

**K I T E X****Kitex Garments Limited**

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| <b>The Secretary</b><br>BSE Limited<br>Corporate Relationship Dept,<br>1 <sup>st</sup> Floor, New Trading Ring,<br>Rotunda Building, P. J. Towers,<br>Dalal Street, Fort Mumbai -<br>400001, Maharashtra | <b>The Secretary</b><br>National Stock Exchange of India Ltd.<br>'Exchange Plaza',<br>Bandra - Kurla Complex<br>Bandra (E),<br>Mumbai- 400051,<br>Maharashtra |
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Dear Sir,

Subject: **NEWS ITEM PUBLISHED IN HINDU BUSINESS LINE TODAY**

The Article is published in the Business Line, all India editions, the details of the same is attached herewith.

**About Kitex Garments Limited**

Kitex Garments Limited is a 100% export of cotton garments in Infantswear segment mainly in US and European markets. It has vertically integrated manufacturing plant makes Infantswear as well as fabrics. The company is currently the second largest producer of children's apparel in the world. It is a licensee for Lamaze Organic brand of Childrenswear in USA, and has also registered its own brand "Little Star "in USA apart from various other Buyers.

Thanking you,

For **Kitex Garments Limited****Sabu M. Jacob**  
Chairman and Managing Director  
Enclosure: As above

# Kids garment-maker Kitex eyes Karnataka to grow

Power supply, the main draw for Kerala outfit that may set up facility in Hassan

THOMAS ABRAHAM

Bengaluru, November 10

Kitex Garments, the infants garments major, is looking to Karnataka to expand its operations. Kerala's biggest private sector employer seems to be zeroing in on the textile park in Hassan, Karnataka, to set up a new garments unit.

According to reliable sources, Kitex is eyeing Karnataka because of uninterrupted power supply, land at reasonable terms and availability of ample labour.

Kitex, which houses its labour force of 9,500, from 21 States at its production campus in Kizhakkambalam near Kochi, would not need to spend on hostel facilities for the staff, which would add to its bottomline, the person with knowledge of the matter, said.

Kitex has made a formal application to the Government of Karnataka for permission to set up the unit, it is learnt. International consulting firm KPMG has been appointed to look at the various aspects of Kitex Garments' growth strategy.

While the company's board has set aside ₹240 crore for expansion, it could increase this amount to ₹500 crore.

Kitex Garments is fully focussed on the US market.

Currently, its facility near Kochi produces 6-lakh pieces of garments for infants every day.

"US is the biggest market and we export to the top companies in the US - Walmart, Target, Toys 'R' Us and others. For these companies, which place orders in millions of pieces, we fit the bill perfectly with our most-modern production unit, latest processes, best practices, global standards and clear understanding of products," said Sabu M Jacob, Chairman and Managing Director, Kitex Garments.

Infants' garments are classified as 'Z' category. That is, production of these garments should not entail harmful chemicals; the garments should be absolutely safe for use on infants as their fingers should not get caught in buttonholes.

"It is a very difficult category to be in. And we have proved ourselves in this category," said Jacob. Kitex uses



Sabu M Jacob, Chairman and Managing Director, Kitex Garments

organic cotton to manufacture these garments. And the chemicals used in the production process are imported from Switzerland, he added.

**US Customs comes calling**

"Last month, the US Customs had come to India to inspect various factories from where US companies import goods. After their inspection of Ki-

tex, they said this is the only factory that is 100 per cent compliant with all rules, and there is no need for Corrective Action Plan. They said there are many good practices that the factory follows, which they will record for other factories to follow. We are awaiting their formal report. This report will increase our credibility with global buyers," said Jacob.

In a State infamous for labour strikes and power cuts, Kitex has not lost one day of production due to either of these issues.

"Ours is the first fully air-conditioned factory in India. We have the most-modern hostel facility for our staff of 9,500. They get the best food - vegetarian and non-vegetarian - free of cost. The campus houses staff from 21 States. And food for them is made according to their varied tastes. It's a tough job. But we do it, everyday, year after year. Also, they are paid handsomely. Kitex has no temporary or contract staff; everyone is on the rolls. We look after them in every aspect. We leave no scope for discontent or strife," added Jacob.

"Except for marriage, family exigencies, or logistics, my staff do not leave. They leave this organisation with pain."

**Shareholding**

Jacob, who holds 55 per cent in Kitex, says he has never sold one share in it. And he sees far more value in his share than its price now.

"This is a long-term investment," he explains. While analysts look for 25 per cent growth year after year, Jacob is working to make the company grow steadily, sans volatility, and cement its place in the US market for the long-term. In June this year, Kitex gave 25 bonus shares to its investors.

## Gadkari to open food 'bazaar' in Kerala

THOMAS ABRAHAM

Bengaluru, November 10

Nitin Gadkari, Union Minister for Road Transport & Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation, is set to inaugurate a Food Security Bazaar in Kizhakkambalam on November 17.

Set up by Twenty20, a charity floated by the Anna-Kitex Group, the bazaar provides food items at 50

per cent of the market price to the residents of Kizhakkambalam village. This has been made possible by promoting farming in the village and procuring the produce directly from farmers at a fair price without involving middle men.

The bazaar is one of the ways in which Sabu M Jacob, Chairman and Managing Director, Kitex Garments, is carrying forward the legacy of

his grandfather who started this business in 1968 - make a success of the business, as well as uplift the lives of the people of his village, Kizhakkambalam.

The many other initiatives of Twenty20 include providing education, housing for all, healthcare, mother and child care, roads and infrastructure, drinking water, farming and ground-water conservation.

