

Board of Directors	Mr. Sabu M Jacob Mr. M. C. Jacob Mr. Benni Joseph Mr. C. Mohan Mr. M. P. Kuriakose	<i>Chairman & Managing Director</i>
Auditors	M/s. Venkit & Hari Chartered Accountants Metro Plaza, North End Market Road Kochi -682014	
Legal Advisors	M/s. Dandapani Associates Advocates Thirupathi, T.D.Road North End,, Kochi -682035	
Registered Office	Building No.9/536A Kitex House Kizhakambalam Kochi -683562	
Corporate Office	Kitex House 3 rd Floor, Shenoy Chambers Shanmugham Road Kochi – 682 031	
Bankers	State Bank of India Punjab National Bank The Federal Bank Ltd	
Share Transfer Agents	M/s. Cameo Corporate Services Ltd Subramanian Building No.1 Club House Road, Chennai -600 002 Tel No.:044 - 28461832 Fax No.044 - 28460129 E-mail Id: Cameo@cameoindia.com	

Contents	Page
1. Notice	3
2. Directors' Report and Annexure	5
3. Management Discussion and Analysis	9
4. Report on Corporate Governance	10
5. Secretarial Compliance Certificate	15
6. Auditors' Report	18
7. Balance Sheet	22
8. Profit and Loss Account	23
9. Schedule Nos. 1-14	24-33
10. Cash Flow Statement	34
11. Additional Information	35
12. Attendance Slip & Proxy Form	36

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Kitex Garments Limited will be held at the Factory Premises of the Company at Building No. 9/536 A, Kizhakkambalam, Alwaye – 683 562 on Thursday, the 30th December, 2010 at 10 a. m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report for the year ended 31st March 2010, audited Profit and Loss account of the company 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. Benni Joseph, who retires by rotation and, being eligible offers himself for reappointment.
4. To appoint the Auditors of the Company to 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. Venkit & Hari, Chartered Accountants, Ernakulam have given the Company a notice in writing informing their unavailability for reappointment. A notice has been received by the Company from a member proposing appointment of M/s. Kolath & Co., Chartered Accountants, 41/3951A, Old Railway Station Road, Ernakulam 682 018 as Auditors in the place of the retiring auditors. M/s. Kolath & Co. have given a written certificate to the effect that the appointment, if made, will be within the limits specified in Section 224(1B) of the Companies Act, 1956.

SPECIAL BUSINESS

5. Approval for Foreign Institutional Investors' shareholding in excess of 24% of Paid-up Capital:

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

"Resolved that, the total shareholdings of all Foreign Institutional Investors in the Company may exceed 24% of the Paid-up Capital of the Company, but shall be within the sectoral cap / statutory limit prescribed from time to time by the Government / Reserve Bank of India"

6. Approval for Non-resident Indians' shareholding in excess of 10% of Paid-up Capital:

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

"Resolved that, the total shareholdings of all Non Resident Indians in the Company may exceed 10% of the Paid-up Capital of the Company, but shall be within 24% of the Paid-up Capital of the Company or such other limit as prescribed from time to time by the Government / Reserve Bank of India"

**By Order of the Board of Directors
For KITEX GARMENTS LIMITED**

sd/-

SABU M JACOB

Chairman & Managing Director

Kochi
27th November, 2010

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 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 are requested to notify any changes in their addresses to the company at the Registered Office by quoting their Folio Numbers.
- 4) 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 25th December, 2010.

- 5) Members /proxies should bring the attendance slips duly filled in for attending the meeting.
- 6) The Share transfer books and the Register of Members shall remain closed from 27th December, 2010 to 30th December, 2010 both days inclusive.
- 7) Applications for demat of shares, applications for transfer of shares and any related correspondence may be sent to the company's share transfer agents M/s Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Road, Chennai - 600002.
- 8) The Board of Directors have recommended a dividend at 30%(30Ps per Share of Re1/-) 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 30th December, 2010.
- 9) Explanatory statement u/s 173(2) is annexed hereto in respect of the special business mentioned above.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

As per the existing regulations prescribed by Reserve Bank of India regarding the Foreign Investments in India:-

- (1) a Foreign Institutional Investor (FII) can hold upto 10% of the Paid-up Capital of the Company and the total shareholdings of all FII's shall not exceed 24% of the Paid-up Capital. The said limit of 24% may be increased to the prescribed sectoral cap / statutory limit by passing a resolution by the Board of Directors of the Company followed by a Special Resolution in the General Body
- (2) a Non Resident Indian (NRI) can hold upto 5% of the Paid-up Capital of the Company and the total shareholdings of all NRI's shall not exceed 10% of the Paid-up Capital. The said limit of 10% may be increased to 24% by passing a Special Resolution in the General Body.

The proposed resolutions are intended for the above purpose.

No Director is interested or concerned in the resolutions

Details of Director seeking Re-appointment at the Annual General Meeting (In pursuance of Clause 49 of the listing agreement)

a) Brief resume of the director:

Mr.Benni Joseph is a Member of the Institute of Chartered Accountants of India. He has been functioning as a Director of the Company since July 1998.

b) Nature of his expertise in specific functional areas:

Finance Management. Accounts and Taxation

c) Names of companies in which he holds directorship and membership of committees of the Board :Director in Kitex Childrenswear Ltd.

d) Shares held by the Director (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**

Kochi
27th November, 2010

DIRECTORS' REPORT TO THE MEMBERS OF KITEX GARMENTS LIMITED

The Directors have pleasure to present their Eighteenth Annual Report and the audited Annual Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

	Year ended 31 st March, 2010 (Rs in lakhs)	Year ended 31 st March, 2009 (Rs in lakhs)
Income from operations	27342.37	20248.74
Operating Profit	5939.55	4510.69
Profit before Financing Charges And Non cash expenditure	4956.58	3838.13
Profit before tax	2779.03	1605.34
Profit after tax	1850.48	995.90

PERFORMANCE REVIEW

The export turnover, which was Rs 17921.90 lacs in the previous year 2008-09, has increased to Rs 23659.48 lacs during 2009-10, an increase of 32%. The export sales mainly consisted of Infant and Children's wear and Jackets intended for the USA market. The sale was effected through reputed US buyers. The increase in turnover with better foreign exchange realisation has resulted in increase in Operating profit from Rs. 4510.69 lacs to Rs5939.55 lacs during the year, an increase of 32 %.

FUTURE PROSPECTS

The investments in the new processing factory and additions to the existing garments factory are fully operational during the last year which is reflected in the Operational profits for the financial year, which shows a commendable growth of 32%. This is achieved amidst the adverse market conditions existing in the export sector of readymade garments due to stiff competition. However, the international buyers show preference to the Indian suppliers over the competitors in the neighbouring countries because of the superior quality of the products supplied and the capacity to meet the increasing demand in the international market. Your Directors are confident of achieving better working results for the next financial year.

DIVIDEND

Your directors recommend a dividend of 30% (30Ps per Share of Re1/-) for the year ended 31st March, 2010, an increase of 5% over the previous year ended 31st March, 2009, subject to the approval of the shareholders at the ensuing Annual General Meeting.

CAPITAL EXPENDITURE

As at 31st March 2010 the gross fixed assets stood at Rs.14351.94 lacs and net fixed assets Rs11866.23 lacs. Additions during the year amounted to Rs 935.01 lacs, which include addition to building for Rs33.50 lacs, Plant & machinery and other equipments amounting to Rs 847.87 lacs.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors report that

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

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditor's Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report. Secretarial compliance certificate from a practicing company secretary is also enclosed.

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.

DIRECTORS

Mr. Benni Joseph is retiring by rotation and, being eligible, offers himself for re-appointment.

AUDITORS

The retiring Auditors M/s. Venkit & Hari, Chartered Accountants, Ernakulam have given the Company a notice in writing informing their unavailability for reappointment. A notice has been received by the Company from a member proposing appointment of M/s. Kolath & Co., Chartered Accountants, 41/3951 A, Old Railway Station Road, Ernakulam 682 018 as Auditors in the place of the retiring auditors. M/s. Kolath & Co. have given a written certificate to the effect that the appointment, if made, will be within the limits specified in Section 224 (1B) of the Companies Act, 1956. The proposal is presented to the members at the ensuing Annual General Meeting for consideration and decision.

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

Kochi

27th November, 2010

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 (Yrs)	Experience received	Remuneration Commencement (Rs in lakhs)	Date of Designation	Last employment/ of employment
A. Employed for the full year							
Sabu M Jacob	48	Managing Director	B A Economics	27	146.26	29.5.92	Kitex Ltd Executive Director

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 31.03.2010	Year Ended 31.03.2009
Electricity		
a) Purchased		
Units (KWH)	48,12,136	29,38,620
Total Amount(Rs.)	1,97,70,517	1,41,10,438
Rate/Unit (Rs. KWH)	4.11	4.80
b) Own generation		
Through Diesel Generator		
Units (KWH)	39,85,937	33,93,600
Total Cost(Rs.)	4,20,97,783	3,64,81,200
Cost/Unit (Rs./KWH)	10.56	10.75

B. CONSUMPTION PER UNIT OF PRODUCTION

The company manufactures different types of garments like Hosiers, Shirts, Pants, Jackets, Innerwear, Outerwear etc. and power consumption 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

	2009-2010 (Rs in lakhs)	2008 - 2009 (Rs in lakhs)
Earnings on account of Exports	23659.49	17924.07
Outgo on account of Import & Expenditure	3225.42	2732.38

For and on behalf of the Board of Directors

Sd/-

SABU M JACOB

Chairman & Managing Director

Kochi
27th November, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

This report discusses and analyses the performance for the year ended 31st March 2010.

➤ Overall review of operations

The company is in the business of manufacturing and exporting garments. The Company made commendable achievement in the export of garments during the year under review. Total turnover reported for the year is Rs. 27342 lakhs, which is the record turnover since inception. The investments in the new processing factory and additions to the existing garments factory are fully operational during the last year which is reflected in the Operational profits for the financial year, which shows a commendable growth of 32%.

➤ 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 America and Europe manufacturing and dealing in textiles and garments will be forced to depend upon India, China and the neighbouring countries to get the required output at the lowest possible cost either by outsourcing or contracting, due to availability of the raw materials and skilled labour in these countries.

However we perceive threats by way of competition from the neighbouring countries like China, Pakistan and Srilanka. 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 appreciation 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 addition of the new 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 Board Report on performance review.

➤ 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 3163 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 developments within/outside country etc.

CORPORATE GOVERNANCE

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

SINo	Category	Name of the Director
1	Promoter – Chairman & Managing Director	Sabu M Jacob
2	Promoter Non-executive	M.C.Jacob
3	Independent and Non-executive	Benni Joseph
4	Independent and Non-executive	C.Mohan
5	Independent and Non-executive	M P Kuriakose

Except Mr M C Jacob and Mr Sabu M Jacob who are related as father and son, no director is related to any other director.

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 AGM	No. of other Directorships held	No. of Member ship in Committee of Board
Sabu M Jacob	5	Present	1	NIL
M.C.Jacob	3	Absent	2	NIL
Benni Joseph	4	Absent	1	NIL
C.Mohan	5	Present	NIL	NIL
M P Kuriakose	4	Present	NIL	NIL

Five Board Meetings were held during the year on 30.06.2009, 27.07.2009, 30.10.2009, 29.01.2010 & 31.03.2010. Last Annual General Meeting was held on 30.09.2009.

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 2009/10.

sd/-
Sabu M Jacob
 Chairman and 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, names of members and chairperson:

Name of the Director	Category	No. of meetings held	No. of meetings attended
C. Mohan	Chairman	4	4
Benni Joseph	Member	4	4
M C Jacob	Member	4	4

Note: The Committee has met four times on 26.06.2009, 27.10.2009, 25.01.2010 and 25.03.2010 during the year.

5. Remuneration Committee

The Committee has Mr. M P Kuriakose as Chairman and Mr. C Mohan and Mr. Benni Joseph as Members. The committee has met once on 27th June, 2009.

DIRECTORS REMUNERATION

The Managing Director was paid Remuneration of Rs 24,00,000/- as salary, Rs 8,88,000/- as allowances and perquisites and Rs 11338448 as commission for the year. Other non-executive directors were paid sitting fees as follows:

1. Mr. M C Jacob	Rs 17500 /-
2. Mr. Benni Joseph	Rs 22000 /-
3. Mr. C Mohan	Rs 23500 /-
4. Mr. M P Kuriakose	Rs 11000 /-

6. Shareholder's/Investors Grievances Committee:

Composition, names of members

The Committee has Mr. Benni Joseph as Chairman and Mr. Sabu M Jacob as Member.

Name and designation of the Compliance Officer: Mr. Vinod Kumar K V, Company Secretary.

Company received oral & written enquiries from the shareholders, which were responded/replied immediately.

The Committee met once on 27th June, 2009 for reviewing the status of the investor complaints.

7. General Body Meetings

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

Year	Venue	Date	Day	Time
2008-09	Building No. 9/536A, Kizhakkambalam, Aluva – 683 562	30.09.2009	Wednesday	10.00 a.m
2007-08	Building No. 9/536A, Kizhakkambalam, Aluva – 683 562	29.09.2008	Monday	10.00 a.m
2006-07	Building No. 9/536A, Kizhakkambalam, Aluva – 683 562	29.09.2007	Saturday	10.00 a.m.

* 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 Sch 14 – Notes attached to and forming part of 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 Managing Director.

- (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 The Economic times.

Quarterly results:

The quarterly results of the company are published in Malayala Manorama and The Economic times.

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

- 10. General Shareholder Information:**

- Annual General Meeting : 30th December , 2010 at 10 A.M.
Venue : Building , 9/536A, Kitex House,
Kizhakkambalam.
- Financial Year : 2009-10 April to March
- Book closure date : 27th to 30th December , 2010 both days
inclusive
- Dividend recommended for the year : 30% (30Ps per Share of Re1/-)
- Listing on stock exchange : Cochin and Mumbai
- Stock Code : COCHIN: KGR MUMBAI: 521248
- Market price Data (Face value of Re 1) (BSE) : High: Rs.31.10 Low: Rs.3.87

Kitex Garments Limited

Month	High	Low
April 2009	5.50	3.87
May 2009	8.30	4.60
June 2009	8.73	7.00
July 2009	9.55	6.90
August 2009	12.18	7.50
September 2009	11.69	10.30
October 2009	16.31	10.55
November 2009	24.80	15.19
December 2009	31.10	23.10
January 2010	30.85	25.15
February 2010	28.70	22.40
March 2010	27.45	23.40

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 a period of 30 days from the date of receipt.
10. Distribution of shareholding:

(a) The shareholding pattern as on 31st March 2010 is as follows.

Sl. No.	Category	No. of shares	%
1.	Promoters	26108272	54.96
2.	Indian Financial Institutions, Banks and Mutual Funds	96000	0.20
3.	Private Body Corporate, Indian Public, and others	21295728	44.84

(b) Distribution of shareholding as on 31-03-10

Distribution of shares	No. of shareholders	% to total no. of shareholders	No. of shares held	% to total share capital
Upto 500	3142	43.47	663910	1.40
501 - 1000	2786	38.54	2722475	5.73
1001 - 2000	455	6.29	792878	1.67
2001 - 3000	263	3.64	697768	1.47
3001 - 4000	92	1.27	349855	0.74
4001 - 5000	177	2.45	867468	1.82
5001 - 10000	172	2.38	1316437	2.77
Above 10000	141	1.96	40089209	84.40
TOTAL	7228	100.00	47500000	100.00

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.

Kochi
27th November, 2010

Sd/-
SABU M JACOB
Chairman & Managing Director

AUDITORS' CERTIFICATE

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, 2010 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 was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of Corporate Governance. 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 the above-mentioned Listing Agreements.
4. We state that in respect of investor grievances received during the year ended 31ST March, 2010 no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Share holders and Investors Grievance Committee.
5. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Kochi
27th November, 2010

For and on behalf of
VENKIT AND HARI
Chartered Accountants
FRN : 004662S
sd
T A VENKITACHALAM
Partner – M.No. 21585

SECRETARIAL COMPLIANCE CERTIFICATE

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

To
THE MEMBERS
M/s. KITEX GARMENTS LTD.
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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010 (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, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a Public Limited Company has minimum prescribed paid up capital.
4. The Board of Directors duly met 5 (five) times respectively on 30.06.2009, 27.07.2009, 30.10.2009, 29.01.2010 and 31.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members during the financial year from 25th September 2009 to 30th September 2009 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 2009 was held on 30th September, 2009 after giving due notice to the members of the Company 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 Contracts entered into are with Public Limited Companies and hence provisions of Section 297 is not applicable.
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, as the case may be.
12. The company has not issued any duplicate share certificates during the financial year.
13. The Company has:
 - (i) delivered all the certificates on allotment of securities and on lodgment thereof for transfer or for any other purpose in accordance with the provisions of the Act.
 - (ii) deposited the amount of dividend declared in a separate bank account on 1st October, 2009 which is within 5 days from the date of declaration of such dividend.
 - (iii) posted warrants for dividends to all members within a period of 30 days from the date of declaration and has no unclaimed/unpaid dividend.

- (iv) the Comments in respect of transfer of Unpaid Dividend are not applicable for the financial year covered under the certificate.
- (v) 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 the casual vacancy during the financial year.
 15. The re-appointment of Managing Director has been made in compliance with the provisions of the Act during the financial year.
 16. The Company has not appointed any sole selling agents during the financial year.
 17. The Company was not required to obtain any approvals of the 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 Company's borrowings during the financial year ended 31.03.2010 are within the borrowing limits of the company and necessary resolutions as per Section 293 (1)(d) of the Companies Act, 1956 have been passed in duly convened Extra Ordinary General Meeting.
 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 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 with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum 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 was no prosecution initiated against or show cause notice received by the Company during the financial year, for offences under the Act.
 32. The Company has not received any money as security from its employees during the financial year.
 33. The Company has not constituted a Provident Fund Trust and therefore, comments in respect of section 418 are not applicable.

**For SVJS & Associates
Company Secretaries**

**sd/-
P Sivakumar
Managing Partner
CP No. 2210**

Ernakulam
27.11.2010

KITEX GARMENTS LIMITED

CIN: L1810KL1992PLC006528

SECRETARIAL COMPLIANCE CERTIFICATE FOR THE YEAR ENDED 31.03.2010

Annexure A

Registers as maintained by the Company - Statutory Registers

1. Register of Members u/s 150
2. Registers and Returns u/s 163
3. Register of Charges u/s 143
4. Books of Account u/s 209
5. Register of Directors, Managing Director, Manager and Secretary u/s 303
6. Register of Directors' Shareholdings u/s 307
6. Minutes Book of Meetings
7. Register of Disclosure of Interest by Directors
8. Register of particulars of contracts in which the directors are interested u/s 301
9. Register of investments or loan made, guarantee given or security provided u/s 372A

Annexure B

Forms and returns as filed by the Company with the Registrar of Companies during the financial year ended on 31st March 2010.

Sl. No	Form No /Return	Filed under section	For	Date of filing	Whether filed in 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 31.03.2009	11.11.2009	No	Yes
2	Form 23 AC	220	Balance Sheet for the year ended 2008 - 2009	14.11.2009	No	Yes
3	Form 23 ACA	220	Profit and loss account for the year ended 2008 - 2009	14.11.2009	No	Yes
4	Form 20 B	159	Annual Return up to 30.09.2009	12.11.2009	Yes	No
5	Form 8	125	Creation of charge	09.04.2009	Yes	No
6	Form 8	125	Creation of charge	09.04.2009	Yes	No
7	Form 8	125	Creation of charge	31.08.2009	No	Yes
8	Form 8	125	Creation of charge	23.11.2009	No	Yes
9	Form 8	125	Creation of charge	08.03.2010	No	Yes
10	Form 17	138	Satisfaction of Charge	18.08.2009	Yes	No
11	Form 17	138	Satisfaction of Charge	26.11.2009	Yes	No
12	Form 23	192	Registration of resolutions and agreements	28.12.2009	No	Yes
13	Form 25 C	269(2)	Return of appointment of Managing Director	30.12.2009	No	Yes

For SVJS & Associates
Company Secretaries

Sd/-
P Sivakumar
Managing Partner

Ernakulam
27.11.2010

AUDITORS' REPORT

TO THE MEMBERS OF KITEX GARMENTS LIMITED

1. We have audited the attached Balance Sheet of M/s. KITEX GARMENTS LIMITED, as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated the returns from Taipei Branch audited by a member of Taipei Certified Public Accountants as Branch auditor, appointed by the Company. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) 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 and proper returns adequate for the purpose of our audit have been received from Taipei branch. The Branch Auditor's Report on the accounts of Taipei branch has been forwarded to us and have been suitably dealt with by us in preparing this report;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account and with the audited returns from the branch;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of section 274 (1)(g) of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes and schedules attached thereto give the information required by the Companies Act, 1956, 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 31st March, 2010;
 - (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.

**For and on behalf of
VENKIT AND HARI
Chartered Accountants
FRN.004662S**

Sd/-

T.A.VENKITACHALAM
Partner - M.No: 21585

Kochi
27th November, 2010

Annexure referred to in paragraph 3 of the Auditor's Report of even date to the members of the KITEX GARMENTS LIMITED on the Accounts for the year ended on 31st March, 2010.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us by the management, we report that: -

(i) Fixed Assets:

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) Fixed Assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
- c) In our opinion, substantial part of the fixed assets of the Company have not been disposed off during the year.

(ii) Inventories:

- a) The inventories have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification 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 is maintaining proper records of inventories and no material discrepancies have been noticed on physical verification.

(iii) Loans taken/granted:

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

(iv) Internal Control

In our opinion, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, we have not noticed any major weakness in the internal control system.

(v) Section 301

- a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered in the register maintained under section 301 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 registers maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

(vi) Deposit from Public

In our opinion, since the Company has not accepted any deposits from the public during the year, clause 4(vi) of the order is not applicable to the Company.

(vii) Internal Audit

In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

(viii) Cost Records

We are informed that the Central Government has prescribed maintenance of cost records by the company under section 209 (1) (d) of the Act. In our opinion and according to the information provided to us we are of the view that the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate and complete.

(ix) Payment of Statutory dues

- (a) In our opinion and according to the information and explanation given to us, the company was generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service Tax, Customs duty, Cess and other material statutory dues as applicable with appropriate authorities during the year. We are informed that the excise duty is not applicable for company's product.

In our opinion, no undisputed arrears of statutory dues are outstanding as on 31st March, 2010 for a period of more than six months from the date they become payable.

- (b) According to the information and explanation given and as per the records produced to us, as at the year end following dues demanded by the relevant authority have not been deposited on account of pending disputes.

Name of Statute	Nature of the dues	Amount (Rs)	Period to which it relates	Forum where disputed
Customs Act	Customs Duty	3,25,20,531/- (out of which Rs.1,21,29,942/- has been paid)	FY1997-98	Honorable High Court of Kerala
Customs Act	Customs Duty	27,52,846/- (out of which Rs.5,00,000/ has been deposited)	AY2004-05	Honorable High Court of Kerala
Income Tax Act, 1961	Income Tax	12,23,097/- (out of which Rs.1,00,000/ has been deposited)	AY1999-00, 00—01 & 02-03.	Income Tax Appellate Tribunal
Income tax Act	Income Tax	6,29,406	AY 2003-04 & 2004-05.	Hon. High Court of Kerela
Income tax Act	Income Tax	38,32,909/- (Out of which Rs.24,50,000/ has been deposited)	AY 2006-07.	Commissioner of Income Tax (Appeals)
Income tax Act	Income Tax	23,93,497	AY 2007-08	Dy.Commissioner of Income Tax
Provident Fund Act	Provident Fund	1,31,86,588 (Out of which Rs.52,74,636/- has been deposited)	FY1999-00 to 2005-06	Provident Fund Appellate Tribunal.
Employees State Insurance Act	Employee State Insurance	6.11 Lacs (Out of which Rs.50,000/- has been deposited)	FY1999-00 to 2001-02.	Honorable ESI Court.

(x) Accumulated Losses/ Cash losses

The company has no accumulated losses as at 31st March 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

(xi) Default in repayment of Dues

In our opinion and according to the records produced to us, the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.

(xii) Grant of Secured Loans & Advances

In our opinion the company has not granted any loan and advance on the basis of security by way of pledge of shares, debentures and such other securities during the year.

(xiii) Special Statute Chit Fund companies, Nidhis/Mutual benefit fund/societies

In our opinion, the provisions of special statute applicable to a chit fund or nidhi/mutual benefit fund/ society are not applicable to the Company for the year under review.

(xiv) Company dealing or Trading in shares, securities etc.

In our opinion the company has not dealt in or traded in shares, securities, debentures and other investments during the year under review. The investment made in equity share is held in its own name.

(xv) Provision of Guarantee

In our opinion and according to the explanations given, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

(xvi) Term Loans

In our opinion and according to the explanations given, on an overall basis the term loans were applied for the purpose for which they were raised.

(xvii) Usage of Funds

On the basis of an overall examination of the balance sheet of the company, in our opinion, funds raised on Short Term basis have not been used for Long Term investment.

(xviii) Preferential Allotments

The Company has not made any preferential allotment of shares to parties and companies listed in the register maintained under section 301 of the Companies Act, 1956 during the year under review.

(xix) Creation of security for Debenture Issue

The company has not issued any Debentures.

(xx) Disclosure of End-use of Funds

During the year under review the Company has not raised any money through public issue.

(xxi) Frauds

On the basis of information and explanation given during the course of our audit, we report that we have neither come across nor have been informed of any material fraud on or by the company noticed or reported during the year under review.

Kochi
27th November, 2010.

For and on behalf of
VENKIT AND HARI
Chartered Accountants
FRN.004662S
Sd/-

T.A.VENKITACHALAM
Partner - M.No.21585

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Sch No	AS AT 31st MARCH 2010 (Rupees)	AS AT 31st MARCH 2009 (Rupees)
I SOURCES OF FUNDS			
1 SHARE HOLDERS FUNDS			
a) Share Capital	1	4,75,00,000	4,75,00,000
b) Reserves & Surplus	2	50,45,63,539	33,61,87,631
2. LOAN FUNDS			
a) Secured Loans	3	1,13,52,22,360	1,37,88,46,595
3. DEFERRED TAX LIABILITY (NET)			
		<u>14,35,40,464</u>	<u>12,66,85,647</u>
TOTAL		<u>1,83,08,26,363</u>	<u>1,88,92,19,873</u>
II APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	4	1,43,51,94,410	1,41,33,50,205
b) Less: Depreciation		<u>24,85,71,569</u>	<u>18,30,27,689</u>
c) Net Block		1,18,66,22,841	1,23,03,22,516
d) Capital Work in Progress		80,87,273	68,47,046
2. INVESTMENTS			
	5	43,400	43,400
3. CURRENT ASSETS, LOANS AND ADVANCES			
	6		
a) Inventories		22,26,26,096	24,13,78,506
b) Sundry Debtors		49,01,80,802	55,31,41,058
c) Cash & Bank Balances		8,10,80,788	2,85,60,316
d) Loans & Advances		<u>27,91,80,287</u>	<u>7,69,39,724</u>
		1,07,30,67,973	90,00,19,604
4. LESS: CURRENT LIABILITIES & PROVISIONS			
	7		
Current Liabilities		29,47,74,767	18,38,90,104
Provisions		<u>14,22,20,357</u>	<u>6,41,22,589</u>
		43,69,95,124	24,80,12,693
Net Current Assets		<u>63,60,72,849</u>	<u>65,20,06,911</u>
TOTAL		<u>1,83,08,26,363</u>	<u>1,88,92,19,873</u>
Notes attached to and forming part of Accounts	14		

This is the Balance Sheet referred to in our report of even date.

For and on behalf of
VENKIT AND HARI
Chartered Accountants
FRN : 004662S

sd/-

T.A VENKITACHALAM
Partner - M No. 21585
Kochi
27th November, 2010

For and on behalf of the
BOARD OF DIRECTORS

sd/-

SABU M JACOB
Managing Director

sd/-

C MOHAN
Director

sd/-

BENNI JOSEPH
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010			
	Sch No	Year Ended 31st March, 2010 (Rupees)	Year Ended 31st March, 2009 (Rupees)
INCOME			
Sales	8	2,47,41,91,949	1,82,38,76,056
Other Income	9	26,00,45,096	20,09,97,773
Stock Differential	10	50,20,034	1,50,36,431
TOTAL :		2,73,92,57,079	2,03,99,10,260
EXPENDITURE			
Manufacturing Expenses	11	1,70,81,86,040	1,20,31,64,634
Employees remuneration and benefits		43,71,15,908	38,56,76,488
Administrative, Selling & General Expenses	12	9,82,97,078	6,72,56,019
Financing Charges	13	15,22,11,660	16,24,71,843
Depreciation	4	6,55,43,880	6,08,06,858
TOTAL		2,46,13,54,566	1,87,93,75,842
Profit Before Tax		27,79,02,513	16,05,34,418
Provision towards : - Current Taxation		76,00,00,00	3,50,00,000
- Deferred Taxation (Net)		1,68,54,817	2,46,64,606
- Fringe Benefit Tax		0	12,80,000
Profit After Tax		18,50,47,696	9,95,89,813
Profit as per last Balance Sheet		31,24,77,631	23,67,80,976
Profits available for appropriation		49,75,25,327	33,63,70,788
Less: Proposed Dividend		14250000	1,18,75,000
Tax on Dividend		24,21,788	20,18,157
Transferred to General Reserve		2,00,00,000	1,00,00,000
Profit carried forward to Balance Sheet		46,08,53,539	31,24,77,631
Earnings per share (See Notes A-16 of Sch-14)		3.90	2.10
Notes attached to and forming part of accounts	14		

This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of
VENKIT AND HARI
Chartered Accountants
FRN : 004662S

For and on behalf of the
BOARD OF DIRECTORS

sd/-
T.A VENKITACHALAM
Partner - M.No. 21585

sd/-
SABU M JACOB
Managing Director

sd/-
C MOHAN
Director

sd/-
BENNI JOSEPH
Director

Kochi
27th November, 2010

Schedules forming part of the Financial Statements for the year ended 31st March 2010

	As at 31.03.10 (Rupees)		As at 31.03.09 (Rupees)
SCHEDULE-1			
SHARE CAPITAL			
AUTHORISED			
5,00,00,000 Equity shares of Re. 1/- each		5,00,00,000	5,00,00,000
ISSUED, SUBSCRIBED & PAID UP:			
4,75,00,000 Equity Shares of Re. 1/- each fully paid up [of the above 9,37,500 shares of Re. 1/- each are issued for consideration other than cash]		4,75,00,000	4,75,00,000
SCHEDULE-2			
RESERVES & SURPLUS			
Capital Reserve			
Investment Subsidy		22,10,000	22,10,000
General Reserve			
Opening Balance	2,15,00,000		
Add : Transferred from Profit & Loss account	2,00,00,000	4,15,00,000	2,15,00,000
Profit & Loss Account			
Balance carried forward		46,08,53,539	31,24,77,631
TOTAL		50,45,63,539	33,61,87,631
SCHEDULE - 3			
SECURED LOAN			
Loans from Banks :			
Term Loan		60,18,35,172	79,20,79,068
Working Capital		51,87,63,873	5,74,214,958
Hire Purchase Credits (Net)		1,46,23,315	1,25,52,569
TOTAL		1,13,52,22,360	1,37,88,46,595

KITEX GARMENTS LIMITED

Schedules forming part of the Financial Statements for the year ended 31st March, 2010

FIXED ASSETS SCHEDULE 4

SH. No	DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		On 01.04.09 Rs	Additions during the year Rs	Capital Subsidy/ Deletion Rs	On 31.03.10 Rs	Upto 31.03.09 Rs	For the Year Rs	Adjustments Rs	Upto 31.03.10 Rs	As on 31.03.10 Rs	AS ON 31.03.09 Rs
I	LAND	19049318	1003438	0	20052756	0	0	0	0	20052756	19049318
II	BUILDING	540167102	3349923	0	543517025	46868866	16726838	0	63595704	479921321	493298236
III	PLANT & MACHINERY	738585474	67076959	71657114	734005319	94092717	37115674	0	131208391	602796928	644492757
IV	FURNITURE & FITTINGS	27918020	1670385	0	29588405	11734331	1576386	0	13310717	16277688	16183689
V	VEHICLES	18828825	2690251	0	21519076	7248602	2039481		9288083	12230993	11580223
VI	OTHER ASSETS	68801466	17710363	0	86511829	23083173	8085501	0	31168674	55343155	45718293
	TOTAL FOR THE YEAR	1413350205	93501319	71657114	1435194410	183027689	65543880	0	248571569	1186622841	1230322516
	PREVIOUS YEAR	1140106308	280514611	7270714	1413350205	126482285	60806858	4261454	183027689	1230322516	1013624024

	As at 31.03.10 (Rupees)	As at 31.03.09 (Rupees)
SCHEDULE - 5		
INVESTMENTS		
Long Term - fully paid up - Quoted - Non-Trade 1400 shares of Punjab National Bank at cost (Market value of the shares as on 31st March, 2010 is Rs.14.14 lakhs(previous year Rs 5.75 lakhs)	43,400	43,400
SCHEDULE - 6		
CURRENT ASSETS LOANS & ADVANCES		
A. CURRENT ASSETS		
(I) INVENTORIES (As taken, Valued & Certified by the Management)		
Raw Materials, Stores & Spares	18,88,81,181	21,26,53,625
Finished Goods	3,37,44,915	2,87,24,881
TOTAL	22,26,26,096	24,13,78,506
(II) SUNDRY DEBTORS (Unsecured and Considered Good)		
i) Debts outstanding for a period exceeding six months	--	3,03,729
ii) Other Debts	49,01,80,802	55,28,37,329
TOTAL	49,01,80,802	55,31,41,058
(III) CASH AND BANK BALANCES		
i) Cash in hand	11,25,275	18,54,251
ii) Balance with Sheduled banks in Current Account	4,91,37,571	49,06,367
in Deposit Account	2,94,87,899	2,05,88,654
iii) Balance with The International Commercial Bank of China (Maximum balance during the year Rs 14.59 lakhs [Previous year Rs 13.89 lakhs])	13,30,043	12,11,044
TOTAL	8,10,80,788	2,85,60,316
B. LOANS & ADVANCES (unsecured considered good) Advances recoverable in cash or in kind or for value to be received	26,14,84,147	6,83,10,461
Deposits	1,76,96,140	86,29,263
TOTAL	27,91,80,287	7,69,39,724
SCHEDULE - 7		
Current Liabilities		
Sundry Creditors	23,58,66,760	16,35,52,647
Other Liabilities	5,89,08,007	2,03,37,457
TOTAL	29,47,74,767	18,38,90,104
Provisions		
For Taxation	11,62,22,823	4,04,23,218
For Dividend	1,42,50,000	1,18,75,000
For Gratuity	1,17,47,534	1,18,24,371
TOTAL	14,22,20,357	6,41,22,589
SCHEDULE - 8		
SALES		
Domestic Sales	10,82,43,427	3,16,86,466
Export Sales	2365948522	1,79,21,89,590
TOTAL	2,47,41,91,949	1,82,38,76,056

Kitex Garments Limited

	As at 31.03.10 (Rupees)	As at 31.03.09 (Rupees)
SCHEDULE - 9		
OTHER INCOME		
Duty Drawback	20,14,08,830	16,52,00,244
Interest Received	19,99,012	40,47,564
Miscellaneous Income	21,52,486	1,20,42,022
Exchange Rate Fluctuation (Net)	78,28,882	1,97,07,943
Interest Subsidy	4,66,55,886	0
TOTAL	26,00,45,096	20,09,97,773
SCHEDULE - 10		
STOCK DIFFERENTIAL		
FINISHED GOODS		
Opening Stock	2,87,24,881	1,36,88,450
Closing Stock	3,37,44,915	2,87,24,881
TOTAL	50,20,034	1,50,36,431
SCHEDULE - 11		
MANUFACTURING EXPENSES		
Opening Stock	21,26,53,625	16,40,52,216
Raw Materials Purchased	1,32,95,83,312	89,43,44,918
Processing Charges	23,61,05,091	28,30,48,353
Stores & Spares	2,73,38,109	1,15,60,467
Less: Closing Stock	18,88,81,181	21,26,53,625
Raw Material consumed	1,61,67,98,956	1,14,03,52,329
Power & Fuel	8,22,28,845	5,05,91,639
Freight & Transportation	91,58,239	1,22,20,666
TOTAL	1,70,81,86,040	1,20,31,64,634
SCHEDULE - 12		
ADMINISTRATIVE, SELLING & GENERAL EXPENSES		
Sitting fees to Directors	74,000	74,000
Travelling Expenses	45,72,198	75,37,998
Postage, Telegram & Telephone	18,85,431	17,15,908
Rent	39,35,007	31,49,604
Audit Fees	2,00,000	2,00,000
Repairs & Maintenance		
a. Building	28,12,802	33,86,191
b. Machinery	48,95,859	50,69,825
c. Others	82,99,811	92,83,347
Insurance	1,18,41,367	1,06,61,055
Licence, Taxes & Fees	60,54,951	26,22,369
Legal & Professional Charges	88,46,414	19,04,811
Carriage Outwards	24,77,20,54	53,56,936
Printing & Stationery	31,78,513	33,65,718
Selling Expenses	1,60,77,938	1,05,37,701
General Expenses	85,07,33	23,90,556
TOTAL	9,82,97,078	6,72,56,019
SCHEDULE - 13		
FINANCING CHARGES		
Interest on Term Loan	8,30,13,296	8,61,53,984
Interest on Others	3,04,08,488	4,08,84,370
Bank Charges	3,87,89,876	3,54,33,489
TOTAL	15,22,11,660	16,24,71,843

SCHEDULE – 14 NOTES ATTACHED TO AND FORMING PART OF ACCOUNTS.

A. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING STANDARDS.

1. GENERAL

The Company follows the mercantile system of accounting and recognizes Income and Expenditure on accrual basis. The accounts are prepared on historical cost basis, as going concern, and are consistent with generally accepted accounting principles.

2. INVENTORY VALUATION

Inventories are valued as under:

- a. Raw materials and Stores & Spares are valued at cost under FIFO basis.
- b. Finished goods are valued at cost or net realizable value whichever is lower.

3. CASH FLOW STATEMENT

The cash flow statement is prepared under “indirect method” and the same is annexed.

4. CONTINGENT LIABILITIES

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the finalisation of accounts and have material effect on the position stated in the Balance Sheet.

5. DEPRECIATION

- a. Depreciation has been charged on Fixed Assets under straight-line method at the rates and in the manner given under Schedule XIV of the Companies Act, 1956.
- b. Computer software has been written off over a period of three years.

6. REVENUE RECOGNITION

The company recognises sale at the point of despatch of goods to the customer.

Other revenue/income are generally accounted on accrual basis as and when they are earned.

7. FIXED ASSETS

Fixed Assets are stated at cost less accumulated depreciation. Assets under installation or construction as at the Balance Sheet date are shown as capital work in progress. Expenditure during construction period in respect of new project/expansion is allocated to the respective fixed assets on their being ready for commercial use.

Fixed Assets include Vehicles Rs 1,20,17,337 & Software Rs 50,20,132 (Previous year Vehicle Rs 79,51,159/- & Software 55,01,145), which are purchased under Hire purchase credit.

8. FOREIGN CURRENCY

- a. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction.
- b. Any income or expense on account of exchange rate difference is recognized in the Profit and Loss account.
- c. In respect of financial statement of foreign branch:
 - i) Revenue items other than depreciation are translated using average exchange rate prevailed during the accounting period.
 - ii) Fixed Assets are translated using exchange rate prevailing on the date of acquisition of asset.
 - iii) Current Assets and Current Liabilities on the balance sheet date are translated using exchange rate prevailing at the year end.

9. GOVERNMENT GRANTS

Government Grants are recognized when there is reasonable assurance that the same will be received. Capital Grants relating to specific assets are reduced from the gross value of the fixed assets. Revenue Grants are recognized in the profit & loss account under other income.

10. INVESTMENTS

Investments are valued at acquisition cost.

11. RETIREMENT BENEFITS

The liability for gratuity and leave encashment are provided on the basis of actuarial valuation carried out by an independent actuary. Contributions to Provident Fund and Family pension fund are funded as a percentage of salary/wages.

12. BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying asset are capitalized as part of the cost of such asset up to the date when such asset is ready for its intended use. All other borrowing costs are charged off to revenue.

13. SEGMENT REPORTING

Company operates only in one business segment viz: garments. Details of Export Sales & Domestic sales are given below:

	2009-2010	2008-2009
Export Sales	2,36,59,48,522	Rs. 1,79,21,89,590
Domestic Sales	10,82,43,427	Rs. 3,16,86,466

14. INFORMATION ON RELATED PARTY TRANSACTIONS.

Nature of Transactions	Director	Directors/Relatives	Kitex Ltd
	Mr.Sabu M Jacob	Kitex Childrenswear Ltd	
	Rs	Rs	Rs
Sale of Goods		3,91,40,920	65,04,274
Purchase/Processing of Goods		20,44,09,148	9,62,02,253
Remuneration	1,46,26,448		

15. HIRE PURCHASE ASSETS

Due	Total minimum lease payments outstanding	Future interests on out standings	Present value of minimum lease payments
	Rs	Rs	Rs
1. Within One year	62,75,145	15,84,273	46,90,872
2. Later than one year but not later than five years	1,16,41,706	17,09,263	99,32,443
TOTAL	1,79,16,851	32,93,536	1,46,23,315

16. EARNING PER SHARE

	2009-10	2008-09
Net Profit for the year (Rs in lacs)	1850.48	995.90
Weighted Average number of Equity Shares	4,75,00,000	4,75,00,000
Nominal value of Shares (Rs)	1.00	1.00
Basic & Diluted Earnings per Share (Rs)	3.90	2.10

17. INCOME TAX

- Provision for Taxation is made on the basis of the taxable income computed for the current accounting period in accordance with the Income Tax Act, 1961.
- Deferred Tax on account of timing difference between taxable and accounting income is provided considering the tax rates and tax laws enacted or substantially enacted by the Balance Sheet date, in accordance with Accounting Standard – 22 of the Institute of Chartered Accountants of India.
- The Deferred Tax Liability comprises the following:

Deferred Tax Liabilities	As on 31.03.2010 Rs.	As on 31.03.2009 Rs.
1. On account of accumulated depreciation difference	15,00,96,218	13,07,50,308
	15,00,96,218	13,07,50,308
Deferred Tax Assets		
1. Provision For Gratuity & Leave encashment	65,55,754	40,19,104
2. Disallowance U/S 40A	0	45,557
	65,55,754	40,64,661
Net Deferred Tax Liability	14,35,40,464	12,66,85,647

18. IMPAIRMENT OF ASSETS

No material impairment of Assets has been identified by the company and as such no provision is required as per Accounting Standard (As-28) issued by Institute of Chartered Accountants of India.

B. INFORMATION PURSUANT TO SCHEDULE VI OF THE COMPANIES ACT, 1956.

1. LICENSED AND INSTALLED CAPACITY AT 31ST MARCH, 2010 AND PRODUCTION FOR THE YEAR.

Class of Goods	Units	Licensed capacity 2008-09	Licensed capacity 2009-10	Installed capacity 2008-09	Installed capacity 2009-10	Actual Production 2008-09	Actual Production 2009-10
Readymade Garments Cotton undergarments Knitted other cotton knitted wears	Nos	N.A	N.A.	6,50,00,000	6,50,00,000	5,76,39,433	8,77,79,618

2. PRODUCTION, SALE AND STOCK PARTICULARS OF FINISHED GOODS.

Class of Goods	Opening Stock	Opening Stock	Production/ Return	Sales	Sales	Closing Stock	Closing Stock
	Qty (Nos)	Value (Rs)	Qty (Nos)	Qty (Nos)	Value (Rs)	Qty (Nos)	Value (Rs)
Readymade Garments Current Year	14,63,529	2,87,24,881	8,77,79,618	8,75,17,040	2,47,41,91,949	17,26,107	3,37,44,915
Previous Year	6,67,005	1,36,88,450	57,639,433	5,68,42,909	1,82,38,76,056	14,63,529	2,87,24,881

3. PARTICULARS OF CONSUMPTION OF RAW MATERIALS AND STORES & SPARES

Particulars	Consumption Current Year (Qty)	Value (Rs)	Previous Year Qty	Value (Rs)
Fabric -Indigenous	38,87,072 Kgs 17,36,517 Mts	77,29,39,029	25,54,098 Kgs 21,33,431 mts	76,34,55,058
Fabric - Imported		0	7,43,223 mts	5,32,36,076
Total		77,29,39,029		81,66,91,134
OTHERS				
Imported		20,91,74,796		15,87,31,130
Indigenous		63,46,85,131		16,49,30,065
Total		58,04,16,726		32,36,61,195
Grand Total		1,61,67,98,956		1,14,03,52,329

4. CONSUMPTION OF RAW MATERIAL AND STORES & SPARES

Particulars	Value (Rs) Current Year	Percentage	Value (Rs) Previous Year	Percentage
Imported	20,91,74,796	13	21,19,67,206	19
Indigenous	1,40,76,24,160	87	92,83,85,123	81
Total	1,61,67,98,956		1,14,03,52,329	

5. VALUE OF IMPORTS ON CIF BASIS

In respect of	Current Year	Previous Year
Raw material	Rs 26,86,56,336	Rs 26,16,91,998
Capital Goods	Rs 5,38,85,506	Rs 44,89,239

6. EXPENDITURE IN FOREIGN CURRENCY

On account of	Current Year	Previous Year
Taiwan Branch Expenses	Rs.81,98,382	Rs 70,56,745
Sales Promotion Expenses	Nil	Nil

7. EARNINGS IN FOREIGN EXCHANGE

	Current Year	Previous Year
F O B Value of exports	Rs.236,59,48,522	Rs 179,24,06,554

8. PAYMENT TO AUDITORS

	Current Year (Rs)	Previous Year (Rs)
For Audit	1, 20,000	1,20,000
Other Services		
i) Tax Audit	50,000	50,000
ii) Company Law matters	20,000	20,000
iii) Reimbursement of Expenses	10,000	10,000
Total	2,00,000	2,00,000

C. OTHER NOTES

1. Contingent Liabilities

- (i) Counter Guarantees issued by the Company for the guarantees issued by Banks amount to Rs.2,23,45,295/- (Previous year Rs. 2,01,03,215/-).
- (ii) During the financial year 2001-2002, Office of the Commissioner of customs issued show cause notice directing the company to remit Rs 3,25,20,531/- (inclusive of interest @ 24% as applicable) 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 at Rs. 2,20,61,171 and directed the company to remit balance amount of Rs.99,31,299 with simple interest at the rate of 10% per annum. Aggrieved by the order of settlement commission company filed writ petition before Hon'ble High Court of Kerala, who stayed the proceedings. The matter is still pending before the Hon. High court for disposal. Company has furnished Bank Guarantee for Rs.101.74 lakhs to Office of the commissioner of Customs.
- (iii) Asst. Commissioner of Customs has demanded customs duty of Rs 27, 52,846/- on the import of snap buttons, which is claimed as exempt by the Company. Commissioner of customs (Appeals) has stayed the proceedings with a direction to make a pre-deposit of Rs 5 lakhs. Company got favorable order from CESTAT, Bangalore. The Customs has appealed against CESTAT order and the Hon'ble High Court has stayed the refund of Rs.5,00,000/- but has not stayed the CESTAT Order.
- (iv) The Deputy Commissioner of Income Tax, Aluva demanded Rs.12,23,097/- while completing the assessment for the Assessment Years 1999-2000,2000-2001 & 2002-2003. The company preferred appeal against the demand and the matter is before the Income Tax Appellate Tribunal. The company has obtained stay from the tribunal against deposit of Rs. 1,00,000/-
- (v) The Deputy Commissioner of Income Tax, Aluva demanded Rs.6,29,406/- while completing the assessment for the years 2003-04 and 2004-05. The department has preferred an appeal before Hon. High Court of Kerala.
- (vi) The Deputy Commissioner of Income Tax, Aluva demanded Rs 38,32,909/- while completing the assessment for the year A/Y 2006-07. The company preferred an appeal before the Commissioner of Income Tax (Appeals) by remitting an amount of Rs 24,50,000/-, which is pending disposal.
- (vii) The Deputy Commissioner of Income Tax, Aluva has demanded Rs. 23,93,497/- while issuing intimation u/s 143 (1) of the Income Tax Act, 1961, for the assessment year 2007/08 which has been disputed by the company
- (viii) During the year 2005-06 Employee State Insurance Corporation has demanded an amount of Rs.6.11 lakhs for the years 1999-00 to 2001-02. The company has disputed the claim and obtained Stay from the Hon'ble ESI Court against deposit of Rs.50,000/-.
- (ix) Asst. Provident Fund Commissioner (enforcement) has determined a sum of Rs.1,31,86,588/- contributions payable for the period 1999-00 to 2005-06 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 has stayed the proceedings and directed the company to remit Rs.52, 74,636. Company deposited the amount and the appeal is yet to be disposed off.

2. Secured Loans

- (a) Term Loans from Banks are secured by
 - (i) First charge on all immovable properties both present and future.

- (ii) First charge by way of hypothecation of all movable asset (Other than those provided to bank for working capital limit) both present and future.
 - (iii) Personal guarantee of the Directors/Promoters Mr. M C Jacob, Mr. Sabu M Jacob and Mr. Bobby M Jacob.
 - (b) Working Capital Loan from Banks are secured by hypothecation of Inventory and finished goods and second charge on all immovable property, both present and future.
 - (c) Hire Purchase Loan is secured by hypothecation of the vehicle so purchased.
3. Employee Remuneration and benefits includes Managing Director's remuneration of Rs 1,46,26,448/-.

COMPUTATION OF MANAGING DIRECTOR'S REMUNERATION UNDER SECTION 198,309 & 349 OF THE COMPANIES ACT, 1956

Profit before tax as per Profit & Loss Account	27,79,02,513
ADD: Managing Director's Remuneration	1,46,26,448
Net Profit u/s 349	29,25,28,961
Remuneration payable to Managing Director @ 5% of the profit	<u>1,46,26,448</u>

- 4. Balance with Scheduled Banks includes Rs 2,94,87,899/- (Previous Year Rs 2,05,88,654/-) kept as margin for Letter of Guarantee/Letter of Credit.
- 5. There are no Micro and Small Enterprises to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- 6. Arrangements have been made to collect confirmation from Debtors, Creditors, and Vendors.
- 7. Previous year figures have been re-grouped or re-arranged in order to suit the current year's groupings.

SIGNATURES TO SCHEDULE 1 TO 15

For and on behalf of
VENKIT AND HARI
Chartered Accountants
FRN.004662S

For and on behalf of the
BOARD OF DIRECTORS

Sd/-
T A VENKITACHALAM
Partner - M No. 21585

Sd/-
SABU M JACOB
Managing Director

Sd/-
C MOHAN
Director

Sd/-
BENNI JOSEPH
Director

Kochi
27th November 2010

CASH FLOW STATEMENT FOR THE YEAR 2009-10

	For the year ended 31st March, 2010 Rupees	For the year ended 31st March, 2009 Rupees
A) Cash flow from Operating activities		
Net Profit/before tax and extra ordinary items	277,902,513	160,534,418
Adjustment for :		
Depreciation	65,543,880	60,806,858
Interest	113,421,784	127,038,354
Loss on sale of Fixed Assets	-	1,889,256
Tax paid	(9,66,75,241)	20,788,795
Dividend Received	(42,000)	(18,200)
Operating Profit before working capital changes	36,01,50,936	329,461,891
Adjustment for :		
Trade & other receivable	(4,28,05,455)	(208,023,633)
Margin Money Deposit	(8,899,245)	(5,698,379)
Inventories	18,752,410	(63,637,840)
Trade Payables	113,182,820	(44,069,469)
Cash generation from operation	440,381,466	8,032,569
Cash flow before extra ordinary items	440,381,466	8,032,569
Extra ordinary items	-	-
Net cash from operating activities	440,381,466	8,032,569
B) Cash flow from investing activities		
Dividend Received	42,000	18,200
Sale of Fixed Assets	-	1,120,004
Investment Subsidy	-	-
Payment for Fixed Assets	(23,084,432)	(154,614,454)
Net cash used in investing activities	(23,042,432)	(153,476,250)
C) Cash flow from financing activities		
Interest paid	(113,421,784)	(127,038,354)
Proposed dividend	(14,250,000)	(11,875,000)
Dividend Tax	(2,421,788)	(2,018,157)
Proceeds from Long term borrowings	(188,173,150)	113,001,038
Proceeds from Working Capital borrowing	(55,451,085)	119,736,239
Net cash from financing activities	(373,717,807)	91,805,766
Net change in cash & cash equivalents (A+B+C)	43,621,227	(53,637,915)
Opening Cash and Cash equivalents	7,971,662	61,609,577
Closing Cash and Cash equivalents	51,592,889	7,971,662

This is the cash flow statement referred to in our report of even date

For and on behalf of

VENKIT AND HARI
Chartered Accountants
FRN 004662 S

For and on behalf of the
BOARD OF DIRECTORS

Sd/
T A VENKITACHALAM
Partner - M No. 21585
Kochi
27th November, 2010

Sd/
SABU M JACOB
Managing Director

Sd/
C MOHAN
Director

Sd/
BENNI JOSEPH
Director

Additional Information Pursuant to part IV of Schedule VI to companies Act, 1956.

I. Registration Details

Registration No.	6528
State Code No.	09
Balance Sheet Date	31.03.2010

II. **Capital Raised During the Year**

(Rs. In 000's)

Public Issue (Issue through the prospectus)	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private placement	Nil

III. **Position of Mobilisation and Deployment of funds**

Total Liabilities	18,30,826
Total Assets *	18,30,826

Sources of Funds

Paid-up Capital	47,500
Reserves and Surplus	5,04,564
Secured Loans	11,35,222
Deferred tax Liability	1,43,540

Application of Funds

Net Fixed Assets	11,86,623
Capital Work In progress	8,087
Investments	43
Net Current Assets	6,36,073

*Net of Current Liabilities and provisions

IV. **Performance of Company**

Gross Revenue	27,39,257
Total Expenditure	24,61,355
Profit Before Tax	2,77,903
Profit After Tax	1,85,048
Earning Per Share in Rs.	3.90
Proposed Final Dividend Rate %	30 Ps per Share of face value Re 1/-

V. **Generic Name of Principal**

Product of Company (As per Monetary Terms)	
Item Code No and Product Description	Garments

For and on behalf of the
BOARD OF DIRECTORS

Sd/

SABU M JACOB
Managing Director

Sd/

C MOHAN
Director

Sd/

BENNI JOSEPH
Director

Kochi
27th November ,2010

KITEX GARMENTS LIMITED

Building No.9/536, Kitex House,Kizhakkambalam -683562, Alwaye, Kerala, India

ATTENDANCE SLIP

18th Annual General Meeting

Reg.Folio/DP & Client No.

No.of Shares Held

I certify that I am a registered Shareholder/Proxy for the registered shareholders of the Company. I hereby record my presence at the 18th Annual General Meeting of the Company at the Factory Premises of the Company at Building No.9/536 A, Kizhakkambalam on Thursday the 30th December, 2010.

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, Alwaye, Kerala, India

FORM OF PROXY

I/We Of In the district of Being a member/members of the above named Company hereby appoint Shri..... of.....in the district of or failing himofas my/our proxy to vote for me/us on my/our behalf at the Eighteenth Annual General Meeting of the Company to be held on 30th December, 2010.

Signed this.....day of2010

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.