

11th Annual Report
2002 - 2003



KARAN WOO-SIN LIMITED

BOARD OF DIRECTORS

Mr. ANIL AGARWAL

Mr. PERCY H.ITALIA

Mr. RAKESH AGGARWAL

Mr. A.G. RAVINDRANATH REDDY

Mr. SRI KISHAN BADRUKA

Mr. SAINATH MUDHELLI

MANAGER

Mr.N.C.REDDY

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

CIL SECURITIES LIMITED

214, RAGHAVA RATNA TOWERS

CHIRAG ALI LANE

HYDERABAD - 500 001

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the members of M/s. Karan Woo-Sin Limited will be held on Tuesday, the 30th September, 2003 at the Registered Office, S. No. 321, Kallakal Village, Gajwel Tq., Medak District, Andhra Pradesh, at 11.00 AM to transact the following business:

1. To receive, consider and adopt the Audited Profit & Loss account for the financial year ended March 31, 2003 and the Balance Sheet as at that date and the Directors' and Auditors Report thereon.
2. To appoint a director in the place of **MR. A.G. RAVINDRANATH REDDY** who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in the place of **MR. SRI KISHAN BADRUKA** who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 if any, of the Companies Act, 1956 M/s. Niranjan Venkata & Omprakash, Chartered Accountants, Hyderabad be and are hereby re-appointed as Auditors of the Company to hold the office 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".

By Order of the Board
for Karan Woo-Sin Limited

Sd/-

PERCY H. ITALIA
Director

Place : Secunderabad
Date : June 30th, 2003

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 Share Transfer books of the Company will be closed from 20th September, 2003 to 29th September, 2003 (both days inclusive).
3. Members are requested to intimate any changes in their addresses registered with the Company.

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DIRECTORS' REPORT

We hereby present the Eleventh Annual Report and the Audited Statement of Accounts for the Financial Year ended 31st March, 2003

1. FINANCIAL RESULTS

	Rs. In Lakhs 31.03.2003	Rs. In Lakhs 31.03.2002
Turnover	213.41	344.57
Other Income	0.48	0.43
	<u>213.89</u>	<u>345.00</u>
	=====	=====
Profit / (loss) Before Interest, Depreciation and Tax (PBITD)	12.98	(3.10)
Interest	(21.04)	(23.87)
Depreciation	(31.47)	(24.83)
	<u>(39.53)</u>	<u>(51.80)</u>
Profit / (loss) Before Tax	(39.53)	(51.80)
Less: Provision for Taxation	—	—
Net Profit / (Loss)	(39.53)	(51.80)
Prior Period expenses	(3.39)	(0.80)
	<u>(42.92)</u>	<u>(52.60)</u>
Net Profit / (Loss)	(42.92)	(52.60)
Add: Loss b/f from previous year	(221.04)	(168.44)
	<u>(263.96)</u>	<u>(221.04)</u>
Loss carried forward to Balance Sheet.	(263.96)	(221.04)
	=====	=====

2. REVIEW OF OPERATIONS

Archaic labour laws and irresponsible trade union leadership resulted in closure of company's production facilities for the first three months of the year under review. This stoppage of production resulted in non-execution of orders on hand and wilting down of the robust order book position that existed before the year commenced. This resulted in the considerable decline in sales resulting in a cash loss of Rs.8.06 lakhs.

3. FUTURE PROSPECTS

Due to renewed aggressive marketing and damage control measures undertaken by the management, new orders have been booked at favourable rates. In the absence of unforeseen, unfavourable circumstance, the company should close the current year with the highest ever turnover and a reasonable surplus.

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, if any.
- (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, 2003 and of the loss of the company for the year ended on that date.
- (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

- (a) Management Discussion and Analysis Report is enclosed.
- (b) As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance Practices followed by the Company together with a certificate from the Company's Auditor confirming compliance is set out in the Annexure forming part of this report.

6. FIXED DEPOSITS

The Company has not raised any fixed deposits as on 31st March, 2003 in terms of the provisions of Section 58A 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, 2003.

7. PARTICULARS OF EMPLOYEES

During the year under review, no employee of the company was in receipt of remuneration which in the aggregate was Rs 24,00,000/- or more nor was any employee in receipt of remuneration exceeding Rs.2,00,000/- 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.

8. 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 Companies 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.

9. DIRECTORS

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, **Mr. A.G. Ravindranath Reddy** and **Mr. Sri Kishan Badruka** retire by rotation and the Board recommends their reappointment.

10. AUDITORS

M/s Niranjana 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 Companies Act, 1956.

11. LISTING AT STOCK EXCHANGES

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

The Hyderabad Stock Exchange Limited
Somajiguda
Hyderabad – 500 082

The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

The listing fee to The Hyderabad Stock Exchange is outstanding.

12. EXPLANATORY STATEMENT ON AUDITORS QUALIFICATIONS:

- a) The Company has been accounting Gratuity on cash basis. However the Directors are favorably considering provision of Gratuity based on Actuarial valuation and the same will be implemented from the financial year 2003-04.

- b) Owing to a cash crunch the company has not been able to deposit the Provident fund and the Employees State Insurance dues with the Authorities. However the same have been accounted in the books of accounts and will be remitted as and when, there is an improvement in the Company's liquidity position.

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 : June 30, 2003

Sd/-
ANIL AGARWAL
(Director)

Sd/-
PERCY H.ITALIA
(Director)

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2003.

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.

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ANNEXURE FORM - A FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current year 2002- 2003	Previous year 2001- 2002
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A. Power & Fuel Consumption

1. Electricity

a. Purchased

Units	226,038.30	376,960.00
Total Amount (Rs.)	1,109,529.00	1,606,547.50
Cost/Unit (Rs.)	4.91	4.26

b. Own Generation

i. Through diesel generator

Units	5,874	15,522.00
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