

20th Annual Report
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KARAN WOO-SIN LIMITED

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BOARD OF DIRECTORS:

Mr. A.G.Ravindranath Reddy
Mr. Srikishan 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 & WORKS:

S.No.321, Kallakal Village
Toopran Mandal, Medak District
Andhra Pradesh- 502 336

Ph: 040-27848700 Fax: 040-40021946
E-Mail: info@karanwoosinltd.com

REGISTRARS & 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 20th Annual General Meeting of the members of **KARAN WOO-SIN LIMITED** will be held on Saturday, the 29th September, 2012 at 11.00 A.M at the Registered Office of the Company situated at S. No. 321, Kallakal Village, Toopran Mandal, Medak District – 502 336, Andhra Pradesh, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date and the reports of Directors' and Auditors' report thereon.
2. To appoint a director in the place of Mr. Hemant Kumar Agarwal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in the place of Mr. Srikishan 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. Niranjan & 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.

//By Order of the Board//

For **Karan Woo-Sin Limited,**
Sd/-
Anil Agarwal
Director

Place : Hyderabad
Date : 04th August, 2012

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 Share Transfer books of the Company will be closed from 24th September, 2012 to 29th September, 2012 (both days inclusive).
3. All the documents referred to in the notice are open for inspection at the registered office of the company during office hours on all working days upto the date of the Annual General Meeting.
4. The register of Directors shareholding shall be open for inspection to any member of the company during the period beginning 14 days before the date of company's AGM and ending 3 days after the date of its conclusion. The said register shall also remain open and accessible during the AGM to any person having a right to attend the meeting.
5. The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars on 21st April, 2011 and 29th April, 2011 inter-alia stating that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode. Accordingly the Annual Reports are being sent though email to the members whose email ids are available with the Company. The members who have not provided their email id are requested to update their email ids with the Depository Participant, if the shares are in Demat mode and to CIL Securities Limited, Registrars and Transfer Agents of the Company, in case the shares are in physical mode.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued Circulars stating that service of documents including Annual Report to the members can be made through electronic mode. SEBI vide circular Ref. No. CIR/CFD/DIL/7/2011 dated 5th October 2011, has also advised listed companies to supply soft copies of full annual reports to all those members who have registered their e-mail addresses for the purpose. In order to support the said initiative, **KARAN WOOSIN LTD** has sent the copy of the Annual Report for the year 2011-12 along with the notice convening the Annual General Meeting through e-mail to those members who have registered their e-mail id with the DP's / R&T agents.

MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESS ARE REQUESTED TO SUPPORT THE GREEN INITIATIVES BY REGISTERING THEIR EMAIL ADDRESS EITHER WITH DEPOSITORIES OR WITH THE COMPANY IN THE FORMAT GIVEN BELOW.

FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE

To
Cil Securities Limited
214, Raghava Ratna Towers
Chirag Ali Lane
Hyderabad - 500 001

Company/Unit : Karan Woo-Sin Limited

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder : _____
DP ID / Client ID / Regd. Folio No. : _____
PAN No. : _____
E-mail Address : _____

Date :

Place : (Signature of Member)

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 20th Annual Report of your Company along with the Audited Accounts for the year ended 31st March, 2012.

1. Financial Results:

(Amount in Lakhs)

Particulars	Year ended	
	31 st March, 2012	31 st March, 2011
Turnover	267.27	348.51
Other Income	7.55	10.81
Increase / (Decrease) in stock	(18.00)	38.86
Total	256.82	398.18
Total Expenditure except Interest and Depreciation	233.32	338.91
Profit/(Loss) Before Interest, Depreciation and Tax (PBIDT)	23.50	59.28
Interest	14.26	19.45
Depreciation	31.30	32.03
Profit/ (Loss) Before Tax	(22.06)	7.80
Less: Provision for Taxation	-	0.02
Net Profit/ (loss) before prior period items	(22.06)	7.78
Prior Period Items	0.70	0.06
Net Profit / (Loss)	(22.76)	7.72

2. Review of Operations:

The company operations have continued to be severely hit due to absence of demand from Europe.

fashion socks for the young and to monetise some of the company's surplus fixed assets to fund domestic market creation.

3. Future Prospects:

The company continues to be a strong player in the domestic private label market. Your directors do not see strong demand emanating from our traditional market in Europe in the short and medium term. The domestic market too is not enlarging substantially. Your directors are working on developing new markets in the USA and other countries, acquiring new machines to produce

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, 2012 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 Exchange, 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, 2012 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, 2012.

7. 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 60,00,000/- or more per annum nor was any employee in receipt of remuneration Rs.5,00,000/- 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.

8. Particulars regarding Energy Conservation, Technology Absorption and Foreign Exchanges Earnings & 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.

9. Directors:

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Hemant Kumar

Agarwal and Mr. Srikishan Badruka, who retire by rotation and the board, recommend their reappointment.

10. 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.

11. Directors clarification on the qualification of Auditors:

Ref.No.	Auditor Qualifications	Directors Clarification
4	In our opinion, the Balance Sheet and the Statement of Profit and Loss 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. 4 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.
9. a.	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, Excise Duty, Provident Fund, ESI and Income Tax Deducted at Source.	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 Interest.

12. 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.

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,**

Place : Hyderabad
Date : 04th August, 2012

Sd/-
Anil Agarwal
Director

Sd/-
Hemant Kumar Agarwal
Director

ANNEXURE "A"**Energy Conservation and 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 2011 - 12	Previous year 2010 - 11
A. Power & Fuel Consumption		
1. Electricity		
a. Purchased Units	3,98,494	3,37,138
Total Amount (Rs.)	14,59,534	15,73,873
Cost/Unit (Rs.)	3.66	4.67
b. Own Generation		
i. Through diesel generator Units	10,200	10,800
Total Amount (Rs.)	25,830	28,498
Cost/Unit (Rs.)	2.53	2.64
ii. Through steam turbing/generator (Units)	-	-
Total Amount	-	-
Cost/Unit	-	-
2. Furnace Oil	-	-
Quantity (Tonnes)	-	-
Total Amount	-	-
Average	-	-
3. Others/Internal Generation	-	-
Total Amount	-	-
B. Consumption per unit of production		
Standards (if any)	-	-
Electricity per deca pair (Units)	6.81	3.60
Furnace oil/unit	-	-

FORM - B
(See Rule 2)

Form for disclosure of particulars with respect to technology absorption

Particulars	Current year 2011 - 12	Previous year 2010 - 11
Research and Development (R & D) Technology Absorption, Adaptation and Innovation	-	-

ANNEXURE "B"

Foreign Exchange Earnings and outgo

Activities relating to exports : Producing Socks with Cotton, Wool and Nylon Yarn and with blends thereof. (Rs. in Lakhs)

Particulars	2011 - 12	2010 - 11
1. Foreign Exchange Earnings	195.25	144.19
2. Foreign Exchange used	8.37	9.86

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and Developments:

The large scale dismantling of capacities in the high cost economies of Europe is now complete. Due to the debt crisis that Europe is now witnessing demand has dwindled to levels not seen in the past.

Domestic demand at lower end continues to raise at robust levels for sports and fashion socks.

Opportunities and threats:

The company's expectation of strong export demand from its traditional markets in Europe has not been realized due to the ongoing debt crisis. The domestic market for quality products at the high end continues to be dormant and unexploited. The company proposes to equip itself with new facilities to produce sport and fashion socks for which upsurge is being witnessed in the domestic market.

Outlook:

In the short term the company has to focus on domestic demand and equip itself in every way to meet current market demand for the lower end products. At the same time, every effort will be made to prise open the market for high quality products.

Risks and Concerns:

The company is facing a stiff challenge as export markets are showing no signs of recovery at all.

Internal control systems and their

adequacy: Your Company remains committed to ensure an effective internal control environment that provides assurance on the efficiency of the operations and security of its assets. The Internal Audit process effectively and adequately covers the internal control environment across the company. Planning and conduct of the internal audit is oriented towards a review of controls in identifying, evaluating and managing risks, along with the maintenance of proper accounting records and reliability of financial information used within the business.

Discussion on financial performance with respect to operational performance:

The company's operational performance is reasonably good, but the financial performance continued to suffer due to the fall in exports caused by the worldwide slowdown.

Material developments in Human Resources / Industrial Relations front including number of people employed:

The company continues to improve the quality of its human resources. Industrial relations have been cordial. Total number of employees including trainees as on 31st March, 2012 is 66.

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of Corporate Governance:

Your Company believes in conducting its affairs with the highest level of integrity, with proper authorizations, professionalism, accountability and transparency. The business operations of your Company are conducted not to benefit any particular interest group but for the benefit of all stakeholders. All matters of strategy, annual budgets, significant developments etc., are routinely placed before the Board. The Audit and Share Transfer and Grievance Committees regularly meet to consider aspects relevant to each committee whereas the Remuneration Committee meets based on need.

2. Board of Directors:

The Board of Directors consists of Professionals drawn from diverse fields. All the Directors on the Board are Non- Executive Directors and three of them being independent and Mr. N.C. Reddy, Manager appointed under Section 269 of the Companies Act, 1956 who is in charge of the day to day operations of the Company.

None of the Directors on the Board is a member on more than 10 committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement with Stock Exchanges). The Directors have made the necessary disclosures regarding Committee memberships.

During the financial year 2011-12, five Board Meetings were held on 22nd April, 2011, 30th May, 2011, 12th August, 2011, 14th November, 2011, and 14th February, 2012 respectively and the gap between two consecutive meetings did not exceed four months.

The composition and categories of the directors on the Board, their attendance at the Board Meetings during the year and at the last Annual General Meeting, and also the details of the other Directorships and Membership in committees held by them are as given below:

Name of Director	Category	No. of Board Meetings attended during the year 2011-12	Attendance at the last AGM held on 26 th September, 2011	*No.of directorships As at 31 st March, 2012	*Committee/s Position as at 31 st March, 2012	
					Member	Chairman
Mr.Anil Agarwal	NonExecutive Promoter	5	Yes	Nil	Nil	Nil
Mr. A. G. Ravindra nath Reddy	NonExecutive/ Independent.	3	No	Nil	Nil	Nil
Mr. Srikishan Badruka	NonExecutive/ Independent	4	No	Nil	Nil	Nil
Mr. Rakesh Garg	Non Executive Independent	1	No	02	Nil	Nil
Mr. Hemant Kumar Agarwal	Non Executive/ Independent	5	Yes	Nil	Nil	Nil

* Denotes Directorships/ Committee memberships held in other than the reporting Company and Private / Foreign Companies.

Details of Shareholding of Directors as at 31st March , 2012

Name of the Director	Number of Shares held
Mr. Anil Agarwal	10,89,792

A BRIEF RESUME OF DIRECTORS RETIRING BY ROTATION**a. Mr.Hemant Kumar Agarwal:**

Mr. Hemant Kumar Agarwal aged about 62 years is a mechanical engineer with specialization in business management. After a brief stint in sales and service departments at Allwyn, he chose a career in advertising. As a practicing professional has over 35 years of hands on experience in building brands across several sectors. With in-depth understanding of consumer psyche, his forte lies in branding, devising marketing strategy and communication plans.

b. Mr. Srikishan Badruka:

Mr. Srikishan Badruka aged about 57 years is a Commerce Graduate has an experience of 22 years in the line of construction. He has served on the Board of Hartex Rubber Limited for over 10 years. He is a chairman of the remuneration Committee and member of shareholders Grievance Committee and Audit Committee of the company. He is also a director in Serawin Biological Private Limited, VIZ Green Energy Private Limited and Badruka Finance and Investment Private Limited.

3. Audit Committee:

The company has set-up an Audit Committee pursuant to the provisions of the Companies Act, 1956. The company agrees that the said Audit Committee shall have such additional functions/ features as specified in the Listing Agreement.

The Audit Committee comprises of three non- executive independent directors i.e. Mr. A.G. Ravindranath Reddy, Mr. Srikishan Badruka and Mr. Rakesh Garg. The committee elected Mr. A. G. Ravindranath Reddy, an independent director, as the Chairman of the Committee. The representatives of the statutory auditors were present at the meetings. The other Non-Executive Directors and Manager are generally invited to the meetings.

The Committee deals with the accounting matters, financial reporting and internal control. It reviews the systems for ensuring that all aspects of the company's operations conform to the applicable laws and agreed ethical guidelines and to meet the established company policies.

The composition, names of the members, particulars of the meetings and attendance of the members during the year are as follows:

Sl. No	Name of the member	Category	No. of Meetings attended during the year
1.	Mr.A.G.Ravindranath Reddy	Non-Executive & Independent	3
2.	Mr.Srikishan Badruka	Non-Executive & Independent	4
3.	Mr. Rakesh Garg	Non-Executive & Independent	1

Four committee meetings were held during the year on the following dates:

1. 30th May, 2011,
2. 12th August, 2011
3. 14th November, 2011
4. 14th February, 2012

4. Remuneration Committee:

The Remuneration Committee comprises of three Non - Executive independent directors i.e. Mr. A.G. Ravindranath Reddy, Mr. Srikishan Badruka and Mr. Rakesh Garg. The committee elected Mr. Srikishan Badruka, an independent director, as the Chairman of the Committee.

No remuneration committee Meetings held during the year. None of the directors of the company received remuneration during the year 2011-12.

5. Shareholders / Investors Grievance Committee:

The Shareholders / Investors Grievance committee comprises of Mr. SriKishan Badruka, Mr. A.G. Ravindranath Reddy and Mr. Rakesh Garg. Mr. A.G. Ravindranath Reddy is the chairman of the committee and Mr. N. C. Reddy, Manager of the Company is compliance Officer.

This committee deals with various matters relating to:

- Transfer/transmission of shares
- Issue of duplicate share certificates
- Monitors expeditious redressal of investors grievances
- All other matters related to shares

Total shareholder complaints received during the year was Nil.

6. General Body Meetings:

Particulars about the last three Annual General Meetings (AGMs) of the Company are as under:

Sl. No.	Particulars	Date	Venue	Time	Special Resolutions passed in AGM
1	19 th AGM– for the year 2010-11	26 th Sept, 2011	Survey No. 321 Kallakal Village Toopran Mandal, Medak District Andhra Pradesh Pin : 502336	11.00 a.m.	No
2	18 th AGM– for the year 2009-10	30 th Sept, 2010	-do-	11.00 a.m.	No
3	17 th AGM– for the year 2008-09	30 th Sept, 2009	-do-	11.00 a.m.	Yes

There were no Extraordinary General Meetings held during the year 2011-12.

No item of business, which requires Special Resolution to be put through postal ballot, was transacted during the year 2011-12. No Special resolution is proposed through postal ballot at the ensuing Annual General Meeting.

7. Disclosures:

- i) During the year, the company had no transactions of material nature with the directors or the management or their relatives that had potential conflict with the interests of the Company at large.
- ii) There had been no non-compliance or penalties or strictures imposed on your Company either by SEBI, Stock Exchange or any statutory authorities on any matter related to Capital markets during the last three years.
- iii) The Company has not adopted Whistle Blower policy.
- iv) The Company has complied with all mandatory requirements of this clause and it has not adopted non-mandatory requirements of this clause except constitution of remuneration committee.

8. Means of Communication:

The company's quarterly results in the format prescribed by the stock exchanges are approved and taken on record by the board within the prescribed time frame. The results were published in the daily newspapers namely Business Standard (English) and Andhra Bhoomi (regional). The results were not presented to any institutional investors during the year.

9 General Shareholder Information:

Sl. No.	Salient Items of Interest	Particulars
i.	AGM Date & Venue	29 th September, 2012 at 11 a.m. Survey No. 321, Kallakal Village, Toopran Mandal, Medak District, Andhra Pradesh-502336.
ii.	Financial Calendar	Financial reporting for the year 2012-13: Quarter ending 30 th June, 2012 – held on 4 th Aug, 2012 Quarter ending 30 th Sept, 2012 – on/before 14 th Nov, 2012 Quarter ending 31 st Dec, 2012 - on/before 14 th of Feb, 2013 Quarter ending 31 st Mar, 2013 - on/before 14 th May, 2013 In case of audited results: For the last quarter - on/before 30 th May, 2013. AGM for year 2012-13 – on/before 30 th Sept, 2013
iii.	Date of Book Closure	24 th Sept, 2012 to 29 th Sept, 2012 (both days inclusive)
iv.	Dividend Payment Date	No dividend declared
v.	Listing on Stock Exchanges	Bomay Stock Exchange Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
vi.	Stock Code	526115 (BSE)

Market Price Data: High / Low during each month of 2011-12 on the BSE

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Nos.)
April, 2011	2.14	1.87	1.87	1,954
May, 2011	1.96	1.58	1.73	5,474
June, 2011	2.06	1.72	2.06	908
July, 2011	2.26	1.50	1.57	4,408
August, 2011	2.85	1.64	2.69	26,263
September, 2011	3.50	2.56	3.00	21,907
October, 2011	3.50	2.53	2.53	2,831
November, 2011	2.78	2.27	2.74	124
December, 2011	3.60	2.87	3.20	54,432
January, 2012	3.51	2.48	2.48	7,514
February, 2012	2.59	2.36	2.46	755
March, 2012	2.45	2.01	2.01	9,253

Registrar and Transfer Agents, Share Transfer System :

The Company's Registrar and Share Transfer Agents are CIL Securities Limited and all the shareholder matters are handled by them. Requests for dematerialization of shares are processed and confirmation is normally given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within the time limit prescribed in the guidelines of SEBI.

Complaints/correspondence is usually dealt within 30 days of receipt and is completely resolved except in cases where litigation is involved.

Share transfer lodgments found in order are processed within the time limit prescribed in the guidelines of SEBI and returned except in cases where litigation is involved.

As a shareholder, you are encouraged to contact our Registrars for your entire share related services and queries.

CIL Securities Limited

214, Raghava Ratna Towers

Chirag Ali Lane, Hyderabad - 500 001

Ph: 040-23202465 Fax: 040-23203028

E-mail: cilsec@rediffmail.com

Distribution of Shareholding as on 31st March, 2012:

Range of Shares (in Rupees)	No of Share holders	% of Share holders	Amount (Rs.)	% of Share holding
Up to 5000	8068	99.12	2,23,52,300	27.14
5001 - 10000	32	0.39	22,61,420	2.75
10001 - 20000	19	0.24	28,51,170	3.46
20001 - 30000	2	0.02	5,89,970	0.72
30001 - 40000	6	0.07	21,27,000	2.58
40001 - 50000	4	0.05	18,70,630	2.27
50001 - 100000	3	0.04	24,83,710	3.02
Above 100000	6	0.07	4,78,13,800	58.06
Total	8140	100.00	8,23,50,000	100.00

Dematerialization of shares and liquidity:

The Company's shares are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As at 31st March, 2012, 58,32,190 shares (70.82% of total shares) were in dematerialized mode.

Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

There are no such outstanding instruments and hence there will not be any dilution of the equity.

Categories of Shareholding as on 31st March, 2012:

Category	No. of Shares held	% of Share holding
Promoter and their group	36,24,096	44.01
Banks, Financial Institutions, Insurance Companies, Mutual Funds (Central/ State Gov. Institutions/ Non- Government Institutions)	12,500	0.15
Private Corporate Bodies	12,07,560	14.66
Indian Public	33,23,359	40.36
NRIs/OCBs	67,485	0.82
Total	82,35,000	100

Plant Location:

Survey No.321, Kallakal Village,
Toopran Mandal, Medak District,
Andhra Pradesh-502336.

Address for correspondence

Suite 'H', Vth Floor, Surya Towers,
S.P. Road, Secunderabad – 500 003
Ph: 040 - 27848700 Fax: 040-40021946
E-mail: info@karanwoosinltd.com &
karanwoosin@gmail.com

Compliance Officer:

Mr. N.C.Reddy,
Suite 'H', Vth Floor, Surya Towers,
S.P. Road, Secunderabad –500 003
Ph: 040-27848700 Fax: 040-40021946
E-mail: karanwoosin@rediffmail.com

DECLARATION BY THE MANAGER OF THE COMPANY ON CODE OF CONDUCT

I hereby declare that:

1. Code of conduct prepared for the Board Members and senior management of the company was approved by the Board of Directors and the same was adopted by the Company.
2. Code of conduct adopted by the Company was circulated to the members of the Board and senior management of the company.
3. All the members of the Board and senior management of the company have complied with all the provisions of the code of conduct.

For **Karan Woo-Sin Limited**

Place : Hyderabad
Date : 04thAugust, 2012

Sd/-
N.C.Reddy
Manager

Auditors' Certificate on compliance of conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchange

To,
The Members of Karan Woo-sin Limited,
We have reviewed the implementation of Corporate Governance procedures by Karan Woo-sin Limited during the year ended 31st March, 2012 with the relevant records and documents maintained by the Company, furnished to us for review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the company has complied with Clause 49 of the Listing

Agreement with Stock Exchange, in all material respects and that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Niranjan & Narayan**
Chartered Accountants

FRN : 005899S

Sd/-

M. Niranjan
Partner

M.No. : 29552

Place : Hyderabad

Date : 29th May, 2012

AUDITORS' REPORT

To,
The Members of Karan Woo-Sin Limited,
We have audited the attached Balance Sheet of Karan Woo-Sin Limited, as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An

audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- i. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;

- ii. in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. the Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account;
- iv. in our opinion, the Balance Sheet and the Statement of Profit and Loss 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. 4 of Notes on Accounts.
- v. on the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. in our opinion and to the best of our information and according to the explanations given to us, the said

accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- a. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2012,
- b. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Niranjan & Narayan**
Chartered Accountants

FRN : 005899S

Sd/-

M. Niranjan
Partner

M.No. : 29552

Place : Hyderabad,
Date : 29th May, 2012.

ANNEXURE TO THE AUDITORS' REPORT

(Refer our report of even date)

1. a. The company has maintained proper records of fixed assets showing full particulars, including quantitative details and location.
- b. The company has a regular program of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were identified on such verification.
- c. None of the fixed assets affecting the going concern were disposed off during the year.
2. a. Physical verification has been conducted by the management at reasonable periods in respect of inventory.
- b. In our opinion, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification of inventory.
3. The Company has not granted any loans, secured or unsecured to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clauses 4(iii) (a) to (d) of the Order are not applicable to the Company.

- a. The Company has not taken any loans, secured or unsecured, from companies, firms or other parties which would have been listed in the register maintained under section 301 of the Companies Act, 1956 except unsecured loans from one director and four others where the maximum amount outstanding during the year was Rs. 71.56 Lakhs and the year end balance of unsecured loans taken from such parties was Rs.45.81 Lakhs.
 - b. The terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
 - c. The parties from whom loans and advances in the nature of loans have been taken were repaid as stipulated.
4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, through personal supervision of management, in respect of purchases of goods and other assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
 5.
 - a. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of section 301 of the Act have been entered.
 - b. The transactions have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
 6. The Company has not accepted any deposits from the public.
 7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
 8. The company is not required to maintain cost records under section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
 9.
 - a. 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, Excise Duty, Provident Fund, ESI and Income Tax Deducted at Source.
 - b. According to the information and explanations given to us, details of disputed Income Tax and Sales tax which have not been deposited as on 31st March, 2012 on account of any dispute are given below:

Name of Statute	Nature of dues	Amount (Rs. in Lakhs)	Financial Year for which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6.67	2009-10	Assistant Commissioner, Income Tax(CPC)

10. The Company does not have accumulated losses at the end of the financial year, which is more than 50% of its net worth. The Company has not incurred cash losses in such financial year and in the year immediately preceding financial year.

11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the order is not applicable.
13. The Company is not a chit fund, nidhi, mutual benefit fund, or a society. Accordingly clause 4(xiii) of the order is not applicable.
14. According to the information and explanations given to us and based on our verification, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
16. According to the information and explanations given to us and on the basis of our examination of the books of account, the term loans obtained by the Company were applied for the purpose for which such loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.
19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **Niranjan & Narayan**
Chartered Accountants

FRN : 005899S

Sd/-

M. Niranjan

Partner

M.No. : 29552

Place : Hyderabad
Date : 29th May, 2012

Balance Sheet as at 31st March, 2012

(Amount in Rupees)

PARTICULARS	Notes	As At 31st March, 2012	As At 31st March, 2011
EQUITY & LIABILITIES:			
Shareholders Funds:			
Share Capital	1	8,23,50,000	8,23,50,000
Reserves & Surplus	2	(3,57,18,505)	(3,34,42,265)
Non-Current Liabilities:			
Long Term Borrowings	3	1,39,71,576	1,74,54,306
Current Liabilities:			
Short Term Borrowings		-	-
Trade Payables	4	14,21,038	14,09,971
Other Current Liabilities	5	19,14,540	43,45,073
Short Term Provisions	6	3,69,987	3,69,987
		<u>37,05,565</u>	<u>61,25,031</u>
	Total :	<u>6,43,08,636</u>	<u>7,24,87,072</u>
ASSETS:			
Non-Current Assets:			
Fixed assets:			
Tangible Assets	7	2,79,94,449	3,02,70,032
Intangible Assets		-	-
Non-Current Investments		-	-
Long Term Loans and Advances	-	-	-
Current assets:			
Current Investments	8	1,03,062	23,93,062
Inventories	9	2,70,74,157	2,65,94,733
Trade Receivables	10	40,52,240	79,38,224
Cash and Bank Balances	11	23,74,793	25,13,951
Short Term Loans and Advances	12	27,09,935	27,77,070
		<u>3,63,14,187</u>	<u>4,22,17,040</u>
	Total :	<u>6,43,08,636</u>	<u>7,24,87,072</u>
Significant Accounting Policies & Other Notes on Accounts	21		

As per our report of even date

For **Niranjan & Narayan**
Chartered Accountants

FRN : 005899S

Sd/-

M.Niranjan

Partner

M.No.: 29552

Place : Hyderabad

Date : 29th May, 2012**For and on behalf of the Board**Sd/-
Anil Agarwal
DirectorSd/-
Hemant Kumar Agarwal
Director

Sd/-

N.C.Reddy
Manager

Statement of Profit and Loss for the year ended 31st March, 2012

(Amount in Rupees)

PARTICULARS	Notes	Year ended 31st March,2012	Year ended 31st March,2011
INCOME:			
Revenue from operations	13	2,67,26,846	3,48,51,351
Other Income	14	7,55,213	10,81,212
Total:		<u>2,74,82,059</u>	<u>3,59,32,563</u>
EXPENDITURE:			
Cost of Materials Consumed	15	1,16,17,060	1,90,66,242
Changes in Inventory		18,00,171	(38,86,255)
Purchase of Finished Goods		2,33,036	6,59,748
Manufacturing Overheads	16	1,25,685	3,66,357
Power & Fuel	17	17,41,433	24,35,608
Sales Tax		1,92,093	1,97,949
Customs Duty		33,263	40,254
Employee Benefit Expenses	18	51,02,352	68,84,367
Financial Costs		14,25,582	19,44,935
Depreciation	7	31,30,294	32,03,004
Administration and Other Expenses	19	36,78,542	39,50,614
Repairs & Maintenance	20	6,08,756	2,90,028
Total:		<u>2,96,88,267</u>	<u>3,51,52,851</u>
(Loss) / Profit before Taxation		<u>(22,06,208)</u>	<u>7,79,712</u>
Less: Prior Period Expenses		(70,032)	(5,505)
Less: Interest on TDS		-	(2,136)
(Loss) / Profit for the year		<u>(22,76,240)</u>	<u>7,72,071</u>
Earnings per Equity Share:			
Basic		(0.28)	0.09
Diluted		(0.28)	0.09

As per our report of even date

For **Niranjan & Narayan****Chartered Accountants**

FRN : 005899S

Sd/-

M.Niranjan

Partner

M.No.: 29552

Place : Hyderabad

Date : 29th May, 2012**For and on behalf of the Board**Sd/-
Anil Agarwal
DirectorSd/-
Hemant Kumar Agarwal
DirectorSd/-
N.C.Reddy
Manager

Cash Flow Statement for the year ended 31st March, 2012

(Amount in Lakhs)

Particulars	As at 31 st March, 2012	As at 31 st March, 2011
A CASH FLOW FROM OPERATING ACTIVITIES:		
1 Net profit /Loss before tax and extra-ordinary items	(22.06)	7.80
<i>Adjustments For :</i>		
2 Depreciation	31.30	32.03
3 Interest - Income	(7.55)	(10.81)
4 Interest - Expenditure	14.26	19.45
Operating Profit /Loss Before working Capital Charges	15.95	48.47
<i>Adjustments For :</i>		
5 Trade receivables	38.86	(19.98)
6 Inventories	(4.80)	0.63
7 Other receivables	0.67	10.69
8 Trade Payables	(24.19)	(10.88)
Cash Generated from operations	26.49	28.93
9 Interest Paid	(14.26)	(19.45)
10 Direct Taxes	-	(0.02)
Cash Flow before Extra-ordinary Items	12.23	9.46
11 Extra-ordinary / Prior period Items	(0.70)	(0.06)
Net Cash Flow from operating Activities	11.53	9.40
B CASH FLOW FROM INVESTING ACTIVITIES:		
12 Loans to Companies	-	-
13 Purchase of Fixed Assets	(9.21)	(2.71)
Decrease in Capital work in progress	-	-
Decrease/ (Increase) in Investment	22.90	(21.57)
14 Sale of Fixed Assets (Gross Value)	0.67	-
15 Interest Received	7.55	10.81
Net Cash Flow for Investing Activities	21.91	(13.47)

Notes forming part of the financial accounts

(Amount in Rupees)

Particulars	As at 31st March, 2012	As at 31st March, 2011
1. Share Capital:		
Authorised 110,00,000 Equity Share of Rs.10/- each	11,00,00,000	11,00,00,000
Issued, Subscribed & Paid up 82,35,000 Equity Shares of Rs.10/- each	8,23,50,000	8,23,50,000
	8,23,50,000	8,23,50,000
2. Reserves & Surplus:		
Capital Reserve	22,47,813	22,47,813
Profit & Loss a/c.:		
As per last Balance Sheet	(3,56,90,078)	(3,64,62,149)
Add : Loss during the year	(22,76,240)	7,72,071
	(3,57,18,505)	(3,34,42,265)
3. Long Term Borrowings:		
Secured Loans:		
Hire Purchase Loan	2,84,424	1,79,903
Other Secured Loans	92,20,456	1,15,70,208
Unsecured Loans	44,66,696	57,04,195
	1,39,71,576	1,74,54,306
4. Trade Payables:		
Dues to Medium & Small Scale	-	-
Dues to Others	14,21,038	14,09,971
	14,21,038	14,09,971
5. Other Current Liabilities:		
Advance from Customers	5,12,732	28,99,912
Other Liabilities	14,01,808	14,45,161
	19,14,540	43,45,073
6. Short-term Provisions:		
Provision for Taxation	5,026	5,026
Provision for FBT	3,64,961	3,64,961
	3,69,987	3,69,987
8. Current Investments:		
Quoted Investments		
Units of IDFC Money Manager Fund-Plan A	3,062	22,93,062
- Market Value Rs.13,642.61/-		
- Units of Canara Robeco - Investment	1,00,000	1,00,000
- Market Value Rs.1,02,526/-		
	1,03,062	23,93,062

Notes forming part of the financial accounts (Contd.)
7. Fixed Assets

Description	Gross Block			Depreciation			Net Block		
	As at 01.04.2011	Additions/ Adj/ during the Period	Deletions/ Discarded during the Period	As at 31.03.2012	As at 01.04.2011	Depreciation for the Period	Deletions/ Discarded during the period	As at 31.03.2012	As at 31.03.2011
i) Tangible Assets:									
Own Assets:									
Land freehold	13,10,104	-	-	13,10,104	-	-	-	13,10,104	13,10,104
Buildings	76,13,163	-	-	76,13,163	44,21,127	2,54,280	-	29,37,756	31,92,036
Plant & Machinery	5,56,54,970	5,30,759	-	5,61,85,729	3,21,36,857	26,65,713	-	2,13,83,159	2,35,18,113
Office Equipment	8,15,519	-	-	8,15,519	8,15,518	-	-	1	1
Furniture & Fixture	5,13,508	-	-	5,13,508	4,58,517	32,505	-	22,432	54,937
Vehicle	18,98,993	3,90,503	11,81,716	11,07,780	16,42,561	95,378	11,15,165	4,85,006	2,56,432
Electrical Installation	17,35,108	-	-	17,35,108	15,25,070	82,418	-	1,27,620	2,10,038
Sub- total(i)	6,95,41,365	9,21,262	11,81,716	6,92,80,911	4,09,99,704	31,30,294	11,15,165	2,62,66,078	2,85,41,661
(ii) Intangible Assets:									
Total(i+ii)	6,95,41,365	9,21,262	11,81,716	6,92,80,911	4,09,99,704	31,30,294	11,15,165	2,62,66,078	2,85,41,661
Previous Year	6,92,70,662	2,70,703	-	6,95,41,365	3,77,96,700	32,03,004	-	-	-
Capital WIP (including Advances)	17,28,371	-	-	17,28,371	-	-	-	17,28,371	17,28,371
				Total				2,79,94,449	3,02,70,032

Notes forming part of the financial accounts (Contd.)

(Amount in Rupees)

Particulars	As at 31st March, 2012	As at 31st March, 2011
9. Inventories:		
Stock in trade at lower of cost or net realisable value as taken, valued and certified by Directors		
Raw Materials	37,72,651	29,49,146
Work-in-progress	1,55,74,983	1,53,05,154
Tools & Spares	23,14,540	20,04,683
Packing Material	47,81,983	36,35,750
Finished Goods	6,30,000	27,00,000
	<u>2,70,74,157</u>	<u>2,65,94,733</u>
10. Trade Receivables:		
(Unsecured and Considered Good)		
Debts outstanding for a period exceeding six months		
	25,70,773	66,92,271
Other debts	14,81,467	12,45,953
	<u>40,52,240</u>	<u>79,38,224</u>
11. Cash and Bank Balances:		
Cash on hand	9,97,900	10,79,133
Balances with scheduled banks		
- On Current accounts	4,59,421	19,818
- On Fixed Deposit accounts	9,17,472	14,15,000
	<u>23,74,793</u>	<u>25,13,951</u>
12. Short-term Loans and Advances:		
(Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received		
	22,95,351	22,96,390
Deposit with APCPDCL	2,60,100	2,60,100
Tax deducted at source	1,37,134	1,92,980
Other deposits	17,350	27,600
	<u>27,09,935</u>	<u>27,77,070</u>

Notes forming part of the financial accounts (Contd.)

(Amount in Rupees)

Particulars	Year ended 31st March, 2012	Year ended 31st March, 2011
13. Revenue from operations:		
Export Income		
Sales	1,95,24,974	1,44,19,376
Domestic Income		
Sales	72,01,872	1,98,57,977
Job work income	-	5,73,998
	<u>2,67,26,846</u>	<u>3,48,51,351</u>
14. Other Income:		
Dividend from Mutual Fund	-	6,822
Interest on Deposits	2,06,792	95,107
CST Claims	1,90,209	1,97,566
Profit on sale of Assets	1,27,449	-
Exchange Fluctuation Gain	-	13,347
Balances written back	2,30,763	7,68,370
	<u>7,55,213</u>	<u>10,81,212</u>
15. Cost of materials consumed:		
Raw Material Consumed	1,05,53,411	1,75,34,036
Packing Material Consumed	10,47,210	15,43,200
Stores, Spares Tools Consumed	16,439	(10,994)
	<u>1,16,17,060</u>	<u>1,90,66,242</u>
16. Manufacturing Overheads:		
Insurance charges	1,053	12,600
Freight/Octroi Inwards-Courier	75,578	3,31,405
Freight/Octroi Inwards-GTA	48,054	1,010
Job work charges	-	1,650
Factory maintenance	1,000	19,692
	<u>1,25,685</u>	<u>3,66,357</u>
17. Power & Fuel:		
Electricity charges	14,59,533	15,73,873
Fuel cost	2,81,900	8,61,735
	<u>17,41,433</u>	<u>24,35,608</u>
18. Employee benefit expenses:		
Salaries, Wages and Bonus	46,48,202	59,67,572
Contribution to Provident Fund & ESI	4,51,540	6,79,168
Production Incentives	-	16,927
OT Expenses	-	1,51,939
Staff Welfare Expenses	2,610	68,761
	<u>51,02,352</u>	<u>68,84,367</u>
19. Administrative and other Expenses:		
Advertisement Expenses	15,336	37,544
Auditor's Remuneration	15,000	10,000
Bank Charges	5,88,342	9,71,192

Notes forming part of the financial accounts (Contd.)

(Amount in Rupees)

Particulars	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Board Meeting Expenses	-	449
Books & Periodicals	1,670	290
Bussiness Promotion Expenses	2,140	7,534
Car hire charges	1,620	23,428
Clearing and Forwarding Expenses	7,73,244	3,74,616
Conveyance	810	17,395
Custodial Fees	30,000	29,862
Directors Sitting Fees	90,000	1,10,000
Discount on Sales	9,180	60,775
Donation	7,500	11,000
Electricity Charges	17,570	37,650
Foreign Exchange Fluctuation	1,99,822	-
Foreign Travelling Expenses	1,59,920	95,600
Freight Outward	2,26,551	3,82,792
Inspection Charges	14,125	23,840
Insurance	1,14,376	1,55,474
Listing Fees	25,000	15,000
Membership Charges	22,769	14,988
Miscellaneous / Other Expenses	7,586	2,45,182
Office Maintanance	60,942	71,807
Postage and Telegrams	1,65,911	1,96,138
Printing and Stationery	1,28,745	1,02,526
Professional Charges	1,68,333	2,06,344
Rates and Taxes	37,320	79,865
Registrar Fees	54,900	57,125
Rent - Office	1,14,000	-
Sales Promotion Expenses	-	14,209
Service Tax	87,693	85,954
Telephone / Xerox / Fax / Postage Charges	1,71,771	2,04,306
Travelling Expenses	3,15,166	3,07,729
Website Marketing & Brand Development	51,200	-
	36,78,542	39,50,614
20. Repairs & Maintanance:		
Plant & Machinery maintenance	4,92,511	1,46,191
Vehicle Maintenance	1,16,245	1,43,837
	6,08,756	2,90,028

21. Significant Accounting Policies & Other Notes on Accounts:**Significant Accounting Policies:**

- a) **Basis of accounting:** The Financial Statements are prepared under the historical cost convention on an accrual basis and are in compliance with the Accounting Standards

referred to in Section 211 (3C) of the Companies Act, 1956 and are in accordance with the requirements of the Companies Act, 1956.

- b) Sales are recognized on dispatches to customers and exclusive of excise duty wherever applicable.
- c) **Fixed Assets:** Fixed Assets are stated at cost less depreciation and capital work in progress is valued at cost.
- d) Depreciation on fixed assets is provided on straight-line method at the rates specified from time to time in schedule XIV of the Companies Act, 1956. Depreciation on additions / deductions during the year is calculated pro-rata from / to date of additions / deductions.
- e) An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- f) **Borrowing Costs:** Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.
- g) **Investment:** The investments that are made by the company are valued at cost or realizable value, whichever is less.
- h) **Inventories:** Inventories are valued as under:
- | | |
|-------------------|---|
| Raw materials | } At Cost |
| Stores & Spares | |
| Packing materials | |
| Finished goods: | At cost or net realizable value whichever is lower. |
| Work-in-progress: | At cost |
- i) **Retirement Benefits for Employees:** The provisions of Accounting Standard 15 on Accounting for Retirement Benefits in the Financial Statements of Employer issued by the Council of the Institute of Chartered Accountants of India are being complied with by the company under the Provident Fund Act. Gratuity is accounted for on cash basis.
- j) **Prior Period and Extraordinary items:** Income and expenditure pertaining to prior period as well as extraordinary items, where material are disclosed separately.
- k) **Foreign Exchange transactions:** Transactions in Foreign Currency are recorded at original rates of exchange in force at the time of the transaction. Gains/Losses, if any, at the year-end on account of restatement of current assets and current liabilities are accounted for in the statement of profit and loss. Exchange Rate Fluctuations arising due to repayment of liabilities incurred for the purpose of acquiring fixed assets or due to restatement at the closing rate or at the forward rate contracted, as applicable, are accounted for in the statement of profit and loss.
- l) The company is engaged in the business of manufacturing socks and there are no separate reportable primary and secondary segments as per Accounting Standard - 17 "Segment Reporting."
- m) The company has not entered into any non-cancelable lease. Hence reporting as per Accounting Standard AS-19 "Accounting for Leases" does not arise.
- n) The timing differences relating mainly to depreciation and unabsorbed losses up to 31st March, 2012, resulted in net deferred asset as per Accounting Standard - 22 "Accounting for Taxes on Income".

As a prudent measure the net deferred assets relating to the above periods have not been recognized in the accounts.

o) Earnings per share: Disclosure is made in the statement of profit and loss as per the requirement of the standard.

p) Cash and Cash Equivalents:

Particulars	As at 31 st March	
	2012	2011
Cash and bank balance as per Balance Sheet	23,74,793	25,13,951

q) Important Ratios:

Particulars	Year ended 31 st March	
	2012	2011
Sales to total assets ratio	41.56 %	48.08 %
Operating profit /Average capital employed ratio	-4.89 %	-0.45 %
Return on average net worth	-4.88 %	1.58 %
Profit after tax to sales ratio	-8.52 %	2.22 %

OTHER NOTES ON ACCOUNTS:

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous Year - Rs. Nil).
- The company has not paid any remuneration to the directors during the year.
- Research and Development expenses incurred Rs. Nil (Previous Year - Rs. Nil).
- The company has not provided for the gratuity in the accounts for the year 2011-12 and the amount not provided is Rs. 55,541 (Previous Year Rs.2,81,408). Consequently the profit for the year is overstated and provisions for the year is understated to the extent of Rs. 55,541 (Previous Year Rs. 2,81,408) and Rs. 12,28,379 (Previous Year Rs. 11,72,838) respectively.
- Related Party Disclosure for the year ended 31st March, 2012:

Related Parties and their relationships:

Associates	Directors	Relatives of Directors
Zarish Properties Pvt Ltd	Mr. Anil Agarwal	Mrs. Chitritha Agarwal Mr. Rishabh Agarwal

Transactions with the related Parties:

	Associates Rs.	Directors Rs.	Relatives of Directors Rs.
Amounts payable (in respect of Loans)	Nil	18,05,504	4,16,239

6. During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The Company has also reclassified / regrouped the previous year's figures in accordance with the requirements applicable in the current year.
7. Additional information pursuant to paragraph 3 and 4c of part II of Schedule VI of the Companies Act, 1956.

Particulars	31 st March, 2012		31 st March, 2011	
	Deca pairs	Value	Deca pairs	Value
A Licensed capacity Installed capacity	*4,42,000	-	*4,42,000	-
B Details of production	60,000	-	96,554	-
C Details of Inventories:	23,881	1,62,04,983	31,054	1,80,05,154
D Details of Turnover:	67,173	2,67,26,846	1,02,980	3,42,77,353
E Raw material Consumed:	% to total Consumption	(Value Rs. In Lakhs)	(% of total Consumption)	Value Rs. In Lakhs)
Imported	1.38%	1.46	1.06%	1.86
Indegeneous	98.62%	104.24	98.94%	173.37
F Value of imports (on CIF Basis)		Rs. In Lakhs		Rs. In Lakhs
Raw materials & packing materials	-	-	-	-
Components and spare parts	-	5.40	-	6.20
Capital goods	-	5.31	-	2.71
G Earnings in foreign currency: - Export of goods on CIF basis	-	195.25	-	144.19
H Expenditure in foreign currency:				
a. Travelling expenses	-	1.60	-	0.96
b. Commission/ discounts allowed on exports	-	-	-	-
c. Other expenses	-	-	-	-

* As certified by the Management on which the auditors have placed reliance.

8. There are no dues payable to Small Scale Industries in excess of Rs. 1 Lakh which are outstanding for more than 30 days as at 31st March, 2012.
9. Previous year figures have been regrouped wherever necessary.
10. Statement pursuant to Part-IV of Schedule-VI of the Companies Act,1956.

Signature to Notes: 1-21

As per our report of even date

For **Niranjan & Narayan**
Chartered Accountants

FRN : 005899S

Sd/-

M.Niranjan

Partner

M.No.: 29552

Place : Hyderabad

Date : 29th May, 2012

For and on behalf of the Board

Sd/-

Anil Agarwal

Director

Sd/-

Hemant Kumar Agarwal

Director

Sd/-

N.C.Reddy

Manager

KARAN WOO-SIN LIMITED

S.No.321, Kallakal Village, Toopran Mandal, Medak - 502336, Andhra Pradesh.

ATTENDANCE SLIP

20th Annual General Meeting – 29th September, 2012 at 11 a.m.

This Attendance Slip duly filled in to be handed over at the entrance of the Meeting Hall.

DP Id*:
Client Id*:

Folio No:

Name of the Member.....

Name of the Proxy.....

(in block letters,to be filled in if the proxy attends instead of the Member)

No.of Shares held

I hereby record my presence at the 20th Annual General Meeting of the Company held at the Registered Office: S.No.321 Kallakal Village, Toopran Mandal, Medak District, Andhra Pradesh-502336 at 11 a.m. on 29th September 2012.

(Joint Shareholders may obtain additional slip on demand)

.....
Member's / Proxy's Signature

KARAN WOO-SIN LIMITED

S.No.321, Kallakal Village, Toopran Mandal, Medak - 502336, Andhra Pradesh.

PROXY FORM

20th Annual General Meeting – 29th September, 2012 at 11 a.m.

DP Id*:
Client Id*:

Folio No:

I/We.....of being a member(s) of Karan Woo-Sin Limited hereby appoint.....of.....or failing him.....of..... as my / our proxy to vote for me/ us and on my /our behalf , at the 20th Annual General Meeting of the Company to be held on 29th September 2012 or at any adjournment thereof.

Signed this.....day of September 2012.

Affix
Re.0.15/-
Revenue
Stamp

NOTES:

1. The form should be signed across the stamp as per the specimen signature registered with the Company.
2. The Proxy form duly completed must reach the Registered Office of the Company or at Suit 'H', V Floor, Surya Towers, S.P. Road, Secunderabad – 500 003 not less than 48 hours before the time of Meeting. A Proxy need not be a member.

* Applicable for investors holding shares in electronic form

**Printed Matter
Book - Post**

If undelivered please return to:

KARAN WOO-SIN LIMITED,
S.No.321, Kallakal Village, Toopran Mandal,
Medak Dist. - 502336, Andhra Pradesh.