

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

2.2.10 *Investments*

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

2.2.11 *Employee Benefits*

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

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

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

2.2.12 *Borrowing Costs*

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

2.2.13 *Taxation*

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

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

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

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

2.2.14 *Provisions, Contingent Liabilities and Contingent Assets.*

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

3. SHARE CAPITAL

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Authorized Shares 50,000,000 Equity shares of Re. 1 each (31 March 2012: 50,000,000)	50,000,000	50,000,000
b	Issued, Subscribed and fully paid up shares 47,500,000 Equity shares of Re. 1 each (31 March 2012: 47,500,000)	**47,500,000**	**47,500,000**

c Reconciliation of shares outstanding at the beginning and at the end of the reporting period.

	31 March 2013		31 March 2012	
	No. of shares	Amount ₹	No. of shares	Amount ₹
At the beginning of the period	47,500,000	47,500,000	47,500,000	47,500,000
Add: Shares Issued during the year	NIL	NIL	NIL	NIL
Less: Shares bought back during the year	NIL	NIL	NIL	NIL
Add: Other movements during the year	NIL	NIL	NIL	NIL
Outstanding at the end of the period	47,500,000	47,500,000	47,500,000	47,500,000

d Terms/rights attached to equity shares.

The company has only one class of equity shares having par value of Re. 1 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees.

The dividend proposed is as recommended by the Board of Directors and subject to the approval of the shareholders in the ensuing Annual General Meeting.

For the year ended 31 March 2013, the amount of dividend per share recognised as distributions to equity shareholders is Re 0.80 (31 March 2012: Re.0.60)

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

		31 March 2013 ₹	31 March 2012 ₹
e	Shares held by holding/ ultimate holding company/or their subsidiaries/associates	NIL	NIL

f Details of shareholders holding more than 5% shares in the Company

	31 March 2013		31 March 2012	
	No. of shares	% of holding in the class	No. of shares	% of holding in the class
Equity Shares of Re. 1 each fully paid				
Kitex Childrenswear Limited	7,350,329	15.4744%	7,330,329	15.4322%
Sabu M Jacob	3,464,631	7.2940%	3,464,631	7.2940%
Bobby M Jacob	3,000	0.0063%	3,000	0.0063%
Sabu M Jacob and Bobby M Jacob	3,846,950	8.0988%	3,846,950	8.0988%
Bobby M Jacob and Sabu M Jacob	6,910,750	14.5489%	6,910,750	14.5489%
Renjitha Joseph	3,091,500	6.5084%	3,091,500	6.5084%
Gopinathan C K	2,866,336	6.0344%	2,813,708	5.9235%
C K G Super Market Limited	3,416,637	7.1929%	2,676,513	5.6347%

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.

		31 March 2013 ₹	31 March 2012 ₹
g	Aggregate number of shares issued for consideration other than cash, bonus shares issued and shares bought back during the period of 5 years immediately preceding the reporting date.	NIL	NIL

4. RESERVES AND SURPLUS

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Capital Reserve		
	Investment Subsidy	2,210,000	2,210,000
b	General Reserve		
	Balance as per last Financial Statements	96,500,000	66,500,000
	Add: Amount transferred from surplus in the Statement of Profit and Loss	30,000,000	30,000,000
	Closing balance	126,500,000	96,500,000
c	Surplus/(Deficit) in the Statement of Profit and Loss		
	Balance as per last Financial Statements	828,056,726	620,024,560
	Profit for the year	293,768,113	271,155,579
		1,121,824,839	891,180,139
	Less: Appropriations		
	Proposed final equity dividend (Amount per share Re.0.80 (31 March 2012: Re.0.60))	38,000,000	28,500,000
	Tax on proposed equity dividend	6,458,100	4,623,413
	Transfer to General Reserve	30,000,000	30,000,000
	Total Appropriations	74,458,100	63,123,413
	Net Surplus in the Statement of Profit and Loss	1,047,366,739	828,056,726
	Total Reserves and Surplus	**1,176,076,739**	**926,766,726**

5. LONG TERM BORROWINGS

Sl No.	Particulars	Non-Current Portion		Current Maturities	
		31 March 2013 ₹	31 March 2012 ₹	31 March 2013 ₹	31 March 2012 ₹
a	Term Loans				
	Indian Rupee Loan From Banks (Secured)	25,204,604	68,553,766	93,831,851	129,699,040
b	Other Loans and advances				
	Finance Lease obligations - Secured	-	-	-	1,738,702
		25,204,604	68,553,766	93,831,851	131,437,742
	The above amount includes				
	Secured borrowings	25,204,604	68,553,766	93,831,851	131,437,742
	Unsecured borrowings	-	-	-	-
	Amount disclosed under the head Other Current Liabilities See Note No. 10	-	-	(93,831,851)	(131,437,742)
		25,204,604	**68,553,766**	**-**	**-**

I	Terms of Repayments of Indian Rupee Term Loans				
	Name of the Bank	***Federal Bank Ltd***	***State Bank of India***		
	Type of Loan	Term Loan	Term Loan		
	Loan Account No.	10357100004284	32331339891		
	Amount sanctioned/availed (Rs.)	15,00,00,000	82,00,00,000		
	Sanction Date	21.01.2009	28.03.2012		
	Current Interest rate	12.25%	12.20%		
	Total No. of Instalments	60	60		
	No. of instalments paid	39	0		
	No. of balance instalments to be paid	21	60		
	Amount of instalment	25,00,000	Monthly Repayment commences: September 2013 First 22 months : Rs. 1,20,00,000/- Next 26 months : Rs. 1,40,00,000/- Next 12 months : Rs. 1,60,00,000/- Amount availed as on 31.03.2013 is Rs.5,87,38,963/-		
	Repayment type	Monthly	Monthly		
	Interest payment type	Monthly	Monthly		
	Name of the Bank	***Axis Bank***	***Federal Bank Ltd***	***Axis Bank***	***Axis Bank***
	Type of Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan
	Loan Account No.	AUR008100291865	10357100004292	AUR008100497115	AUR008100497089
	Amount sanctioned/availed (Rs.)	80,00,000	46,09,539	8,19,845	5,44,908
	Sanction Date	03.02.2011	18.01.2010	10-05-2012	10-05-2012
	Current Interest rate	8.26%	12.50%	11.20%	11.06%
	Total No. of Instalments	36	51	36	36
	No. of instalments paid	25	36	10	10
	No. of balance instalments to be paid	11	15	26	26
	Amount of EMI	2,49,931	91,379 (Non EMI)	26,919	17,855
	Repayment type	Monthly	Monthly	Monthly	Monthly
	Name of the Bank	***Axis Bank***	***Axis Bank***	***Axis Bank***	***Axis Bank***
	Type of Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan	Vehicle Loan
	Loan Account No.	AUR008100497086	AUR008100497481	CVR008100583357	CVR008100583352
	Amount sanctioned/availed (Rs.)	5,44,908	6,12,848	11,81,430	12,81,000
	Sanction Date	10-05-2012	10-05-2012	16/10/2012	16/10/2012
	Current Interest rate	11.06%	11.06%	11.00%	11.00%
	Total No. of Instalments	36	36	36	36
	No. of instalments paid	10	10	5	5
	No. of balance instalments to be paid	26	26	31	31
	Amount of EMI	17,855	20,081	38,679	41,938
	Repayment type	Monthly	Monthly	Monthly	Monthly

II

1 Indian Rupee Term loans from Banks (Other than Vehicle loans) are Secured by:

i Primary Security:

a Federal Bank Working Capital Term Loan Account No.10357100004284 - Pari Passu first charge in favour of State bank of India and Federal Bank Ltd. by way of Equitable mortgage of 19.24 acres of land together with the buildings and Pari Passu first charge in favour of State bank of India and Federal Bank Ltd. by way of hypothecation of entire plant and machinery and fixed assets of the Backward Integration Project.

b State Bank of India Term Loan Account no 32331339891 - Paripassu First charge in favour of State bank of India and Federal Bank Ltd. on the entire fixed assets, present and future, of the Company and including:
(i) Extention of Equitable Mortgage over 19.24 acres of Land , Building and Plant and Machinery of the Backward Integeration Project in Re.Sy no. 122/9/4 , 112/5 , 112/1 , 108/2/2 , 108/10/2 , 108/2 , 108/10 , 112/4 , 122/9/3 , 108/1/2 , 122/7 ,121/1/1 in Block 27 of Pattimattom Village , Kunnathunadu taluk , Puthencruz sub district, Ernakulam belonging to the Company.

(ii) Equitable Mortgage over 244.629 cents of Land in Re Sy No 76/3 in Block no 27 of Kizhakkambalam, Puthencruz sub district, Ernakulam belonging to the Company.(Exclusive first charge to State bank of India).

ii Collateral Security:

a Pari-passu Second charge in favour of State Bank of India and Federal Bank, on the entire current assets of the Company, both present and future.

b Pari-passu Second charge in favour of State Bank of India and Federal Bank, on the entire Fixed assets of the Company, both present and future other than Fixed assets charged as primary security

c First charge in favour of State bank of India by Equitable Mortgage on 3.75 Acres of land & building in Re. Sy No. 81/1 at Pattimattom Village, Kunnathunadu Taluk (Kizhakkambalam), Puthen cruz Sub-district, Ernakulam belonging to the Company.

iii Personal Guarantee of Mr. Sabu M Jacob, Managing Director.

2 Vehicle loans are secured by hypothecation of the concerned vehicles.

6. DEFERRED TAX LIABILITY (Net)

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Deferred Tax Liability		
	Fixed Assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	170,416,833	169,047,037
	Gross Deferred Tax Liability	170,416,833	169,047,037
b	Deferred Tax Asset		
	Impact of Expenditure charged (Gratuity) to Statement of Profit and Loss in the current year but allowed for tax purpose on payment basis	8,917,138	5,687,342
	Gross Deferred Tax Asset	8,917,138	5,687,342
	Net Deferred Tax Liability	**161,499,695**	**163,359,695**

7. PROVISIONS

Sl No.	Particulars	Long Term		Short Term	
		31 March 2013 ₹	31 March 2012 ₹	31 March 2013 ₹	31 March 2012 ₹
a	Provision for Employee Benefits				
	Provision for Gratuity	25,313,308	16,152,576	2,170,550	1,389,432
		25,313,308	16,152,576	2,170,550	1,389,432
b	Other Provisions				
	Provision for Taxation	NIL	NIL	148,500,000	123,500,000
	Proposed Equity Dividend	NIL	NIL	38,000,000	28,500,000
	Provision for Tax on proposed equity dividend	NIL	NIL	6,458,100	4,623,413
		NIL	NIL	192,958,100	156,623,413
		25,313,308	**16,152,576**	**195,128,650**	**158,012,845**

8. SHORT TERM BORROWINGS

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Loans Repayable on demand		
	Packing Credit Loan From banks (Secured)	892,654,801	815,136,629
		892,654,801	**815,136,629**

1	Terms of repayment of Packing Credits:
	Packing credit from Bank is repayable on demand and carries interest @ 7.70%. (Current rate for State Bank of India)
2	Working capital Limits from Bank is secured by
(i)	Primary Security:
	First charge in favour of State bank of India over the entire Current Assets of the Company, both present and future.
(ii)	Collateral Security:
	Pari-passu Second charge, in favour of State bank of India and Federal Bank on the entire Fixed Assets of the Company (excluding vehicles purchased under the Hire Purchase), of which includes:
	1. First charge in favour of State bank of India over Equitable Mortgage on 3.75 Acres of land & building in Re. Sy No. 81/1 at Pattimattom Village, Kunnathunadu Taluk (Kizhakkambalam), Puthen cruz Sub-district, Ernakulam belonging to the Company.
	2. Second charge over Equitable Mortgage on 19.24 acres of land, building and plant & machinery of the fabric processing plant at Kizhakkambalam. (First charge for Federal Bank for their Term Loan limit of Rs. 15 Crores and State Bank of India Term Loan limit of Rs 82 Crores)
	3. Second charge over EM on 244.629 cents of Land in Re Sy No 76/3 in Block no 27 of Kizhakkambalam, Puthencruz sub district, Ernakulam belonging to the Company.
(iii)	Personal Guarantee of Mr. Sabu M Jacob, Managing Director.

9. TRADE PAYABLES

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Trade Payables (Refer Note 31 for details of dues to micro and small enterprises)	228,899,546	268,207,441
b	Others	NIL	NIL
		228,899,546	**268,207,441**

10. OTHER CURRENT LIABILITIES

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Current maturities of long term borrowings (Includes current maturity of finance lease obligations Rs.Nil (31 March 2012: Rs 17,38,702/-)	93,831,851	131,437,742
b	Interest accrued and due on borrowings	1,002,766	2,682,476
c	Income Received in advance	70,662	3,305,990
d	Unpaid dividends	3,295,911	2,575,754
e	Other payables		
	ESIC Payable	1,050,690	974,706
	PF Payable	3,863,543	3,565,294
	TDS payable	5,412,553	7,452,353
	Fringe Benefit Tax Payable	907,553	907,553
	Work Contract Tax Payable	-	739,793
	Wealth Tax Payable	51,179	177,897
	Expenses Payable	85,659,923	54,557,488
	Payable to Vendors - Non Trade	2,313,502	2,607,328
		197,460,133	**210,984,374**

11 FIXED ASSETS

(Amount in Rs.)

Sl No	NATURE OF ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2012	Additions during the year	Sale/ Deletions during the year	As at 31.03.2013	As at 01.04.2012	Accumulated Depreciation Reversed / Adjusted	During the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
A	**TANGIBLE ASSETS**										
1	Freehold Land	35,595,920	10,544,670	-	46,140,590	-	-	-	-	46,140,590	35,595,920
2	Building	600,029,281	4,569,261	-	604,598,542	97,498,338	-	18,538,028	116,036,366	488,562,176	502,530,943
3	Plant & Equipments	794,541,675	3,801,842	-	798,343,517	204,542,641	-	52,750,761	257,293,402	541,050,115	589,999,034
4	Furniture & Fixtures	31,425,232	21,500	-	31,446,732	18,091,979	2,197,983	1,777,369	17,671,365	13,775,367	13,333,253
5	Vehicles	34,582,591	7,372,789	6,050,752	35,904,628	14,525,687	4,228,193	3,290,330	13,587,824	22,316,804	20,056,904
6	Office Equipments	23,100,946	679,356	-	23,780,302	7,009,230	-	1,110,270	8,119,500	15,660,802	16,091,716
7	Other assets	66,249,029	2,219,739	-	68,468,768	23,520,293	-	4,088,117	27,608,410	40,860,358	42,728,736
	Total (A)	1,585,524,674	29,209,157	6,050,752	1,608,683,079	365,188,168	6,426,176	81,554,875	440,316,867	1,168,366,212	1,220,336,506
B	**INTANGIBLE ASSETS**										
Sl No	**NATURE OF ASSET**	**GROSS BLOCK**				**AMORTIZATION**				**NET BLOCK**	
		As at 01.04.2012	Additions during the year	Sale/ Deletions- during the year	As at 31.03.2013	As at 01.04.2012	Amortisation Reversed/ Adjusted	During the Year	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
1	Computer software	27,863,501	1,160,582	-	29,024,083	20,258,806	-	4,658,313	24,917,119	4,106,964	7,604,695
	Total (B)	27,863,501	1,160,582	-	29,024,083	20,258,806	-	4,658,313	24,917,119	4,106,964	7,604,695
	GRAND TOTAL (A)+(B)	1,613,388,175	30,369,739	6,050,752	1,637,707,162	385,446,974	6,426,176	86,213,188	465,233,986	1,172,473,176	1,227,941,201
	Previous Year	1,540,353,450	74,008,774	974,048	1,613,388,176	317,232,827	449,638	68,663,786	385,446,975	1,227,941,201	1,223,120,623

Note : Accumulated Depreciation adjusted includes adjustments towards excess depreciation charged on Furniture and fixtures upto 31-03-2012 amounting to Rs 21,97,983/- and on Vehicles upto 31-03-2012 amounting to Rs 1,65,780/-

12. NON CURRENT INVESTMENTS

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
	Non Trade Investments (Valued at cost)		
	Investment in Equity Instruments (Quoted)	43,400	43,400
	1400 (31 March 2012: 1400) Equity Shares of Punjab National Bank		
	(Market value of Shares as on 31 March 2013 is Rs10,05,060/- (As on 31 March 2012: Rs. 12,95,000/-))		
		43,400	**43,400**

13. LOANS AND ADVANCES

Sl No.	Particulars	Non-Current		Current	
		31 March 2013 ₹	31 March 2012 ₹	31 March 2013 ₹	31 March 2012 ₹
a	Capital advances				
	Unsecured, considered good	86,822,838	19,521,972	NIL	NIL
	(a)	86,822,838	19,521,972	NIL	NIL
b	Security Deposit				
	Unsecured, considered good	12,167,973	11,796,881	NIL	NIL
	(b)	12,167,973	11,796,881	NIL	NIL
c	Advance Recoverable in cash or kind Unsecured, considered good Advance to Vendors - Trade	NIL	NIL	25,853,032	24,338,319
	(c)	NIL	NIL	25,853,032	24,338,319
d	Other Loans and advances Unsecured, considered good				
(i)	Advance to Employees	NIL	NIL	1,222,879	1,070,032
(ii)	Advance Income tax	NIL	NIL	133,845,381	118,525,353
(iii)	Prepaid Expenses	NIL	NIL	2,219,395	1,816,103
(iv)	KVAT Refund Receivable	NIL	NIL	54,012,024	37,736,192
	(d)	NIL	NIL	191,299,679	159,147,680
	TOTAL (a)+(b)+(c)+(d)	**98,990,811**	**31,318,853**	**217,152,711**	**183,485,999**

14. TRADE RECEIVABLES AND OTHER ASSETS

		Non-Current		Current	
Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹	31 March 2013 ₹	31 March 2012 ₹
1	Trade Receivables				
a	Outstanding for a period exceeding six months from the date they are due for payment Unsecured, Considered Good (A)	NIL	NIL	2,665,055	NIL
b	Other Receivables				
	Unsecured, considered good (B)	NIL	NIL	503,627,593	318,251,082
	Total (A)+(B)	**NIL**	**NIL**	**506,292,648**	**318,251,082**

Sl No.	Particulars	Non-Current		Current	
		31 March 2013 ₹	31 March 2012 ₹	31 March 2013 ₹	31 March 2012 ₹
	Dues from Company in which the Company's Managing Director is Managing Director				
	Dues from Kitex Childrenswear Ltd. Unsecured, considered good	NIL	NIL	87,478,031	50,820,856
2	Other Assets				
	Unsecured, considered good				
	(i) Duty Drawback	NIL	NIL	51,846,348	10,103,949
	(ii) Interest accrued on fixed deposits	NIL	NIL	1,031,298	770,830
	(iii) Subsidy - TUFS	NIL	NIL	520,400	5,424,835
	(iv) Service Tax Refund on export of goods	NIL	NIL	1,165,367	147,344
	(v) Insurance claim receivable	NIL	NIL	NIL	1,349,472
	(vi) Other Deposits	6,949,636	6,949,636	NIL	500,000
		6,949,636	**6,949,636**	**54,563,413**	**18,296,430**

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

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Raw- Materials	440,857,666	462,948,839
b	Finished goods	17,761,862	56,672,639
		458,619,528.00	**519,621,478.00**

16. CASH AND BANK BALANCES

Sl No.	Particulars	Non Current		Current	
		31 March 2013 ₹	31 March 2012 ₹	31 March 2013 ₹	31 March 2012 ₹
1	Cash and Cash equivalents				
a	Cash on hand	NIL	NIL	1,052,289	987,600
b	Balance with banks:				
	On current accounts	NIL	NIL	363,313,920	320,293,880
	(A)	NIL	NIL	364,366,209	321,281,480
2	Other Bank balances				
a	Ear marked balance with Banks				
	On unpaid dividend accounts	NIL	NIL	3,295,913	2,575,756
b	Margin money Deposit	NIL	NIL	44,170,817	41,378,322
	(B)	NIL	NIL	47,466,730	43,954,078
	(A)+(B)	**NIL**	**NIL**	**411,832,939**	**365,235,558**

Margin money deposits with carrying amount of Rs.4,41,70,817/- (31 March 2012: Rs. 4,13,78,322/-) are held to secure the Company's Non Fund based limits availed from Banks.

Balance with Banks on Current Account includes balance with International Commercial Bank of China amounting to Rs. Nil (31 March 2012: Rs. 7,14,277/-) - Maximum balance during the year - Rs. 7,14,277/- (Previous year - Rs. 714,277/-)

17. REVENUE FROM OPERATIONS

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Sale of Products		
	Sales - Export	2,477,472,584	2,156,639,230
	Less:Sales Returns	39,655	-
	(A)	2,477,432,929	2,156,639,230
	Sales - Domestic (B)	490,698,780	806,255,257
	Total (A)+(B)	2,968,131,709	2,962,894,487
b	Other Operating Revenues		
(i)	Duty drawback Income	178,538,721	151,062,032
(ii)	Service Tax Refund on export of goods	4,178,972	672,110
(iii)	Sale of manufacturing Scrap	16,580,945	3,827,186
(iv)	Other	2,402,764	1,531,905
	(C)	201,701,402	157,093,233
	Total (A)+(B)+(C)	**3,169,833,111**	**3,119,987,720**

18. OTHER INCOME

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Interest Income		
	(i) Bank Deposits	3,662,645	2,459,444
	(ii) Other Deposit	196,505	186,150
b	Dividend Income on Long Term investments	30,800	30,800
c	Subsidy Income - TUFS	2,283,316	31,774,050
d	Exchange rate fluctuation (Net)	25,884,484	17,588,880
e	Rent received	1,161,651	1,115,284
f	Prior period income	2,397,515	1,342,229
g	Other non-operating income	4,634,548	8,984,764
		40,251,464	**63,481,601**

19. COST OF RAW MATERIALS CONSUMED

Particulars	31 March 2013 ₹	31 March 2012 ₹
Inventory at the beginning of the year	462,948,839	535,774,500
Add: Purchases during the year	1,590,579,568	1,676,298,464
Less: Inventory at the end of the year	440,857,666	462,948,839
Cost of raw material consumed.	**1,612,670,741**	**1,749,124,125**

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

Particulars	31 March 2013 ₹	31 March 2012 ₹
Inventories at the end of the year		
Finished goods	17,761,862	56,672,639
Inventories at the beginning of the year		
Finished goods	56,672,639	30,089,204
Change in inventories of finished goods	**38,910,777**	**(26,583,435)**

21. EMPLOYEE BENEFITS EXPENSE

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Salaries, Wages and Bonus	367,276,333	315,512,555
b	Contribution to Provident Fund	22,073,768	21,296,932
c	Staff Welfare Expenses	48,294,225	41,264,187
		437,644,326	**378,073,674**

22. OTHER EXPENSES

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
1	Freight and Clearing charges -Inward	11,880,983	8,004,235
2	Power and Fuel	138,049,517	140,970,383
3	Repairs and Maintenance -Building	1,571,673	2,369,181
4	Repairs and Maintenance -Plant and Machinery	8,845,948	3,760,643
5	Repairs and Maintenance -Others	10,307,616	4,806,079
6	Stores and Spares consumed	48,909,878	33,724,114
7	Insurance	4,751,295	9,054,606
8	Processing charges	123,746,665	114,183,025
9	Testing Charges	14,695,865	8,782,521
10	Other Production expenses	3,926,758	379,691
11	Sitting fee to Directors	183,709	144,000
12	Travelling and Conveyance	7,687,987	7,990,623
13	Postage, Courier and Telephone	6,620,155	5,672,248
14	Rent	4,848,342	6,623,419
15	Audit fees	730,340	617,980
16	Legal and professional Charges	934,008	8,495,613
17	Rates & Taxes excluding taxes on Income	3,599,402	5,393,740
18	Printing and Stationery	2,541,999	2,184,834
19	General Expenses	2,388,419	1,314,625
20	Freight and Forwarding charges -Outward	15,425,850	15,033,663
21	Advertisment and Sales Promotion	8,585,994	11,177,817
22	Sales Commission	5,143,956	-
23	Interest (Other than on borrowings)	6,388,877	6,147,660
24	Bank charges	10,332,804	5,357,020
25	Loss on Sale of Fixed assets	29,677	144,410
26	Duty drawback written off	508,757	28,572,725
27	Prior period expenses	35,802,953	6,135,626
28	Expenditure towards Corporate Social Responsibility activities	1,077,578	-
		479,517,005	**437,040,481**

23. DEPRECIATION AND AMORTIZATION EXPENSES

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Depreciation of Tangible Assets	81,554,875	64,800,906
b	Amortization of Intangible Assets	4,658,313	3,862,880
		86,213,188	**68,663,786**

24. FINANCE COSTS

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Interest Expenses	113,602,462	175,349,712
b	Other Borrowing costs	1,117,963	719,399
		114,720,425	**176,069,111**

25. EARNING PER SHARE

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Net profit as per Statement of Profit and Loss	293,768,113	271,155,579
b	Net proft available to Equity Share holders	293,768,113	271,155,579
c	No. of equity shares at year end	47,500,000	47,500,000
d	Weighted average number of Equity shares used as denominator for calculating EPS	47,500,000	47,500,000
e	Basic and Diluted Earning per Share	6.18	5.71
f	Face value per Equity Share	1.00	1.00

26. GRATUITY

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

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
1	Expense Recognized in Statement of Profit and Loss		
a	Current Service Cost	4,835,691	3,978,993
b	Interest on Defined Benefit Obligation	1,821,371	1,400,060
c	Net Actuaral Losses/ (Gains) Recognized in Year	6,913,022	389,546
d	Past Service Cost	-	-
	Total amount included in "Employee Benefit Expense" (Note 21)	13,570,084	5,768,599
2	Amount Recognized in Balance Sheet		
a	Present Value of Unfunded Obligations	27,483,858	17,542,008
	Net Liability	27,483,858	17,542,008
b	Net Liability is bifurcated as follows:		
	Current	2,170,550	1,389,432
	Non Current	25,313,308	16,152,576
	Net Liability	27,483,858	17,542,008
3	Change in Defined Benefit Obligation		
a	Opening Defined Benefit Obligation	17,542,008	13,810,017
b	Current Service Cost	4,835,691	3,978,993
c	Interest Cost	1,821,371	1,400,060
d	Actuarial Losses/ (Gain)	6,913,022	389,546
e	Past Service Cost	-	-
f	Benefits Paid	(3,628,234)	(2,036,608)
g	Closing Defined Benefit Obligation	27,483,858	17,542,008
h	Contributions by Employer	3,628,234	2,036,608
i	Benefits Paid	(3,628,234)	(2,036,608)
j	Expected Employer's Contribution Next Year	2,170,550	1,389,432
4	Financial Assumptions at the Valuation Date:		
a	Discount Rate (p.a.)	7.95%	8.40%
b	Expected Rate of Return on Assets (p.a.)	0.00%	0.00%
c	Salary Escalation Rate (p.a.)	7.00%	7.00%

27 LEASES

A	Finance Lease: Company as Lessee	31 March 2013		
		Total minimum lease payments outstanding	Amount representing future finance charges	Present value of minimum lease payments
	Due	₹	₹	₹
	1. Within One Year	NIL	NIL	NIL
	2. After one year but not more than five years	NIL	NIL	NIL
	TOTAL	NIL	NIL	NIL
	Finance Lease: Company as Lessee	31 March 2012		
		Total minimum lease payments outstanding	Amount representing future finance charges	Present value of minimum lease payments
	Due	₹	₹	₹
	1. Within One Year	1,808,568	69,866	1,738,702
	2. After one year but not more than five years	NIL	NIL	NIL
	TOTAL	1,808,568	69,866	1,738,702

B Operating Lease: Company as Lessor

Future minimum rentals receivable under operating lease is as follows:

	31 March 2013 ₹	31 March 2012 ₹
Within one year	613,404	650,580
	613,404	650,580

C Operating Lease: Company as Lessee

The Company has taken various residential and office premises under operating lease agreements. These agreements are generally for a period of 11 months. The Company has also taken equipments on rent for shorter duration during the year. Minimum lease payments charged during the year to the Statement of Profit and Loss aggregated to Rs.48,48,342/- (Previous year Rs 66,23,419/-)

28. SEGMENT INFORMATION

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
I	BUSINESS SEGMENTS:		
1	Segment Revenue		
	a. Garments	2,663,672,430	2,325,087,115
	b. Fabric	1,406,425,189	1,632,162,879
		4,070,097,619	3,957,249,994
	Less : Inter Segment Revenue	900,264,508	837,262,275
		3,169,833,111	3,119,987,719
2	Segment Results		
	a. Garments	653,797,474	558,060,647
	b. Fabric	(35,202,080)	71,967,929
	Total	618,595,394	630,028,576
	Less: Interest	87,335,813	176,069,111
	Unallocable Expenses/ Income	90,851,468	52,877,886
	Profit before tax	440,408,113	401,081,579
3	Capital Employed		
a	Garments	867,156,423	747,110,117
b	Fabric	944,915,086	682,236,146
c	Unallocable	(588,494,770)	(457,079,537)
		1,223,576,739	972,266,726

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
II	Geographical Segments:		
	Sales - Export	2,477,432,929	2,156,639,230
	Sales - Domestic	490,698,780	806,255,257
		2,968,131,709	2,962,894,487

29. RELATED PARTY DISCLOSURE

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

a Key Management Personnel:
i Sabu M Jacob, Managing Director
ii C Mohan, Whole Time Director (Finance)/Company Secretary
b Relatives of Key Management Personnel:
i Renjitha Joseph, Wife of Sabu M Jacob
c Enterprise owned or significantly influenced by key management personnel or their relatives:
i Kitex Childrenswear Limited
ii Kitex Limited
iii Anna Aluminium Company Private Limited

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

Name of Related Party	Nature of Transaction	Transaction Value for the year (Rs.)	
a. Enterprises owned or significantly influenced by key management personnel or their relatives:			
		31 March 2013 ₹	31 March 2012 ₹
i. Kitex Childrenswear Limited	Fabric Sale	482,580,393	794,868,404
	Rent Received	1,174,707	1,115,284
	Rent Paid	80,752	78,000
	Quality claim charges	3,384,613	-
	Others (Net)	167,440	564,287
ii. Kitex Limited	Sale of Fabric	8,118,387	11,386,853
	Fabric Purchase	77,637,925	101,026,424
	Job Work Charges	17,415,088	9,523,858
iii. Anna Aluminium Company (P) Ltd.	Spices Purchase	975,077	1,110,213
	Utensil Purchase	50,039	65,230
b. Key Management Personnel:			
i. Sabu M Jacob Managing Director	Remuneration	23,187,540	21,117,157
ii. C Mohan Whole Time Director (Finance)/Company Secretary	Remuneration	2,489,208	1,782,693
c. Relatives of Key Management Personnel Renjitha Joseph	Salaries & Allowances (Upto 30.09.2012)	296,740	606,400

Name of Related Party	Outstanding amounts carried in the Balance Sheet (Rs.)	
a. Enterprises owned or significantly influenced by key management personnel or their relatives:		
	31 March 2013 ₹	31 March 2012 ₹
i. Kitex Childrenswear Limited	87,478,031 (Dr)	50,820,856 (Dr)
ii. Kitex Limited	2,739,673 (Cr)	5,681,684 (Cr)

iii. Anna Aluminium Company (P) Ltd.	26,294 (Cr)	58,092 (Cr)
b. Key Management Personnel:		
i. Sabu M Jacob Managing Director	23,051,864 (Cr)	12,560,347 (Cr)
ii. C Mohan Whole Time Director (Finance) /Company Secretary	289,230 (Cr)	171,796 (Cr)
c. Relatives of Key Management Personnel		
Renjitha Joseph	Nil	47,494 (Cr)

30. **CONTINGENT LIABILITIES AND COMMITMENTS**

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

i Counter Guarantees issued by the Company for the guarantees issued by Banks amounts to Rs 2,60,42,612/- (Previous year- Rs. 2,59,35,272/-).

ii Letters of Credit Outstanding amounts to Rs 67,83,62,952/- (Previous year - Rs.22,86,55,737/-)

iii Bills discounted - Rs. Nil (Previous year - Rs. 76,63,192/-)

iv Customs, Income tax, Provident Fund and Employee State Insurance Claims

a Commissioner of Customs issued show cause notice directing the company to remit Rs.3,25,20,531/- (inclusive of interest @ 24% as applicable) for the financial year 1997-98 towards non-fulfillment of export obligation. Company approached settlement commission and remitted admitted liability of Rs.1,21,29,942/- during the financial year 2001-2002. Settlement commission, issued final order on 03.07.2003 fixing total duty liability of Rs.2,20,61,171/- and directed the company to remit balance amount of Rs.99,31,229/- with simple interest at the rate 10% per annum. Aggrieved by the order of settlement commission, the company filed writ petition before Hon'ble High Court of Kerala, which was dismissed and company has preferrred an appeal against the same with the Hon Supreme Court . The Company has furnished Bank Guarantee for Rs.101.74 lakhs to the Office of the Commissioner of Customs.

b The Deputy Commissioner of Income Tax, Aluva has raised a demand for Rs.6,29,406/- while completing the assessment for the years 2003-04 and 2004-05. The demand was dismissed by the CIT (Appeals). The Tribunal has dismissed the appeal filed by the Revenue. However, the department has preferred an appeal before Hon. High Court of Kerala.The company has received a refund of Rs 3,61,732/-,with regard to assessment years 2003-04 and 2004-05.

c The Assistant commissioner of Income tax, Kochi raised a demand of Rs 21,29,567/- while issuing order U/s 154 of the Income tax Act, 1961, for Assessment year 2005-06. The company has preferred appeal before the Commissioner of Income tax (Appeals).

d For the Assessment year 2008-09 the Company had appealed against the Assessment order demand of Rs 3,16,22,680/- with the Commissioner of Income Tax (Appeals) and obtained a favourable order dissmissing the demand.An appeal against this order has been filed by The Assistant commissioner of Income tax,(OSD) Kochi at the ITAT Cochin amounting to Rs.2,95,83,594/-.The company has already remitted Rs 1,17,57,862/- as Self Assessment Tax for the year.

e Asst. Provident Fund Commissioner (Enforcement) has determined a sum of Rs.1,31,86,588/- towards contributions payable for the period 2001 to 2006 as per the schemes framed under Provident Fund Act. Company preferred appeal before Provident Fund Appellate Tribunal against the order of Asst. Provident Fund Commissioner. Provident Fund Appellate Tribunal directed the company to remit Rs.52,74,636/-. Company deposited the amount and since the Tribunal order was not in favour of the Company, the Company has filed an appeal with the Hon High Court of Kerala and the Proceedings have been stayed.

f During the year 1997 the Thahasildar Kunnathunadu Taluk had demanded a sum of Rs 3,08,945/- towards one time building tax. The company had disputed the applicability of tax on a particular portion of the building . The matter is pending before the Hon High court of Kerala.

g During the year 1999-2000, The Director ,Regional office Ernakulam of ESI Corporation has raised demand for Rs.3,66,333/- along with interest Rs 2,69,330/- against the Company for the years 1996-97 and 1997-98. The Company has disputed the claim and has made a deposit of Rs.75,000/-

h During the year 2005-06, ESI Corporation has demanded an amount of Rs.5,61,692/- lakhs for the years 1998 to 2002. The company has disputed the claim and obtained stay from the Hon. ESI Court and deposited a sum of Rs.2,15,791/- against the same.

i During the year 2010-11, ESI Corporation, has raised a demand of Rs.57,72,341/- for the years from 2003 to 2009. The Company has disputed the claim and obtained stay from Hon. ESI Court. The Company has deposited Rs.15,00,000/-

2 Commitments

Commitments for Capital Expenditure as on 31.03.2013 in connection with the expansion of the Fabric Processing house amounts to Rs 57,32,77,822/- and other civil works amounts to Rs 2,06,41,434/-. Total estimated project cost for the Fabric Processing House expansion is Rs 1,08,00,20,000/-

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

Based on and to the extent of information received from the Suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 as identified by Management and relied upon by the Auditors, the relevant particulars as at 31 March 2013 are furnished below:

	Particulars	31 March 2013 ₹	31 March 2012 ₹
1	Dues remaining unpaid to Micro,Small and Medium Enterprises as at the end of the accounting year	8,992,128	4,830,733
2	Dues outstanding as at the end of the year for more than 45 days	NIL	NIL

32. VALUE OF IMPORTS ON CIF BASIS

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Raw-materials	235,850,263	215,716,222
b	Components and Spare parts	20,560,023	8,803,714
c	Capital Goods	8,593,675	6,484,636
		265,003,961	**231,004,572**

33. EXPENDITURE IN FOREIGN CURRENCY

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Salary	13,788,733	9,598,991
b	Fees for Technical/ Professional Services	-	5,796,319
c	Others	1,754,943	4,251,141
		15,543,676	**19,646,451**

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

Sl No	Particulars	% of total Consumption as on 31.03.2013	Value on 31.03.2013 ₹	% of total Consumption as on 31.03.2012	Value on 31.03.2012 ₹
a	Raw-materials				
	Fabric - Imported	5.12%	85,149,408	0.12%	2,165,240
	Fabric - Indigenous	60.50%	1,005,231,165	69.70%	1,242,630,833
	Total (A)	65.62%	1,090,380,573	69.82%	1,244,796,073
b	Other Raw-material				
	Imported	9.72%	161,556,304	12.98%	231,562,283
	Indigenous	21.71%	360,733,864	15.30%	272,765,769
	Total (B)	31.43%	522,290,168	28.28%	504,328,052
c	Stores and Spares				
	Imported	1.43%	23,711,006	0.64%	11,416,249
	Indigenous	1.52%	25,198,872	1.26%	22,307,865
	Total (C)	2.95%	48,909,878	1.90%	33,724,114
	Grand Total (A)+(B)+(C)	**100.00%**	**1,661,580,619**	**100.00%**	**1,782,848,239**

35. SALES AND STOCK PARTICULARS OF FINISHED GOODS

Garments	Sales Value ₹	Closing Inventory ₹	Opening Inventory ₹
Current Year	2,477,432,929	17,761,862	56,672,639
Previous Year	2,156,639,230	56,672,639	30,089,204

36. EARNINGS IN FOREIGN CURRENCY

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	Export of goods calculated on FOB Basis	2,477,432,929	2,156,639,230
b	Others	3,456,949	9,185,437
		2,480,889,878	**2,165,824,667**

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

Particulars	31 March 2013 ₹	31 March 2012 ₹
Profit before tax as per Statement of Profit and Loss	440,408,113	401,081,579
Add: Remuneration to Directors	25,676,748	21,117,157
Add: Loss on Sale of Assets	29,677	144,410
Less : Excess Depreciation Reversed Relating to Prior Years	2,363,763	-
Net profit under section 349 of Companies Act, 1956	463,750,775	422,343,146
Remuneration payable to Managing Director @ 5% of Net profit	23,187,540	21,117,157

38. EMPLOYEES REMUNERATION AND BENEFITS INCLUDES DIRECTORS REMUNERATION OF RS.2,56,76,748/- COMPRISING:

Sl No.	Particulars	Sabu M Jacob, Managing Director		C Mohan, Whole Time Director	
		31 March 2013 ₹	31 March 2012 ₹	31 March 2013 ₹	31 March 2012 ₹
1	Salaries and Allowances	5,638,462	3,000,000	1,889,208	1,332,693
2	Contribution to Provident Fund	288,000	288,000	-	-
3	Commission	17,261,078	17,829,157	-	-
4	Bonus	-	-	600,000	450,000
		23,187,540	**21,117,157**	**2,489,208**	**1,782,693**

39. PAYMENT TO AUDITORS

Sl No.	Particulars	31 March 2013 ₹	31 March 2012 ₹
a	As Auditor:		
	Statutory Audit fees	500,000	475,000
	Limited Review Fees	75,000	-
	Tax Audit fees	60,000	60,000
	KVAT audit fees	15,000	15,000

b	In other capacity :		
	Taxation Matters	-	-
	Company Law matters	-	-
	Management Services	-	-
	Other Services	10,000	-
c	Service Tax	81,576	67,980
		741,576	617,980

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

41. **PRIOR PERIOD EXPENSES**
Import duty of Rs 1,81,60,102/- and Interest theron of Rs. 1,20,58,180/- on account of 'Non fulfillment of Export Obligations' against licences obtained for duty free import of raw materials during earlier years has been accounted under Prior Period Expenses.

42. **DONATIONS**
Donations Include payments of Rs 75,000/- made to the following political parties - Communist Party of India Marxist, Democratic Youth Federation of India , Communist Marxist Party , Indian Communist League, Mandalam Congress committee,Pattimattom.

43. **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**
During the year, the company has transferred the unclaimed dividend for the year 2005-06 amounting to Rs 1,94,375/- to Investor Education and Protection Fund.

44. **PREVIOUS YEAR FIGURES**
Previous year figures have been reworked, regrouped,rearranged and reclassified, wherever necessary.

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

As per our Report of even date

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

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

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

Sd/-
Sabu M Jacob
Managing Director

Sd/-
C Mohan
Director - Finance/
Company Secretary

Sd/-
Benni Joseph
Director

Kizhakkambalam
4th April, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

		For the year ended 31st March, 2013	For the year ended 31st March, 2012
A)	**Cash flow from Operating activities**	₹	₹
	Net Profit/(Loss) before tax and extra ordinary items	440,408,113	401,081,579
	Adjustment for :		
	Depreciation	86,213,188	68,663,786
	Excess Depreciation reversed relating to prior years	(2,363,763)	-
	Interest	114,720,425	176,069,111
	Loss on sale of Fixed Assets	29,677	144,410
	Tax paid	(138,820,028)	(133,903,702)
	Excess Provision Written back-Dividend Distribution tax	-	(73,388)
	Dividend Received	(30,800)	(30,800)
	Operating Profit before working capital changes	**500,156,812**	**511,950,996**
	Adjustment for :		
	Trade & other receivable	(242,655,233)	120,337,590
	Long term loans and advances	(67,671,958)	(702,514)
	Margin Money Deposit	(3,512,652)	(10,725,894)
	Inventories	61,001,950	46,242,226
	Trade Payables	(3,604,686)	(41,391,229)
		(256,442,579)	**113,760,179**
	Net cash from operating activities	**243,714,233**	**625,711,175**
B)	**Cash flow from investing activities**		
	Dividend Received	30,800	30,800
	Sale of Fixed Assets	1,958,662	380,000
	Payment for Fixed Assets	(49,658,538)	(68,108,814)
	Net cash used in investing activities	**(47,669,076)**	**(67,698,014)**
C)	**Cash flow from financing activities**		
	Interest paid	(114,720,425)	(176,069,111)
	Dividend Paid including Dividend Distribution tax	(33,123,413)	(22,082,275)
	Proceeds from Long term borrowings	(82,634,763)	(229,843,580)
	Proceeds from Working Capital borrowing	77,518,173	160,546,426
	Net cash from financing activities	**(152,960,428)**	**(267,448,540)**
	Net change in cash & cash equivalents (A+B+C)	**43,084,729**	**290,564,621**
	Opening Cash and Cash equivalents	**321,281,480**	**30,716,859**
	Closing Cash and Cash equivalents	**364,366,209**	**321,281,480**
1	Componenets of Cash and Cash Equivalents		
a	Cash on hand	1,052,289	987,600
b	Balance with Banks		
	On current accounts	363,313,920	320,293,880
		364,366,209	321,281,480

		For the year ended 31st March, 2013	For the year ended 31st March, 2012
2	Other Bank Balances		
a	Ear marked balances with banks		
	On unpaid dividend accounts	3,295,913	2,575,756
b	Margin money deposit	44,170,817	41,378,322
		47,466,730	43,954,078
	Cash and bank Balances as per Balance sheet (Note 16) (A)+(B)	411,832,939	365,235,558

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

As per our Report of even date

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

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

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

Sd/-
Sabu M Jacob
Managing Director

Sd/-
C Mohan
Director - Finance/
Company Secretary

Sd/-
Benni Joseph
Director

Kizhakkambalam
4th April, 2013

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

ATTENDANCE SLIP
21st Annual General Meeting

Reg. Folio/DP & Client No.
No .of Shares Held

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 21st Annual General Meeting of the Company at the Factory Premises of the Company at Building No.9/536 A, Kizhakkamabalam at 10 AM on Tuesday, the 14th May, 2013

Member's Name : _____

Proxy's Name ;_____

_____
Member's/ Proxy's Signature

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

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

FORM OF PROXY

I/We …… of ……. in the district of ……. being a member/members of the above named company hereby appoint ……of……. ……in the district of …… or failing him …….of …….as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held on Tuesday, the 14th May, 2013.

Signed this……day of ……..2013

Affix 1
Rupee
Revenue
Stamp

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

BOOK POST

If undelivered, please return to

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