

# **RANGE APPARELS LIMITED**

**NINTH ANNUAL REPORT  
2001 - 2002**

**BOARD OF DIRECTORS**

Sitaram Singhania	Director
Niranjanlal	Director
Bijal Patel	Director
D.V. Ratna Kishore	Nominee – APIDC
Sumedha Saraogi	Executive Director
Manoj Kumar	Managing Director

**REGISTERED OFFICE**

**& WORKS**

Plot No. 18 & 19, Phase IV,  
IDA Jeedimetla, Hyderabad – 55  
Andhra Pradesh.

**AUDITORS**

Suresh & Co.,  
Chartered Accountants  
405, Divya Shankti Apts.,  
Ameerpet – 500 016

**BANKERS**

UTI Bank Limited  
Greenlands, Hyderabad

## NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of Members of the Company is scheduled to be held on Tuesday, 31<sup>st</sup> day of December, 2002 at 11.00 A.M. at Plot No. 18 & 19, Phase IV, IDA Jeedimetla, R.R.Dist., Andhra Pradesh to transact the following business :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30<sup>th</sup> September, 2002 and Audited Profit and Loss account for the period ended on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Niranjanlal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Bijal Patel who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s. Suresh & Co., Chartered Accountants as the Statutory Auditors for the Company and in this connection to pass the following resolution.

M/s. Suresh & Co. be and are hereby appointed as statutory auditors of the Company pursuant to the provisions of Section 224 of the Act, to hold office until the conclusion of next Annual General Meeting at the remuneration to be decided by the Board of Directors'.

Date : 30-11-2002  
Place : Hyderabad

By the order of the Board  
Sd/-

CHAIRMAN

### Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/herself and the proxy need not be a member of the Company.
2. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
3. Members are requested to notify immediately any change in the address to the Company's Registered Office.

The Register of Members and Share Transfer Book of the Company shall remain closed from 27<sup>th</sup> December, 2002 to 30<sup>th</sup> December, 2002 (both days inclusive) for the purpose of Annual General Meeting.

## DIRECTORS REPORT

To

The Members,  
Range Apparels Limited

Your Directors have pleasure in presenting the Ninth Annual Report of your company together with the Audited Accounts for the period ended 30<sup>th</sup> September, 2002.

### 1. FINANCIAL RESULTS :

	(in lakhs) 30.09.2002	(in lakhs) 31.03.2001
Net Sales	39.72	213.37
Increase in Stocks	(56.39)	19.90
Other Income	0.00	13.03
Total Expenditure	63.29	243.71
Profit / Loss before Financial Expenses / depreciation	(16.67)	(2.58)
Financial Expenses	61.22	53.11
Depreciation	27.21	27.21
Profit / Loss after Financial Expenses / depreciation	(168.39)	(77.73)

### 2. BUSINESS REVIEW & FUTURE OUTLOOK :

The period under review has continued to be extremely difficult as the operations of the Company came to a standstill due to serious liquidity crunch on account of freeing of Working Capital by the Bankers which resulted into closure of the plant despite good order book position. The Bank has not released any working capital despite repeated requests and has approached to Debt Recovery Tribunal against the Company. The Closure has resulted into heavy net loss of Rs. 168.39 lacs for the year.

The Company changed its Accounting year to end on 30th September, 2002 with the permission of Registrar of Companies, Andhra Pradesh. Hence the financial figures for the previous year are not comparable.

With the outlook showing reverse in trends globally, the Company has been making efforts for securing both Long Term and Working Capital finance to restart the operations. However due to tight lending norms and accumulated losses in the Company, no Financial Institution / Bank has extended any support. However, the Company is now making efforts to approach Foreign Financial Institutions with a proposal for Debt restructuring and fresh working capital assistance. In case such a facility is secured, the operations are likely to commence in early part of the year 2003.

### 3. DIRECTORS: Shri Niranjanlal and Shri. Bijal Patel retire by rotation at the ensuing Annual General meeting and being eligible, offer themselves for reappointment.

4. **AUDITORS:** The term of office of M/s S. Suresh & Co., Chartered Accountants, Hyderabad who were appointed as Auditors in last Annual General Meeting expires at the ensuing Annual general Meeting. M/s Suresh & Co. have conveyed their eligibility u/s 227 of the Companies Act, 1956 to be appointed as Auditors for the year 2002-2003 for reappointment. Your Directors recommend their reappointment for the year 2002-03.
- The observations made by the Auditors in their report read with the Notes on Accounts are self explanatory and do not require any comments from Directors.
5. **FIXED DEPOSITS:** Your Company has not accepted any Fixed Deposits from the Publi or its shareholders during the year under review.
6. **DIRECTORS RESPONSIBILITY STATEMENT:** In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors state:
- (i) That in the preparation of the Annual accounts, the applicable accounting standards have been followed.
  - (ii) That your Directors have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit & loss of the Company for that period.
  - (iii) That your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
  - (iv) That your Directors have prepared the Annual Accounts on a going concern concept.
7. **PARTICULARS OF EMPLOYEES:** During the year under review, there were no employees drawing salaries more or equal to the limits laid under Section 217(2A) read with the Companies( Particulars of Employees) Rules, 1975. as amended
8. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:**
- a. **Conservation of Energy:** The Company's operations do not involve a high level of energy consumption. However Company is making efforts to cut power consumption through improved operational efficiency. During the period under review, since the plant has been closed for very long period, the power consumption has been NIL during the closure.
  - b. **Technology absorption:** The Company's plant works on imported machines and technology. The technical staff at the plant have been trained by Korean engineers. The technology has been fully absorbed.

c. Foreign Exchange Earnings & outgo:

( Value in Rs. lacs)

Value of Imports ( CIF basis)	1.24
Expenditure in Foreign currency	
- Capital Expenditure	NIL
- Travelling Expenditure	NIL
- Technical Consultancy	NIL
- Sales Commission	NIL
- Earnings in Foreign Exchange	39.72

9. **CORPORATE GOVERNANCE CODE:** The Code of Corporate Governance promulgated by Securities & Exchange Board of India is to be implemented by your Company by 31st March, 2003 as per schedule of implementation given by SEBI.

10. **ACKNOWLEDGEMENTS:** Your Directors take this opportunity to express their grateful appreciation for the cooperation and assistance by Central and State Governments, Raw material suppliers and business associates as well as shareholders. Your Directors also place on record their appreciation for the devoted services rendered by all employees.

For and on behalf of the Board of Directors  
Sd/- Sd/-

Date : 30-11-2002

(Manoj Kumar)  
Managing Director

(Sumedha Saraogi)  
Executive Director

Place : Hyderabad

**ANNEXURE TO THE DIRECTORS REPORT**

**Power and Fuel consumption**

1.	Electricity	
a)	Purchased Unit (Kwh)	2,47,469
	Total Amount (Rs.)	9,15,635.00
	Average Cost / Unit (Rs.)	3.70
b)	Own Generation	
i)	Through Diesel Generator (kwh)	Nil
ii)	Total Amount (Rs.)	Nil
iii)	Average Cost / Unit (Rs.)	Nil

For and on behalf of the Board of Directors  
Sd/- Sd/-

Date : 30-11-2002

(Manoj Kumar)  
Managing Director

(Sumedha Saraogi)  
Executive Director

Place : Hyderabad

12. The Company has not accepted any deposits from public as defined under the provisions of Section 58 A of the Companies Act, 1956 and Company's (Acceptance of Deposits) Rules, 1975 there under.
13. The Company does not get any scrap in the manufacturing processing, thereby the maintenance of the records does not arise. We are informed that the manufacturing process of the Company does not give rise to any by products.
14. The Company has no Internal Audit System.
15. The Central Government has not prescribed for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for this Company, therefore, verification thereof does not arise.
16. The Provisions of the Provident Fund Act and the Employees State Insurance Act are applicable to this Company during the period of closure and the Company is not made any Payment during the period.
17. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Custom Duty and Excise Duty were outstanding as on 31<sup>st</sup> March 2002 for a period of more than six months from the date they become payable. The Provisions of Wealth Tax are do not applicable to this Company.
18. According to the information and explanations given to us, no personal expenses of employees or Directors, have been charged to revenue account, other than those payable under contractual obligations.
19. The company is not a sick industrial company within the meaning of clause (o) of sub-section 1 of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

Place : Hyderabad  
Date : 30/11/2002

For Suresh & Co.,  
Chartered Accountants  
Sd/-  
S. Suresh  
Proprietor

a) In the case of Profit & Loss account, of the Profit/Loss for the year ended on that date.

For Suresh & Co.,  
Chartered Accountants  
Sd/-  
S. Suresh  
Proprietor

Place : Hyderabad  
Date : 30/11/2002

**ANNEXURE TO AUDITOR'S REPORT**  
(Referred to paragraph 3 of our report of even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The assets have been physically verified by the management during the period as per a program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
2. None of the fixed assets have been revalued during the period.
3. The stocks of finished goods, raw material and stores have been physically verified during the period by the management at reasonable intervals.
4. the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on Verification between the physical stocks and the book records were not material.
6. On the basis of examination of stocks records, we are of the opinion that the valuation of stocks is fair and proper and in accordance with the normally accepted accounting principles and is on the same basis in the preceding year.
7. The Company has not taken any loans from the parties listed in the Register maintained under section 301 and 370 (I-C) of the Companies Act, 1956.
8. The Company has not given any loans and advances in the nature of loans.
9. In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of stores, raw materials, including components, Plant & Machinery, equipment and other assets and with regard to the sale of goods.
10. According to the information and explanations given to us, the company has not entered into transactions covered u/s 301 of the Companies Act, 1956 aggregating during the period more than Rest. 50,000/-.
11. According to the information and explanations given to us, there are no unserviceable or damaged stores, raw materials or finished goods.



**RANGE APPARELS LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30-09-2002.**

Particulars	Schedule	Year ended 30-9-2002 Rs.	Year Ended 31-3-2001 Rs.
<b>INCOME</b>			
-Sales		3972766	21337246
-Increase in Stocks	I	-5639680	1989992.4
-Miscellaneous Income	J	0	1302955
<b>TOTAL</b>		<b>-1666914</b>	<b>24630193</b>
<b>EXPENDITURE :</b>			
-Manufacturing Expenses	K	3056617	13695447
-Administrative Expenses	L	174062	5168751
-Salaries & Benefits to Employees	M	2632756	5042248
-Financial Expenses	N	6122139	5310921
-Depreciation	E	2721005	2721005
-Preliminary expenses written off		212876	212876
-Technical Know fees written off		252263	252263
<b>TOTAL</b>		<b>15171718</b>	<b>32403511</b>
Net Loss for the year		-16838632	-7773318
Add : Balance brought forward from previous years		-33452612	-25679294
Balance carried to Balance Sheet		-50291244	-33452612

VIDE OUR REPORT OF EVEN DATE  
FOR AND ON BEHALF OF THE BOARD

For SURESH & CO.  
Chartered Accountants

S.SURESH  
Proprietor

Place : Hyderabad  
Date : 30/11/02

Sd/-  
(SUMEDHA SARAOGI)  
Executive Director

Sd/-  
(MANOJ KUMAR)  
Managing Director

**RANGE APPARELS LIMITED**  
**BALANCE SHEET AS ON 30-09-2002**

Particulars	Schedule	As at 30.09.2002 Rs.	As at 31.03.2001 Rs.
<b>SOURCES OF FUNDS :</b>			
<b>SHARE HOLDERS' FUNDS</b>			
-Share Capital	A	54356000	54356000
-Reserves & Surplus	B	750000	750000
<b>LOAN FUNDS</b>			
-Secured Loans	C	45313871	39193007
-Unsecured Loans	D	700000	700000
<b>TOTAL</b>		<u>101119871</u>	<u>94999007</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets:</b>			
-Gross Block	E	59609785	59609785
-Less : Depreciation		<u>23309996</u>	<u>20588991</u>
-Net block		36299789	39020794
Investments		65000	65000
<b>Current Assets,</b>			
Loans & Advances	F	25658592	30807112
Less : Current Liabilities & Provisions	G	<u>13709879</u>	<u>11326775</u>
Net Current Assets		11948713	19480337
Misc. Expenditure: (To the extent not written off or adjusted)	H	2515125	<b>2980264</b>
Profit & Loss Account		50291244	33452612
<b>Total</b>		<u>101119871</u>	<u>94999007</u>

VIDE OUR REPORT OF EVEN DATE  
FOR AND ON BEHALF OF THE BOARD

For SURESH & CO.  
Chartered Accountants

Sd/-  
S.SURESH  
Proprietor  
Place : Hyderabad  
Date : 30/11/02

Depreciation as per IT Act. PY-2001-02.

**DEPRECIATION STATEMENT AS PER INCOME TAX ACT**

Depreciation W.D.V. of assets	as at 31.03.01	Add/Adj:	Total at 31.03.02	DEPRECIATION BLOCK				Total Depreciation	WDV 31.03.2002
				on column 4 Rate	Amount	on column 5 Rate	Amount		
1	2	3	4	7	8	9	10	11	12
LAND	1141176	0	1141176	0	0	0	0	0	1141176
BUILDINGS	3761840	0	3761840	10	376184	5	0	376184	3385656
PLANT & MACHINERY	8884739	0	8884739	25	2221185	12.5	0	2221185	6663554
OFFICE EQUIPMENT	132944	0	132944	25	33236	12.5	0	33236	99708
COMPUTER	32501	0	32501	60	19500.6	30	0	19500	13001
FURNITURE	463302	0	463302	10	46330	5	0	46330	416972
VEHICLES	311544	0	311544	20	62309	10	0	62309	249235
	<b>14728046</b>	<b>0</b>	<b>14728046</b>		<b>2758744</b>		<b>0</b>	<b>2758744</b>	<b>11969302</b>

12

SCHEDULE - E Depreciation as per Companies Act, 1956.

FIXED ASSETS

Asset	Gross Block			Depreciation		Rate of Dep.	Total Dep. upto 30.09.2002	Net block	
	As on 01.04.2001	Addition during the year	Total as on 30.09.2002	upto 01.04.2001	for 2001-02			As on 30.09.2002	As on 31.03.2001
LAND	1141176	0	1141176	-	-	-	-	1141176	1141176
BUILDING	7057072	0	7057072	1293573	235706	0.0334	1529279	5527793	5763499
PLANT & MACHINERY	49234218	0	49234218	18694084	2338626	0.0742	21032710	28201508	30540134
FURNITURE & FIXTURES	864524	0	864524	298998	54724	0.0633	353722	510802	565526
OFFICE EQUIPMENT	689824	0	689824	156758	32766	0.0475	189524	500300	533066
VEHICLES	622971	0	622971	145578	59182	0.0475	204760	418211	477393
<b>TOTAL</b>	<b>59609785</b>	<b>0</b>	<b>59609785</b>	<b>20588991</b>	<b>2721005</b>		<b>23309996</b>	<b>36299789</b>	<b>39020794</b>

**SCHEDULE - G**

	30-09-2002	31.03.2001
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
Creditors for expenses	3150292	3269545
Interest accrued but not due on IDBI term loan a/c	296320	280724
Creditors for Capital Goods	177876	140859
Other Creditors	194280	285798
Creditors for Suppliers	6437847	3740913
Bank overdraft	1572909	128261
O/S Expenses :		
Salaries	974745	0
Electricity bills	174616	0
E S I	233546	0
E P F	477448	0
Audit fee	20000	0
<b>TOTAL</b>	<b>13709879</b>	<b>7846100</b>

**SCHEDULE - H****MISCELLANEOUS EXPENDITURE**

(To the extent not written off or adjusted)

Preliminary expenses	9620	10261
Public issue expenses	2970644	3182879
Technical know-how fees	0	252263
	2980264	3445403
Less : written off to P&L a/c	465139	465139
<b>TOTAL</b>	<b>2515125</b>	<b>2980264</b>

**SCHEDULE - I****INCREASE IN STOCKS**

Closing Stock		
Finished Goods	5459000	7402603
Work in Progress	3061000	5032914
Packing material	196000	826210
<b>TOTAL</b>	<b>8716000</b>	<b>13261727</b>
Less : Opening Stock		
Finished Goods	7402603	5945024
Work in Progress	5032914	4629860
Packing Material	826210	696851
	14355680	11271735
<b>TOTAL</b>	<b>-5639680</b>	<b>198992</b>

**RANGE APPARELS LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 30-09-2002**

<b>SCHEDULE - A</b>	<b>30-09-2002</b>	<b>31-03-2001</b>
<b>SHARE CAPITAL</b>		
-Authorised 60,00,000 equity shares of Rs.10 each	6,00,00,000	6,00,00,000
-Issued, Subscribed and Paid up shares 54,35,600 equity shares of Rs.10 each	<u>54356000</u>	<u>54356000</u>
<b>TOTAL</b>	<u><b>54356000</b></u>	<u><b>54356000</b></u>
 <b>SCHEDULE - B</b>		
<b>RESERVES &amp; SURPLUS</b>		
Subsidy	750000	750000
<b>TOTAL</b>	<u><b>750000</b></u>	<u><b>750000</b></u>
 <b>SCHEDULE - C</b>		
<b>SECURED LOANS</b>		
Term Loan from IDBI	19019566	19019566
Export Packing Credit	6009642	7493368
Foreign Bill Discounting	4321779	0
Interest accrued and due on IDBI term loan a/c	13395313	6154683
Interest accrued on UTI (PC & FBD)	<u>2567571</u>	<u>0</u>
<b>TOTAL</b>	<u><b>45313671</b></u>	<u><b>32667617</b></u>
 <b>SCHEDULE - D</b>		
<b>UNSECURED LOANS</b>		
From Directors	nil	nil
From Others	<u>700000</u>	<u>700000</u>
<b>TOTAL</b>	<u><b>700000</b></u>	<u><b>700000</b></u>
 <b>SCHEDULE - F</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
Cash in Hand	29693	61204
Balance with Scheduled Banks in current account	0	1275
Deposits	3889824	3889824
Interest receivable on Miscellaneous Deposits	1783488	1783488
Other Advances	971355	971355
Stock on Hand	9558000	15486470
Sundry Debtors	8740922	7928186
TDS	89939	89939
Advances for expenses	551429	551429
Prepaid expenses	32267	32267
Other Amount Receivable	11675	11675
<b>TOTAL</b>	<u><b>25658592</b></u>	<u><b>30807112</b></u>

**SCHEDULE - M**

<b>SALARIES AND BENEFIT TO EMPLOYEES</b>	<b>30-09-2002</b>	<b>31.03.2001</b>
Salaries & Benifits to Employees	1921762	4606874
Staff Welfare	0	132699
ESI	233546	78354
Provident fund	477448	197775
Admn. Expenses	0	26546
<b>TOTAL</b>	<b>2632756</b>	<b>5042248</b>

**SCHEDULE - N**

<b>FINANCIAL EXPENSES</b>		
Interest on Term Loan	3553293	2333860
Interest on Working Capital	1075281.6	1095468
Bank charges	1275	352546
Interest on FCL	1492289.5	1369073
Short Realisation	0	159974
<b>TOTAL</b>	<b>6122139.1</b>	<b>5310921</b>

	30-09-2002	31.03.2001
<b>SCHEDULE - J</b>		
<b>MISCELLANEOUS INCOME</b>		
Interest earned	nil	1302955
<b>SCHEDULE - K</b>		
<b>MANUFACTURING EXPENSES</b>		
Raw Material :		
Add :Opening Stock	1130790	2670907
Purchases	1355425	9173393
	<u>2486215</u>	<u>11844300</u>
Less :Closing Stock	<u>842000</u>	<u>1130790</u>
Raw materials consumed	1644215	10713810
Power	651189	1022430
Tools & Spares	278037.5	1180240
Repairs & Maintenance	100500	287981
Gen set maintenance	0	103636
Boiler maintenance	0	15000
Packing material	0	66864
dyeing charges	32675	335806
Freight & Forwarding	350000	
<b>TOTAL</b>	<u><b>3056616.5</b></u>	<u><b>13695447</b></u>
<b>SCHEDULE - L</b>	<b>30-09-2002</b>	<b>31.03.2001</b>
<b>ADMINISTRATIVE EXPENSES:</b>		
Advertisement	0	5970
Books & Periodicals	0	2270
Conveyance	21016	15138
Consitancy	0	18250
Licence & Filing fee	0	7050
AGM expenses	0	6500
Office Maintenance	6994	32839
Printing & Stationery	9176	196370
Postage & Telegram	7000	106472
Rent	2000	404729
Travelling expenses (Directors)	0	13225
Travelling expenses (Others)	0	44372
Auditors' Remuneration	20000	25000
General Expenses	14513	164590
Entertainment	0	115781
Telephone	4720	553230
Freight & Forwarding	0	2132539
Electricity	34273	46747
MD remuneration	0	180000
ED 's remuneration	0	120000
Rates & Taxes	3000	75089
Insurance	0	184652
Water charges	1080	0
Vehicle Maintenance	43991	71849
Annual listing fee	0	15000
Car hire charges	0	90743
Legal fee	5000	0
Business promotion	1299	104486
MD's perks	0	90000
Sales tax	0	3350
Share transfer fees	0	43200
Labour training & Admn charges	0	299310
<b>TOTAL</b>	<u><b>174062</b></u>	<u><b>5168751</b></u>



6.	Managerial Remuneration	2001-02 Rs .	2000-01 Rs.
	Managing Director:		
	- Remuneration	nil	180000
	- Perquisites	nil	90000
	TOTAL	nil	270000
	Executive Director:		
	- Remuneration	nil	120000
7.	Auditors Remuneration:		
	- Audit fee	15000	15000
	- Tax Audit fee	nil	7500
	- Other secretarial services	5000	2500
	TOTAL	20000	25000

8. Additional information pursuant to provisions of Part II of Schedule VI of the Companies Act, 1956.

	Period ended Quantity in nos	30-09-02 Amount Rs.	Period ended Quantity In nos	31-03-01 Amount Rs.
a)Capacity & Production:				
Installed capacity	5889600	-	5889600	-
Actual production	210940	-	1578312.96	-
b)Turnover:				
Sale of socks (Inclusive of sample sale)	440960	3972766.00	140591.44	25720888
C) Closing Stock	345602	8716000	575622	1437582
D) Raw Material consumed				
- Cotton Yarn (kgs.)	3784.779	-	20646.351	-
- Nylon Yarn (kgs.)	649.400	-	7924.689	-
- Spandex Yarn (kgs.)	609.870	-	2569.35	-
- Rubber Thread (kgs.)	223.930	-	2338.930	-

E.Foreign Exchange

Transaction:	(Rs. In lacs) 31-09-2002	(Rs. In lacs) 31-03-2001
Value of imports (CIF basis)	1.24	1.75
Expenditure in Foreign Currency:		
- Capital Expenditure	0	0
- Traveling Expenditure	0	0
- Technical Consultancy	0	0
- Sales commission	0	0
Value of Exports	39.73	213.37

## SCHEDULE - O

### Notes on Accounts.

#### 1. Accounting Policies:

##### a. General:

- i. These accounts are prepared on historical cost basis and on the accounting principle of going concern.
- ii. Accounting Policies not specifically referred to otherwise are consistent with and consonance with the principles as recommended in the Companies Act

##### b. Revenue recognition:

The company follows mercantile system of accounting and in consonance.

##### c. Fixed Assets:

Fixed Assets are valued at cost of acquisition inclusive of freight, duties, taxes and other incidental charges related to acquisition.

- d. Depreciation of fixed assets has been calculated on straight line method at the rates given in schedule XIV of the Companies Act, 1956.

- e. Inventories are valued at cost or market price whichever is lower.

#### 2. Secured Loans:

##### a. Term Loans:

The Rupee Term Loan / Foreign Currency Loan from IDBI are secured by a first charge by way of joint Equitable Mortgage by deposit of title deeds with IDBI. All immovable properties, both present and future and hypothecation of all movable assets (other than book debts) subject to prior charge created/to be created on movable assets in favor of the Company's bankers for securing working capital requirements.

##### b. Working capital:

Export Packing Credit and Foreign Bill Discounting facility with UTI Bank Limited, Hyderabad are secured by hypothecation of stocks of raw materials, work in process and finished goods and by personal guarantee of Sri Manoj Saraogi, Managing Director, Smt Sumedha Saraogi, Executive Director and Sri Niranjnlal, Director.

3. Investments consists of 1800 equity shares of Rs.10/- each of IDBI at a cost of Rs.65,000/- (partly paid up).
4. Balance of creditors, debtors and other advances are subject to confirmation by the respective parties.

Particulars of employees in accordance with Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of employees) Rules, 1975 – nil.

**CASH FLOW STATEMENT FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER 2002**

(As per clause 32 of listing agreement	Period ended	Year ended
	30.09.2002	31.03.2001
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before tax and extraordinary items	-16838632	-9896019
Adjustments for		
Depreciation	2721005	2721005
Miscellaneous items written off	465139	465139
Interest	6122139	5310921
	<hr/>	<hr/>
	-7530349	-1398954
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		
Adjustment for		
Increase in inventory	-5928470	-83146
Increase in Sundry Debtors	812736	1713536
Increase in other current assets	0	1654513
Increase/Decrease in Loans and Advances	0	0
Decrease in current liabilities	-5863779	-3480674
Increase in provisions	0	0
Increase in Bank Liabilities	-6089353	2838053
Cash generated from operations	6120864	1634870
Interest paid	6122139	5310921
	-32786	-3676051
Increase in extraordinary items	0	0
Net Cash Flow from operating activities A	32786	-3676051
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	0	0
Sale of Fixed Assets	0	0
Acquisition of companies	0	0
Sale of Investments	0	0
Purchase of Investments	0	0
Interest received	0	0
Dividend received	0	0
	0	0
<b>C. CASH FLOW FROM FINANCING ACTIVITY</b>		
Proceeds from issue of share capital	0	0
Receipt from DIC (Subsidy)	0	0
Proceeds from short term borrowings	0	0
Repayment of Finance liabilities	0	3687337
Dividend paid		

E. Value of imported and indigenous Raw Material, components, Spare parts, & Other material consumed:

	30 - 09 - 2002		31 - 03 - 2001	
	Value Rs.	%	Value Rs.	%
Imported	124762	7.10	175714	1.88
Indigenous	1644215	92.90	9190188	98.12
<b>TOTAL</b>	<b>1768977</b>	<b>100</b>	<b>9365902</b>	<b>100.0</b>

VIDE OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For SURESH & CO.  
Chartered Accountants.

Sd/-  
SUMEDHA SARAOGI.  
(Executive Director).

Sd/-  
S.SURESH  
Proprietor  
Place: Hyderabad  
Date: 30/11/02

Sd/-  
MANOJ KUMAR  
(Managing Director).

INFORMATION AS REQUIRED UNDER SCHEDULE IV TO THE COMPANIES ACT,  
1956 AS AMENDED TO DATE :

I)	Registration Details		
	Registration No.	:	0-15901
	Balance Sheet Date	:	30.09.2002
II)	Capital Raised During the year	:	Nil
	Public Issue	:	Nil
	Right Issue	:	Nil
	Bonus Issue	:	Nil
	Private Placement	:	Nil
III)	Position of Mobilisation and Deployment of Funds (Amount Rs. In 000s)		
	Total Liabilities	:	101119
	Total Assets	:	101119
	Sources of Funds :		
	- Paid up Capital	:	54356
	- Secured Loans	:	45313
	- Reserves & Surplus	:	750
	- Unsecured Loans	:	700
	Application of Funds		
	- Net Fixed Assets	:	36299
	- Net Current Assets	:	11948
	- Accumulated Losses	:	50291
	- Investments	:	65
	- Misc. Expenditures	:	2515
IV)	Performance of Company (Amount Rs. In 000s)		
	- Turnover	:	3972
	- Total Expenditure	:	15172
	- Profit / Loss before Tax	:	16839
	- Profit / Loss after Tax	:	<b>16839</b>
	- Earning Per Share	:	Nil
	- Dividend Rate	:	Nil
V)	Generic Names of Three Principal Products / Services of the Company (As per monetary Terms		
	- Item Code Number (ITC Code No.)	:	6102.00
	- Product Description	:	Socks

Net cash used in Financing activities	32786	11286
Net increase in cash & cash equivalent	-32786	11286
Opening Balance of cash on hand & Bank	62479	51193
Closin balance of Cash on hand & Bank	29693	62479

FOR AND BEHALF OF THE BOARD

Sd/-  
(MANOJ KUMAR)  
Managing Director

Sd/-  
(SUMEDHA SARAOGI)  
Executive Director

We have verified the above cash flow statement of M/s. Range Apparels Limited derived from Audited Annual Financial statement for the period endings 30<sup>th</sup> September, 2002 and 31<sup>st</sup> March 2001 and found the same in accordance therewith.

VIDE OUR REPORT OF EVEN DATE

For SURESH & CO.,  
Chartered Accountants  
Sd/-  
S. Suresh  
Proprietor

Place : Hyderabad  
Date : 30-11-2002

**RANGE APPARELS LIMITED**  
Plot No. 18 & 19, Phase IV, IDA Jeedimetla, Hyderabad – 500 055. A.P.  
**PROXY**

I/We.....of.....  
in the State of ..... being a Member/Members  
of Range Apparels Limited hereby appoint  
..... of  
..... in the state of .....  
Or failing him/her.....of.....  
in the State of .....  
as my/our proxy to vote for me/us and on my/our behalf of the Ninth Annual General Meeting of the company to be held on Tuesday, the 31<sup>st</sup> December, 2002 at Plot No. 18 & 19, Phase IV, IDA Jeedimetla, Hyderabad and at any adjournment thereof, AS WITNESS my/our hand/hands on this ..... day of ..... 2002.

Client NO..... D.P. ID No. : ..... FOLIO No. ....  
No. Shares held .....

- Notes :
- (1) The proxy need not be a member
  - (2) The proxy form duly signed across 30 paise Revenue Stamp should reach Company's Registered Office atleast 48 hours before the time of the meeting.
  - (3) Attendance slip should be sent to the proxy appointed by you and not to the Company.

---

**RANGE APPARELS LIMITED**  
Plot No. 18 & 19, Phase IV, IDA Jeedimetla, Hyderabad – 500 055. A.P.

**ATTENDANCE SLIP**

1. Full name of the Share/holder/Proxy attending the meeting
2. WHETHER FIRST HOLDER/JOINT HOLDER/PROXY &  
• (Strike out whichever is not applicable)
3. FULL NAME OF FIRST HOLDER

I Certify that I am registered shareholder/proxy for the registered shareholder of the Company. I hereby record by presence at the Ninth Annual General Meeting of the Company being held on Tuesday, the 31<sup>st</sup> December, 2002 at Plot No. 18 & 19, Phase IV, IDA Jeedimetla, Hyderabad

Signature of the Share holder/Proxy .....

Folio No. ....Client ID No. .... D.P. ID No.....

Note : This attendance slip is valid only in case shares are held on date of meeting.

Book - Post

If undelivered, please return to :

**RANGE APPARELS LIMITED**

Plot No. 18 & 19, Phase IV, IDA Jeedimetla, Hyderabad - 500 055 A.P.