

Kareems Spun Silk Limited

16th ANNUAL REPORT 2006-2007

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SIXTEENTH ANNUAL GENERAL MEETING AT No. 946, OLD M.C. ROAD, MANDYA CITY - 571 401, ON FRIDAY, THE 28TH SEPTEMBER, 2007 AT 11.00 AM

ME Constitution of the Con

BOARD OF DIRECTORS

Sri A.K.ABDUL SAMAD

Chairman

Sri MOHAMMED MOHSIN

Managing Director

DIRECTORS

Sri MOHAMMED WAJID Sri MOHAMMED FAIZAL

AUDITORS

M/s.S.Janardhan & Associates

Chartered Accountants
Apartment No.104 & 203
Embassy Centre, No.11, Crescent Road

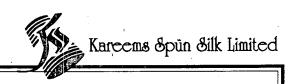
REGISTERED OFFICE & FACTORY

BANGALORE - 560 001

No. 946, Old M. C. Road MANDYA CITY - 571 401 KARNATAKA, INDIA

CORPORATE OFFICE

City Point, TF 11/12 No.13, Infantry Road BANGALORE - 560 001 KARNATAKA, INDIA



NOTICE

Notice is hereby given that the 16th Annual General Meeting of the Members of Kareems Spun Silk Limited will be held at the Registered Office of the Company, No. 946, Old M.C. Road, MANDYA CITY - 571 401, KARNATAKA, INDIA, on Friday, the 28th September, 2007 at 11.00 AM to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the audited Balance Sheet as at 31st March, 2007 and the Profit and Loss account for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
- 2. To appoint a Director in place of Sri. Mohammed Faizal, who retires by rotation and who being eligible, offers himself for re-appointment.
- 3. To appoint Auditors, M/s. S.Janardhan & Associates, Chartered Accountants, Bangalore, the retiring Auditors, as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

Notes:

- 1. A member entitled to attend and vote at the General Meeting is entitled to appoint a Proxy to attend and vote, instead of himself and the Proxy need not be a member of the Company.
- 2. The Register of Members and the Share Transfer Book of the Company will remain closed on Friday, the 28th September, 2007 (one day only), being the "Record Date".

By Order of the Board

A.K.ABDUL SAMAD

Chairman

Place: Bangalore Date: 29th July, 2007

Kareems Spun Silk Limited

DIRECTORS' REPORT

FOREST RECEIPE ENGLISH CHER THEREDY

TO THE MEMBERS OF THE COMPANY:

Your Directors present their Sixteenth Annual Report on the business and the operations of your Company alongwith the audited Statement of Accounts for the year ended 31st March, 2007.

Recht of the Company : RAANGUANVAR Enday the Rett September, 2007 foreday only).

Your Directors would like to inform that after settlement of dues to the Financial Institutions/Banks, the plant has been shifted to Mandya. The dismantling, shifting and re-assembling of Plant and Machinery took considerable time. The Company commenced its manufacturing activities at its new premises from August, 2006 and would stabilise its business in due course.

BOARD OF DIRECTORS:

Honourable Board for Industrial and Financial Reconstruction (BIFR), withdrew Sri Maharaj Krishen Kaw, as its Nominee Director during the year.

Sri Mohammed Faizal will be retiring by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. You are requested to re-appoint him as Director of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors' hereby state that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there had been no material departures;
- (ii) they had selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the Profit or Loss of the Company for that period;
- (iii) they had taken proper and sufficient care 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; (NATI ACT OF ACT OF

(iv) they had prepared the annual accounts on

CORPORATE GOVERNANCE:

The Company is a sick industrial undertaking and had closed down its manufacturing activities with effect from 07-05-2003. Hence it has not been possible to form any committees of the Board, as required in terms of clause 49 of the Listing Agreement. However, the Board of Directors is committed to reviving the operations of the company and is hopeful of a positive outcome.

AUDITORS: AM Mothur According

M/s.S.Janardhan & & Associates, Chartered Accountants, Bangalore, the Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, are recommended for re-appointment.

DISCLOSURE OF PARTICULARS:

The particulars relating to conservation of Energy, Technology Absorption and Foreign Exchange earnings and out-go as required under Section 217(i)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 are enclosed as part of the report.

ACKNOWLEDGEMENT:

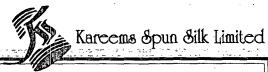
The management is grateful to the Financial Institutions for their continued co-operation throughout the year.

for and on behalf of the Board of Directors

A.K.ABDUL SAMAD

Chairman

Place: Bangalore Date: 29th July, 2007



ANNEXURE TO THE DIRECTORS' REPORT	TROSER ESULTIONA
nv) in our opinion, the State or Seletting Roll of	We have auchied the attached Balance Sheet of KARFEAS SAUS <mark>88PLikelluR (krotospilO po groge</mark>
A. CONSERVATION OF ENERGY std	Merch, 2007, the Profit end Loss Account and that the Cash Profit Statement for the pair ended
	operations have not reached full potential because
•	es still require to be done and shortage of suitable
technical manpower, and an no tv	menegament. Our responsibility is to express an opinion on these fluctional statements based on
b) The total energy consumption and energy prescribed Form-A below:	consumption per unit of production is given in the
	. We conducted our abdit in accordance with - auditing translates, generally eacest in MaiMR
TORMER TO SET TO	
(1) of sertion 574 of the Corr year as Act	see an ar Current ising *Previous made
1956;	meterial raey stement, readly studies
Electricity, of bus soinigo too me (iv	examining on a test basis evidence supporting
a) Purchased funits (KWH) is special	the amounts and disclosures in the incancial structure. An audit of the bull of the structure assessing the
Total amount (Rs.) is another a cas	sch goleseere est videl det fibus nA internation
Râte per unit (RSI) otal sala sala re ascarat sul di cuel unA esinograpo	eccounting principle \$26,968 and algorithments as well as
	evaluation the overall hospicial standant
b) Own generation disc year 1700	presentation. The helieve that our audit providers
	a reasonable besit for our coinion.
i) Through Diesel Generator Units (KWH)	Follogished by Inel Companies (Easther is Republ) (I day 2003) as amendally issued by the Central
Units (KWH) per litre of Diesel oil	ं विस्तर स्थानिक स्थान
Cost per unit (Rs.)	of APP on the second miles and the contraction of
and the state of t	्रियो एक विधायस्त्रीय । इस ४० वर्षे १० ४४म् संदर्शिय ।
ii) Through Steam Turbine/Generator	Applying a straightflux of a production
* The plant at Factory has not run for the previous year except for some trial runs and there was no significant consumption of power.	
B. TECHNOLOGY ABSORPTION, ADOPTI	ON AND INNOVATION SUBJECT TO SECURITION OF THE SECOND SECURITIES OF THE SECOND
The Company's technical personnel are trained technology has been employed by the Compan	in reputed spun silk industry in Europe: No foreign
C. FOREIGN EXCHANGE EARNINGS AND	OUTEGO s la elect as la man de tro de la
The particulars of Foreign Exchanve Earnings	and Out-go are given in Notes on Accounts.
THE SOLAMBSTONALES	for and on behalf of the Board of Directors
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Single Season Se	S. Lighte Learning Chairman
Place : Bangalore	15000 × 5000