



**GROWING THE FUTURE**

## OUR ILLUSTRIOUS FOUNDER & OUR FOUNDING VISION

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

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

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

**Mr. M.C.Jacob**  
(22.04.1933 – 05.06.2011)

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### Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

## GROWING THE FUTURE

Long term business vision is all about having an expanded and a more fulfilling future in mind. A vision for growth is all about doing the right things today. The right ingredients in terms of strategic actions will ensure a successful future. i.e growth in the future is an outcome of today's actions.

At Kitex, the management has been moving ahead by keeping the future in mind. With one of the highest brand equity in the infant apparel manufacturing, the company is in the cusp of a transformation for meeting the emerging global demand for high quality infant apparel. Our vision is to become the No.1 infant apparel manufacturer in the world.

By expanding technological, operational and research capabilities, the company is growing more healthy into its future. At Kitex, the management is doing everything to make the future grow.

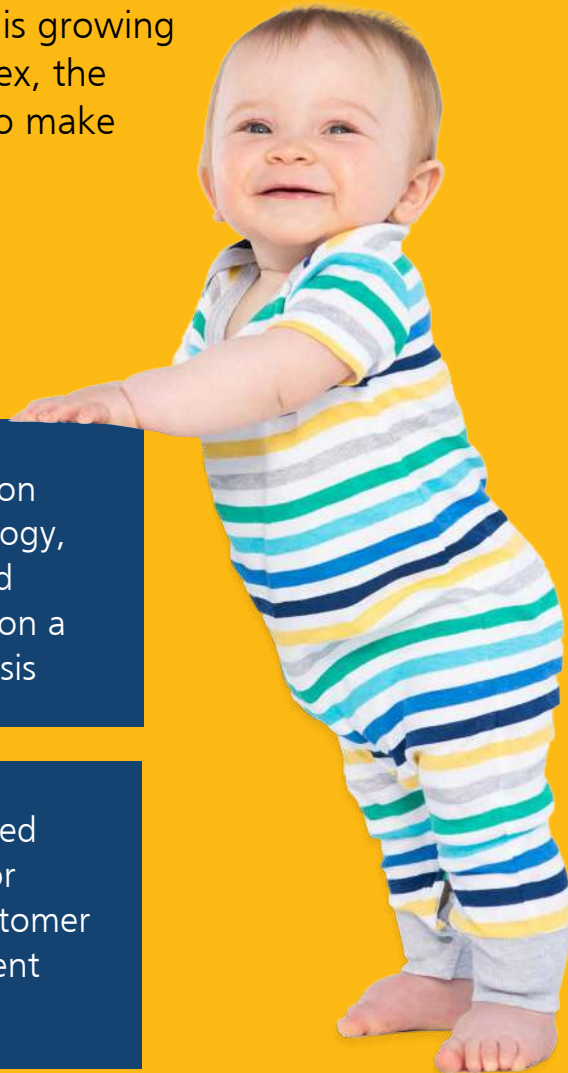
### How are we growing the future

With better capacity utilisation in FY19 achieved better sales volumes

Upgradation of technology, quality and efficiency on a regular basis

Better innovation = better processes and designs

Value added services for better customer engagement







The company has set a growth target with a mission for 2025 to achieve a projected turnover of ₹ 2000+ crores by 2024-25

## OUR STRATEGIC ROAD MAP



**The company is planning to add production capacity across the value chain, which includes expansion of the knitting capacity and the processing capacity to 100 tons each**

The company has set a growth target with a mission for 2025 to achieve a projected turnover of ₹ 2000+ crores by 2024-25 as against ₹ 607 crores of 2018-19. While aiming the ambitious target the company is planning to invest ₹ 910 crores in six years

At the operational level vision 2025 translates into technological and operational expansion with organic diversification of the product portfolio. As a first step, the company is planning to add production capacity across the value chain, which includes expansion of the knitting capacity and the processing capacity to 100 tons each.

As for diversification, the company is planning to venture into manufacturing and sale of new products in the infant apparel category, which includes products like socks for children, baby diapers and baby wet wipes. The company is also considering strengthening of its vertical integration of its manufacturing value chain with the setting up of a cotton spinning mill for yarn production with a capacity of 100 tons per day. The plans are also afoot to set up a manufacturing facilities for ancillary materials such trims & packages which includes cartons, tapes, paper tags, labels, hangers, woven tags etc.



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## CHAIRMAN'S STATEMENT

Dear Shareholders

Welcome to our Annual Report for FY19 which comes with the theme "Growing the future" which is a concise of our strategic intent to secure our future.

### Growing the Future

We have been Growing the Future. From a revenue of ₹ 202 Crore in 2009 we have grown to ₹ 607 Cr in FY19 over a period of 10 years. During the same ten years period our profit before tax grew from 8% in FY09 to 21% in FY19. Over the period we also progress in terms of our technological, operational, human resources, products and social capabilities. Today we are the 2nd largest infant apparel manufacturer in the world.

We are a supplier of choice to world's leading apparel brands and retail chains. During our year on year progression we had faced multiple external and internal challenges. We have been able to surmount most of them with our avid focus on our vision to be the No.1 infant garment manufacturer in the world and the resultant management actions to achieve our goals.

Various timebound expansion plans under our vision 2025 is ongoing and I am confident of achieving these milestones with the support from our team, customers, suppliers and other stakeholders.

### Strategic Environment

When it comes to the current global scenario with respect to infant apparel manufacturing, its mostly advantage India. We are a stable and growing economy with a strong democratic system. Compared to many emerging economies, our political, social and economic factors are stable. We are quick in adopting global best practices and technology scaleup. Across the globe especially with the developed world we have a warm and cordial relations to strengthen our trade relations.

During my FY18 address to the shareholders I had briefly touched upon the consequences of US trade barrier on China and its impact on India. The US- China trade war continue to escalate. In a recent study, the Commerce Ministry has identified 203 products, including apparels where exports could be increased to the US. We continue to monitor these developments with respect to our risks and opportunities.

### Our Performance in FY19

Our performance for FY 2018-19 has been a year of remarkable growth. Your Company continued to build a strong product lines for the future and we stay invested in bringing operational efficiencies to improve the quality of products. On consolidated basis, total revenue for the financial year under review was ₹ 62,928 lakhs as against ₹ 55,992 lakhs for the previous financial year, i.e a year on year growth of 12.39%. Profit before tax was ₹ 13,019 lakhs and net profit after tax was ₹ 8,145 lakhs for the financial year under review as against ₹ 10,748.92 lakhs and ₹ 7,002.23 lakhs for the previous year.

Going forward we would keep you updated on a regular basis on all the material developments in your Company through our periodical Statutory and Investor Relation Communications.

I take this opportunity to thank our team, customers, suppliers, banks and investors for the continued support and guidance.

**Sabu M Jacob**

Chairman & Managing Director





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## FINANCIAL HIGHLIGHTS

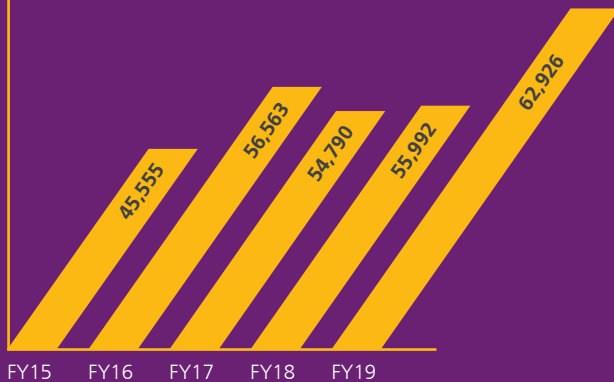
(₹ in lakhs)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Income</b>								
Sales	31,199.88	31,698.33	44,221.00	51,109.59	54,581.67	54,590.13	55,725.42	60,680.46
Other Income	634.82	402.51	1,334.36	1,342.34	1,981.66	199.77	267.07	2,246.01
<b>Total</b>	<b>31,834.69</b>	<b>32,100.85</b>	<b>45,555.36</b>	<b>52,451.94</b>	<b>56,563.33</b>	<b>54,789.90</b>	<b>55,992.49</b>	<b>62,926.47</b>
<b>Expenditure</b>								
Cost of Raw Materials Consumed	17,491.24	16,126.71	23,477.44	20,978.53	20,976.48	21,096.16	25,404.54	28,280.74
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	(265.83)	389.11	118.23	(21.54)	29.72	(1,575.74)	(3,735.78)	(3,644.54)
Employees Benefits Expense	3,780.74	4,376.44	5,697.16	7,450.07	8,361.72	9,182.86	9,851.37	10,508.83
Finance Costs	1,760.69	1,147.20	1,061.59	1,916.41	1,375.67	926.68	581.18	388.00
Depreciation and amortization expense	686.64	862.13	968.00	2,132.94	2,127.31	2,036.28	2340.14	2,726.25
Other Expenses	4,370.40	4,795.17	5,414.40	5,828.78	6,586.93	8,853.55	10,802.12	11,648.18
<b>Total</b>	<b>27,823.88</b>	<b>27,696.76</b>	<b>36,736.83</b>	<b>38,285.19</b>	<b>39,457.83</b>	<b>40,519.79</b>	<b>45,243.57</b>	<b>49,907.46</b>
PBT	4,010.82	4,404.08	8,818.53	14,166.75	17,105.50	14,270.11	10,748.92	13,019.01
Current Tax	1,235.00	1,485.00	2,536.00	4,217.00	6,094.00	5,312.70	3,978.82	4,873.46
Deferred Tax	64.26	(18.60)	545.65	98.00	(198.00)	(296.67)	(232.13)	(233.54)
PAT	2,711.56	2,937.68	5,736.88	9,851.75	11,209.50	9,254.08	7,002.23	8,145.55
Capital	475.00	475.00	475.00	475.00	475.00	475.00	665.00	665.00
Earnings per equity share	5.71	6.18	12.08	20.74	23.60	19.48	10.64	12.22

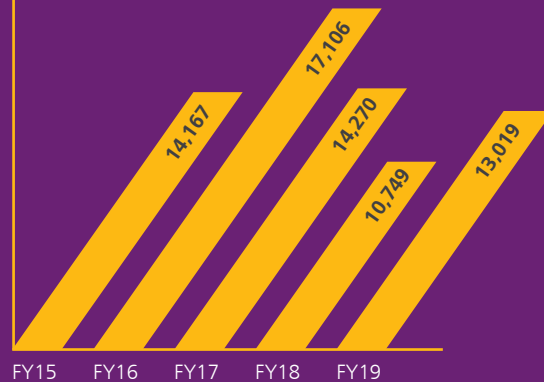




## Total Income



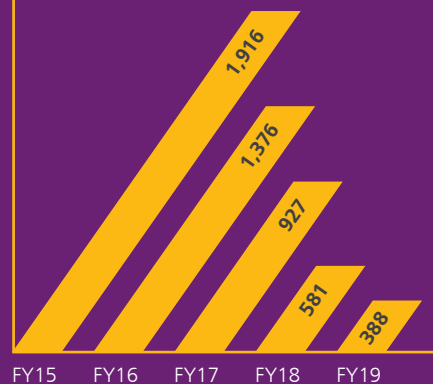
## PBT



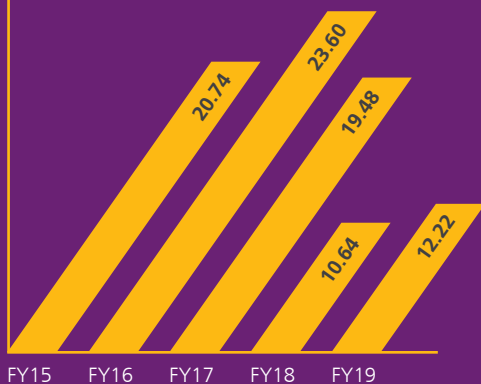
## PAT



## Finance Costs



## EPS



(No. of shares increase to 6.65 Crores pursuant to bonus issue @2:5)

Revenue at a all time high of

**₹ 62,926** lakhs

## ABOUT US



Infant apparels manufactured by the company are available in Australia, Austria, Brazil, Canada, China, France, Germany, Liberia, India, Indonesia, Israel, Japan, Mexico, Poland, Saudi Arabia, Switzerland, UAE and USA through the outlets of our clients.

Our unit located near Kochi- India comes with an advantage of direct logistic connectivity with major international destinations by sea and air. The newly commissioned INDIA GATEWAY TERMINAL (IGT) at Vallarpadam, Kochi, is the first International Transshipment terminal in India. It eliminates the need to transship through Singapore or Colombo - increasing speed to market, at lower cost. The port is adjacent to the direct maritime highway between Far-East, Europe and the United States.

Number of employees

# 4326



**Established in 1992 Kitex Garments Ltd is into 100% exports of cotton and organic cotton garments especially infants wear. The company exports its products to US and European markets. In 1995 the company went public and the shares are currently listed on NSE & BSE. The vertically integrated manufacturing plant makes infants wear as well as fabrics**

