

K I T E X

TENTH ANNUAL REPORT 2001 2002

KITEX GARMENTS LIMITED



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THE ANNUAL REPORTS
OF THE COMPANY

BOARD OF DIRECTORS

Mr. Sabu M. Jacob
Chairman & Managing Director
Mr. M.C. Jacob
Mr. Benni Joseph
Mr. C. Mohan (w.e.f. 19-8-2002)

AUDITORS

M/s Venkit & Hari
Chartered Accountants
Market Road
Cochin - 682 014

LEGAL ADVISORS

M/s Dandapani Associates
Advocates
Thirupati
T.D. Road North End
Cochin - 682 035

REGISTERED OFFICE

Building No. 9/536A
Kitex House
Kizhakkambalam
Alwaye - 683 562

CORPORATE OFFICE

Kitex House
3rd Floor, Shenoy Chambers
Cochin - 682 031

BANKERS

Punjab National Bank.

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10.00 AM TO 10.30 AM
KITEX GARMENTS LIMITED

NOTICE

Notice is hereby given that the Tenth 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 Monday, the 30th September, 2002 at 10.00 am. to transact the following business:-

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Directors' Report for the year ended 31st March 2002, 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 appoint a Director in the place of Mr. M.C. Jacob, who retires by rotation and, being eligible offers himself for reappointment.
- 3) To appoint Auditors, M/s. Venkit & Hari, Chartered Accountants, 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.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. C. MOHAN, 6D Style Enclave, Thrikkakara, Kochi - 682 021, be and is hereby appointed as a Director of the Company liable to retire by rotation".

By Order of the Board of Directors
For KITEX GARMENTS LIMITED

Sd/-

SABU M JACOB

Chairman & Managing Director

Kochi

Date: 19th August, 2002

Notes:-

- 1) As required by clause 49 of the Listing Agreement, the details of Director retiring by rotation and eligible for re-appointment are furnished below:-
Mr. M.C. Jacob, Director is the founder and promoter of Anna Group of Companies. He has the distinguished experience of more than 45 years in setting up companies like Anna Aluminium Ltd., Kitex Ltd., Scoobeday Products (P) Ltd. etc. He was one of the promoters of the company and has been a Director since inception.
Directorships in other companies : Kitex Ltd., Kitex Exports Ltd.
- 2) An explanatory statement u/s 173(2) of the Companies Act, 1956, is annexed to this notice.
- 3) A member entitled to vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
- 4) 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.

NOTICE TO MEMBERS
(KITE GARMENTS LIMITED)

- 5) Members are requested to notify any changes in their addresses to the Company at the Registered Office by quoting their Folio Numbers.
- 6) 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 26.09.2002.
- 7) Members / proxies should bring the attendance slips duly filled in for attending the meeting.
- 8) The Share transfer books and the Register of members shall remain closed from 27th September, 2002 to 30th September 2002, both days inclusive.
- 9) Any correspondence including Share Transfer Applications may be sent directly to the company at its Registered Office at Building No. 9/536 A, Kizhakkambalam Alwaye - 683 562, Kerala.

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

Mr. C. Mohan, B.Com., A.C.S., A.I.C.W.A., residing at 6D Style Enclave, Thrikkakara, Kochi-682 021 has been in professional practice as Cost Accountant since 1995 and earlier had held various managerial positions in reputed companies for 24 years. In compliance with the provisions of Corporate Governance of Listing Agreement with the Stock Exchanges, the Board of Directors of the Company co-opted Mr. C. Mohan as an Additional Director u/s 260 of the Companies Act, 1956 with effect from 19th August 2002. In terms of the said Section, he holds the said office upto the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member as required u/s 257 of the Companies Act, 1956, signifying his intention to propose the candidature of Mr. C. Mohan for appointment as a Director liable to retire by rotation.

Mr. C. Mohan is not a Director in any other Company.

The Board recommends the passing of the ordinary resolution.

None of the Directors other than Mr. C. Mohan is concerned or interested in this resolution.

By Order of the Board of Directors
For KITE GARMENTS LIMITED

Kochi
Date: 19th August, 2002

Sd/-
SABU M JACOB
Chairman & Managing Director

TENTH ANNUAL REPORT
KITEX GARMENTS LIMITED

DIRECTORS' REPORT

TO THE MEMBERS OF KITEX GARMENTS LIMITED

The Directors have pleasure to present their Tenth Annual Report and the audited Annual Accounts for the year ended 31st March 2002.

<u>Financial Results</u>	Year ended 31.03.2002 (Rs. in lacs)	Year ended 31.03.2001 (Rs. in lacs)
Income from operations	1600.18	1631.08
Operating Profit	579.99	209.54
Profit/(Loss) before Financing charges, Depreciation, Deferred Expenses written off	287.19	(43.92)
Profit/ (Loss) after Financing charges, Depreciation, Deferred Expenses written off	95.69	(255.43)

Review:

Due to the general recession in the export market for the garments, the export turnover of the Company was affected. However, the Company could maintain its total income from operations during the year at the same level as in the previous year by increasing its income from processing works undertaken by it which has also contributed to the higher operating profit.

Future Prospects

After the recession in the overseas market, the position is improving in the current year. We have confirmed orders to the extent of Rs. 10 crores to be executed before September 2002 and are hopeful of getting further orders which will yield a reasonable margin.

Dividend

No dividend is recommended for the year due to past losses after setting off the current year's profit.

Capital Expenditure

As at 31st March, 2002 the gross fixed assets stood at Rs. 1149 lacs and net fixed assets Rs. 853 lacs. Additions during the year amounted to Rs. 16 lacs.

Director's Responsibility Statement

The Director's 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

DIRECTOR'S REPORT

state of affairs of the Company at the end of the financial year and of the Profit and Loss 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 the 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 per Clause 49 of the Listing Agreement with the Stock Exchanges, the provisions of Corporate Governance have become applicable from the current Financial year and steps are being taken to implement the same.

Disclosure of Particulars

- (i) 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 'A' forming part of this report.
- (ii) The Company has no employee in respect of whom information under Section 217(2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended is required to be annexed.

Directors

Mr. M. C. Jacob is retiring by rotation and being eligible offers himself for re-appointment. Mr. Benni Joseph, Director (Finance) resigned from that position effective from 1st April 2002. However he continues to be a Director. The Board places on record its appreciation for Mr. Benni Joseph's valuable contribution during his tenure as Director (Finance).

Mr. C. Mohan, who was co-opted as Additional Director under Section 260 of the Companies Act, 1956, effective from 19th August 2002, will hold office till the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956, has been received from a member proposing his candidature for appointment as a Director liable to retire by rotation at the forthcoming Annual General Meeting.

Auditors

M/s. Venkit & Hari, Chartered Accountants retire at the forthcoming Annual General Meeting and are eligible for reappointment.

Acknowledgement

Your Directors wish to place on record their appreciation for the whole hearted and sincere co-operation the Company has received from its Banker, Punjab National Bank, Industrial Development Bank of India 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

Kochi

Date: 19th August 2002

Sd/-

SABU M. JACOB
Chairman & Managing Director