



Kareems Spun Silk Limited

**16<sup>th</sup>**  
**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**

## 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  
BANGALORE - 560 001

## REGISTERED OFFICE & FACTORY

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 :**

1. 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

### TO THE MEMBERS OF THE COMPANY :

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

### REVIVAL PLANS :

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:

- (i) 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;

- (iv) they had prepared the annual accounts on a going concern basis.

### 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 :

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



Kareems Spun Silk Limited

**ANNEXURE TO THE DIRECTORS' REPORT**

The Companies (Disclosure of particulars in the Report of Directors) Rules, 1988

**A. CONSERVATION OF ENERGY**

a) Though the Plant has been commissioned, operations have not reached full potential because of balancing and technical tuning exercises still require to be done and shortage of suitable technical manpower.

b) The total energy consumption and energy consumption per unit of production is given in the prescribed Form-A below:

**FORM A****POWER AND FUEL CONSUMPTION**

	Current Year	*Previous Year
<b>Electricity</b>		
a) Purchased units (KWH)	77334	
Total amount (Rs.)	366452	
Rate per unit (Rs.)	4.74	
b) Own generation		
i) Through Diesel Generator		
Units (KWH)	NIL	
Units (KWH) per litre of Diesel oil	NIL	
Cost per unit (Rs.)	NIL	
ii) Through Steam Turbine/Generator	NIL	

\* 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, ADOPTION AND INNOVATION**

The Company's technical personnel are trained in reputed spun silk industry in Europe. No foreign technology has been employed by the Company.

**C. FOREIGN EXCHANGE EARNINGS AND OUT-GO**

The particulars of Foreign Exchange Earnings and Out-go are given in Notes on Accounts.

for and on behalf of the Board of Directors

**A.K.ABDUL SAMAD**

Chairman

Place : Bangalore  
Date : 29th July, 2007