

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

## 2006-2007



KARAN WOO-SIN LIMITED

## BOARD OF DIRECTORS

Mr. ANIL AGARWAL  
Mr. PERCY H.ITALIA  
Mr. A.G. RAVINDRANATH REDDY  
Mr. SRI KISHAN BADRUKA  
Mr. RAKESH GARG  
Mr. ENEA TONON

## MANAGER

Mr. N.C.REDDY

## AUDITORS

M/S.NIRANJAN & NARAYAN  
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.  
PH: (040) 27848700 FAX: (040) 27818165  
E-MAIL: [karanwoosin@rediffmail.com](mailto:karanwoosin@rediffmail.com)

## REGISTRARS

CIL SECURITIES LIMITED  
214, RAGHAVA RATNA TOWERS  
CHIRAG ALI LANE, HYDERABAD - 500 001.

PH: (040) 23202465 FAX: (040) 23203028 E-Mail – [cilsec@rediffmail.com](mailto:cilsec@rediffmail.com)

## NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the members of M/s. Karan Woo-Sin Limited will be held on Saturday, the 29<sup>th</sup> September, 2007 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, 2007 and the Balance Sheet as at that date and the Directors' and Auditors' Reports.
2. To appoint a director in the place of Mr. Anil Agarwal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in the place of Mr. Percy H. Italia 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".

**SPECIAL BUSINESS:**

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 257(1) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the Articles of Association of the Company, Mr. Rakesh Garg, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director be and is hereby appointed as a Director of the company, liable to retire by rotation.”

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 314, and other applicable provisions, if any, of the Companies Act, 1956, Mr. Rishabh Agarwal, a relative of the director, Mr. Anil Agarwal, be and is hereby appointed as Manager – Operations, for a period of three years with effect from 1<sup>st</sup> December, 2007 on a monthly remuneration of Rs.50,000 (Rupees Fifty Thousand only), with powers to the Board to appoint as well as renew the said appointment by a period of three years at a time, at remuneration as is permitted under the Act at force at that point of time and as per the terms and conditions mentioned in the agreement between the Company of the one part and Mr. Rishabh Agarwal on the other part.”

By Order of the Board  
for Karan Woo-Sin Limited

Place: Secunderabad  
Date: July 30<sup>th</sup>, 2007

Sd/-  
ANIL AGARWAL  
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 Share Transfer books of the Company will be closed from 20<sup>th</sup> September 2007 to 29<sup>th</sup> September 2007 (both days inclusive).
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Meeting is annexed herewith.

**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item No. 5 : Appointment of Mr. Rakesh Garg as Director of the Company.**

Mr. Rakesh Garg was appointed as a Director in the Board Meeting held on 26<sup>th</sup> June, 2006, in order to fill the casual vacancy created in the office of Director of Mr. Sainath Mudhelli U/s.283(1)(g) of the Companies Act, 1956. Mr. Sainath Mudhelli was to hold office of Director and was liable to retire by rotation at the ensuing Annual General Meeting, had he continued as Director. As such, Mr. Rakesh Garg's appointment, as Director appointed to fill-up the Casual Vacancy, comes to a close U/s.262(2) of the said Act, and he ceases to be a Director, at the ensuing Annual General Meeting. However, Mr. Rakesh Garg, is eligible to be appointed as a Director, whose period of Office is liable to determination by retirement of Directors by rotation. A Notice in writing by a member, proposing the candidature of Mr. Rakesh Garg, for

the Office of Director, along with a deposit of Rs.500/- has been received in the office of the Company, U/s.257(1) of the said Act. Hence, Board recommends his appointment.

None of the Directors is interested in the Proposed resolution.

**Item No. 6 : Appointment of Mr. Rishabh Agarwal as Manager – Operations.**

Mr. Rishabh Agarwal was appointed Manager- Operations on 1<sup>st</sup> December, 2003 subject to the approval of the shareholders at the Annual General Meeting held on 30<sup>th</sup> September, 2004 for a period of three years. At the Board Meeting held on 20<sup>th</sup> January, 2007 it was proposed that his appointment be renewed subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr Rishabh Agarwal is a graduate of Economics from Brigham Young University (Salt Lake City, Utah). He has been involved in the day to day operations of the company.

Your Directors recommend his reappointment.

None of the Directors except Mr.Anil Agarwal, is interested in the above Resolution.

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges the following information is furnished about the Directors proposed to be reappointed, vide items 2 and 3 of the notice dated 30th July, 2007.

Name of Director	Mr. Anil Agarwal	Mr. Percy H. Italia
Date of Birth	01.01.1951	14.09.1950
Date of appointment	31st August 1995	31st August 1995
Expertise in areas	Practising Chartered Accountant	Practising Chartered Accountant
Qualification	FCA	FCA
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	196400	146000
List of outside Directorships held	Nil	Nil
Chairman / Member of the Committees of the Board of Directors of the Company	Nil	Nil
Chairman / Member of the Committees of Board of Directors of other companies in which he is a Director	Nil	Nil

**Brief resume of Mr. Rakesh Garg appointed as  
Director in the Company**

Name of Director	Mr. Rakesh Garg
Date of Birth	03.09.1963
Date of appointment	26.06.2006
Expertise in areas	Practising Chartered Accountant
Qualification	FCA, ACS
Number of Equity Shares held in the Company by the Director or for other persons on a beneficial basis	Nil
List of outside Directorships held	Nil
Chairman / Member of the Committees of the Board of Directors of the Company	Appointed Member of Audit Committee, Shareholders Grievance and Remuneration Committees.
Chairman / Member of the Committees of Board of Directors of other companies in which he is a Director	Nil



## DIRECTORS' REPORT

We hereby present the Fifteenth Annual Report and the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March, 2007.

### 1. FINANCIAL RESULTS

	Rs. in Lakhs 31.03.2007	Rs. in Lakhs 31.03.2006
Turnover	396.50	607.08
Other Income	3.03	4.12
	-----	-----
	399.53	611.20
	=====	=====
Profit / (Loss) Before Interest, Depreciation and Tax (PBIDT)	48.37	83.65
Interest	13.75	11.03
Depreciation	31.13	30.75
	-----	-----
Profit / (loss) Before Tax	3.49	41.87
Less: Provision for Taxation	1.30	1.59
	-----	-----
Net Profit / (Loss)	2.19	40.28
Prior Period items	(0.31)	0.78
	-----	-----
Net Profit / (Loss)	1.88	41.06
Loss b/f from previous year (328.59)		(369.64)
	-----	-----
Loss carried forward to Balance Sheet.	326.71	328.58
	=====	=====

## 2. REVIEW OF OPERATIONS

Huge changes in consumer preferences and further slow down in European economies and cheap imports into Europe from China have upset the Company's forecast for the year under review.

## 3. FUTURE PROSPECTS

The company has developed new markets and established itself more firmly in its niche market. The large scale dismantling of capacities in Europe resulting in supply shortages will certainly ensure a bright future for your company.

## 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 judgments 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, 2007 and of the Profit 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.