

**Uni-Socks (India) Ltd.**

**8<sup>th</sup>  
ANNUAL REPORT  
2001-2002**



**CERTIFIED TRUE COPY**

**UNI-SOCKS (INDIA) LTD.**

**Flat No. 202, Golden Green Apartments,  
Erramanzil Colony, Hyderabad - 500 082.**

**For FILATEX FASHIONS LIMITED**

*[Signature]*  
**Managing Director/Authorized Signatory**

## **Uni-Socks (India) Ltd.**

**BOARD OF DIRECTORS :** Sheerchand - Chairman  
Subhash Kothari - Director  
Om Joshi - Director  
(IFCI Venture Fund Nominee)  
Sunil Kapoor - IFCI Nominee  
D.P. Kelkar - Director  
Nortan Bothra - Director  
Prabhat Sethia - Managing Director

**REGISTERED OFFICE :** 202, Golden Green Apartments,  
Erramanzil Colony,  
Hyderabad - 500 082.

**WORKS :** Alinagar, Chetla,  
Potharam Village,  
Jeenaram Mandal,  
Medak Dist.

**BANKERS :** State Bank of Hyderabad  
Bellavista Branch,  
Somajiguda, Hyderabad.

**AUDITORS :** M/s. A.M. Reddy & Co.,  
Chartered Accountants  
Hyderabad.

## **Uni-Socks (India) Ltd.**

### **NOTICE**

NOTICE is hereby given that the Eighth Annual General Meeting of Members of the Company will be held on Tuesday the 30th September 2002 at 10:30 A.M. at its Registered Office at 6-3-542/1, Flat No. 202, Golden Green Apartments, Erramanzil Colony, Hyderabad – 500 082 to transact the following business :

#### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2002 and Audited Profit & Loss Account for the period ended on that date together with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri D.P Kelkar who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Subhash Kothari who retires by rotation and being eligible offers himself for reappointment.
4. To appoint auditors and fix their remuneration.

Place : Hyderabad  
Dated : 26.08.2002

By Order of the Board

**(PRABHAT SETHIA)**

Managing Director

#### **NOTES :**

1. A person entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote for himself and such proxy need not be a member.
2. Proxy Form duly executed should be deposited at the Registered Office of the Company atleast FORTY EIGHT hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books shall remain closed from 25th September, 2002 to 30th September, 2002 ( both days inclusive) for the purpose of Annual General Meeting.

## Uni-Socks (India) Ltd.

### DIRECTOR REPORT

The Members

**UNISOCKS (INDIA) LIMITED,**

Hyderabad

Your Directors have pleasure in presenting the Eighth Annual Report of your Company together with the Audited Annual Accounts for the year ended 31st March, 2002.

#### 1. FINANCIAL RESULTS :

Particulars	(Rupees. in Lacs)	
	31.03.2002	31.03.2001
Net Sales	565.50	341.48
Increase/ Decrease in Stock	(4.68)	10.54
Other Income	0.46	37.37
Manufacturing/ operating Expenses	373.90	338.97
Profit/(loss) before Financial Expenses & Depreciation	187.38	50.42
Interest/ Financial Costs	86.97	81.04
Depreciation	36.07	38.82
Preliminary Expenses written off	2.48	2.48
Net Profit (loss) after Financial Expenses & Depreciation	61.86	(71.92)

2. **BUSINESS REVIEW & FUTURE OUTLOOK :** The year under review has been satisfactory for the Company even when the entire Garment industry has reeled under global recession. This has been possible only due to Quality consistency maintained which resulted into repeat orders from international buyers. Even though, the Company continues to suffer due to inadequate Working Capital provided by the Bankers and imposing of interest at normal rates instead of concessional rates for Export finance. The same has resulted in heavy financial cost thereby curtailing the profits to Rs. 61.86 lacs on sales of Rs. 565.50 lacs despite good order book position. This has also restrained Your Directors from recommending any Dividend.

Globally the entire Garment industry was under pressure due to the currency devaluation of supplying countries as well as weakening of several European economies who have been traditionally the largest consumer. In this process the industry has witnessed weeding out of smaller or weak players. However Your Company has stood the times and has come out stronger.

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With the outlook showing reverse in trends globally, the Company has drawn out plans to go for backward integration during this year. With the plans taking shape, Your Company can look forward for better times ahead.

3. **DIRECTORS** : Shri Subhash Kothari and Shri D.P Kelkar retire by rotation at the ensuing Annual General meeting and being eligible, offer themselves for reappointment.
4. **AUDITORS**: The Auditors M/s A.M. Reddy & Co, Chartered Accountants, Hyderabad who were appointed as Auditors in Annual General Meeting. The term of office of M/s A.M. Reddy & Co, Chartered Accountants expires at the ensuing Annual General Meeting and being eligible offer themselves 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 Public 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.

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(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.

8. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO :**

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies( Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are given in the Annexure forming part of this report.

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, IFCI, State Bank of Hyderabad, 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/-

PLACE : HYDERABAD

(Prabhat Sethia) (Norton Bothra)

DATE : 26.08.2002

Managing Director

Director

**Uni-Socks (India) Ltd.****ANNEXURE TO DIRECTORS REPORT****A. Conservation of Energy :**

The thrust on energy conservation continued during the year across all manufacturing processes and the combined usage of system and devices was made to conserve the energy. The training on the subject was also imparted to technical personnel during the year. The Company has installed power capacitor which also contributes to conservation of energy, power and fuel consumption.

**B. Technology Absorption :****a) Research & Development****1. Specific areas in which R & D carried out by the Company :**

The Company does not have a specific R & D Department. However it is constantly trying to improve quality of its products by adhering to strict international quality procedures as per buyers specifications.

**2. Benefits as a result of above R & D**

Reduction of cost in output, marked improvement in quality resulting in better marketability.

**3. Future plan of action**

The above activities shall continue. The Company proposes to concentrate in the use of developing process know how which will eliminate/ reduce wastage.

**b) Technology absorption, adaptation & innovation****1. The efforts in brief towards technology absorption, adaptation and innovation**

The Company has fully absorbed the technology for manufacture of socks.

**2. Benefits to be derived as a result of above efforts e.g output improvement, cost reduction, product development, import substitution etc are reflected in the working.**