

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of
the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

Notice is hereby given that pursuant to Section 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations as amended from time to time, the Company is seeking the approval of the Members for the matter(s) as considered in the resolution(s) appended below, through Postal Ballot i.e., voting by post or by electronic means, as the case may be.

The Explanatory Statement pertaining to the resolution(s) setting out the material facts concerning each item and the reasons thereof are annexed hereto along with a Postal Ballot Form for your consideration.

The Board of Directors of the Company has appointed Mr. Vincent P. D., Sr. Partner, SVJS & Associates, Company Secretaries, Kochi as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Members desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the enclosed Postal Ballot Form and return the same duly completed in the enclosed self-addressed, postage pre-paid envelope, so as to reach the Scrutinizer not later than 5 PM on February 7, 2018. If any Postal Ballot is received after 5 pm on February 7, 2018, it will be considered that no reply from such Member has been received and such Postal Ballot form would not be considered.

SPECIAL BUSINESS:

Approval for Material Related Party Transactions with Kitex USALLC

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

"RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and pursuant to Regulations 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with standard listing agreement entered with the Stock Exchanges and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into a contract(s)/ Transactions(s)/ arrangement(s) with KITEX USA LLC a related party within the meaning of the aforesaid law, on such terms and conditions as may be mutually agreed upon, upto a maximum amount of Rs. 300 Crores in each financial year from the financial year 2017-18 for the period of 3 years, however that contract(s)/ Transaction(s)/ Arrangement(s) so carried out shall at all times be in the ordinary course of Company's business and also at the arms length basis."

"RESOLVED FURTHER that the Board of Directors of the company and/or the Audit Committee as may be applicable from time to time authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Board of the Company in order to give effect to this resolution."

Kizhakkambalam
04.11.2017

By Order of the Board of Directors of
Kitex Garments Limited

Sabu M Jacob
Chairman & Managing Director
(DIN: 00046016)

NOTES:

1. Explanatory statement setting out material facts concerning items of business to be transacted, pursuant to Section 102 and other applicable provisions of the Companies Act, 2013 is appended herein below.
2. The Postal Ballot Notice is being sent to all the Members, whose name appear on the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on December 29, 2017 (cut-off date). Member(s) whose names appear on the Register of Members/ List of Beneficial Owners as on the cut off Date will be considered for the purpose of voting/e-voting. The voting rights of Members shall be in proportion of their shares of the paid-up Equity Share Capital of the Company. A person who is not a Member as on the Cut off date should treat this Notice for information purpose only.
3. The Postal Ballot Notice is being sent to the Members who have registered their email IDs for receipt of documents in electronic form with their Depository Participants/ Company's Registrar and Share Transfer Agent (RTA). For those members whose email IDs are not registered, physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent by permitted mode along with postage prepaid self-addressed Business Reply Envelope. Members who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal ballot form can download the Postal Ballot form from the link www.kitexgarments.com or www.evotingindia.com or seek duplicate Postal Ballot form from M/s. Cameo Corporate Services Limited, Unit: Kitex, Subramanian Building No. 1, Club House Road, Chennai 600002, Website: www.cameoindia.com fill in the details and send the same to the Scrutinizer.
4. Member(s) desiring to exercise their vote by Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed self-addressed Business Reply Envelope. Postage of such envelope will be borne and paid by the Company. Postal Ballot Form, if sent by courier or by registered post/ speed post at the expense of the Member(s) will also be accepted. The Postal Ballot Form may also be deposited personally at the address given on the self-addressed Business Reply Envelope. The duly completed Postal Ballot Form should reach the Scrutinizer not later than 5 PM on February 7, 2018 to be eligible for being considered, failing which it will be strictly considered that no reply has been received from the Member.
5. Members who have not registered their e-mail addresses so far are requested to register their email address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.
6. The e-voting shall commence on January 8, 2018 (9:00 AM) and shall end on February 7, 2018 (5:00 PM). The remote e-voting module shall be disabled by CDSL for voting thereafter.
7. Postal Ballot Form should be completed and signed by the Member(s) as per the specimen signature registered with the Company/Depository Participants. In case of joint holding, this Form should be completed and signed by the first named Member and in his/her absence, by the next named Member. There will be only one Postal Ballot Form for every Client ID/Folio No. irrespective of the number of joint holders.
8. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing (✓) in the appropriate column.
9. A Member cannot exercise his/her vote through proxy on Postal Ballot.
10. The Member can opt for only one mode of voting i.e., either by Postal Ballot or e-voting. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Postal Ballot forms will be treated as invalid.
11. In case of equity shares held by companies, institutional shareholders (FPIs/ Foreign Institutional Investors/ Trust/ Mutual Funds/ Banks etc.), duly completed Postal Ballot Form should also be accompanied by a certified copy of the Board Resolution/ Authority letter together with the attested specimen signature(s) of the duly authorised signatory (ies) who are authorised to vote by Postal Ballot, shall be sent to the Scrutinizer.
12. The Scrutinizer will submit his report to the Chairman & Managing Director/ Company Secretary after completion of the scrutiny of the Postal Ballots and e-Voting, on or before February 9, 2018 and the result of the Postal Ballot including voting through electronic means will be announced on Friday, February 9, 2018 at 5.00 pm at the Company's Registered Office of the Company by the Chairman & Managing Director/ Company Secretary of the Company. The results of the Postal Ballot will also be displayed at the Registered Office at P. B. No. 5, Kizhakkambalam, Alwaye - 683562, Kochi, Kerala and shall be intimated to the Stock Exchanges where securities of the Company are listed (viz., BSE: www.bseindia.com and NSE: www.nseindia.com) and will be hosted along with the Scrutinizer's report on the Company's website: www.kitexgarments.com and CDSL website: www.evotingindia.com.
13. Relevant documents referred to in the Notice and the Statement are available for inspection by the Members at the Registered Office of the Company from 11 am to 5 pm on all working days from the date of despatch of the Notice till the last date for voting.
14. The Board of Directors has appointed Mr. A. Babu Company Secretary and Compliance Officer of the Company as the designated person responsible for the entire Postal Ballot process.
15. Resolutions passed by the Members through Postal Ballot including voting by electronic means shall be deemed to have been passed as if they have been passed at a general meeting of the Members convened in that behalf.
16. VOTING THROUGH ELECTRONIC MEANS:
 - a) In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time together with relevant clauses in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members, the facility to exercise their right to vote by electronic means as part of Postal Ballot process and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

"Electronic voting system" means a secured voting system based process of display of electronic ballots, recording of votes of the Members and the number of votes polled in favour or against, in such a manner that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate cyber security.

"Cut-off date" for determining the eligibility for voting either through electronic voting system or ballot is fixed as December 29, 2017. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

b) Procedure for Remote E-Voting

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in De-mat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both de-mat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the de-mat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your de-mat account or in the company records for the said de-mat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your de-mat account or in the company records for the said de-mat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in De-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the de-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN to choose <KITEX GARMENTS LIMITED> to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non-Individual Shareholders & Custodians.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate and custodians respectively
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/ folio numbers on which they wish to vote.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

Please follow all the steps from Sl. No. : (i to xvii) above to cast vote.

General Information

(A) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Wenceslaus Furtado, Deputy Manager, CDSL, 17th PJ Towers, Dalal Street, Fort Mumbai - 400021, Maharashtra, ph:022-22723333 who will also address grievances connected with the Postal Ballot/e-voting.

EXPLANATORY STATEMENT

(As per Section 102 read with Section 110 of the Companies Act, 2013)

Your Company sells garments consisting of Baby suits, Sleepwear, Rompers, Burps, Bips and Training Pants to M/s. Kitex USA LLC (hereinafter referred to as "the KUL") a company registered in Delaware, USA under laws of that country having a joint investment of 50:50 by the Company together with M/s. Kitex Childrenswear Limited (KCL), an unlisted Company which was promoted by Mr. Sabu M. Jacob who is also the Managing Director of both the promoter company. Your company also makes investment in Kitex USA LLC from time to time depending on the needs arising out of expansion activities in USA. The sale of baby garments/ investments dependent on the requirement of both the Companies for its products from time to time and the ability to supply such specified Childrenswear by this company to its clients. During the course of its business, KUL has been selling its products to other USA Based Clients.

Your company has noted that M/s. Kitex USA LLC fall under the category of a related party of the Company in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified and amended from time to time. The provisions of this regulation read with Policy on Related Party Transactions approved and notified by the Board of Directors of the Company consider a transaction with a related party as material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the Annual consolidated turnover of the company as per the last audited financial statements of the Company. Further, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time require all material related party transactions to be approved by the shareholders through an ordinary resolution and the related parties shall abstain from voting on such resolutions.

The Company envisages that the transactions entered into with M/s. Kitex USA LLC whether individually and/or in aggregate would exceed the stipulated threshold limit of ten percent of consolidated annual turnover of the Company as per the latest audited financial statements of the Company during a financial year under review. The company therefore requires the approval of the shareholders by an ordinary resolution for entering into such transaction(s)/ Contract(s)/ arrangement(s) with M/s. Kitex USA LLC upto a maximum amount as mentioned in the resolution in each financial year from the FY 2017-18 for a period of 3 years.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arms length basis, the same is being sought as an abundant precautionary measure.

All related parties shall abstain from voting on this resolution.

The relevant information is as follows:

	Name of the related parties	Kitex USA LLC (KUL)
1	Name of the Director or KMP who is related	Mr. Sabu M Jacob & Mr. K.L.V. Narayanan
2	Nature of relationship	Mr. Sabu M. Jacob is the Chairman & Managing Director of the Kitex Garments Limited (KGL) and the Managing Director of Kitex Childrenswear Limited (KCL). He is also having control over KUL and is the promoter for all these companies. KGL and KCL jointly invested in KUL in the proportion of 50:50. Mr. K. L. V. Narayanan being the Non Executive Director of the Company, is also the Director of KUL.

3	Monetary Value	The estimated aggregate contract value for the matters proposed in the resolution shall not exceed Rs. 300 Crores for KUL in each financial year for 3 consequent years w.e.f. FY 2017-18.
4	Nature, material terms and particulars of arrangements	Purchase and sale of Garments by the company as these are dependent on the requirement of both companies for its products from time to time and the ability to supply of specified material by these companies. However such transactions would be in the ordinary course of the company's business and at the arm's length basis.
5	Any advance paid or received for the arrangement if any	As per industry norms, custom and usages.
6	Tenure of Contract	3 years
7	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

The Audit committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on 4th November, 2017 and have approved the proposed arrangements with the Related Party M/s. Kitex USA LLC and have also decided to seek approval of shareholders by way of ordinary resolution pursuant to section 188 of the Companies Act 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

Mr. Sabu M Jacob together with his relatives and M/s. Kitex Childrenswear Limited hold in aggregate 1,02,90,460 Equity Shares and 73,50,329 Equity shares of the Company and being promoters are concerned or interested in the ordinary resolution to this Notice.

Relevant documents referred to in the Notice and the Statement are available for inspection by the Members at the Registered Office of the Company from 11 am to 5 pm on all working days from the date of despatch of the Notice till the last date for voting.

The Board recommends the Ordinary Resolution set out above in the Notice for approval by the members.

The Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in this resolution to the extent of their shareholding if any, in the Company, in the resolutions set out at the accompanying notice.

By Order of the Board of Directors of
Kitex Garments Limited

Kizhakkambalam
04.11.2017

Sabu M. Jacob
Chairman & Managing Director
(DIN: 00046016)