

# 13<sup>th</sup> Annual Report

## 2004-2005



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 &amp; NARAYAN

CHARTERED ACCOUNTANTS

HIMAYATNAGAR

HYDERABAD - 500 029.

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**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 Thirteenth Annual General Meeting of the members of M/s. Karan Woo-Sin Limited will be held on Friday, the 30<sup>th</sup> September, 2005 at the Registered Office, S. No. 321, 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 Audited Profit & Loss Account for the financial year ended March 31, 2005 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. Percy H. Italia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in the place of Mr. Rakesh Aggarwal 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. Niranjana & Narayan, 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/-

ANIL AGARWAL  
Director

Place: Secunderabad  
Date: June 30<sup>th</sup>, 2005

**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 20<sup>th</sup> September 2005 to 30<sup>th</sup> September 2005 (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 Thirteenth Annual Report and the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2005.

### 1. FINANCIAL RESULTS

	Rs. In Lakhs 31.03.2005	Rs. In Lakhs 31.03.2004
Turnover	345.43	312.53
Other Income	4.37	2.97
	<u>-349.80</u>	<u>315.50</u>
	=====	=====
Profit / (Loss) Before Interest, Depreciation and Tax (PBIDT)	26.64	58.09
Interest	13.01	16.58
Depreciation	31.55	31.55
	<u>(17.92)</u>	<u>9.96</u>
Profit / (loss) Before Tax	(17.92)	9.96
Less: Provision for Taxation	0.00	0.93
	<u>(17.92)</u>	<u>9.03</u>
Net Profit / (Loss)	(17.92)	9.03
Prior Period expenses and Tax (PBIDT)	(3.32)	1.59
	<u>(21.25)</u>	<u>10.62</u>
Net Profit / (Loss)	(21.25)	10.62
Exceptional Items	(7.78)	0.00
	<u>(29.03)</u>	<u>10.62</u>
Net Profit / (Loss)	(29.03)	10.62
Miscellaneous Expenses written off	0.00	87.27
	<u>(29.03)</u>	<u>(76.65)</u>
Net Profit / (Loss)	(29.03)	(76.65)
Add: Loss b/f from previous year	(340.61)	(263.96)
	<u>(369.64)</u>	<u>(340.61)</u>
	=====	=====
Loss carried forward to Balance Sheet.	(369.64)	(340.61)
	=====	=====

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## 2. REVIEW OF OPERATIONS

Your Directors have worked hard and have succeeded in widening the customer base and improving sales realization. This has resulted in a healthy Order Book position.

## 3. FUTURE PROSPECTS

Your company's products are very well accepted in Europe and the company enjoys a good reputation. Future prospects are indeed very bright.

## 4. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them your directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956:

- (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 judgements 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, 2005 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 31<sup>st</sup> March, 2005 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 31<sup>st</sup> March, 2005.

## 7. PERSONNEL

During the year under review, industrial relations at the

manufacturing unit of the company continued to be cordial and peaceful.

## 8. 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.

## 9. 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.

## 10. DIRECTORS

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Percy H. Italia and Mr. Rakesh Aggarwal retire by rotation and the Board recommends their reappointment.



## 11. AUDITORS

M/s Niranjana & Narayan, 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.

## 12. LISTING AT STOCK EXCHANGES

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

**The Hyderabad Stock Exchange Limited**

6-3-654

Beside Erramanzil Bus Stop

Somajiguda

Hyderabad

**The Stock Exchange, Mumbai**

Phiroze Jeejeebhoy Towers

Dalal Street, Mumbai – 400 001

The listing fee to The Hyderabad Stock Exchange is outstanding.

## 13. EXPLANATORY STATEMENT ON AUDITORS QUALIFICATIONS :

- a) The Company has been accounting Gratuity on a cash basis. However the Directors are favorably considering provision of Gratuity based on Actuarial valuation and the same will be implemented from the next year (2005-06).

- b) The company has paid for all its Provident Fund, Profession Tax & ESI dues as at March 31, 2005 except for the month of March which was paid in June, 2005.
- c) The company has made representations as per the Andhra Pradesh High Court directive to the Provident Fund Tribunal in New Delhi. The company has filed all the relevant papers substantiating its objections against the levy of the unfair penalty by the Provident Fund Department. The company is awaiting the case to be heard.

#### 14. ACKNOWLEDGEMENTS

Your directors 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, 2005

Sd/-  
ANIL AGARWAL  
(Director)

Sd/-  
PERCY HITALIA  
(Director)