

18th Annual Report
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KARAN WOO-SIN LIMITED

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BOARD OF DIRECTORS:

Mr. Percy H Italia
Mr. A.G. Ravidnranath Reddy
Mr. Sri Kishan Badruka
Mr. Rakesh Garg
Mr. Hemant Kumar Agarwal
Mr. Anil Agarwal

MANAGER:

Mr. N.C.Reddy

AUDITORS:

Niranjan & Narayan
Chartered Accountants
HimayathNagar
Hyderabad - 500 029

BANKERS:

State Bank Of India
Main Branch, Patny Circle
Secunderabad - 500 003

REGISTERED OFFICE AND WORKS:

S.No.321, Kallakal Village
Toopran Mandal, Medak District
Andhra Pradesh- 502 336
Ph: 040-27848700 Fax: 040-40021946
E-Mail – karanwoosin@gmail.com

REGISTRARS AND SHARE TRANSFER AGENTS:

Cil Securities Limited
214, Raghava Ratna Towers
Chirag Ali Lane
Hyderabad - 500 001.
Ph: (040) 23202465
Fax: (040) 23203028
E-Mail – cilsec@rediffmail.com

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of M/s. Karan Woo-Sin Limited will be held on Thursday, the 30th September 2010 at 11 A.M. at the Registered Office of the Company situated at S. No. 321, Kallakal Village, Toopran Mandal., Medak District - 502336, Andhra Pradesh, 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, 2010 and the Balance Sheet as at that date and the Directors' and Auditors' reports 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. Niranjana & Narayan, Chartered Accountants, Hyderabad be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs. 15,000/- per Annum plus out of pocket expenses on actual basis".

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution:

RESOLVED that pursuant to Section 257 of the Companies Act, 1956, Mr. Hemant Kumar Agarwal, who was appointed by the Board as an Additional Director of the Company to hold office up to the date of Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

//By Order of the Board//

For **Karan Woo-Sin Limited,**

Sd/-

ANIL AGARWAL,

Director.

Place : Hyderabad,
Date : 12.08.2010.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF / HER SELF 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 27th September to 30th September 2010 (both days inclusive).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No-5 : Appointment of Director:**

Mr. Hemant Kumar Agarwal has been appointed by the Board as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 to hold office up to the date of the ensuing Annual General Meeting of the Company.

In order to continue in office as Director, he needs to be appointed as Director at the ensuing Annual General Meeting of the Company.

In accordance with the provisions of Section 257 of the Companies Act, 1956, notice have been received from members of the Company proposing the above said Director as candidate for the office of Director liable to retire by rotation. The Company has also received deposit of Rs.500/-.

Mr. Hemant Kumar Agarwal is an experienced advertising and marketing professional and has the necessary experience to conduct the business of the Company. The Board felt that his experience in relevant field is beneficial to the Company for its business promotion.

Hence, the Board recommends the Resolution for your approval.

None of the Directors of the Company are interested or concerned in the said resolution.

//By Order of the Board//

For **Karan Woo-Sin Limited,**

Sd/-

ANIL AGARWAL,
Director.

Place : Hyderabad,
Date : 12.08.2010.

DIRECTORS' REPORT

We hereby present the 18th Annual Report and the Audited Statement of Accounts for the Financial Year ended 31st March, 2010.

1. FINANCIAL RESULTS:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Turnover	240.31	318.97
Other Income	37.32	30.20
Increase / (Decrease) in stock	26.55	(8.26)
Total	304.18	340.91
Total Expenditure except Interest and Depreciation	249.35	320.02
Profit/(Loss) Before Interest, Depreciation and Tax (PBIDT)	54.83	20.89
Interest	17.71	12.05
Depreciation	33.63	34.20
Profit/ (Loss) Before Tax	3.49	(25.36)
Less: Provision for Taxation	0.26	1.18
Net Profit/ (loss)	3.23	(26.54)
Prior Period Items	0.04	(16.49)
Net Profit / (Loss)	3.19	(43.03)
Add: Loss b/f from previous year	(367.81)	(324.76)
Loss carried forward to Balance sheet	(364.62)	(367.79)

2. REVIEW OF OPERATIONS

The company's operations have continued to be severely hit due to absence of demand from Europe. The huge decline in the value of the Euro has not helped in resurrecting demand.

European economies recover, we foresee a strong jump in demand.

The company has established itself as a strong player in the domestic private label market. The company's products are sold under well-known apparel and lifestyle brands. Your Directors are focusing their attention to increase volumes and prices in the domestic market.

3. FUTURE PROSPECTS

The slow down and the resultant economic crisis has caused the closure of a large number of production units which seems to be triggering import demand during the current financial year. As the

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, 2010 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.
- (iv) The annual accounts have been prepared on a going concern basis.

5. COPORATE 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 invited and raised any fixed deposits as on 31st March, 2010 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, 2010.

PARTICULARS OF EMPLOYEES:

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

During the year under review, industrial relations of the company continued to be cordial and peaceful.

7. 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.

8. 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, who retire by rotation and the Board, recommend their reappointment.

Mr. Hemant Agarwal was appointed by the Board as an Additional Director of the Company to hold office up to the date of ensuing Annual General Meeting and he shall be appointed as Director at the

ensuing Annual General Meeting in order to continue in the office. The Board recommends his appointment.

9. 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

10. DIRECTORS CLARIFICATION ON THE QUALIFICATION OF AUDITORS

Sl.No	Auditor Qualifications	Directors Clarification
1	In our opinion, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, except for Accounting Standard-15, Accounting for retirement benefits in the financial statements of employer - refer point no. 5 of Notes on Accounts.	The Company is in touch with the Life Insurance Corporation of India to conduct an actuarial valuation and to issue a gratuity policy to the Company.
2.	According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not been regular in depositing with appropriate authorities undisputed statutory dues including Service Tax, Provident Fund, Income Tax Deducted at Source and Investor Protection Fund.	It was confirmed to the Board that payments towards Service Tax, Provident Fund and Income Tax Deducted at Source have already been remitted with the appropriate authorities along with penalty. The Board was also informed that the amount to be remitted with the Investor Education fund will be remitted at the earliest.

11. LISTING AT STOCK EXCHANGES:

The Equity Shares of the company are listed on Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

Listing fees to the Bombay Stock Exchange Limited has been paid up-to-date.

12. REDUCTION OF PAID UP CAPITAL:

As you are all aware that in the last Annual General Meeting, your company passed a Special Resolution for reduction of Paid up Equity Capital of the Company from Rs.8,23,50,000/- divided into 82,35,000 Equity shares of Rs.10/- each to Rs.4,94,10,000/- divided into 82,35,000 Equity shares of Rs.6/- each fully paid-up by canceling the accumulated loss of Rs.

3,29,40,000/- which represents 82,35,000 shares of Rs.4/- each, which has been lost and is unrepresented by the available assets.

Your Company is in the process of getting an in-principle approval from the Bombay Stock Exchange Limited for moving a petition with the Honorable High Court of Andhra Pradesh.

13. ACKNOWLEDGEMENTS:

Your directors thank all the executives, staff and workers of the Company for their dedicated services.

Your directors also thank the company's customers and its bankers for their continued trust and co-operation

//By Order of the Board//

For **Karan Woo-Sin Limited,**

Sd/-
ANIL AGARWAL
DIRECTOR

Sd/-
HEMANT KUMAR AGARWAL
DIRECTOR

Place : Hyderabad,
Date : 12.08.2010.

ANNEXURE "A"**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION**

Statement pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

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 up to 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

FORM – A
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT
TO CONSERVATION OF ENERGY

Particulars	Current year 2009 - 2010	Previous year 2008 - 2009
A. Power & Fuel Consumption		
1. Electricity		
a. Purchased Units	3,84,563	2,16,838
Total Amount (Rs.)	14,87,293	11,37,589
Cost/Unit (Rs.)	3.87	5.25
b. Own Generation	-	-
i. Through diesel generator (Units)	20100	9855
Total Amount (Rs.)	80,742	45,776
Cost/Unit (Rs.)	4.02	4.64
ii. Through steam turbing/generator (Units)	-	-
Total Amount	-	-
Cost/Unit	-	-
2. Furnace Oil		
Quantity Tonnes	-	-
Total Amount	-	-
Average	-	-
3. Others/Internal Generation	-	-
Total Amount	-	-