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*Page Industries was awarded the 'International Licensee of the Year' Award in 2009. This is certainly a tribute to the excellent performance of the company which outperformed forty other licensees and distributors in 130 countries. It was a proud moment as this is the second time that Page has received this coveted award, the first one being in 2005.*



Seen above are the Genomal brothers during the Golden Anniversary celebration

*The 'International Licensee of the Year' Award was even more special as it coincided with the 50th anniversary of the relationship between Jockey International and the Page Industries promoters, the Genomal family.*

# New Product Launches



## Women's 24x7 stretch range

This range was launched keeping in mind the active lifestyle of the 'Jockey' woman. The range includes capris, long pants in soft cotton stretch fabrics teamed with T-shirts in various sleeve options. The comfortable styling encourages her to wear it through the day.



## Comfort Stretch

In keeping with the requirements of modern lifestyle, the basic cotton panties were taken a step ahead with the launch of the comfort stretch range. The hipster, bikini and two camisole styles were launched in cotton elastane fabric for superior comfort and ease of movement. The introduction of trendy boy leg panty was in keeping with the 'young and alive' image of jockey.



## Sport

The outerwear range from Jockey touched a new high with sporty styles of knit shorts, track pants, fashion / racer backs vests, muscle tees, slim polos and sports T-shirts. Made from cotton / cotton rich fabrics, these ensure total comfort. Addition of stretch and some fashion elements have made the style contemporary for the 'Jockey' man.



## Sport Performance

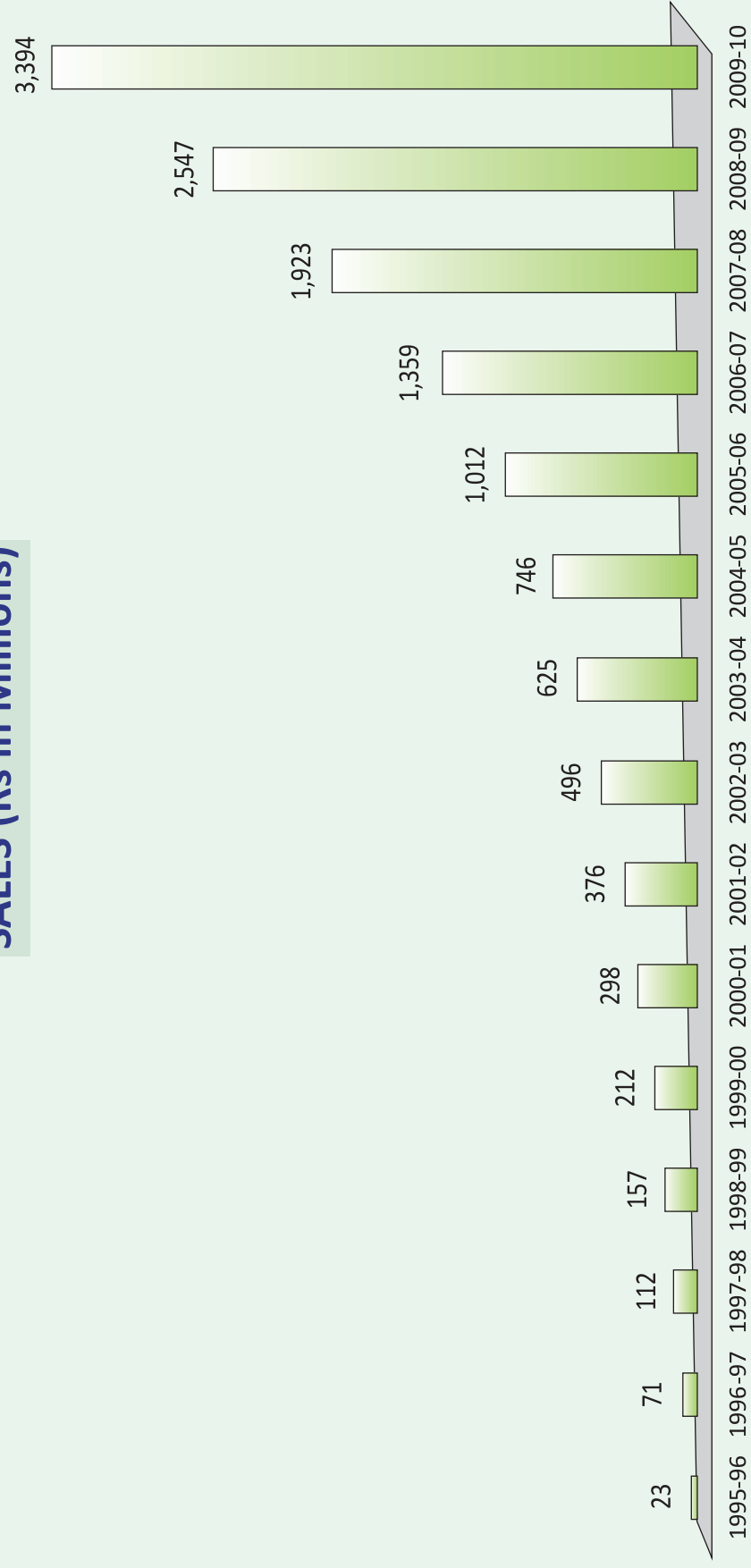
The Sport Performance range for men was launched for the fitness conscious consumers. The stretch fabrics teamed with mesh and having excellent moisture wicking properties ensure 100% performance from the garment as well as the wearer.

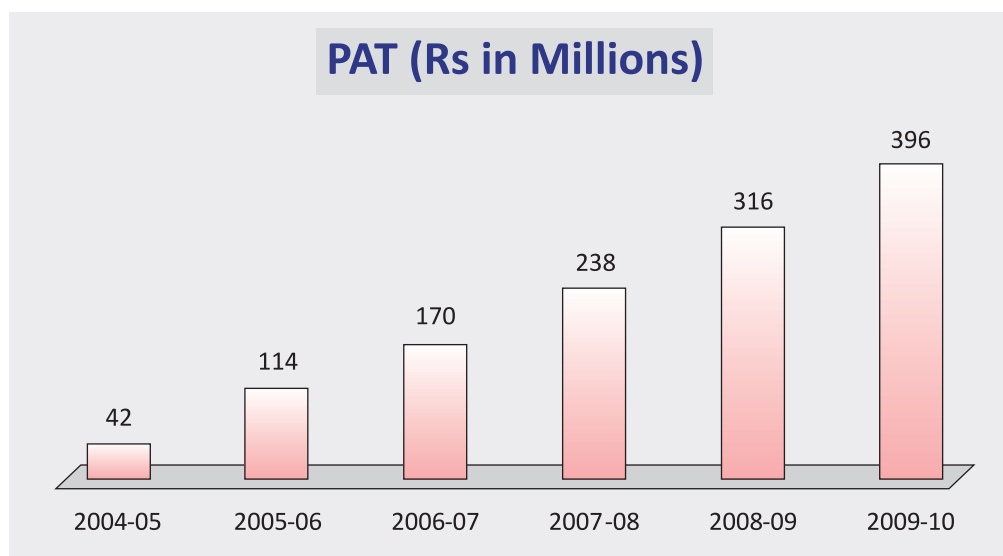
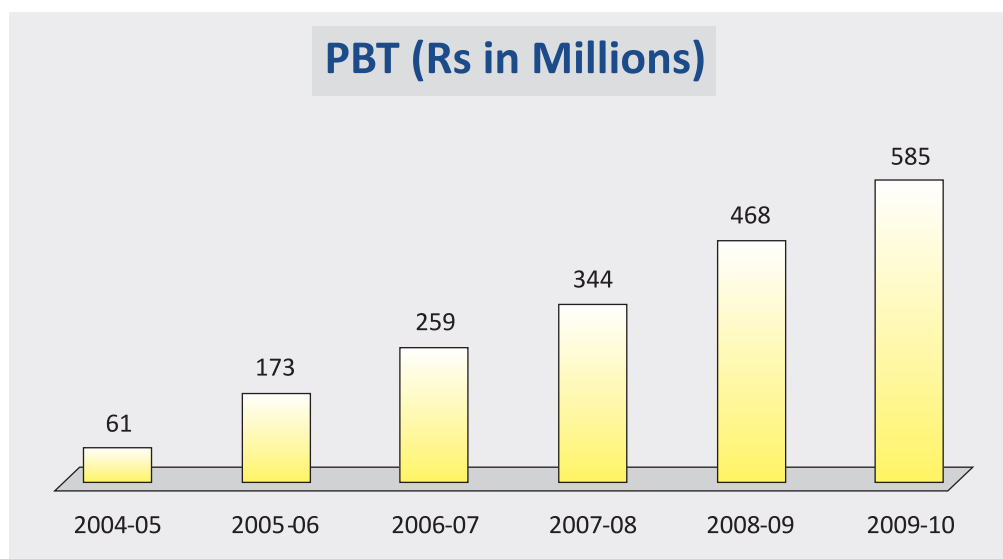
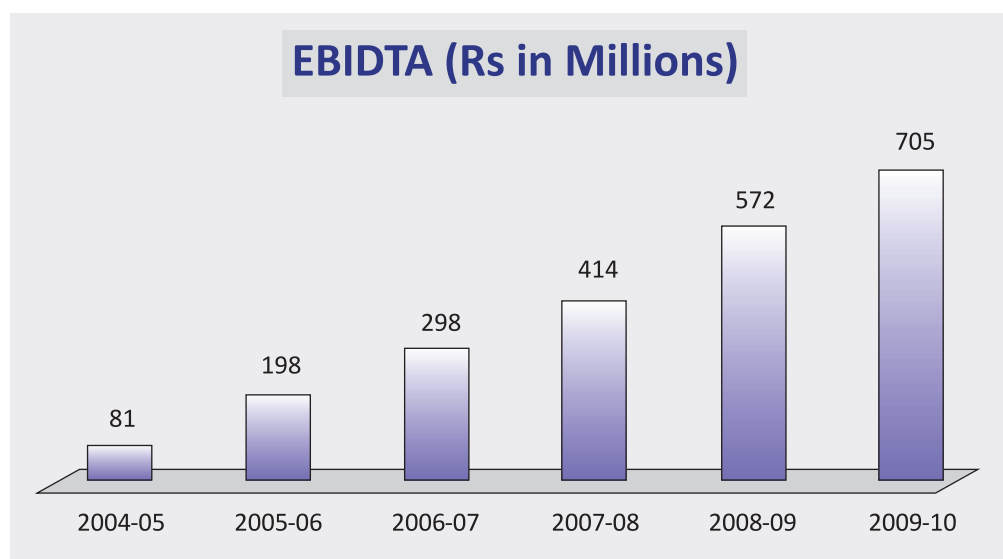


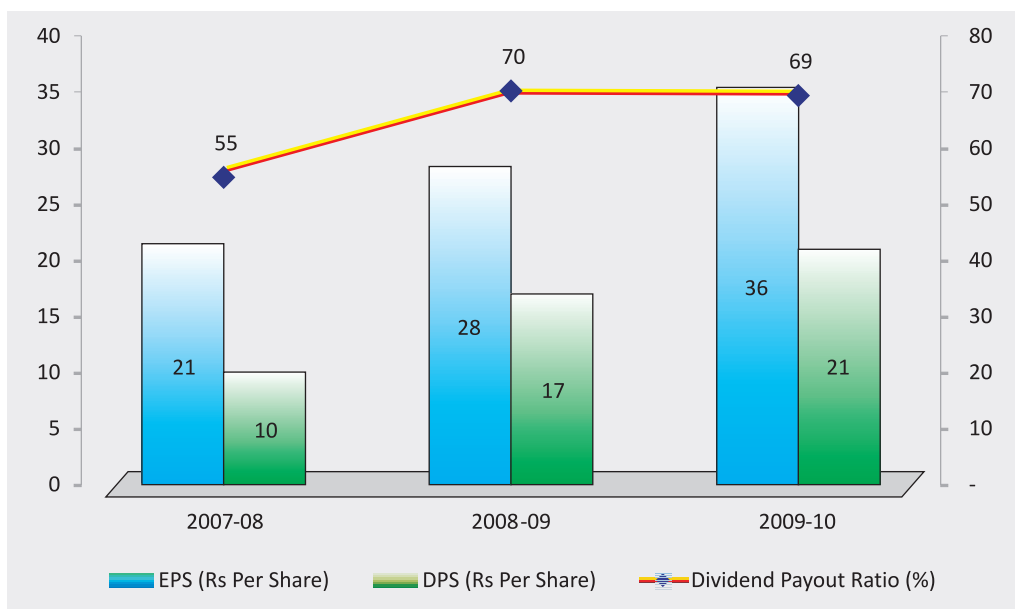
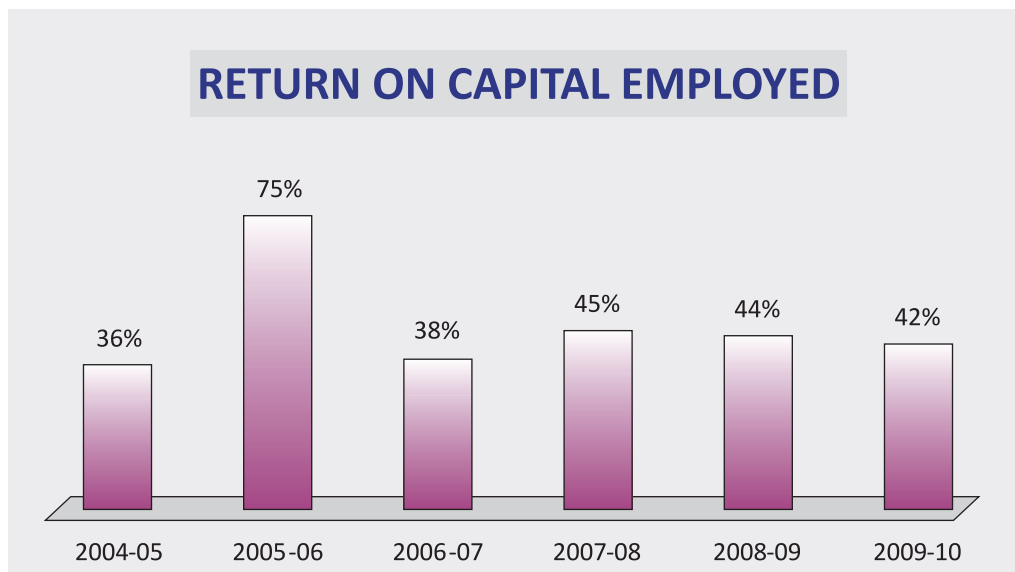
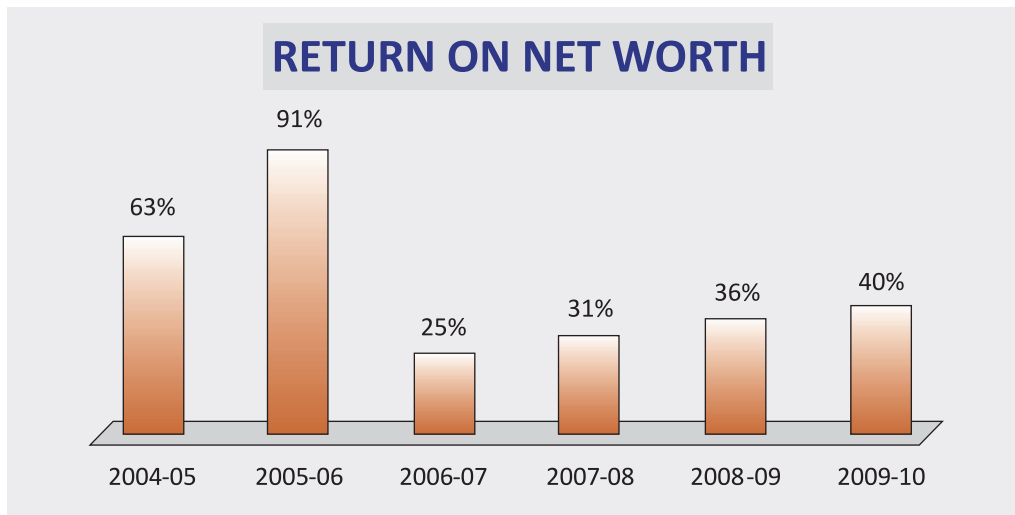
# PERFORMANCE HIGHLIGHTS



## SALES (Rs in Millions)











**Registered & Corporate Office**

Abbaiah Reddy Industrial Area, Jockey Campus  
No.6/2 & 6/4, Hongasandra, Begur Hobli, Bangalore – 560 068  
Tel: 080-40476868 / 25732952 Fax: 080-25732226 / 25732215  
[www.jockeyindia.com](http://www.jockeyindia.com)

**Board of Directors**

Mr Ravi Uppal, Chairman  
Mr Sunder Genomal, Managing Director  
Mr Nari Genomal, Director  
Mr Ramesh Genomal, Director  
Mr Timothy Ralph Wheeler, Director  
Mr G P Albal, Director  
Mr V Sivadas, Alternate Director  
Mr P V Menon, Alternate Director

**Management Team**

Mr Vedji Ticku, Chief Operating Officer  
Mr Pius Thomas, GM – Finance & Purchase  
Mr. M.C Cariappa, GM – Sales & Marketing

**Company Secretary**

Ms Gargi Das

**Registrar & Share Transfer Agent**

Sharepro Services (India) (P) Ltd  
13AB Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Off Andheri – Kurla Road  
Sakinaka, Mumbai – 400 072

**Auditors**

M/s Haribhakti & Co.,  
Chartered Accountants  
42, Free Press House  
Free Press Journal Marg  
215, Nariman Point  
Mumbai – 400 021

**Bankers**

1. Canara Bank
2. Citi Bank, N.A
3. HDFC Bank Limited

## NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the 15<sup>th</sup> Annual General Meeting of Members of Page Industries Limited will be held on Friday, 30<sup>th</sup> July, 2010 at 11:30 am at The Gateway Hotel, No.66, Residency Road, Bangalore-560025 to transact the following business:

### Ordinary Business:

1. To consider the Profit and Loss Account for the financial year ended 31<sup>st</sup> March, 2010, the Balance Sheet as at that date, the Report of the Board of Directors and the Report of the Auditors
2. To confirm the payments of Interim dividend for the year 2009-10
3. To appoint a Director in the place of Mr. Sunder Genomal, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint a Director in the place of Mr Ramesh Genomal, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint Auditors to hold office upto the conclusion of the next Annual General Meeting and to fix their remuneration.

### Special Business:

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

RESOLVED THAT pursuant to the provisions of section 198,309,310,311 and Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals, permissions and sanctions, as may be required, and pursuant to approval of the Board of Directors at their meeting held on 28 May 2010, approval of the Company be and is hereby accorded for the re-appointment of Mr. Sunder Genomal as Managing Director of the Company for a period of five years with effect from 1 August 2011 on the following terms and conditions:

Basic Salary	Rs. 4,00,000 /- pm
House Rent Allowance	Rs. 4,00,000/- pm
CCA	Rs. 28,000/-pm
Provident Fund	On the mandatory limit
Medical Reimbursement	Rs.15,000 /- pa
Apartment Maintenance Charges	On actual basis
Electricity Charges at Residence	On actual basis
Gratuity	As per the Gratuity Act
Car with Driver	Shall be provided by the Company
Telephone at Residence	Shall be provided by the Company
Payment of Mobile Bill	Shall be provided by the Company
Leave	As per the rules of the Company

RESOLVED FURTHER THAT the afore-mentioned remuneration shall be treated as a minimum remuneration as per Schedule XIII of the Companies Act, 1956 in the event of loss or inadequacy of profit in the financial years during his tenure in office.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

RESOLVED that pursuant to provisions of Section 309(4)(b) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for the payment of a sum not exceeding Rs. 15,00,000/- (Rupees fifteen lakhs only), (excluding sitting fees) subject to the limit prescribed in the Companies Act, 1956, to be paid to and distributed amongst the Directors of the company or some or any of them (other than Managing Directors / Whole-time Directors) in such amounts, subject to such ceiling and in such manner and in such respects as may be decided by the Board of Directors and such payments shall be made for the financial year 2010-11.

By Order of the Board

Bangalore  
28<sup>th</sup> May , 2010

(Sd/-) Gargi Das  
Company Secretary

### NOTES:

1. A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING THE PROXY SHOULD BE LODGED WITH THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.
3. The relevant Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the Meeting is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 23<sup>rd</sup> July, 2010 to Friday, the 30<sup>th</sup> July, 2010 (both days inclusive).
5. Members are requested to communicate their change of address, if any, quoting their folio numbers to our Registrars and Share Transfer Agents, M/s Sharepro Services (India) Pvt. Ltd at 13AB, Samhita Warehousing Complex ,2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri – Kurla Road , Sakinaka, Mumbai – 400 072. Similarly members holding shares in Demat form, shall intimate the change in address, if any, to their respective Depository Participants.
6. As of 31<sup>st</sup> March, 2010, we have unclaimed amounts of Rs. 69975, Rs.31866, Rs.14576, Rs.15492, Rs.10364, Rs.10232, Rs.6813, Rs.17605, Rs.6928, Rs.24900 and Rs.34914 in our IPO Refund Account, 1<sup>st</sup> Interim Dividend Account 2007-08, 2<sup>nd</sup> Interim Dividend Account 2007-08, 1<sup>st</sup> Interim Dividend Account 2008-09, 2<sup>nd</sup> Interim Dividend Account 2008-09, 3<sup>rd</sup> Interim Dividend Account 2008-09, Final Dividend 2008-09,

1<sup>st</sup> Interim Dividend 2009-10, 2<sup>nd</sup> Interim dividend 2009-10, 3<sup>rd</sup> Interim Dividend 2009-10 and 4<sup>th</sup> Interim Dividend 2009-10 respectively. The investors / shareholders, who have not claimed their refund / dividend, are requested to write to our Registrar and Share Transfer Agents M/s Sharepro Services (India) Private Limited, Mumbai to claim the amount.

Pursuant to Section 205C of the Companies Act, 1956, if the refund / dividend amount is not claimed within 7 years from the date they become due for payment; such unclaimed amount will be transferred to Investor Education and Protection Fund. Once the unclaimed amount is transferred, no further claim can be made.

7. The relevant details of persons seeking appointment / reappointment as Directors under Item Nos. 3 & 4 above, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchanges are annexed to this notice:

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

##### **Item No.6 of the Notice:**

Mr. Sunder Genomal is Managing Director of the Company, appointed for a period of five years from 1 August 2006 and his tenure expires on 31 July 2011.

The Board of Directors have considered and proposed his re-appointment as Managing Director for a term of another five years commencing from 1 August 2011. It has been further considered and proposed by the Board that his remuneration and other benefits will remain same at the time of re-appointment which was last revised in the Board Meeting held on 30 January 2009 and subsequently the same was approved by the shareholders through postal ballot. The remuneration payable to Mr. Sunder Genomal is within the limits prescribed in Section 198 and 309 of the Companies Act, 1956 read with Schedule XIII of the Act.

None of the Directors, except Mr. Sunder Genomal, Mr. Nari Genomal and Mr. Ramesh Genomal may be deemed to be interested or concerned in the proposed resolution except to the extent of shares, if any, held by them.

The abstract under section 302 of the Companies Act, 1956 has been sent to the shareholders.

##### **Item No.7 of the Notice:**

Section 309(4) (b) of the Companies Act, 1956 authorizes the payment of remuneration to a Director, who is neither a Whole-time Director nor a Managing Director of a Company, if the Company authorizes such payment by a Special Resolution. In view of the increased activities of the Company and the responsibilities of Non- Whole-time Directors / Independent Directors under Clause 49 of the Listing Agreement with the Stock Exchanges as well as under the Companies Act, 1956, it is proposed to pay remuneration as mentioned in the resolution and such remuneration shall be distributed amongst the Directors (including Alternate Directors, but excluding Managing / Whole-time Directors) as may be determined by the Board in the quantum, the proportion and the manner as the Board may decide from time to time, such that the amount of remuneration to each Director may vary depending on the responsibilities as Member / Chairman of the Board, Member / Chairman of any Committee(s) of the Board and /or all other relevant factors.

The said remuneration shall be payable for the year 2010-11 after the annual accounts are approved by the Board of Directors and adopted by the shareholders. The above payment to Non-executive Directors will be in addition to the sitting fees payable to them for attending Board / Committee meetings.

The Board recommends the special resolution for approval. The Non-Executive Directors of the Company may be deemed to be concerned or interested in the resolution to the extent of the remuneration that may be received by them.

By Order of the Board

Bangalore  
28<sup>th</sup> May, 2010

(Sd/-) Gargi Das  
Company Secretary

**Details of Directors seeking reappointment at the Annual General Meeting (Pursuant to Clauses 49 (IV) (E)(v) and 49 (IV)(G)(i) of the Listing Agreement)**

Name of the Director	Mr. Sunder Genomal	Mr. Ramesh Genomal
Date of Appointment	15.11.1994	15.11.1994
Expertise in Specific Function Area	Three decades of experience in various facets of textile industry	He has over 30 years of experience in textiles and garmenting industry
Qualification	M. Tech	MBA
List of outside Directorship as on 31 <sup>st</sup> March 2010 <u>In Indian Companies</u> <u>In Foreign Companies</u>	Trigen Apparel Pvt Ltd a. GTVL Mfg. Industries Inc., Philippines b. Sprint International Inc., Philippines c. Trigen Resources Inc., Philippines	a. GTVL Mfg. Industries Inc., Philippines b. Sprint International Inc., Philippines c. Trigen Resources Inc., Philippines
Chairman / Member of the Board of Directors of the Company as on 31 <sup>st</sup> March 2010	NIL	Member of Shareholders'/Investors' Grievance Committee
Chairman/Member of the Committees of other Companies in which he is a Director as on 31 <sup>st</sup> March, 2010	NIL	NIL
Number of Shares held in the Company as on 31 <sup>st</sup> March, 2010	2298987 Shares (20.612% to the paid-up Share Capital)	2299413 Shares (20.615% to the paid-up Capital)

## DIRECTORS' REPORT

Your Directors take pleasure in presenting the 15<sup>th</sup> Annual Report of the Company together with audited accounts of the Company for the year ended 31<sup>st</sup> March, 2010.

### FINANCIAL RESULTS:

Financial results for the year under review are summarized below:

(Rupees in Million)

Particulars	For the year ended 31 March 2010	For the year ended 31 March 2009
Sales	3,393.80	2546.51
Other Income	48.61	63.84
Profit before Interest, Depreciation & Prior period Adj.	705.58	572.63
(Less): Financial Charges	(29.74)	(30.68)
(Less): Depreciation	(89.87)	(73.34)
(Less): Prior period Adjustments	(0.80)	(0.22)
Net Profit Before Tax	585.17	468.39
(Less): Provision for		
- Current taxes	(186.00)	(144.82)
- Prior Year taxes	-	(6.78)
- Deferred taxes	(2.96)	(0.49)
- Wealth Tax	(0.11)	-
Profit After Tax	396.10	316.30
Appropriation		
Less: Interim Dividend	234.23	156.15
Proposed Dividend	-	33.46
Corporate Dividend Tax	39.81	32.23
Transferred to General Reserve	40.00	32.50
Surplus carried to Balance Sheet	82.06	61.96

### FINANCIAL HIGHLIGHTS & PERFORMANCE:

Your Directors wish to inform you that during the financial year ended 31 March, 2010, the sales of the Company increased from Rs. 2546.51 million to Rs. 3,393.80 million registering a growth of 33%. The year under review net profit before tax has increased to Rs. 585.17 million from Rs. 468.39 million of last year, which is an increase of 25%. The net profit stood at Rs. 396.10 million as against Rs. 316.30 million of the previous year representing a growth of 25%.

### DIVIDEND:

During the year 2009-10, your Directors have declared four interim dividends on 9 April 2009 (Rs. 7 per share), 15 June 2009 (Rs.2 per share), 30 October, 2009 (Rs. 6 per share) and 29 January 2010 (Rs. 6 per share) of an equity share value of Rs. 10 each aggregating to an interim dividend payment of Rs. 21 per share of an equity share value of Rs. 10 each amounting to a total interim payment of Rs. 234,231,354/- for the year ended 31 March 2010. The said interim dividends are considered as final dividend.

### UTILIZATION OF IPO FUNDS:

Pursuant to the final prospectus dated 1 March 2007, the Company made an Initial Public Offer during 2006-07 with the objects of Brand Building, Expansion of garment manufacturing capacity in the existing location, Modernisation setting up of a manufacturing facility at Bommasandra, Bangalore, Purchasing a Corporate Office, Implementation of ERP Software and General Corporate Purposes. The utilisation of IPO funds were re-appropriated with due approval of shareholders through a postal ballot. Accordingly, the funds were fully utilised for Brand Building (Rs. 88.11 million), expansion of garment manufacturing capacity in the existing location (Rs. 88.17 million), setting up of new manufacturing facility at Bommasandra, Bangalore (Rs. 270.47 million), expansion of elastic manufacturing facility (Rs. 8.96 million), expansion of socks manufacturing facility (Rs. 9.09 million), implementation of ERP software (SAP) (Rs. 13.89 million), and issue expenses (Rs. 82.31 million). The details of such utilisation were published along with the Financial Results of the Company for quarter ended 30 June 2009.

### EXPANSION OF CAPACITY:

Begur Road Complex:

The production capacity at Begur Road has stabilised at 35 million pieces including partial shift working.

Bommasandra Complex:

The second building at Bommasandra with an area of 95,000 sq ft has been completed in September'09. The capacity at the complex has been stepped upto 20.52 million pieces of garments per annum on a single shift basis.

Kodichikkanahalli Complex:

The second building at the complex has been occupied in January'10. The capacity of the complex has been stepped up to 15 million pieces of garments per annum on a single shift basis.



*Bommasandra Plant - Cutting*



*Kodichikkanahalli Plant - Elastic*



*EBO - Calicut*

#### Elastic unit:

Your Company is in the process of adding 10 more needle looms to the elastic unit which will enhance the production capacity of woven elastic to 23.76 million metres per annum. Your Company has also installed two machines for the production of knitted elastic with a capacity of 9 million metres per annum.

#### Socks Unit:

Your Company has further expanded the capacity to 2.83 million pairs per annum as on date and will be further expanding the capacity to 3.50 million pairs per annum.

Your Company has taken up a new unit on lease along Hosur Road to step up production. We are in the process of installing machines in the building. We are envisaging a capacity of 4 million pieces of garments per annum in this complex on a single shift basis.

For longer term expansion, we are awaiting physical handing of the area of four acres of land allotted to us by the Karnataka Industrial Area Development Board (KIADB) at Gowribidanur Industrial Area, Chikkaballapur District.

#### **BRAND BUILDING AND EXCLUSIVE BRAND OUTLETS (EBOs):**

During the year 2009-10, we have, through our authorised franchisees, opened ten Exclusive Brand Outlets. Including these outlets, the total EBOs now number 54, well spread out in all major cities.

#### **Just Jockeying**

Jockey is one of the most trusted brands in its category in India as it is all over the world. The bold new campaign launched this year, called “Just Jockeying”, was aimed at transforming Jockey into a lifestyle brand, extending it from being a just a strong men’s brand to a unisex and a leisurewear brand, while enhancing stature and brand leadership in the consumer’s mind. The campaign was different as it moved from just portraying functional attributes to an emotional high ground.

Targeted at print and outdoor, the “Just Jockeying” campaign gave the brand a unique ownable position, a leader’s stance, spoke from a consumer’s point of view, was a powerful discriminator, set standards for the category, and gained a high competitive advantage.

#### **HEALTH SAFETY AND ENVIRONMENT:**

Health, safety and the environment are always areas of concern for the Company. Your directors are committed to providing optimum safety to the employees, public, plant and equipment, as embedded in the organisational values, by reviewing our safety aspects on regular intervals and by adhering to strict compliance of laws related to safety. Your company not only ensures strictest statutory compliance but goes a step further by commissioning external international agencies to conduct periodic audits of the plant and outsourcing agencies, in the areas of health, security and safety. Your Company is an environment friendly organisation as it is a non-polluting and non-effluent generating manufacturing setup. The Company has initiated the use of paper bags in all its exclusive brand outlets.





EBO - New Retail Image



Bommanahalli Plant - Socks



Bommasandra Plant - Packaging

***DIRECTORS:***

As per the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Sunder Genomal and Mr. Ramesh Genomal, Directors of the Company would be retiring by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Board of Directors at their meeting held on 16 August, 2006 appointed Mr. Sunder Genomal as Managing Director for a period of 5 years with effect from 1 August 2006 to 31 July 2011. Your directors consider his re-appointment for a tenure of another 5 years after expiry of the aforementioned period. His re-appointment will start from 1 August 2011 to 31 July 2016. The Board places the resolution for your approval.

***EXPORTS:***

The company's exports during the year under review were Rs.11.05 million compared to Rs.12.20 million in the previous year

***PROSPECTS:***

Your directors are proud to announce that shortly Jockey International Inc. will be extending the exclusive Jockey licensing agreement with your company straight through 2030. Moreover, under this new agreement, UAE will be added to the list of existing markets.

Jockey had grown to become a very well entrenched and well respected brand in its category in India, not just among consumers but the trade as well. Your Directors are optimistic about the future prospects of the Company and are hopeful that in an environment where retail is becoming more organised and consumers becoming more discerning, combined with relentless product innovations, consistent quality, a strong brand image and innovative marketing strategies, the Company will be able to substantially add to its sales growth and profitability in the current year.

***INDUSTRIAL RELATIONS:***

Industrial relations are cordial at all levels and your Directors sincerely acknowledge the exemplary dedication of all its employees.

***FIXED DEPOSITS:***

The Company has not accepted any fixed deposits during the year under review.

***MANAGEMENT DISCUSSION AND ANALYSIS REPORT & CORPORATE GOVERNANCE:***

As required in the Listing Agreement, a Management Discussion and Analysis Report and a separate report on Corporate Governance are enclosed as part of this Annual Report. A certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance is also annexed to the report on Corporate Governance.

***CORPORATE GOVERNANCE:***

The Company is committed to maintaining the highest standards of corporate governance. The report on corporate



Kodichikkanahalli Plant - QC lab



Bommanahalli Plant - Fabric Checking



Bommanahalli Plant - QA Lab

governance as stipulated under clause 49 of the listing agreement forms part of the annual report.

#### **LISTING:**

Your Company's shares are listed in the Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE) and the listing fees have been duly paid.

#### **AUDITORS:**

M/s Haribhakti & Co., Chartered Accountants, Mumbai, the retiring auditors have given the certificate pursuant to Section 224(1-B) of the Companies Act, 1956 and are eligible for re-appointment.

#### **FOREIGN EXCHANGE EARNINGS AND OUT GO:**

The Foreign Exchange earnings and outgo during the year under review were as follows:

Foreign Exchange Earned	Rs.1.81 Million
Foreign Exchange Outgo	Rs. 329.09 Million

#### **CONSERVATION OF ENERGY:**

All machinery and equipment are continuously serviced, updated and overhauled in order to maintain them in good condition. This resulted in consumption of lesser energy. Energy consumption particulars as required by Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given in the Annexure A attached.

The Company continually takes steps to absorb and adopt the latest technologies and innovations in the Garment Industry. These initiatives should enable the facilities to become more efficient and productive as the company expands, thus helping conserve energy.

#### **INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:**

Pursuant to the provisions of sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the statement relating to the particulars of employees forming part of this Report given as Annexure B attached.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- all applicable Accounting Standards have been followed in the preparation of annual accounts and that there is no material departure;
- such accounting policies have been selected and applied consistently and such judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for





*Bommasandra Plant - Sewing*



*Bommanahalli Plant - Sewing*



*Kodichikkanahalli Plant - Garment Checking*

safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- the annual accounts have been prepared on a 'going concern' basis.

The following explanation given to the Audit report and annexure to the Auditors' report.

#### **AUDITORS' REPORT:**

The following explanation given to the Audit report and annexure to the Auditors' report.

With reference to point No.4 (f) in the Audit report, the following clarification is given below:

There has been an increase in gratuity limit from Rs. 3.5 lakhs to Rs.10 lakhs which has been approved by President on 18<sup>th</sup> May 2010, the impact of which could not be actuarially assessed because of time constraint after the date of amendment. However the Company does not expect this additional liability to be material.

With reference to point No.2 (a) in the Annexure to the Audit Report, the following clarification is given:

Reconciliations are in progress and will be completed during the month of June 2010.

With reference to point No.9 (a) in the Annexure to the Audit Report, the following clarification is given:

The amount of outstanding statutory dues on wealth tax of Rs. 2,05,003 will be paid immediately.

#### **GENERAL:**

The Directors acknowledge the support given by the Licensor M/s Jockey International Inc., USA and the Distributors. The Board also wishes to place on record their sincere thanks and appreciations to the Government of Karnataka, Bankers of the Company and the Co-operation extended by the employees at all levels.

By Order of the Board  
For and on behalf of the Board of Directors

Bangalore  
28<sup>th</sup> May, 2010

CHAIRMAN

**ANNEXURE – A**

Statement appended to the Directors' Report pursuant to Rule 2(A) of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended March 31, 2010.

**FORM A****(Form for Disclosure of Particulars with respect to Conservation of Energy)**

	31.03.2010	31.03.2009
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
a. Purchased :		
Units	4,457,232	3,029,389
Total Amount	Rs. 23,324,434	15,775,240
Rate / Unit	Rs. 5.23	5.21
b. Own Generation :		
i) Through Diesel Generator	372,101	404,234
Units per ltr. of Diesel Oil	2.97	2.55
Cost / Unit	Rs. 10.71	11.08
ii) Through steam turbine / Generator	Nil	Nil
2. Coal (Specify quality and where used)	Nil	Nil
3. Furnace Oil	Nil	Nil
4. Other / Internal generation (Please give details)	Nil	Nil
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>		
Product name	Garments	Garments
	( in Nos)	
Knitted Garments	47,999,983	40,450,670
Consumption per No.		
Electricity (Rs.)	0.57	0.50
Furnace Oil	Nil	Nil
Coal	Nil	Nil
<b>C. Others (Specify)</b>	Nil	Nil

**ANNEXURE B: To Directors' Report**

**INFORMATION PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT, 1956 FORMING PART OF  
DIRECTORS' REPORT FOR YEAR ENDED 31.3.2010**

Name	Sunder Genomal	Vedji Ticku	Pius Thomas	M.C Carriapa
Designation	Managing Director	Chief Operating Officer	GM-Finance and Purchase	GM- Sales & Marketing
Remuneration received during 2009-10	Rs.1,05,03,637	Rs. 45,00,000	Rs.34,28,000	22,50,000
Other terms and conditions	NA	NA	NA	NA
Nature of employment	Liable to retire by rotation	Permanent	Permanent	Permanent
Nature of duties	Overall control on the affairs of the company	Overall management of entire operations including all production function, sales and marketing	Overall management of finance ,accounts and purchase departments	Explore business opportunities in retail, distribution other than sales and marketing
Qualification	M.Tech (Industrial Engineering)	B.E(Mech)	MBA,AICWA,M.Com	B.Com
Experience	Three decades of experience in various facets of the textile industry	Seventeen years of experience in sales field	Thirty five years of experience in the field of finance and accounts	Nineteen years of experience in sales, marketing and commodity trading
Age	56 years	43 years	56 years	40 years
Last Employment	P.T.Velveteens (Indonesia)	Eureka Forbes	Sartorius Biotech (India) Pvt Ltd	Trident United Products Pvt Ltd
Date of commencement of employment	01-04-1996 as Managing Director	07-05-1997	02-11-1995	01-07-2009
No of shares	2298987 shares	NA	14 shares	NA
% of paid up share capital	20.612%	NA	-	NA

No other persons during the year 2009-10 were drawing remuneration in excess of the limit prescribed in the Companies (Particulars of Employees) Rules, 1975.



## CORPORATE SOCIAL RESPONSIBILITY REPORT



Before



After



Shishu Mangala

### Donation to Govt Model Primary School

Your Company made donations to a school that had no boundary walls for its Primary and Senior school buildings. Students had to cross a garbage heap to enter the school premises and often left the school after their mid-day meals, since there was no enclosure. During the rainy season, the school had to be closed since the muddy grounds turned into little ponds. It became a necessity for the school to have an enclosed area.

After construction of the wall and paving of the ground, the students started assembling for prayer every morning and the field began to be used for outdoor games and serving lunch. Students now do not leave the premises after their mid-day meals as the gate remains closed. Also, junior students enjoy their jungle gym during the breaks.



Before



After

### Donation to Rotary Club

Your company made donations towards an educational programme, “Shishu Mangala”, organised by Rotary Club with “The Association of people with Disability”. This project aims to provide quality education to children with severe and multiple disability, and ensures 30 children are given an opportunity to holistically grow in different areas of life - this also includes physical, mental and emotional growth. The programme also provides a unique opportunity for parents to get trained on how to support such children within their families and the surroundings.

## Training Centre

Your company has started its own training centre with 80 machines to train freshers and workers belonging to other industries. The training is given for a period of thirty days where the candidates are first exposed to tailoring and then based on their performance they are trained on multi-skilled operations. On an average, 70 to 80 people are being trained every month and are provided employment in the company factory.



Practical Class



Theoretical Class

## Health Centres

The company has well maintained health centres with qualified medical officers and nurses. During the past year, the Company has appointed a senior doctor as a consultant and advisor to our company doctors. He is entrusted with the responsibility of verifying medical records and coordinating directly with the management.

- Doctors conduct periodical checkups for pregnant women, children at the crèche and canteen workers.
- Pregnant women are provided with a glass of milk on working days to help them keep in good health.
- All maintenance department employees are given TT injections periodically.

Your Company conducted a Social and Law Awareness Programme by inviting personnel from the Department of Factories, Department of Labour and NGOs to educate workers on laws like the Factories Act, Payment of Wages Act, Maternity Benefit Act, Dowry Prohibition Act, and Family Atrocities Act.

## Crèche

Your Company has a well equipped crèche in all the units. Each crèche is equipped with experienced teachers, educational materials, toys and well-ventilated play areas for the children's overall development. Food and snacks including milk are provided to them free of cost. Children are given opportunities to exhibit their talent on different occasions, such as Children's Day when a fancy dress competition and other sporting events are organised and prizes distributed.



Crèche - Class in Session



Crèche - Break Time



Company Doctors with senior consultant



- Your company conducted Health Awareness Programmes related to personal hygiene and dreadful diseases like AIDS/HIV & H1N1.
- The company organized Health camps related to the “Detection of Iron Deficiency and Support”.
- Your Company donated Jockey garments to old age homes and orphanages.
- Your Company and its employee contributed to the Karnataka Relief Fund.

## Providing Employment to the Physically Challenged

Your Company firmly believes that a physically challenged individual can contribute equivalently if not more than a normal person. With this thought, the Company has recruited over 20 such people in different departments. Their respective managers and team members provide them immense support and encouragement as an intrinsic aspect of the Company culture

## Training Programmes

### FIRE EVACUATION

Every two months, our internal safety team carries out a fire evacuation mock drill.

Every six months, a certified agency is hired to carry out both a first aid and fire fighting exercise.



Fire Evacuation Training



Mock Drills

### Rewards and Recognition

During festivals such as Dussera, the Company conducts cultural activities and distributes gifts to all its employees. It is a company policy to reward a 10-gram gold coin to employees who have put in more than ten years of service. Employees who have regular attendance are also rewarded with gifts worth Rs. 3000/- and an appreciation certificate.



Ten Year Service Recognition By MD



Award for Regular Attendance

## **MANAGEMENT DISCUSSION AND ANALYSIS:**

The year 2009 began with a very high degree of uncertainty and volatility in the Indian as well as the global economy. The sentiments, however, started improving in the latter part of the year with pick up in domestic demand. Despite all these challenges, your Company was able to sustain its business performance and registered healthy growth in sales. It is worth mentioning that sales of Jockey products at retail price actually exceeded the Rs 5.4 billion mark this year.

### *Industry Structure and Development:*

Indian Apparel Industry is valued at over Rs.1500 billion out of which inner wear accounts for Rs. 105 billion. This consists of men's innerwear of Rs. 40 billion and women's innerwear of Rs. 65 billion. This market consists of various segments in terms of selling price viz Low, Economy, Middle, Premium and Super Premium. We are operating in the Middle, Premium and Super Premium segments of the industry. As per a study conducted by KSE Techno Pack in 2005 the men's premium market is growing at the rate of 28% per annum and super premium market is growing at the rate of 40% per annum. Similarly women's innerwear premium market is growing at the rate of 31% per annum and super premium market is growing at over 40% per annum.

In 2009-10, the economy expected to grow at 7.2 percent as compared to 6.7 percent in 2008-09. The Industrial sector has emerged as one of the prime movers in the revival of Gross Domestic Product Growth (GDP) in second quarter of 2009-10. The overall industrial growth revived to the level of 7.7 percent during April to November 2009.

Government of India has extended the Technology Upgradation Fund (TUF) for the eleventh five year plan and has increased fund allocation. Government of India is also setting up various apparel Parks, integrated textile parks and Special Economic Zones in partnership with private sector.

The Department of Handlooms and Textiles has come up with A "Suvarna Vastra Neethi Policy- 2008-13" wherein a number of incentives are offered to the textile and garment industries whose commercial production have started after 1-4-2008.

### *Opportunities and Threats:*

*Opportunities:* The premium underwear industry is expected to grow at high rate due to the following factors.

- a) Increased urbanization
- b) Higher Disposable Income
- c) Change in Consumer behaviour particularly in our target 15-34 age group
- d) Larger marketing spend by Companies creating general awareness for the category
- e) Increased brand awareness by consumers
- f) Shift from unorganized to organized sector
- g) Rapid expansion of modern retail format

The high growth of premium innerwear industry will enable the Company to maintain high growth rates as JOCKEY is positioned as premium brand in India.

### *Threats:*

All the major international innerwear Brands have commenced operations in India realizing that Indian Market is likely to emerge as one of the largest market in the World in the next few decades.

### *Outlook:*

In anticipation of growing demand, the Company has substantially expanded its installed production capacity. And with the ongoing addition of new buildings, infrastructure and facilities, the installed capacity is scalable and can be ramped up with incremental machinery to meet the expected healthy growth in demand.

### *Segment wise Performance:*

The Company is engaged in the business of manufacturing garments. Therefore there is no separate reportable segment.

### *Risk and Concern:*

The areas of risk and concern are:

1. Increase in labour costs
2. Increase in input cost, especially cotton yarn.

### *Internal Control System and Adequacy:*

The Company has an adequate internal control system commensurate with its size and nature of its business. Management has overall responsibility for the Company's internal control system to safeguard the assets and to ensure reliability of financial records. The Company has a detailed budgetary control system and the actual performance is reviewed periodically and decision taken accordingly.

Internal audit programme covers all areas of activities and periodical reports are submitted to the Management. Audit Committee reviews all financial statements and ensures adequacy of internal control systems. The Company has a well-defined organization structure, authority levels and internal rules and guidelines for conducting business transactions.

The successful implementation of SAP software from 1st April 2009 has been stabilized. SAP has provided the company with a well structured, disciplined system based on best practices, enabling the Company to improve efficiencies, planning and control. This implementation is proving to be an extremely useful and essential tool for the company as it embarks on its aggressive growth plans. An exciting extension of the SAP is the Business Intelligence/Business Objects software expected to be implemented in the coming year. The BI/BO software will create smart management reports that will aid decision making profoundly.

*Financial Performance and Analysis:*

(Rs. in Millions)

Particulars	2009-10	2008-09	Change	Percentage
Turnover	3,393.80	2,546.51	847.29	33%
Other Income	48.61	63.84	-15.23	-
Profit before Interest, Depreciation and Prior Period Adjustments	705.58	572.63	132.95	23%
Less: Interest	29.74	30.68	-0.94	-
Profit before Depreciation & Prior Period adjustment	675.84	541.95	133.89	25%
Less: Depreciation	89.87	73.34	16.53	23%
Less: prior period adjustment	0.80	0.22	0.58	-
Profit before tax	585.17	468.39	116.78	25%
Less: Tax	189.07	152.09	36.98	24%
Profit after tax	396.10	316.30	79.80	25%

*Human Resources:*

The Company's HR objectives seek to attain a high performing organization, where each individual is motivated to perform to fullest capacity; where every employee feels a sense of belonging to the company and the team, aspiring for individual excellence while contributing to achieve departmental objectives. As of 31st March, 2010, the Company had 8732 employees on its roll.

*Caution:*

Statements in the management discussion and analysis describing the Company's objectives, projections, estimates

and expectations may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The factors that might influence the operations of the Company are economic conditions, government regulations, WTO and natural calamities over which the Company has no control.

The Company assumes no responsibility in respect of the forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information or events.



## **CORPORATE GOVERNANCE REPORT**

*The Detailed report on Corporate Governance as per Clause 49 of the listing Agreement is set out below:*

### ***Company's philosophy on Corporate Governance***

The Company is committed to and continues to practice good Corporate Governance. The core principles of corporate governance as laid down by the Board lay emphasis on integrity and accountability. The Corporate Governance Code incorporates several practices aimed at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. Page Industries Corporate Governance conforms to all regulatory and legal

requirements. The basic philosophy behind an endeavor towards better corporate governance is to enrich the value of stakeholders by achieving business excellence. The Company has complied with all the requirements of Corporate Governance as prescribed in Clause 49 of the Listing Agreement.

### ***1. Board of Directors***

#### ***(a) Composition of Board:***

The composition of the Board is in conformity with Clause 49 of the listing agreement and the members are classified and categorized as under:

Name of the Directors	Position	No. of Directorship in other Companies*	No. of Committees in other companies in which he is a Chairman/ Member**	No. of the Shares in Company as on 28-05-2010
Mr Ravi Uppal	Independent Director – Chairman	2	Nil	Nil
Mr Sunder Genomal	Executive Director – Promoter	Nil	Nil	2298037
Mr Nari Genomal	Non-Executive Director – Promoter	Nil	Nil	2298382
Mr Ramesh Genomal	Non-Executive Director – Promoter	Nil	Nil	2298330
Mr Timothy Ralph Wheeler	Non-Executive Director	Nil	Nil	Nil
Mr G P Albal	Independent Director	Nil	Nil	Nil
Mr P V Menon	Alternate Director to Mr Nari Genomal	Nil	Nil	Nil
Mr V Sivadas	Alternate Director to Mr Ramesh Genomal	Nil	Nil	90

\* The number of directorship excludes directorship of private limited companies, foreign companies, companies incorporated under section 25 of the Companies Act, 1956 and alternate directorship

\*\* Committee includes audit committee and shareholders investors' grievance committee of public limited companies (excluding foreign companies and section 25 companies) in terms of Clause 49 of Listing Agreement.

**(b) Non-Executive Directors' Compensation and Disclosures:**

Except Mr. Sunder Genomal, Managing Director, the remaining are Non-Executive Directors. Non-Executive Directors are paid sitting fees for attending Board/Committee Meetings. Subject to such ceiling and in such manner as decided by the Board, the company makes payment under Section 309(4)(b) to the Non-Executive and Non-Promoter Directors. The details of compensation paid for the year 2008-09 and payable for the year 2009-10 are disclosed under point No. 5 of this report.

**(c) Number of Board Meetings**

Details of the Board Meetings held during the year 2009-10:

Board Meetings	I	II	III	IV	V
Dates	09.04.2009	15.06.2009	31.07.2009	30.10.2009	29.01.2010

**(d) Details of the attendance of Directors at the Board and last AGM**

The attendance record of each of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2010 and during the last Annual General Meeting (AGM) is as under:

Name of the Director	No. of Board Meetings attended	Attendance at last AGM
Mr Sunder Genomal	5	Yes
Mr Nari Genomal	NA	NA
Mr Ramesh Genomal	NA	NA
Mr Timothy Ralph Wheeler	4	Yes
Mr Ravi Uppal	5	Yes
Mr G P Albal	5	Yes
Mr P V Menon	5	Yes
Mr V Sivadas	5	Yes

**(e) The Board has reviewed periodically the compliance of all the laws applicable to the company.**

**(f) Code of Conduct**

The Company has adopted Code of Conduct for all the Directors and Senior Management of the Company. All the Directors and the Senior Management Personnel have affirmed compliance with the respective code of conduct. A declaration to this effect signed by the Managing Director (CEO) forms part of this report. The Code of conduct for Directors and Senior Management Personnel are posted on the Company's website.

**2. Audit Committee:**

The existing Audit Committee consists of the following members:

Sr. No	Name of Director(s)	Acting in the Committee as	Category under the Clause 49 of the listing agreement
1	Mr Ravi Uppal	Chairman	Independent
2	Mr. G P Albal	Member	Independent
3	Mr. Nari Genomal	Member	Non-Executive Director

Details of the Audit Committee meetings held during 2009-10 are as follows: -

Audit Committee Meetings	I	II	III	IV
Dates	15.06.2009	31.07.2009	30.10.2009	29.01.2010
Attended by Members	All	All	All	All

The meetings were also attended by the Statutory Auditor, Internal Auditor and GM-Finance. The Company Secretary acted as Secretary of the Audit Committee.

The Committee reviewed the financial results of the Company and recommended the same to the Board of Directors for their adoption.

The terms of reference of Audit Committee include the following:

- Overseeing Company's financial reporting process and the disclosure of it as financial information.
- Recommending appointment, re-appointment or removal of the statutory auditors, fixing of audit fees and approving payments for any other services
- Reviewing with the management the quarterly and annual financial statements with primary focus on:
  - a. Matters required to be included in the Director's responsibility statement
  - b. Accounting policies and practices
  - c. Compliance with accounting standards
  - d. Accounting based on exercise of judgment by Management
  - e. Compliance with the listing Agreement and legal requirements concerning financial statements.
  - f. Related party transactions
  - g. The going concern assumptions
- Reviewing with the management, performance of external and internal auditors and the adequacy and compliance of internal control systems.

- Reviewing the adequacy of internal audit function and reports any major findings of the internal auditors.
- Seek information from any employee(s)
- Obtain outside legal or other professional advice and
- Secure attendance of outsiders with relevant expertise, if it considers necessary

The Chairman of the audit committee was present at the last Annual general Meeting of the Company for addressing shareholders queries.

**(3) Shareholders' / Investors' Grievance Committee:**

The Investors Grievance Committee consists of 3 directors namely Mr. GP Albal-Chairman, Mr. Nari-Member and Mr. Ramesh Genomal-Member. The Committee oversees and reviews all matters connected with redressal of Investor Grievances and complaints. The transfer of shares is undertaken by Sharepro Services India Pvt Ltd, Mumbai and they are fully equipped to deal with transfers and all related complaints of Investors.

Name	No of meetings held	No of meetings attended
Mr. GP Albal	2	2
Mr.Nari Genomal	2	2
Mr.Ramesh Genomal	2	2

**Compliance Officer:**

Ms. Gargi Das, Company Secretary and Compliance officer of the Company.

Details of Shareholders Complaints for the year 2009-10

Nature of Complaint	Opening Balance	Number of Complaints received	Number of Complaints resolved	Number of complaints pending
Non-Receipt of Annual Report	0	6	6	0
SEBI	0	1	1	0
Total	0	7	7	0

**(4) Other Committees of Directors:**

**Selection Committee:** The Board of Directors constituted a Selection Committee on 10<sup>th</sup> June 2009 to look into the selection of a relative of a director for holding office or place or profit. The Chairman of the Committee is Mr. Ravi Uppal-Chairman and other members are Mr. GP Albal and Mr. V Sivadas .The committee met on 15-06-2009 and all the members of the Committee were present.

**(5) Remuneration to Directors:**

**a) Payment to Executive Director during the year 2009-10:**

Director	Relationship with other Director(s)	Salary Rs.	Allowances (Rs.)	PF (Rs.)*	Perquisites (Rs.)	Total (Rs.)
Mr Sunder Genomal Managing Director	Brother of Mr Nari Genomal and Mr Ramesh Genomal	4800000	5136000	9360	558277	10503637

- PF as applicable

Besides the above remuneration, he is entitled for Gratuity and enhancement of accumulated leave at the end of his tenure as per the Rules of the Company. His appointment as Managing Director is for a period of five years with effect from 1<sup>st</sup> August, 2006

The Company has adequate profit and the payment of remuneration to Mr Sunder Genomal, Managing Director is within the ceiling limit prescribed by Sections 198(1) and 309(3) of the Companies Act, 1956. The Company has not constituted any Remuneration Committee and the formation of Remuneration Committee is a non- mandatory requirement of Clause 49 of the Listing Agreement.

**b) Payment to Non-Executive Directors:**

The Non-Executive directors are paid sitting fees of Rs. 10,000/- for each meeting of the Board/ Committee of the Board attended by them. The total amount of sitting fees paid during the financial year ended 31<sup>st</sup> March 2010 was Rs. 4,50,000/-.

The payment made under Section 309(4)(b) of the Act, 1956 to the Non-Executive Directors are based on their professional expertise in their individual capacity. The Details of Sitting Fees and payment under Section 309(4)(b) paid to the Non-Executive directors of the company during the year 2009-10 are as under:

Name of Director	Sitting Fees For attending Board meetings	Sitting Fees for attending Audit Committee Meetings	Sitting Fees for attending Investor Grievance Committee Meeting	Sitting fees for attending Selection Committee Meeting	*Payment made under section 309(4)(b)
Mr. Ravi Uppal	50000	40000	NA	10000	300000
Mr. G P Albal	50000	40000	20000	10000	133000
Mr. P V Menon	50000	40000	20000	NA	133000
Mr. V Sivadas	50000	NA	20000	10000	134000
Mr. Timothy Ralph Wheeler	40000	NA	NA	NA	200000
TOTAL	240000	120000	60000	30000	900000

\* Paid as approved by the shareholders at 13<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> July 2008.

The Company has passed resolution for payment under section 309 (4) (b) at the 14<sup>th</sup> Annual General Meeting for the financial year 2009-10 upto Rs. 12,00,000/- which will be paid after approval of the annual accounts by the Board of Directors and adoption by the shareholders in this AGM.

None of the Non-Executive Directors have any pecuniary material relationship or transactions with the Company for the year ended 31-03-2010. The Company does not have any scheme for grant of stock options either to the Directors or to any of the employees.

#### (6) General Body Meetings

The last three General body meetings of the Members of the Company were held as per the following details:-

Financial year	Location of the Meeting	Type of Meeting	Date	Time
2006-07	The Chancery Lavelle Hall 10/6, Lavelle Road Bangalore-560001	Annual General Meeting	27 <sup>th</sup> July 2007	11:30 am
2007-08	The Chancery Lavelle Hall 10/6, Lavelle Road Bangalore-560001	Annual General Meeting	26 <sup>th</sup> July 2008	11:30 am
2008-09	The Chancery Lavelle Hall 10/6, Lavelle Road Bangalore-560001	Annual General Meeting	31 <sup>st</sup> July 2009	11:30 am

Details of Special Resolutions passed in the previous three AGMs

Date of AGM	No. of Special Resolutions passed	Details of Special Resolution
27 <sup>th</sup> July, 2007	Nil	—
26 <sup>th</sup> July, 2008	1	Payment of a sum not exceeding Rs. 9 lakhs to non-executive directors under section 309(4)(b)
31 <sup>st</sup> July ,2009	2	1. Payment of a sum not exceeding Rs. 12 lakhs to non-executive directors under section 309(4)(b) 2. Appointment of Mr. Shamir Genomal, son of Mr. Sunder Genomal as GM-operations under section 314

#### Postal Ballot:

No resolution was passed through postal ballot during the year under review.

#### (7) Disclosures:

- (i) *Disclosure on materially significant related party transactions:* During the year 2009-10, no transactions of material nature had been entered into by the Company with the Management or their relatives that may have a potential conflict with interest of the company. Detailed related party information and transactions have been provided in Notes to Accounts in Schedule Q forming part of the Annual Report.
- (ii) *Disclosure of Inter-se Relationship between the Directors:* Mr Nari Genomal, Mr Sunder Genomal and Mr Ramesh Genomal are brothers.
- (iii) *Disclosure of Non-Compliance:* There has been no instance of non-compliance by the Company on any matter related to Capital Markets since the inception of the company and hence no penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.
- (iv) The Company has not adopted Whistle Blower Policy. However, the Company has not denied access to any personnel to approach the Management on any issue.
- (v) Certificate from Practising Company Secretary, confirming the compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges forms part of this report.
- (vi) The company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement and the Company has not adopted any non-mandatory requirements of Clause 49 of the Listing Agreement
- (vii) In the preparation of financial statement there is no differential treatment from the prescribed Accounting Standards.

#### (8) Means of Communication:

The quarterly results of the Company are published in Business Line (English) and in Samyukta Karnataka (Kannada). The financial results and the Annual Reports are also displayed on the Company's website (i.e.,) [www.jockeyindia.com](http://www.jockeyindia.com). Official news releases and presentations made to the Institutional Investors, if any, are also posted on the Company's website.

**(9) General Shareholder Information:**

a) Annual General Meeting	30 <sup>th</sup> July 2010 at 11:30AM At The Gateway Hotel, BangaloreLast date of receipt of proxy form – 28 <sup>th</sup> July 2010
b) Financial Calendar (Tentative): The financial year of the Company is 1 <sup>st</sup> April to 31 <sup>st</sup> March. For the year 2010-11, the interim results announced as follows:  Quarter ended 30-06-2010 Quarter ended 30-09-2010 Quarter ended 31-12-2010 Quarter ended 31-03-2010	  On or before end of 14-08-2010 On or before end of 14-11-2010 On or before end of 14-02-2011 On or before end of 30-05-2010
c) Date of book Closure	23 <sup>rd</sup> July 2010 to 30 <sup>th</sup> July 2010 (both days inclusive)
d) Dividend	During the year 2009-10, four interim dividends were declared on 09-04-2009 Rs. 7 per share, 15-06-2009 Rs. 2 per share, 30.10.2009 Rs. 6 per share and 29.01.2010 Rs. 6 per share aggregating to a total payment of interim dividend of Rs.234231354 @ Rs.21 per share.
e) Listing of equity shares on Stock Exchanges	National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE)  The Annual Listing fees in respect of both the stock exchanges for the financial year 2010-11 have already been paid
f) Stock Code(BSE) Scrip Code(NSE) ISIN Number (For Demat trading) Depository Connectivity	532827 PAGEIND INE761H01022 NSDL & CDSL
g) Market Price Data	As per Table-I shown in next page
h) Performance in comparison to BSE Sensex	As per the graphical representation on next page.
i) Registrar and Transfer Agents	Sharepro Services (India) Private Limited 13AB Samhita Warehousing Complex, 2 <sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane, Off Andheri – Kurla Road Sakinaka, Mumbai – 400 072 Telephone Nos : 67720300 and 67720400 Fax No : 022-28591568, 022-28375646 E-mail:indira@shareproservices.com
j) Share Transfer System	All the share transfers in respect of physical shares are handled by the Registrar and Share Transfer Agents. The turnaround time for completion of transfer of shares is generally less than 15 days from the date of receipt, if the documents are in order.

k) Distribution of shareholding	As per table-II & III given on next page
l) Dematerialization of shares and liquidity	Shares held in Demat Form as on 31-03-2010: With NSDL : 4382604 shares With CDSL : 109737 shares Physical : 6661533 shares  In view of the numerous advantages offered by the depository system, members are requested to avail the facility of dematerialization of the Company's shares.
m) Outstanding GDRs/ADRs/ warrants or any other convertibl instruments, conversion date and likely impact on equity	NA
n) Plant Locations	<ul style="list-style-type: none"> <li>The Company has operation at Abbaiah Reddy Industrial Area, Jockey Campus, 6/2 &amp; 6/4, Hongasandra, Begur Hobli, Bangalore – 560 068 and Plot No.13A, Bommasandra Industrial Area, S.No.270 of Bommasandra Village, Attibele Hobli, Anekal Taluk, Bangalore</li> <li>Garter Unit at No.543/6, S.No.62/1, Katha No.442, Devarachikkanahalli Road, Bommanahalli, Bangalore</li> <li>Survey No.103/2&amp;3, Khata No.190, Kodichikanahalli Main Road, Hongasandra, Bangalore-560068.</li> <li>The Company has also taken up a new unit at Hosa Road on lease bearing No. 39, Chikkathogur, Begur Holbli, Bangalore South Taluk.</li> </ul>
o) Company Secretary & Compliance Officer	Ms. Gargi Das Abbaiah Reddy Industrial Area, Jockey Campus, 6/2 & 6/4, Hongasandra, Begur Hobli, Bangalore – 560 068
p) Address for Correspondence	Page Industries Limited, Abbaiah Reddy Industrial Area, Jockey Campus, 6/2 & 6/4, Hongasandra, Begur Hobli, Bangalore – 560 068 (Phone Nos., 080-40476868) Fax Nos., 080-25732226/2215) In compliance of Clause 47 (f) of the Listing Agreement, the Company has created an exclusive email ID for investors viz., <a href="mailto:investors@jockeyindia.com">investors@jockeyindia.com</a> ->Relating to Secretarial Matters: Gargi Das, Company Secretary. <a href="mailto:gargi.das@jockeyindia.com">gargi.das@jockeyindia.com</a> ->Relating to Investors/Analysts: Pius Thomas, General Manager-Finance <a href="mailto:pius@jockeyindia.com">pius@jockeyindia.com</a>

TABLE – I

**Market Price Data:** The shares of the Company are listed at BSE and NSE. Monthly low and high at both the Stock Exchanges for the year 2009-10 is given below:

Month	BSE		NSE	
	High	Low	High	Low
Apr-09	510.00	360.00	520.00	360.00
May-09	489.00	390.00	499.00	413.10
Jun-09	565.00	450.00	570.00	445.00
Jul-09	700.00	505.10	672.00	458.90
Aug-09	700.00	551.00	645.00	561.00
Sep-09	662.65	623.70	670.00	571.00
Oct-09	669.45	616.00	720.00	602.15
Nov-09	730.00	639.00	729.90	585.00
Dec-09	879.85	695.15	880.00	705.50
Jan-10	890.00	800.10	915.00	793.00
Feb-10	880.00	779.40	869.90	782.00
Mar-10	844.95	715.10	820.00	761.05

**Graphical representation** of movement of share price of the Company in line with indices of BSE and NSE:

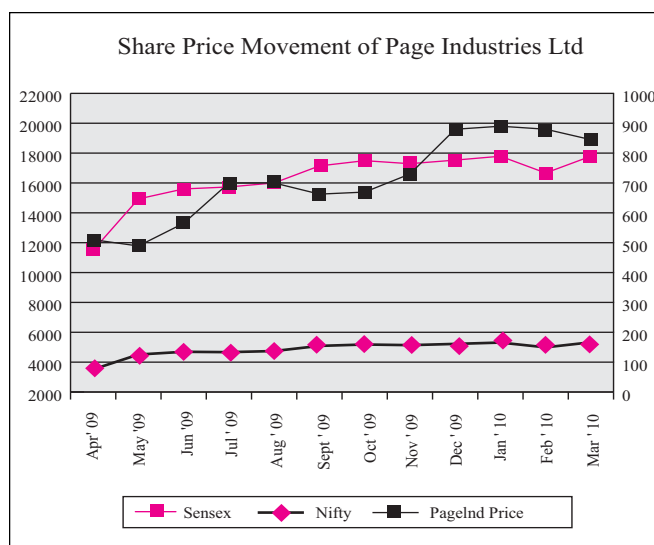


TABLE- II

Distribution of Shareholding as of 31<sup>st</sup> March 2010

No. of equity shares held	No. of folios	No. of shares held	% held
Upto 5000	4038	443678	3.978
5001 to 10000	7	55320	0.496
10001 to 20000	4	56538	0.507
20001 to 30000	1	27725	0.249
30001 to 40000	3	110702	0.992
40001 to 50000	1	50000	0.448
50001 to 100000	7	563630	5.053
100001 and above	10	9846281	88.277
<b>Total</b>	<b>4071</b>	<b>11153874</b>	<b>100.00%</b>

TABLE- III

Category of Shareholders as on 31-03-2010

Category	No. of Shares	% of holding
Promoters and Promoters' Group*	6898490	61.85
Mutual Funds	2197036	19.70
Foreign Institutional Investors	1449978	13.00
Bodies Corporate	142356	1.28
Individuals	447966	4.01
Non Residents	18048	0.16
<b>Total</b>	<b>11153874</b>	<b>100.00%</b>



## DECLARATION

I, Sunder Genomal, Managing Director of Page Industries Limited, hereby declare that all the members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conducts for the year ended March 31, 2010.

Bangalore  
28<sup>th</sup> May, 2010

For Page Industries Limited  
Sunder Genomal  
Managing Director

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of Page Industries Limited

I have examined the relevant records of Page Industries Limited ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges for the financial year ended 31.03.2010. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and

implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid Listing Agreement.

Bangalore  
May 28, 2010

**R.VijayKumar**  
Practising Company Secretary  
213, 1<sup>st</sup> Floor, 6<sup>th</sup> Main KEB Layout,  
BTM I Stage Bangalore – 560 029  
ACS – 15485; COP – 8667

## CEO & CFO Certification

To  
The Board of Directors  
Page Industries Limited  
Bangalore

We, to the best of our knowledge and belief, certify that:

- 1) We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2010 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) There are to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violating the company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls over financial reporting and we have evaluated the effectiveness of internal control systems of the company over financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting.
- 4) We have indicated to the Auditors and the Audit Committee
  - (i) significant changes in internal control during the year,
  - (ii) significant changes in the accounting policies during the year, and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Bangalore  
28<sup>th</sup> May 2010

(SUNDER GENOMAL)  
Managing Director

(PIUS THOMAS)  
GM – Finance & Purchase



## REPORT OF THE AUDITORS' TO THE MEMBERS OF PAGE INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **Page Industries Limited** as at 31<sup>st</sup> March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto.

These financial statements are the responsibility of the management. Our responsibility is to express opinion on the financial statements based on our audit.

2. We conducted our audit in accordance with 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 by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give 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 above, we report that:
- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit;
  - b) 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;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- d) 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 sub-section (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2010, and taken on record by the Board of Directors, we report that none of the director is disqualified as on 31<sup>st</sup> March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) *The company has considered the erstwhile limit of Rs.3.50 Lakhs instead of enhanced limit of Rs.10 Lakhs for the purpose of ascertaining Gratuity Provision as per the actuarial valuation. In the absence of actuarial valuation certificate under the new enhanced limit, the additional amount of provision required in this behalf could not be ascertained.*
- g) Subject to the point (f) above in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 31<sup>st</sup> March 2010 and
  - b) In case of the Profit and Loss Account, of the Profit for the year ended on that date; and
  - c) In the case of Cash Flow Statement, of the Cash flows for the year ended on that date.

**For Haribhakti & Co.,**

Chartered Accountants  
FRN No.103523W

**(Sunil Birla)**

Partner

Mem. No. 202226

Place: Bangalore  
Date: 28<sup>th</sup> May, 2010

## ANNEXURE TO AUDITORS' REPORT

[Referred to in Paragraph 3 of our report of even date to the members of Page Industries Limited on the financial statements for the year ended 31<sup>st</sup> March, 2010.]

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of 3 years. However the methodology of verification of physical verification needs to be strengthened. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, the Company has not disposed of a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
- 2) (a) The inventory, except stock lying with the third parties has been physically verified by the management during the year. With respect to stock lying with third parties at the year-end, written confirmations have been obtained by the Company; *however reconciliations for the same are pending.* In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 3) (a) As informed, the Company has granted unsecured loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.38,252,091/- and the year end balance is Rs. 38,024,616/-.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) According to the information and explanation given to us there are no specific covenants with regard to repayment of the loan and the Company has not demanded repayment of loan during the year. Hence there is no overdue amount and there are been no default on the part of the party to whom the loan has been given. Accordingly, the sub- clause (d) of clause (iii) of paragraph 4 of the order is not applicable. The payment of interest has been regular.
- (d) The Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act and accordingly, the sub-clauses (f) and (g) of clause (iii) of paragraph 4 of the order are not applicable.
- 4) In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure with respect to purchase of inventory and fixed assets and for sale of goods and are commensurate with size of the Company and nature of its business. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control systems.
- 5) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) The Central Government has prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of garment manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that prima facie the prescribed records and accounts have been made and maintained. We have not, however, made a detailed examination of the records.

- 9) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, VAT, Service Tax, Excise Duty, Custom Duty, Cess and other material statutory dues as applicable with appropriate authorities. *As per the information given to us and verification of books of account of the Company the outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable are as follows:*

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Wealth Tax	Tax amount	116,597	2008-09	30 <sup>th</sup> September, 2009	Outstanding as on the date of report
Wealth Tax	Tax amount	71,438	2007-08	31 <sup>st</sup> October, 2008	
Wealth Tax	Tax amount	16,968	2006-07	31 <sup>st</sup> October, 2007	
<b>Total</b>		<b>205,003</b>			

(b) According to the records of the Company, the dues outstanding of Income Tax on accounts of disputes are as follows:

Statute	Nature of Tax	Forum where Dispute is pending	*Amount (Rs.)	Period to which amount relates
Income Tax Act, 1961	Income Tax	Joint Commissioner Income Tax (Appeals)	4,253,281	2005-06
			3,540,159	2006-07
<b>Total</b>			<b>77,93,440</b>	

\*Net of Rs.13,303,962/- paid under protest.

- 10) The Company has no accumulated losses at the end of the year and has not incurred cash loss in the current and the preceding financial year.
- 11) Based on our audit procedures and according to the information and explanations given to us we are of the opinion that the Company has not defaulted in repayment of dues to the financial institutions and banks. There were no amounts raised by the Company through the issue of debenture.
- 12) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The provisions of any special statute applicable to Chit fund / Nidhi / Mutual benefit fund / societies are not applicable to the Company.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the Company.
- 15) The Company had given a Guarantee towards term loan taken by others from bank. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- 16) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were obtained.
- 17) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- 19) As per the information and explanations given to us, the Company has not issued any debentures.
- 20) We have verified the end use of money raised by public issue during the financial year ended 31<sup>st</sup> March 2007 as disclosed in the Note No. 11 of Schedule P to the financial statements.
- 21) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the management.

**For Haribhakti & Co.,**  
Chartered Accountants  
FRN No.103523W

**(Sunil Birla)**

Partner

Mem. No. 202226

Place: Bangalore

Date: 28<sup>th</sup> May, 2010

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010**

PARTICULARS	Schedules Reference	As at			
		March 31st, 2010		March 31st, 2009	
		Rs.	Rs.	Rs.	Rs.
<b>SOURCES OF FUNDS</b>					
Share Holders Funds :					
Share Capital	A		111,538,740		111,538,740
Reserves and Surplus	B		878,741,351		756,677,713
Loan Funds :					
Secured Loans	C		447,663,113		419,194,508
Unsecured Loans	D		100,000,000		-
Deferred Tax Liability (Net)			19,755,078		16,796,299
<b>Total</b>			<b>1,557,698,282</b>		<b>1,304,207,260</b>
<b>APPLICATION OF FUNDS</b>					
Fixed Assets					
Gross Block	E	1,012,983,813		698,481,494	
Less: Depreciation		237,393,923		148,583,299	
Net Block		775,589,890		549,898,195	
Capital Work in progress (Includes Capital Advance)		49,316,301	824,906,191	118,204,043	668,102,238
Investments	F		29,784,933		52,284,934
Current Assets, Loans and Advances	G				
Interest Accrued on Investments		102,895		964,724	
Inventories		945,503,629		679,860,876	
Sundry Debtors		204,546,796		169,896,297	
Cash and Bank balances		29,528,315		102,981,945	
Loans & Advances		688,795,589		448,634,556	
		1,868,477,225		1,402,338,398	
Less: Current Liabilities and Provisions	H				
Current Liabilities		621,231,186		427,220,921	
Provisions		544,238,881		391,297,389	
		1,165,470,066		818,518,310	
Net Current Asset			703,007,158		583,820,088
<b>Total</b>			<b>1,557,698,282</b>		<b>1,304,207,260</b>
Notes forming part of Accounts P					
The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.					
<b>For and on behalf of the board</b>			As per our report of even date attached		
			For <b>HARIBHAKTI &amp; Co.,</b>		
			Chartered Accountants		
			<b>FR No. 103523 W</b>		
<b>Sunder Genomal</b>	<b>V Sivadas</b>	<b>Gargi Das</b>	<b>Sunil Birla</b>		
(Managing Director)	(Director)	(Company Secretary)	Partner		
			<b>Membership No.202226</b>		
Place : Bangalore			Place : Bangalore		
Date : 28th May, 2010			Date : 28th May, 2010		

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

PARTICULARS	Schedules Reference	For the year ended			
		March 31st, 2010		March 31st, 2009	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Sales	I		3,393,799,071		2,546,513,191
Other Income	J		48,607,035		63,837,989
Total Income			3,442,406,106		2,610,351,180
EXPENDITURE					
Manufacturing Expenses	K		1,636,379,291		1,260,227,815
Personnel Expenses	L		581,145,654		420,721,587
Administrative and Selling Expenses	M		519,301,286		356,765,910
Financing Expenses	N		29,741,848		30,684,082
Depreciation	E		89,866,740		73,338,520
Total expenditure			2,856,434,819		2,141,737,914
Profit before prior period items			585,971,287		468,613,266
Less : Prior period Items	O		799,898		220,860
Profit before tax			585,171,389		468,392,406
Less : Provision for Tax		186,000,000		142,400,000	
Income Tax for earlier years		-		6,778,622	
Deferred Tax		2,958,778		493,713	
Fringe Benefit Tax		-		2,298,756	
Wealth Tax		110,000	189,068,778	116,597	152,087,688
Net profit after tax			396,102,611		316,304,718
Profit available for appropriation			396,102,611		316,304,718
Less : Appropriations					
Interim Dividend		234,231,354		156,154,236	
Proposed Dividend		-		33,461,622	
Corporate Dividend Tax		39,807,619	274,038,973	32,225,216	221,841,074
Amount transfered to General Reserve			40,000,000		32,500,000
Surplus carried to balance sheet			82,063,638		61,963,644
Basic Earning per Share of Rs 10 Each (P.Y Rs 10 Each)			35.51		28.36
Diluted Earning per Share of Rs 10 Each (P.Y Rs 10 Each)			35.51		28.36
Notes forming part of accounts	P				
The schedules referred to above and notes to accounts form an integral part of the Profit and Loss account.					
For and on behalf of the board			As per our report of even date attached		
			For <b>HARIBHAKTI &amp; Co.,</b> Chartered Accountants <b>FR No. 103523 W</b>		
<b>Sunder Genomal</b> (Managing Director)	<b>V Sivadas</b> (Director)	<b>Gargi Das</b> (Company Secretary)	<b>Sunil Birla</b> Partner <b>Membership No.202226</b>		
Place : Bangalore			Place : Bangalore		
Date : 28th May, 2010			Date : 28th May, 2010		

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

PARTICULARS	For the year ended			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net profit before taxation and after exceptional items		585,171,389		468,392,406
Adjustments (non-cash and non-operating items)				
Loss ( Profit ) on sale of fixed assets	370,472		270,766	
Interest Received	(10,512,228)		(29,702,200)	
Dividend Income	(686,839)		(79,120)	
Profit on sale of investment	(3,236,100)		26,373,665	
Realised exchange difference	1,544		-	
Unrealised exchange difference	651,790		-	
Interest Expenses	25,366,138		27,792,823	
Depreciation	89,866,740	101,821,516	73,338,520	97,994,454
<b>Operating profit before Working capital changes</b>		<b>686,992,905</b>		<b>566,386,860</b>
Increase in Inventory	(265,642,753)		(106,012,580)	
Increase in Debtors	(34,650,499)		(67,453,701)	
Increase in other loans & advances	(55,891,032)		(5,362,799)	
Increase in Current Liabilities	145,103,907		56,946,440	
Increase in Provisions	5,979,917	(205,100,461)	6,231,908	(115,650,732)
Cash Generated from Operations		<b>481,892,444</b>		<b>450,736,128</b>
Direct Taxes Paid ( net of refunds )		184,270,000		135,903,282
<b>Net Cash Flow from Operating Activities</b>		<b>297,622,444</b>		<b>314,832,846</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	11,374,057		33,896,380	
Dividend Income	686,839		79,120	
Sale of Fixed Assets / Deletions	376,250		975,000	
Purchase of Fixed Assets	(247,417,411)		(306,378,199)	
Profit on sale of investment	3,236,100		26,373,665	
Sale of Investment	22,500,000		270,000,000	
Purchase of Investment	-	(209,244,165)	(22,500,000)	2,445,966



**CASH FLOW STATEMENT (Contd..)**

PARTICULARS	For the year ended			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest Expenses	(26,681,395)		(27,792,823)	
Dividend Paid	(267,692,976)		(156,154,236)	
Realised exchange difference on FCNR loan	(1,544)		-	
Corporate Dividend Tax paid	(45,494,422)		(26,538,413)	
Long Term Borrowing [Net of Repayments]	178,038,428	(161,831,908)	47,189,416	(163,296,055)
Net (Decrease)/Increase in Cash & Cash Equivalents		(73,453,629)		153,982,755
Opening Balance of Cash & Cash Equivalents		102,981,944		1,746,521
Closing Balance of Cash & Cash Equivalents		29,528,315		102,981,945
For and on behalf of the board		As per our report of even date attached		
		For HARIBHAKTI & Co., Chartered Accountants FR No. 103523 W		
Sunder Genomal (Managing Director)	V Sivadas (Director)	Gargi Das (Company Secretary)	Sunil Birla Partner	
Place : Bangalore Date : 28th May, 2010		Membership No.202226 Place : Bangalore Date : 28th May, 2010		

## SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : A</b>				
<b>SHARE CAPITAL</b>				
Authorised 12,000,000 (12,000,000) Equity shares of Rs.10 each		120,000,000		120,000,000
<b>Issued, Subscribed and Paid up</b> 11,153,874 (11,153,874) Equity share of Rs.10 each fully paid <i>(Of the above shares, 7,306,140 equity shares of Rs. 10 /- each were allotted as fully paid bonus shares by way of capitalisation of accumulated profits in the year ended March 31st, 2007)</i>		111,538,740		111,538,740
		<b>111,538,740</b>		<b>111,538,740</b>
<b>SCHEDULE : B</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Securities Premium Account</b>		412,013,715		412,013,715
<b>General Reserve</b>				
Opening Balance	78,500,000		46,000,000	
Add : Transferred from P & L account	40,000,000		32,500,000	
Closing balance		118,500,000		78,500,000
<b>Profit and Loss account</b>				
Opening Balance	266,163,998		204,200,354	
Additions during the year	82,063,638		61,963,644	
Closing balance		348,227,636		266,163,998
		<b>878,741,351</b>		<b>756,677,713</b>
<b>SCHEDULE : C</b>				
<b>SECURED LOANS :</b>				
<b>Loans and advances from banks</b>				
A) Term Loans from Canara Bank <i>(All the above Term Loans are secured by first charge on Fixed Assets and Second charge on Inventories and Book debts in addition to personal guarantee of directors)</i> [The amount repayable within one year Rs.468,47,808/- (Previous year Rs.140,13,336/- )]	99,889,659		42,837,370	



## SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : C (Contd.)</b>				
B) Term Loan from Citi Bank <i>(All the above Term Loans are secured by first charge on Fixed Assets and Second charge on Inventories and Book debts in addition to personal guarantee of directors)</i> [The amount repayable within one year Rs.305,00,000/- (Previous year Rs.292,50,000/-)]	85,947,500		150,301,666	
C) Foreign Currency Working Capital Loan from Citi Bank <i>(W C loan is secured by first charge on Current assets and second charge on Fixed Assets in addition to personal guarantee of directors )</i>	48,007,929		-	
D) Working capital Loan from Canara Bank <i>(W C loan is secured by first charge on Current assets and second charge on Fixed Assets in addition to personal guarantee of directors)</i>	212,685,187		202,005,371	
E) Working capital Loan from Citi Bank <i>(W C loan is secured by first charge on Current assets and second charge on Fixed Assets in addition to personal guarantee of directors)</i>	-		22,294,914	
F) Vehicle Loan from ICICI bank <i>(The above loan is secured by hypothecation of vehicles and personal guarantee of directors)</i> [The amount repayable within one year Rs.Nil/- (Previous year Rs.1,85,386/- )]	-		185,386	
G) Vehicle Loan from HDFC bank <i>(The above loan is secured by hypothecation of vehicles and personal guarantee of directors)</i> [The amount repayable within one year Rs.5,33,312/- (Previous year Rs.4,36,962/-)]	1,132,838		1,569,800	
		447,663,113		419,194,508
<b>Total</b>		<b>447,663,113</b>		<b>419,194,508</b>

## SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : D</b>				
<b>UNSECURED LOAN</b>				
A) Short Term Loan			-	-
From Banks	100,000,000			
From Others	-			-
[The amount repayable within one year Rs.100,000,000) (Previous year Nil )]		<b>100,000,000</b>		-

<b>SCHEDULE : E</b>										
<b>FIXED ASSETS</b>										
PARTICULARS	Gross block				Depreciation				Net block	
	Balance as at 01.04.2009	Additions till 31.03.2010	Deletions during the 31.03.2010	Total as at 31.03.2010	Dep upto 01.04.2009	Depreciation till 31.03.2010	Adjust ments 31.03.2010	Dep as at 31.03.2010	as at 31.03.2010	as at 31.03.2009
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Bommasandra Land	15,186,374	-	-	15,186,374	-	-	-	-	15,186,374	15,186,374
Buildings	119,934,516	108,671,867	-	228,606,383	4,274,655	4,539,586	-	8,814,241	219,792,142	115,659,861
Plant and Machinery	275,384,643	115,208,397	-	390,593,040	42,270,445	24,714,213	-	66,984,658	323,608,382	233,114,198
Factory Equipment	101,414,646	12,294,564	-	113,709,210	18,344,018	5,054,379.90	-	23,398,398	90,310,812	83,070,628
Electrical Fittings	32,071,527	12,137,337	-	44,208,864	12,903,579	6,575,629	-	19,479,208	24,729,656	19,167,948
Office Equipment	4,733,429	921,482	-	5,654,911	1,297,119	308,317	-	1,605,436	4,049,475	3,436,310
Computers	28,424,247	12,297,004	-	40,721,251	7,098,202	5,063,121	-	12,161,323	28,559,928	21,326,045
Furniture and Fittings	9,384,613	27,603,919	-	36,988,532	2,759,159	6,095,944	-	8,855,103	28,133,429	6,625,454
Vehicles	22,107,069	2,050,244	1,802,837	22,354,476	5,205,431	2,081,678	1,056,115	6,230,994	16,123,482	16,901,638
Display Modules	89,840,430	25,120,338	-	114,960,768	54,430,691	35,433,868	-	89,864,559	25,096,209	35,409,739
<b>Sub total</b>	<b>698,481,494</b>	<b>316,305,153</b>	<b>1,802,837</b>	<b>1,012,983,810</b>	<b>148,583,299</b>	<b>89,866,737</b>	<b>1,056,115</b>	<b>237,393,921</b>	<b>775,589,889</b>	<b>549,898,195</b>
Previous Year	506,570,737	211,688,636	19,777,879	698,481,494	93,776,892	73,338,520	18,532,113	148,583,299	549,898,195	412,793,848
Capital Work in Progress includes capital advances	118,204,043	189,044,285	257,932,026	49,316,301	-	-	-	-	49,316,301	118,204,043
Previous Year	23,514,480	101,262,350	6,572,787	118,204,043	-	-	-	-	118,204,043	23,514,480
<b>Total</b>	<b>816,685,537</b>	<b>505,349,438</b>	<b>259,734,863</b>	<b>1,062,300,111</b>	<b>148,583,299</b>	<b>89,866,737</b>	<b>1,056,115</b>	<b>237,393,921</b>	<b>824,906,191</b>	<b>668,102,238</b>
Previous Year	530,085,217	312,950,986	26,350,666	816,685,537	58,109,404	73,338,520	18,532,113	148,583,299	668,102,238	436,308,328

### SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : F</b>				
<b>INVESTMENTS :</b>				
I. Long Term Unquoted Investment-Non trade				
A) Reliance fixed horizon fund 1X series institutional growth plan 2000000 units Redeemed during the year 2000000 units	-		20,000,000	
B) Citi Corpo Finance redeemable non convertible secured NCD Series-182ISIN No.INE136E07BG8 - 10 units (Previous year 10 units )	10,000,000		10,000,000	
C) Franklin ind. blue chip growth fund - 30,679.834 units Previous year (30679.834 units)	4,000,000		4,000,000	
D) DSP Merrill lynch Tiger Fund - 145884.388 units (Previous year 145884.388 units )	2,784,933		2,784,933	
E) DSP Merrill lynch Opportunities Fund - 67671.819 units (Previous year 67671.819 units )	2,500,000		2,500,000	
F) Investment in JM Basic Fund - 86560.601 units (Previous year 86560.601 units )	2,500,000		2,500,000	
G) IL & FS Investment Securities Citi financial consumer finance 25 units Redeemed during the year 25 units	-		2,500,000	
H) Reliance vision growth-11758.465 units Rs.10/- Previous year (11758.465 units)	2,000,000		2,000,000	
I) HDFC Top-200 growth-9514.476 units Previous year (9514.476 units) Rs.10/-	1,000,000		1,000,000	
J) Fidelity Equity Fund - 48262.548 units Previous year (48262.548 units)	1,000,000		1,000,000	
K) HDFC Equity Fund-Div-26373.395 units Previous year (26373.395 units)	1,000,000		1,000,000	
L) Standard chartered Premier equity fund growth - 75284.198 units Previous year (75284.198 units)	1,000,000		1,000,000	
M) Reliance growth Retail plan fund 3836.857 units Previous year (3836.857 units)	1,000,000		1,000,000	

## SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : F (Contd.)</b>				
N) Standard Chartered SME fund-100000 units (Previous year 100000 units)	1,000,000		1,000,000	
Aggregate amount of unquoted investments Rs.29,784,933 previous year (Rs.52,284,933) [During the previous year Rs.5,919,069 were invested out of the IPO funds. Current year Rs.Nil ]		<b>29,784,933</b>		<b>52,284,933</b>
<b>SCHEDULE : G</b>				
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>				
<b>Inventories</b>				
Raw materials	468,821,408		219,457,844	
Work in progress	183,488,135		103,909,627	
Finished goods	293,194,086	945,503,629	356,493,405	679,860,876
<b>Sundry debtors</b>				
Secured - considered good				
Debts Outstanding for a period exceeding six months	10,102,281		2,410,056	
Others	144,303,945		136,443,172	
Unsecured - considered good				
Debts Outstanding for a period exceeding six months	45,487,026		3,805,484	
Others	4,653,543		27,237,586	
		204,546,796		169,896,297
<b>Cash and Bank Balances</b>				
Cash on hand	436,924		442,804	
Balances With scheduled banks:				
In Current Account	13,039,182		5,020,860	
Deposit accounts	15,808,544		97,345,078	
In Unclaimed Dividend Account	173,690		103,228	
In Share Application Money Account	69,975		69,975	
		29,528,315		102,981,945

### SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : G (Contd.)</b>				
Interest accrued on Investments		102,895		964,724
Loans and Advances				
(Unsecured - Considered good)				
Loan to a Company	38,024,616		21,315,150	
Advance Income Tax	518,638,308		333,320,086	
Advance FBT	9,387,269		9,387,269	
Gratuity asset ( Net )	5,490,192		3,901,045	
Advances recoverable in cash or kind or for value to be received	15,607,186		47,791,814	
Deposits - Others	101,648,017		32,919,191	
		688,795,588		448,634,556
<b>Total</b>		<b>1,868,477,223</b>		<b>1,402,338,398</b>
<b>SCHEDULE : H</b>				
<b>CURRENT LIABILITIES AND PROVISIONS</b>				
<b>Current Liabilities</b>				
Sundry creditors				
i) for Capital Goods				
Due to MSMED	-		-	
Due to Others	28,150,174		8,370,852	
ii) for Purchases & Services				
Due to MSMED	24,504,004		18,890,408	
Due to Others	192,100,386		117,470,691	
Advance from customers	3,798,993		5,308,695	
Dealer Deposits	124,242,034		113,642,732	
Statutory Liabilities	23,817,664		18,321,419	
Investor education and protection fund shall be credited as & when due by the following amounts namely:#				
i) Unpaid application money received for allotment of securities & due for refund	69,975		69,975	

### SCHEDULES FORMING PART OF THE BALANCE SHEET

PARTICULARS	As at			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : H (Contd.)</b>				
ii) Unclaimed Dividend Payable 07-08	46,442		50,980	
iii) Unclaimed Dividend Payable 08-09	42,901		52,248	
iii) Unclaimed Dividend Payable 09-10	84,347		-	
Other Current Liabilities	224,374,266		145,042,920	
		621,231,186		427,220,921
Provisions :				
i) for Income Tax	517,663,257		331,663,257	
ii) for Fringe Benefit Tax	8,139,024		8,139,024	
iii) for Proposed Dividend	-		33,461,622	
iv) for Corporate Dividend Tax	-		5,686,803	
v) for Wealth Tax	315,003		205,003	
vii) for Leave encashment	18,121,597	544,238,881	12,141,680	391,297,389
<b>Total</b>		<b>1,165,470,067</b>		<b>818,518,310</b>

# These figures do not include any amount due & outstanding, to be credited to Investor education and protection fund.

### SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

PARTICULARS	For the year ended			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : I</b>				
<b>SALES</b>				
a) Garments - Local		3,456,374,527		2,590,431,267
b) Garments - Exports		11,049,294		12,202,226
		3,467,423,821		2,602,633,493
Less: Duties and taxes collected		73,624,750		56,120,303
<b>Total</b>		<b>3,393,799,071</b>		<b>2,546,513,191</b>
<b>SCHEDULE : J</b>				
<b>OTHER INCOME</b>				
Excess provision written back		-		135,621
Exchange Difference ( Net )		122,531		-
Duty drawback received		-		249,344
Cash discount received		1,453,811		1,510,893
Penalty on late payment from customers		7,665,184		7,369,388
Sale of scrap		22,585,113		22,038,137



### SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

PARTICULARS	For the year ended			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : J (Contd.)</b>				
Interest received- [TDS - Rs.947,237 (P.Y Rs.1,587,300)]		10,512,228		29,702,200
Dividend Income from long term Investments		686,839		79,120
Miscellaneous income		5,581,329		2,753,286
<b>Total</b>		<b>48,607,035</b>		<b>63,837,989</b>
<b>SCHEDULE : K</b>				
<b>MANUFACTURING EXPENSES</b>				
Materials consumed		1,145,606,499		874,165,058
Boughtout items		7,115,105		15,500,003
Processing charges		349,691,922		254,513,467
Tailoring charges		40,058,818		49,364,418
Material testing charges		1,324,661		300,612
Power and fuel		27,420,506		20,743,284
Factory rent		37,810,926		25,725,817
Electrical maintenance		2,819,482		2,563,501
Freight and carriage inwards		24,531,372		17,351,655
<b>Total</b>		<b>1,636,379,291</b>		<b>1,260,227,815</b>
<b>SCHEDULE : L</b>				
<b>PERSONNEL EXPENSES</b>				
Wages, Bonus & Quality incentive		354,124,600		253,410,716
Salaries, Bonus, Exgratia and allowances		126,679,133		92,959,624
Contribuiton to Provident and other funds		52,278,234		38,778,496
Gratuity expenses		6,651,505		4,018,001
Staff Welfare		41,412,182		31,554,750
<b>Total</b>		<b>581,145,654</b>		<b>420,721,587</b>

## SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

PARTICULARS	For the year ended			
	March 31st, 2010		March 31st, 2009	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE : M</b>				
<b>ADMINISTRATIVE AND SELLING EXPENSES</b>				
Office Rent		2,132,712		1,055,495
Postage, telegram and courier		4,021,565		3,319,065
Printing and stationary		5,840,606		5,971,261
Telephone, telex and fax		3,728,414		4,249,733
Travelling, Conveyance & Vehicle maintenance		22,857,074		15,992,603
Commission and brokerage		5,103,576		1,056,159
Interest paid		11,517,938		10,739,946
Exchange difference (Net)		-		601,669
Advertisement		176,362,415		49,789,565
Directors Remuneration		10,503,637		8,866,860
Commission to Directors		1,200,000		900,000
Directors sitting fee		450,000		340,000
Freight outwards (Net of collections)		(15,361,553)		(3,326,633)
Loss on Sale of fixed assets		370,472		270,766
Selling and distribution expenses		61,311,567		89,981,895
Rates and taxes		3,517,724		2,403,109
Royalty		167,829,024		124,578,167
Repairs and Maintenance - Machinery		10,188,385		1,529,645
Repairs and Maintenance - Building		12,694,151		8,505,696
Repairs and Maintenance - computers		4,407,091		2,794,564
Insurance		4,362,272		3,590,433
Professional fees		10,784,458		7,940,862
Auditors' remuneration		1,808,920		1,548,320
Donations		236,574		160,501
Security charges		11,640,657		10,585,557
Miscellaneous expenses		1,793,607		3,320,673
<b>Total</b>		<b>519,301,286</b>		<b>356,765,910</b>
<b>SCHEDULE : N</b>				
<b>FINANCING EXPENSES</b>				
Interest Expenses		25,366,138		27,792,823
Bank charges		4,375,710		2,891,259
<b>Total</b>		<b>29,741,848</b>		<b>30,684,082</b>
<b>SCHEDULE : O</b>				
<b>PRIOR PERIOD EXPENSES/(INCOME)</b>				
ESIC PAID		343,278		331,182
Advertisement		272,519		-
Miscellaneous		184,101		-
Interest		-		(110,322)
<b>Total</b>		<b>799,898</b>		<b>220,860</b>

## SCHEDULE TO THE ACCOUNTS

### P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

#### 1 BRIEF ABOUT THE COMPANY

The company was set up in the year 1995 with the key objective of bringing the innerwear brand “JOCKEY” to India. The core values of the brand include youthfulness, fun, quality, value, confidence and innovation. The company has introduced a wide range of quality products for men, women and children as well as innovative marketing concepts such as display modules aimed at enhancing the consumer’s involvement with the purchase.

The company commenced operations in the year 1995 in Bangalore with the manufacturing, distribution and marketing of Jockey products. The company has the distinction of being the only innerwear brand in the country which has been awarded the “Superbrand” status. The “Superbrand” is accredited by Superbrand Organization which is an independent arbiter on branding.

#### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

##### A) BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below if any, are consistent with those used in the previous year.

##### B) USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognized in the year in which the events become known / are materialized.

##### C) FIXED ASSETS

Fixed assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment losses. Cost comprises the purchase price less rebates and discounts and any directly attributable cost of bringing the asset to its working

condition for its intended use, including related pre-operative expenses. The effects of changes in foreign exchange rates are being charged to profit and loss account.

Capital work-in-progress includes advances on Capital Account.

##### D) DEPRECIATION

- i) Depreciation on Fixed Assets is provided on Straight Line Method on actual shifts basis at the rates and in the manner specified in the Schedule XIV of the Companies Act, 1956 except for display modules. Display modules are depreciated at the rate of 50% based on the useful life of the asset as estimated by the management. Items of value less than Rs.5,000/- each are depreciated at 100% fully in the year of acquisition.
- ii) Depreciation on Fixed Assets added / disposed off/ discarded during the year has been provided on pro-rata basis with reference to the date of addition / discarding.

##### E) BORROWING COST

- i) Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use.
- ii) Other borrowing costs are charged to the Profit & Loss Account.

##### F) IMPAIRMENT

- (i) The carrying amounts of assets are reviewed, at each balance sheet date, if there is any indication of impairment based on internal / external factors. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The recoverable amount is greater of the asset’s net selling price and value in use. In assessing value in use, the estimated future cash flows as a cash generating unit are discounted to the present value.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- (iii) A previously recognized impairment loss is increased or decreased based on reassessment

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

### G) INTANGIBLE ASSETS

Revenue Expenses are recognized as costs for the year. Capital Expenses are capitalized and recognized as Assets in the financial statements

Intangible asset are amortized over its estimated useful life on a straight line basis.

### H) LEASES

#### Where the Company is the lessee

Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the company, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to income. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease item, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

### I) GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to depreciable assets then the same is treated as deferred income which is recognized in the

profit and loss statement in proportions of depreciation on related assets.

### J. INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost, less provision for diminution in value other than temporary.

### K) INVENTORIES

Raw materials, Stores and Spares	Are valued at lower of cost or net realizable value. However, material and other item held for use in the production of inventory are not written down below cost If the finished products in which they will be used are expected to be sold at or above cost, cost is determined on a weighted average basis.
Work-in-progress and finished goods	Are valued at lower of cost or net realizable value. Cost for this purpose includes direct cost and attributable overheads. Finished goods are valued at standard cost wherein Work-in-progress been valued at actual cost basis.

The inventories are valued on FIFO basis. Obsolete, defective and unserviceable stocks are duly provided for.

### L) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### Sale of Goods

Sales are recorded net of trade discounts, quantity discounts, rebates, indirect taxes and recognized at the point of dispatch of materials.

#### Interest

Interest income is recognized on a time proportion basis taking in to account the amount outstanding and the rate applicable.

#### Dividend

Dividend income on investments is accounted for when the right to receive the payment is established.

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Cash discount and duty drawback are accounted on receipt basis during the year.

### M) FOREIGN CURRENCY TRANSLATION

#### (i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### (ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### (iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations. Exchange difference arising on translation of foreign currency liabilities for acquisition of fixed assets from a country outside India, before December 7, 2006, were capitalized with the fixed assets. However the same are now being adjusted to the Profit and Loss account in line with the requirement of revised Accounting Standard 11(AS11), "The Effects of Changes in Foreign Exchange Rates".

The company is not exercising the option of transferring the exchange differences arising during the financial year to "Foreign Currency Monetary Item Translation Difference Account" as mentioned in the notification no G.S.R 225(E) dated 31st March 2009, instead the same are being charged to the Profit and Loss account during the year.

#### (iv) Hedging Contracts:

The Company uses foreign exchange forward contracts to hedge its exposure to movements in

foreign exchange rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculation purposes.

### N) EMPLOYEE BENEFITS

#### (i) Defined Benefit Plan

The Company is required to pay gratuity under The Payment of Gratuity Act 1972. The liability for gratuity, being a defined benefit plan, is determined by an independent actuary at each balance sheet date and actuarial gains / losses are charged to the profit & loss account. The company makes contribution to the Page Industries Limited Employees Group Gratuity Scheme. The difference between the actuarial liability and the fund balance is shown as Liability or an Asset as the case may be.

#### Earned Leave :

The Company's liability towards leave entitlement benefits is accounted for on the basis of an actuarial valuation at each balance sheet date carried out by an independent actuary and the actuarial gains / losses are charged to the profit & loss account.

#### (ii) Defined Contribution Plan

The Company's defined contribution plans are Employees' Provident Fund (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) & ESI (under the provisions of Employees State Insurance Act, 1948). Hence, the company has no further obligation beyond making the contributions.

The Company's contributions to Provident Fund and Employer's State Insurance are made at a pre-determined rates and are charged to the Profit and Loss account.

#### (iii) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages, short term compensated absences and performances incentive and are recognized as expenses in the period in which the employee renders the related service.

#### (iv) Actuarial gains/losses are immediately taken to P&L Account and are not deferred.

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### O) INCOME TAXES

Tax expense comprises of current and deferred Tax . Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that

Company will pay normal Income Tax during the specified period.

### P) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes if any) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### Q) PROVISIONS

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### R) CASH AND CASH EQUIVALENTS

Cash flow are reported using the indirect method, where by net profit before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow comprises regular revenue generating, investing and financing activities of the company. Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.



## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### 3 Contingent liability not provided for in respect of:

Particulars	2009-10 (Rs.)	2008-09 (Rs.)
a) Claims against the Company not acknowledge as debts -		
i) Disputed tax demands - Excise Duty	-	278,118
ii) Other disputed demands - Jai Agencies	856,396	856,396
b) Corporate Guarantees to related parties	-	15,000,000
c) Counter Guarantees in respect of Bank Guarantees	9,050,000	9,050,000
d) Income Tax matters under appeal (to the extent ascertained) [Income Tax Claims are disputed by company and is being contested with various forums/authorities ].	1,014,819	4,253,282

### 4 Capital Commitments

Estimated value of Capital Commitments (Net of Advance) Rs. 4,20,63,683/- (Previous Year Rs. 30,28,667/-)

### 5 Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

**Licensed and Installed Capacity ( As certified by the management ):**

A) Licensed and installed capacity : (As certified by the management)	2009-10	2008-09
<b>Garments (In nos)</b>		
Licensed capacity	Not applicable	Not applicable
Installed capacity on Single shift basis	50,889,600	45,130,800
<b>Garter (In Meters)</b>		
Licensed capacity	Not applicable	Not applicable
Installed capacity on three shift basis	27,360,000	18,360,000
<b>Socks (in pairs)</b>		
Licensed capacity	Not applicable	Not applicable
Installed capacity on three shift basis	2,832,000	1,008,000

Note : As certified by the Management of the Company and this being technical matter, Auditors have relied on the information.

### Particulars of Raw Materials Consumed

**Value of Raw materials consumed during the year: 31.03.2010**

Description	Units	Year ended 31.03.2010		Year ended 31.3.2009	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
<b>a. Imported:</b>					
Bra accessories		-	37,614,713	-	56,502,990
Labels		-	-	-	-
<b>Total</b>		-	<b>37,614,713</b>	-	<b>56,502,990</b>
<b>b. Indigenous:</b>					
Yarn	Kgs	5,413,769	884,769,358	3,646,865	532,697,158
Woven fabric	Mtrs	1,080,475	109,690,751	589,943	106,314,172
Elastic	Mtrs	10,454,424	38,608,006	10,674,711	36,292,006
Consumables		-	27,223,990	-	10,941,877
Packing Materials		-	17,273,978	-	13,748,653
Others		-	30,425,703	-	205,684,376
<b>Total</b>		<b>16,948,668</b>	<b>1,107,991,786</b>	<b>14,911,519</b>	<b>905,678,242</b>
<b>c) Bought Outs :</b>					
Indigenous :					
Socks	Pairs	268,125	7,115,105	497,677	15,500,003
Readymade garment		-	-	-	-
<b>TOTAL</b>		<b>268,125</b>	<b>7,115,105</b>	<b>497,677</b>	<b>15,500,003</b>
<b>Grand total</b>		<b>17,216,793</b>	<b>1,152,721,604</b>	<b>15,409,196</b>	<b>977,681,235</b>

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### 5 B) Particulars in respect of production :

Description	Qty (Nos.) 2009-10	Qty (Nos.) 2008-09
Innerwear	39,483,024	33,452,040
Woven shorts	1,537,891	1,381,950
Knitted shorts	390,867	161,371
Round neck / collar	2,239,089	2,158,397
Socks ( Production, bought out & repacked)	2,053,190	1,353,940
Bra	1,085,547	63,810
Factory seconds ( all the above categories)	1,210,375	1,879,162
	<b>47,999,983</b>	<b>40,450,670</b>

Note : Above production quantities includes production through jobworkers.

### C) Particulars in respect of Opening Stock, Sales and Closing Stock of Finished Goods: (Previous Year 's figures in brackets)

Description	Opening stock		Sales		Closing stock	
	Qty (Nos.)	Value (Rs.)	Qty (Nos.)	Value (Rs.)	Qty (Nos.)	Value (Rs.)
Innerwear	5,864,111	227,630,420	41,392,077	2,413,123,046	3,955,058	155,860,120
	(5,070,234)	(186,418,276)	(32,658,163)	(1,881,529,151)	(5,864,111)	(227,630,420)
Woven shorts	219,142	23,578,101	1,532,135	256,477,653	224,898	25,860,383
	(233,596)	(22,830,776)	(1,396,404)	(211,586,109)	(219,142)	(23,578,101)
Knitted shorts	20,247	2,635,797	360,535	64,341,514	50,579	5,781,799
	(37,954)	(4,500,012)	(179,078)	(31,289,431)	(20,247)	(2,635,797)
Round neck / Collar T-shirts	422,485	41,292,742	2,185,104	298,042,026	476,470	38,192,751
	(534,884)	(39,853,336)	(2,270,796)	(297,599,515)	(422,485)	(41,292,742)
Socks	164,870	5,245,531	1,901,900	100,145,752	316,160	9,173,485
	(75,830)	(2,139,752)	(1,264,900)	(64,598,527)	(164,870)	(5,245,531)
Factory seconds	1,257,946	53,313,684	1,270,345	97,191,078	1,197,976	46,825,927
	(584,484)	(42,821,694)	(1,205,700)	(51,462,147)	(1,257,946)	(53,313,684)
Bra	20,680	2,797,133	1,005,132	164,478,002	101,095	11,499,621
	-	-	(43,130)	(8,448,311)	(20,680)	(2,797,133)
Caps	-	-	-	-	-	-
	(460)	(28,520)	-	-	-	-
<b>Total</b>	<b>7,969,481</b>	<b>356,493,408</b>	<b>49,647,228</b>	<b>3,393,799,071</b>	<b>6,322,236</b>	<b>293,194,086</b>
Previous year	6,537,442	298,592,366	39,018,171	2,546,513,191	7,969,481	356,493,408

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### 6 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Particulars	31st March, 2010 (Rs.)	31st March, 2009 (Rs.)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of 31st March 2010		
i) Principal Amount Due	23,696,471	18,142,295
ii) Interest payable under MSMED Act, 2006	807,533	748,112
<b>Total</b>	<b>24,504,004</b>	<b>18,890,407</b>
The amount of interest paid by the company in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year ending March 2010.	748,112	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.*	807,533	703,510
The amount of interest accrued and remaining unpaid at the end of accounting year - March 2010.	-	44,602
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	807,533	748,112

**\*Note:**

The above information has been furnished to the extent such parties have been identified by the Company, which has been relied upon by the auditors.

### 7 Information regarding Imports, Expenditure and Earnings in Foreign Currency

#### Percentage of consumption of raw materials

Particulars	2009-10 RS	Percentage	2008-09 RS	Percentage
Indigenous	1,101,653,150	95.57%	921,178,245	94.22%
Imported	51,068,454	4.43%	56,502,990	5.78%
<b>Total</b>	<b>1,152,721,604</b>	<b>100%</b>	<b>977,681,235</b>	<b>100%</b>

Particulars	2009-10	2008-09
A) Earnings in foreign exchange during the year ( Previous year's figures in brackets)		
F.O.B value of exports	1,806,862	2,653,292
B) C.I.F Value of imports		
Raw materials	54,755,849	66,841,420
Capital goods	103,841,901	104,192,417

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Particulars	2009-10	2008-09
C) Expenditure incurred in foreign currency ( Accrual )		
Royalty	167,829,024	124,578,167
Traveling expenses	207,455	807,225
Sales Promotion	NIL	128,170
Director's Salary	125,200	249,047
Director's Sitting Fee	40,000	10,000
Director's commission	200,000	200,000
Professional Fee for advertisement	2,077,551	NIL
Products development	10,700	NIL

D) Amount remitted during the year in Foreign Currency on account of Dividend to non-resident Shareholders:

Particulars	Year 2009-10	Year 2008-09
<b>1st Interim Dividend</b>		
No of Share Holders	3	3
Number of shares on which dividend paid	7,469,154	8,069,204
Amount remitted	52,284,078	48,415,224
<b>2nd Interim Dividend</b>		
No of Share Holders	2	2
Number of shares on which dividend paid	4,813,325	4,979,396
Amount remitted	9,626,650	19,917,584
<b>3rd Interim Dividend</b>		
No of Share Holders	3	3
Number of shares on which dividend paid	7,018,241	7,469,154
Amount remitted	42,109,446	29,876,616
<b>4th Interim Dividend</b>		
No of Share Holders	3	-
Number of shares on which dividend paid	6,900,202	-
Amount remitted	41,401,212	-
<b>Final Dividend</b>		
No of Share Holders	-	3
Number of shares on which dividend paid	-	7,069,851
Amount remitted	-	21,209,553

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### 8 Calculation of Net Profit U/S 198 / 349 & 350

Particulars	2009-10 Rs.	2008-09 Rs.
Profit before Tax	585,171,389	468,392,406
Add :		
Depreciation as per books	89,866,740	73,338,520
Remuneration to Directors	12,153,637	10,106,860
Less:		
Depreciation Allowed U/S 350	59,839,623	40,658,506
<b>Net Profit: For the purpose of managerial remuneration.</b>	<b>627,352,142</b>	<b>511,179,280</b>
<b>Maximum Permissible remuneration under the act</b>		
Managerial Remuneration-Maximum permissible limit to the Managing Directors (5% on net profit)	31,367,607	25,558,964
Managerial Remuneration paid to Managing Director	10,503,637	8,866,860
% age of remuneration paid to the net profit	1.67	1.73
Maximum permissible limit of remuneration for non-executive director under section 309 (4) (b) (1% of net profit)	6,273,521	5,111,793
Remuneration under section 309 (4) (b) to non executive director	1,200,000	900,000
% age of remuneration paid to the net profit	0.19	0.18

### 9 Director's Remuneration Remuneration paid to Managing Director

Particulars	2009-10 Rs.	2008-09 Rs.
Salaries - Basic	4,800,000	8,640,000
Other - Allowances	5,136,000	-
Contribution to Provident Funds	9,360	9,360
Other benefits	558,277	217,500
	10,503,637	8,866,860
<b>Remuneration ( only inclusive of payment u/s.309 (4) (b) of the companies Act paid to non-executive directors</b>	<b>2009-10 Rs.</b>	<b>2008-09 Rs.</b>
Ravi Uppal	400,000	300,000
Timothy Ralph Wheeler	200,000	200,000
P V Menon	200,000	133,000
V Sivadas	200,000	134,000
Gururaj Albal	200,000	133,000
Total *	1,200,000	900,000
<b>Sitting Fee paid to Non- executive directors</b>	<b>2009-10 Rs.</b>	<b>2008-09 Rs.</b>
Ravi Uppal	100,000	70,000
Timothy Ralph Wheeler	40,000	10,000
P V Menon	110,000	100,000
V Sivadas	80,000	60,000
Gururaj Albal	120,000	100,000
Total	450,000	340,000

Note :

Paid/payable to Managing Director. The same being included under the head “ Directors remuneration,” under schedules to profit and Loss account.

\* Payment u/s.309 (4) (b) for the year 2009-10 of Rs.12,00,000 is due to be paid only after the annual accounts are adopted by the shareholders.

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### 10 Payments made to Auditors

Particulars	2009-10 Rs.	2008-09 Rs.
i) Statutory Audit Fees	1,244,200	1,073,600
ii) Tax Audit fees	300,000	250,000
iii) Limited Review	264,720	224,720
iv) Out of pocket expenses	58,107	38,792
<b>* Total</b>	<b>1,867,027</b>	<b>1,587,112</b>

\* Inclusive of Service Tax

### 11 Statement of utilization of IPO funds as at 31st March, 2010

Particulars	Amount in Rs As at 31.03.2010	Amount in Rs As at 31.03.2009
<b>Amount raised through IPO</b>	508,447,440	508,447,440
Share issue expenses paid	82,310,185	82,310,185
Net Proceeds	426,137,255	426,137,255
<b>Deployment</b>		
New factory at Bommasandra	240,767,255	234,848,186
Existing Plant Expansion - Begur road	78,490,000	78,490,000
Garter & Socks expansion	16,070,000	16,070,000
SAP Implementation	12,370,000	12,370,000
Brand Building Project	78,440,000	78,440,000
Invested in long term unquoted investments	-	5,919,069

\*\* The deployment of funds as approved by the share holder were completed on 30.06.2009.

### 12 Capitalization of borrowing cost:-

During the year the company has capitalized interest amounting to Rs.Nil ( Previous year - Rs.26,05,029/-)

### 13 Leasing arrangements:

#### Finance Lease:

The company does not have any item covered under finance lease which needs disclosure as per Accounting Standard 19 - "Accounting for Leases".

#### Operating Lease:

The significant leasing arrangements entered into by the Company include the following:

- Buildings taken on operating lease with lease term between 11 and 72 months for office premises and residential accommodation for employees and which are renewable on a periodic basis by mutual consent of both parties.
- All the operating leases are cancelable by the lessee for any reason by giving notice of between 1 and 3 months.
- There are no restrictions imposed by lease arrangements, such as those concerning dividends, additional debt and further leasing.
- Lease payments recognized under rent expenses in Schedule K and L :

The Company has various operating leases for office facilities and residential premises for employees that are renewable on a periodic basis. Rental expenses for operating leases recognized in profit and loss account for the year is Rs.3,99,43,638/- (P.Y.Rs.2,69,28,912/-)

### 14 Segmental Information

The Company is engaged in the business of "Manufacturing of Garments". As the basic nature of these articles are governed by the same set of risk and returns, these have been re-grouped as a single business segment. Further the company sells primarily in the domestic market where its operations are governed by the same set of risks and returns and the overseas sales are insignificant. Accordingly the separate primary and secondary segment reporting disclosure as envisaged in Accounting Standard (AS - 17) on Segmental Reporting notified by the Companies ( Accounting Standard ) Rules 2006 is not applicable to the company.



## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### 15 Disclosure of Foreign Currency Exposure

Foreign currency exposures that have not been hedged by a derivative instrument or otherwise

Particular	2009-10		2008-09	
	Rs.	Foreign Currency	Rs.	Foreign Currency
Sundry Debtors	-	-	712	\$14

The principal and interest amount payable on Foreign Currency working capital loan has been covered under the forward contract. The Premium payable on the forward cover had been amortised over the tenure of loan

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India in December, 2005, which is applicable to the financial periods ending on or after 31st March, 2006.

### 16 Disclosure in respect of Related Parties pursuant to Accounting Standard 18 :

#### (i) List of Related Parties:

- a) Enterprises in which KMPs or their relatives having significant influence.  
Page Garments Exports Private Limited  
Trigen Apparel Private Limited  
Trigen Resources Philippines Inc.,  
Genco Holding Private Limited
- b) Key management personnel  
Sunder Genomal

#### ii) During the year following transactions were carried out with the related parties in the ordinary course of business:-

Transaction / Nature of Relationship	Enterprises in which KMPs or their relatives having control or significant influence.		Key Management Personnel	
	2009-10	2008-09	2009-10	2008-09
<b>i) Sales, Service and other Income</b>				
Page Garment Exports Private Limited				
- Sales	11,151,786	10,503,300		
- Interest received	4,282,799	3,438,845		
<b>ii) Purchase of goods and services</b>				
<b>Page Garment Exports Private Limited</b>				
- Purchase - Factory Equipment	-	86,400		
- Finished Garments	3,710,728	7,431,622		
- Stitching charges	-	79,988		
- Fabric / Yarn	3,182,355	50,359		
<b>Genco Holding Private Limited</b>				
- Advertisement	25,244,470	39,640,338		
<b>Managing Director's remuneration</b>				
Sunder Genomal			10,503,637	8,866,860
<b>Amount Written off in respect of debts due</b>				
- Trigen Apparel Private Limited	-	68,157		
<b>Guarantee Provided for</b>				
- Page Garment Exports Private Limited	-	15,000,000		
<b>Outstanding balances :</b>				
<b>Amount receivable :-</b>				
- Page Garments Exports Private Limited	42,299,526	32,556,455		
- Genco Holding Private Limited	(449,843)	25,127,972		
<b>Amount payable :-</b>				
- Trigen Resources	3,547,618	3,547,618		

#### Note:

- i) The above transactions do not include reimbursement of expenses, which are accounted in the respective heads of accounts.
- ii) The above information has been determined to the extent such parties have been identified on the basis of information provided by the company which has been relied upon by the auditors.

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### 17 Taxation:

- a. The component of deferred tax assets and liabilities as on March 31, 2010 and March 31, 2009 are as follows:

Particulars	As at 31.03.2010	Credit during the period	As at 31.03.2009
<b>Deferred Tax Liabilities</b>			
Depreciation difference	32,961,780	5,177,597	27,784,183
<b>Total</b>	<b>32,961,780</b>	<b>5,177,597</b>	<b>27,784,183</b>
<b>Deferred Tax Assets</b>			
Provision for Leave Encashment and Bonus	6,159,531	(2,032,574)	4,126,957
Provision for Gratuity	-	-	-
Provision for Doubtful debts	-	-	-
Disallowance as per 43B	4,734,121	(2,499,298)	2,234,823
IPO Expenses	2,313,051	(2,313,053)	4,626,104
<b>Total</b>	<b>13,206,703</b>	<b>(2,218,819)</b>	<b>10,987,884</b>
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>(19,755,078)</b>	<b>2,958,778</b>	<b>(16,796,299)</b>

- 18 In accordance with Accounting Standard 29 on Provisions, Contingent Liabilities and Contingent Assets as notified by the Companies ( Accounting Standard ) Rules 2006 the following provisions are made in the books of accounts.

#### a) Litigations

In respect of Income tax demand total amounting to Rs. 2.11 Crores arising on account of claiming deduction u/s.80JJAA and under section 35D. The company has provided provisions to the extent of 50% of the disputed amount towards deduction U/s 80JJAA. Further the company has appealed against the above mentioned orders before Joint Commissioner Income Tax (Appeals).

Particulars	2009-10	2008-09
<b>Opening Balance</b>	6,778,622	-
Add: Additional Provisions made during the year	-	6,778,622
<b>Less:</b>		
Utilized during the year	-	-
Reversed during the year	-	-
<b>Closing Balance</b>	<b>6,778,622</b>	<b>6,778,622</b>

- 19 As per the company policy, the maximum gratuity payable to the employee is restricted to the maximum limit specified under Sub Section 3 of Section 4 of the Gratuity Act 1972. The maximum limit had been enhanced to Rs. 10 Lakhs from the erstwhile limit of Rs. 3.5 Lakhs as per Payment of Gratuity (Amendment) Act, 2010. However for the purpose of Gratuity Provision Computation, the company has considered the erstwhile limit of Rs.3.5 Lakhs instead of enhanced limit of Rs.10 Lakhs. In the absence of actuarial valuation certificate under the new enhanced limit, the impact on the financial statement cannot be determined.”

- 20 The disclosure required under Accounting Standard 15 “ Employee Benefits “ notified in the companies (accounting standards ) rules 2006 is given below :-

Particulars	2009-10	2008-09
<b>Defined Contribution Plan:</b>	<b>Amount</b>	<b>Amount</b>
The Company has recognized the following amounts in the profit and loss account for the year		
Provident Fund Contributions	36,658,926	27,753,328
Employee State Insurance Subscription	15,628,420	10,995,084
Bonus	56,838,583	41,441,136

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### Defined Benefit Plan:

As per actuarial valuation as on 31st March, 2010 and recognized in the financial statements in respect of Employee Benefit Schemes :

Gratuity	2009-10	2008-09
<b>I. Change in Defined Benefit Obligation (DBO)</b>		
Present Value of defined Benefit Obligation at the beginning of period	12,801,858	11,703,000
Current Service Cost	6,045,899	3,344,577
Interest Cost	1,481,877	975,026
Adjustments on account of diff assumptions - New actuarial valuer	-	(3,714,514)
Actuarial Losses/(Gains)	(876,271)	2,856,511
Benefits Paid	(2,428,555)	(2,362,742)
<b>Present Value of defined Benefit Obligation at the end of the period</b>	<b>17,024,808</b>	<b>12,801,858</b>
<b>II. Change in the Fair Value of Plan Assets</b>		
Plan Assets at the beginning of the period	15,007,954	11,703,000
Adjustments on account of diff assumptions - New actuarial valuer	-	(168,056)
Expected Return on Plan Assets	1,110,012	855,681
Actuarial Gains /(Losses)	3,625,589	(1,299,722)
Contribution by Employer	5,200,000	7,974,742
Benefits Paid	(2,428,555)	(2,362,742)
<b>Fair Value of Plan Assets at the end of the period</b>	<b>22,515,000</b>	<b>16,702,903</b>
<b>III. Components of Employer Expense</b>		
Current Service Cost	6,045,899	3,344,577
Interest Cost	1,481,877	975,026
Expected Return on Plan Assets	(1,110,012)	(855,681)
Adjustments on account of diff assumptions - New actuarial valuer	-	(3,595,548)
Actual Return on Plan Asset	4,735,601	-
Actuarial Losses/(Gains)	(4,501,860)	4,149,627
<b>Total Expense recognized in the Profit &amp; Loss Account</b>	<b>6,651,505</b>	<b>4,018,001</b>
<b>Profit and Loss Account Under Gratuity Expenses</b>		
<b>IV. Net Asset/(Liability) recognized in Balance Sheet</b>		
Present Value of defined Benefit Obligation	17,024,808	12,801,858
Fair Value of Plan Assets	(22,515,000)	16,702,903
Status(surplus/(deficit))	(5,490,192)	3,901,045
<b>Net Asset/(Liability) recognized in Balance Sheet</b>	<b>(5,490,192)</b>	<b>3,901,045</b>
<b>V Investment details of plan assets</b>		
Government Securities/Special Deposit with RBI	9,006,000	12,209,122
Equity shares of Listed companies	13,509,000	4,493,781
<b>VI Actuarial Assumptions</b>		
Discount Rate (%)	7.95%	7.95%
Salary escalation rate	5.00%	5.00%
Expected Return on Plan Assets (%)	7.50%	7.50%
<b>VII Experience Adjustment</b>		
Experience Adjustment on Plan Liabilities	137,961	1,357,027
Experience Adjustment on Plan Assets	3,625,589	(1,299,722)

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Note:

- 1 The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligation
- 2 The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the company's policy for plan asset management. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.
- 3 The estimated of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

### Earned Leave

The defined benefit obligation of compensated absence in respect of the employees of the companies as at 31st march, 2010 is Rs.181,21,597/- ( Previous year Rs.121,41,680/-)

Actuarial Assumptions	2009-10	2008-09
Discount Rate (%)	8.30%	7.95%
Salary escalation rate	5.00%	5.00%

Note:

- 1 The discount rate is based on the prevailing market yields of Indian Government Securities as at the balance sheet date for the estimated term of the obligation
- 2 The estimated of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market
- 21 The Balances in Debtors and Creditors are subject to confirmation and reconciliation. Inventory with third parties are subject to reconciliation.
- 22 Debts due from directors or other officers of the company at any time during the year : NIL ( Previous year : NIL)
- 23 Prior period items are income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods.
- 24 **Disclosures pursuant to clause 32 of the listing agreements**
  - (a) Loans and advances in the nature of loans to subsidiary : NA ( P.Y - NA )
  - (b) Loans and advances in the nature of loans to Associates : NA ( P.Y - NA )
  - (c) Loans and advances in the nature of loans where there is
    - i) No repayment schedule or repayment beyond seven years - NA ( P.Y - NA )
    - ii) No interest or Interest below sec.372A of the Companies Act,1956: NA ( P.Y - NA )
  - (d) Loans and advances in the nature of loans to companies in which directors are interested:

Sl No	Name of the Company	As at 31.03.2010	As at 31.03.2009	Maximum Balance during the year
1	Page Garment Exports Pvt. Ltd.	38,024,616	32,556,455	38,252,091

- 25 Debts include the following amount due from companies under the same management.

Sl. No.	Name of the company	Outstanding		Maximum O/s	
		2009-10	2008-09	2009-10	2008-09
i	Page Garment Exports Pvt Ltd.,	42,299,526	32,556,455	42,299,526	36,519,196
ii	Genco Holding Pvt Ltd	(449,843)	25,127,972	25,127,972	41,863,919
iii	Trigen Apparel Pvt Ltd	Nil	Nil	Nil	68,157

## P. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

### 26 Earning per Share disclosure to be provided i.e., calculation on Basic earning per share to be provided.

Particulars	31st March 2010	31st March 2009
Net Profit after taxation	396,102,611	316,304,718
Weighted average shares outstanding	11,153,874	11,153,874
Basic Earnings per share (Face value of Rs.10 per share)	35.51	28.36

### 27 Components of cash and cash equivalents

Particulars	31st March 2010	31st March 2009
Cash on Hand	436,924	442,804
With Banks - on Current Account	13,039,182	5,020,860
- on Deposit Account	14,903,544	96,440,078
- on Margin Money Deposit	905,000	905,000
- on Unclaimed Dividend / Share Application Money	243,665	173,203
<b>Total</b>	<b>29,528,315</b>	<b>102,981,945</b>

Note : Out of the above mentioned cash and cash equivalents amount pertaining to unclaimed dividend and share application money are not available for use by the Company.

### 28 Previous year's figures have been regrouped / reclassified wherever necessary to make them comparable with the current year's classification.

<b>For and on behalf of the board</b>			As per our report of even date attached
			For <b>HARIBHAKTI &amp; Co.,</b> Chartered Accountants <b>FR No. 103523 W</b>
<b>Sunder Genomal</b> (Managing Director)	<b>V Sivadas</b> (Director)	<b>Gargi Das</b> (Company Secretary)	<b>Sunil Birla</b> Partner <b>Membership No.202226</b>
Place : Bangalore Date : 28th May, 2010			Place : Bangalore Date : 28th May, 2010

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I REGISTRATION DETAILS

Registration No. :	16554 of 1994	State Code : 08
Balance Sheet Date:	31st March, 2010	

### II CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS.THOUSANDS)

Public Issue	Nil	Rights Issue	Nil
Bonus Shares	Nil	Private Placement	Nil
Naked Warrants Pref. Offer	Nil		

### III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

	Total Liabilities	1,557,698	Total Assets	1,557,698
Sources of Funds				
	Paid up Capital	111,539	Reserve & Surplus	878,741
	Secured Loans	447,663	Defferred tax liability	19,755
Application of Funds	Net Fixed Assets	824,906	Investments	29,785
	Net Current Assets	703,007	Misc.Expenditure	-
Accumulated Losses		Nil		

### IV PERFORMANCE OF THE COMPANY (AMOUNT IN RS.THOUSANDS)

Turnover (Gross Revenue)	3,442,406	Total Expenditure	2,856,435
Profit/Loss before Tax ( + / - )	585,171	Profit/Loss after Tax ( + / - )	396,103
Earnings per share in Rupees	35.51	Dividend Rate	Rs.21.00 per Share

### V GENERIC NAME OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. ( ITC Code )	6107.11
Description	Mens or Boys singlets & other Vests,Underpants & Briefs
Item Code No. ( ITC Code )	6108.21
Description	Womens or Girls singlets & other Vests, Slips, Petticoats, Briefs and panties
Item Code No. ( ITC Code )	6105.10
Description	Mens or Boys T - Shirts
Item Code No. ( ITC Code )	6106.30
Description	Womens or Girls T -Shirts
Item Code No. ( ITC Code )	6207.10
Description	Mens or Boys underpants & Briefs
Item Code No. ( ITC Code )	6203.42
Description	Mens or Boys Woven Shorts

For and on behalf of the board

**Sunder Genomal**  
(Managing Director)

**V Sivadas**  
(Director)

**Gargi Das**  
(Company Secretary)

Place : Bangalore  
Date : 28th May, 2010





## SPACE FOR YOUR NOTES

[illegible]

## SPACE FOR YOUR NOTES



# PAGE INDUSTRIES LIMITED

Registered & Corporate Office: Abbaiah Reddy Industrial Area, Jockey Campus  
No. 6/2 & 6/4, Hongasandra, Begur Hobli, Bangalore - 560 068.

## PROXY FORM

I / We .....  
of ..... being a Member/Members of the  
above named Company hereby appoint ..... of .....  
..... or failing him ..... of .....  
..... as my / our proxy to vote for me / us on my / our  
behalf at the 15<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30<sup>th</sup> July 2010 at 11.30 a.m.  
at The Gateway Hotel, No. 66, Residency Road, Bangalore, 560025

Affix  
Re. 1/-  
Revenue  
Stamp

Signed this ..... day of ....., 2010

(Signature of the Member)

Folio No. / DP & Client ID No. .... & No. of Shares .....

Note : Proxies must reach the Company's Registered Office not less than 48 hours before the time fixed for the Meeting.



# PAGE INDUSTRIES LIMITED

Registered & Corporate Office: Abbaiah Reddy Industrial Area, Jockey Campus  
No. 6/2 & 6/4, Hongasandra, Begur Hobli, Bangalore - 560 068.

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the 15<sup>th</sup> ANNUAL GENERAL MEETING held on Friday, the 30<sup>th</sup> July 2010 at THE  
GATEWAY HOTEL, No. 66, RESIDENCY ROAD, BANGLORE - 560025

Name of Shareholder in BLOCK LETTERS: .....

Folio No. / DP & Client ID No. .... & No. of Shares .....

Signature of the Shareholder / Proxy