

9th Annual Report
2000 - 2001



KARAN WOO-SIN LIMITED

BOARD OF DIRECTORS

ANIL AGARWAL

PERCY H.ITALIA

RAKESH AGARWAL

MR.A.G. RAVINDRANATH REDDY

MR.SRI KISHAN BADRUKA

MR.SAINATH MUDHELLI

MR.N.C.REDDY

- MANAGER

AUDITORS

M/S. NIRANJAN VENKATA & OMPRAKASH

CHARTERED ACCOUNTANTS

HIMAYATNAGAR

HYDERABAD -500 029.

BANKERS :

STATE BANK OF INDIA

COMMERCIAL BRANCH

SECUNDERABAD- 500 003.

REGISTERED OFFICE AND WORKS :

S.NO.321, KALLAKAL VILLAGE

GAJWEL TQ., MEDAK DIST.

ANDHRA PRADESH.

REGISTRARS :

KARVY CONSULTANTS LIMITED

46, AVENUE 4, STREET NO.1

BANJARA HILLS

HYDERABAD – 500 034.

DEMAT REGISTRARS :

CIL SECURITIES LIMITED

214, RAGHAVA RATNA TOWERS

CHIRAG ALI LANE

HYDERABAD - 500 001.

NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the members of Karan Woo-Sin Limited will be held on Saturday the 29th of September, 2001 at Survey No. 204/3, opposite to Bangaramma Temple, Kallakal Village, Gajwel Tq., Medak District, Andhra Pradesh at 11:00 am to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors Report and Audited Profit & Loss account for the financial year ended March 31,2001 and Balance Sheet as at that date.
2. To appoint a director in place of Mr. ANIL AGARWAL who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass the following resolution as an ordinary resolution.

"RESOLVED THAT Pursuant to section 224 and other applicable provisions of the Companies Act, 1956 M/s. Niranjana Venkata & Omprakash , Chartered Accountants , Hyderabad be and are hereby appointed as Auditors of the Company from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration as may be fixed by the Board of Directors of the Company".

SPECIAL BUSINESS

4. To appoint a Director in place of Mr.A.G. Ravindranath Reddy, who was appointed as an additional Director and holds office upto the date of the ensuing Annual General Meeting of the company and is eligible for reappointment and in respect of whom the company has received a notice in writing from a member under the provisions of sec. 257 of the Companies Act, 1956 proposing his candidature for the office of a Director.



5. To appoint a Director in place of Mr.Sri Kishan Badruka, who was appointed as an additional Director and holds office upto the date of the ensuing Annual General Meeting of the company and is eligible for reappointment and in respect of whom the company has received a notice in writing from a member under the provisions of sec. 257 of the Companies Act, 1956 proposing his candidature for the office of a Director.
6. To appoint a Director in place of Mr.Sainath Mudhelli, who was appointed as an additional Director and holds office upto the date of the ensuing Annual General Meeting of the company and is eligible for reappointment and in respect of whom the company has received a notice in writing from a member under the provisions of sec. 257 of the Companies Act, 1956 proposing his candidature for the office of a Director.

By Order of the Board
for Karan Woo-Sin Limited

Place: Secunderabad
Date: May 30, 2001

PERCY H. ITALIA
Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORMS TO BE VALID SHALL BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer books of the Company will be closed from 16th September, 2001 to 29th September, 2001 (both days inclusive).
3. Members are requested to intimate any changes in their addresses registered with the Company.
4. Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 with respect to special business is herewith annexed.

EXPLANATORY STATEMENT

(As required by Section 173(2) of the Companies Act, 1956)

Item No.4

Mr. A.G. Ravindranath Reddy has been appointed as an Additional Director at the meeting of the Board of Directors held on 2nd March, 2001. As per Section 257 of the Companies Act, 1956, notice has been received proposing candidature of Mr. A.G. Ravindranath Reddy as Director of the Company along with a deposit of Rs.500/- from a shareholder.

The Board recommends the resolution for your approval.

None of the Directors is interested in the above said resolution except Mr. A.G. Ravindranath Reddy.

Item No.5

Mr.Srikishan Badruka has been appointed as an Additional Director at the meeting of the Board of Directors held on 2nd March, 2001. As per Section 257 of the Companies Act, 1956, notice has been received proposing candidature of Mr. Srikishan Badruka as Director of the Company along with a deposit of Rs.500/- from a shareholder.

The Board recommends the resolution for your approval.

None of the Directors is interested in the above said resolution except Mr. Srikishan Badruka.

Item No.6

Mr.Sainath Mudhelli has been appointed as an Additional Director at the meeting of the Board of Directors held on 2nd March, 2001. As per Section 257 of the Companies Act, 1956, notice has been received proposing candidature of Mr. Sainath Mudhelli as Director of the Company along with a deposit of Rs.500/- from a shareholder.

The Board recommends the resolution for your approval.

None of the Directors is interested in the above said resolution except Mr. Sainath Mudhelli.

By the order of the Board
for **Karan Woo-Sin Limited**

Place: Secunderabad

Date: May 30, 2001

PERCY H. ITALIA

(Director)



DIRECTORS' REPORT

We have pleasure in presenting the Ninth Annual Report and the Audited Statement of Accounts for the Financial Year ended 31st March, 2001.

1. FINANCIAL RESULTS :	Rs. In Lacs 31.03.2001	Rs. In Lacs 31.03.2000
Income	404.40	309.24
Gross Profit	54.49	36.61
Interest	32.61	18.02
Depreciation	18.99	17.11
Net Profit	2.89	1.48

2. REVIEW OF OPERATIONS

Your Directors are pleased to inform you that the company has successfully completed the expansion programme by adding new State-of-the-Art knitting machines. Commercial production on the new machines commenced from 7th April, 2001. The company's installed capacity has increased by 30% subsequent to the expansion. The company is now in a position to offer the entire range of double cylinder socks to its customers. The expansion was financed by increase in share capital.

For the year under review, the company recorded increased sales of 33% compared to the previous year.

3. FUTURE PROSPECTS

Considering the current performance, robust order book position and continuing success in obtaining higher realizations for its products, your company should close the current accounting year with substantial increase in sales turnover.

The company is now firmly set on the path of earning meaningful surpluses.

4. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000, the Directors confirm that :

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) Appropriate accounting policies have been selected and applied consistently and have 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 as at March 31, 2001 and of the profit of the company for the said period.

- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

5. CORPORATE GOVERNANCE

Corporate Governance is concerned with the conduct / behaviour of the company, its management and accountability of persons, who are managing it towards the stakeholders. Your company is committed in its constant endeavour to practice and follow good corporate governance.

In terms of Clause 49 of the Listing Agreement, your company is required to implement the provisions regarding corporate governance by March 31, 2002. The process of implementation has already commenced with the constitution of the audit committee of the undermentioned directors as per provisions of Section 292A of the Companies Act, 1956 who have rich professional and commercial background :

1. Mr.A.G.Ravindranath Reddy
2. Mr.Sri Kishan Badruka
3. Mr.Sainath Mudhelli

The remaining provisions would be in place by the current year-end and a report relating to the corporate governance will appear in the next year's Annual Report.

6. DEMATERIALISATION OF SHARES

As a consequence of Securities and Exchange Board of India (SEBI) Circular No.SMDRP/POLICY/CIR- 23/2000 dated 29-05-2000 trading of shares of your company has become compulsory in dematerialized form for all investors with effect from 26th March, 2001. Stock Exchanges are dealing with equity shares of the company only in dematerialized form from the aforesaid date. If you have not yet dematerialized your shares, you are advised to contact a depository participant for dematerializing the shares held by you in the company.

The company has established electronic connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable the shareholders to dematerialise their holdings in the company. The relevant details are given hereunder:

International Securities Identification Number (ISIN):
INE327D01013

Registrars of Demat :
CIL Securities Limited,
214, Raghava Ratna Towers,
Chirag Ali Lane,
Abids, Hyderabad - 500 001.

Physical Registrars:
Karvy Consultants Limited
21, Avenue 4, Street No.1,
Banjara Hills, Hyderabad - 500 034.

7. LISTING AT STOCK EXCHANGES

The Equity Shares of the company are listed on the following Stock Exchanges :

Hyderabad Stock Exchange Limited
3-6-275, Himayatnagar, Hyderabad - 500 029

The Stock Exchange, Mumbai,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 023

The company has applied for Delisting of its shares on Delhi Stock Exchange.

8. FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31st March, 2001 in terms of the provisions of Section 58 A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended from time to time . There are no outstanding or unclaimed deposits as on 31st March, 2001.

9. PARTICULARS OF EMPLOYEES

During the year under review, no employee of the company was in receipt of remuneration which in the aggregate was Rs 12,00,000/- or more nor was any employee in receipt of remuneration exceeding Rs.1,00,000/- per month for any part of the year in accordance with the provisions of

Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

10. PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of Energy Conservation ,Research & Development , Technology absorption , Foreign Exchange earnings and outgo as required under section 217(1)(e) of the Company's Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules ,1988, are given in Annexure "A" and Annexure "B" respectively, to the Directors Report.

11. DIRECTORS

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Anil Agarwal retires by rotation and the Board recommends his reappointment.

Mr.A.G.Ravindranath Reddy, Mr.Sri Kishan Badruka and Mr.Sainath Mudhelli who were appointed as additional Directors of the company will hold office up to the date of the ensuing Annual General Meeting and are eligible for appointment.

12. AUDITORS

M/s Niranjan Venkata & OmPrakash, Chartered Accountants, the Company's Auditors, hold office till the conclusion of this Annual General Meeting. They have signified their willingness to accept their re-appointment and have further confirmed their eligibility under section 224 (1-B) of the Company's Act, 1956.

13. ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the Visakhapatnam Export Processing Zone and also from its bankers, the State Bank of India during the year under review. Your directors also thank and appreciate all the executives, staff and workers of the Company for their dedicated services.

By Order of the Board
for Karan Woo-Sin Limited

Place : Secunderabad
Date : May 30, 2001

ANIL AGARWAL
(Director)

PERCY H.ITALIA
(Director)



ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2001.

Statement under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

Conservation of Energy

1. Energy Conservation measures taken.

The company does not have a major requirement of energy. However it is upgrading some of its electrical systems to bring itself upto date with the new hardware available for its motor driven machines.

2. Additional Investments and proposals, if any, implemented for reduction of consumption of energy.

3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact of the cost of production of goods.

} NIL

ANNEXURE

FORM - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current year 2000-2001	Previous year 1999-2000
A. Power & Fuel Consumption		
1. Electricity		
a. Purchased		
Units	212585	199878
Total Amount (Rs.)	1,089,310.00	897,314.00
Cost/Unit (Rs.)	5.12	4.49
b. Own Generation		
i. Through diesel generator		
Units	14268	103,172.70
Total Amount (Rs.)	203,112.00	897,547.15
Cost/Unit (Rs.)	14.24	8.70