

**19<sup>th</sup> 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 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

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# KARAN WOO-SIN LIMITED

Regd. Office: S.No.321, Kallakal Village, Toopran Mandal,  
Medak Dist – 502336, Andhra Pradesh.

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## NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of **KARAN WOO-SIN LIMITED** will be held on Monday, the 26th September, 2011 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 2011 and Profit and Loss Account for the year ended on that date and the reports of Auditors and Directors report thereon.
2. To appoint a director in the place of Mr.Rakesh Garg, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in the place of Mr.Anil Agarwal, 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.

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//By Order of the Board//

**For Karan Woo-Sin Limited,**

Sd/-

Anil Agarwal

**Director**

Place : Hyderabad,

Date : 12<sup>th</sup> August, 2011.

**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 19th September 2011 to 26th September 2011 (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 up to 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. In that case, the company is required to obtain email addresses of its members for sending the notice / documents through email by giving an advance opportunity to every shareholder to register his email address and changes therein, if any, from time to time with the company.

Therefore, in view of the above, the members are requested to up date your email ids with the Depository Participant, if the shares are in demat mode or to CIL Securities Limited, Registrars and Transfer Agents of the Company, in case the shares are in physical mode.

## DIRECTORS' REPORT

Your Directors have pleasure in presenting the 19th Annual Report of your Company along with the Audited Accounts for the year ended 31st March, 2011.

### 1. FINANCIAL RESULTS:

(Rs. in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March, 2011	Year ended 31 <sup>st</sup> March, 2010
Turnover	<b>348.51</b>	240.31
Other Income	<b>10.81</b>	37.32
Increase / (Decrease) in stock	<b>38.86</b>	26.55
<b>Total</b>	<b>398.18</b>	304.18
Total Expenditure except Interest and Depreciation	<b>338.90</b>	249.35
Profit/(Loss) Before Interest, Depreciation and Tax (PBIDT)	<b>59.28</b>	54.83
Interest	<b>19.45</b>	17.71
Depreciation	<b>32.03</b>	33.63
Profit/ (Loss) Before Tax	<b>7.80</b>	3.49
Less: Provision for Taxation	<b>0.02</b>	0.26
Net Profit/ (loss) before prior period items	<b>7.78</b>	3.23
Prior Period Items	<b>0.06</b>	0.04
Net Profit / (Loss)	<b>7.72</b>	3.19
Add: Loss b/f from previous year	<b>(364.62)</b>	(367.81)
Loss carried forward to Balance sheet	<b>(356.90)</b>	(364.62)

### 2. REVIEW OF OPERATIONS:

A demand/supply gap is evident for high end articles and the company has met with some success in accessing the luxury segment. However, the debt crisis in the Euro zone and the continued depressed market conditions has made it difficult for the company to benefit from this opportunity.

### 3. FUTURE PROSPECTS:

The company is aggressively working on the opportunities

available in Europe for supply of high quality socks and the directors expect to achieve good progress in the current year.

Your Directors continue to focus their attention to increase volumes and prices in the domestic market.

### 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 31st March, 2011 and of the profits 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 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, 2011 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, 2011.

#### **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 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.

**9. DIRECTORS:**

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, Mr.Rakesh Garg and Mr.Anil Agarwal, retire by rotation and the board, recommends their reappointment.

Mr.Percy Italia had submitted his resignation to the board on 11th March, 2010 and the board has accepted the same after due deliberation with effect from that date. The board wishes to place on record its appreciation and thanks

to Mr.Percy Italia for being responsible for all accounting and legal compliance work of the company during the period that he served on the board of this company.

**10. AUDITORS:**

M/s Niranjan & 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**

SI 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.	Discussions are on with L.I.C. of India and the directors expect to be able to purchase the group gratuity policy during the current year.
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 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. There are no arrears.



**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

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//By Order of the Board//

For **Karan Woo-Sin Limited,**

Sd/-  
Anil Agarwal  
**Director**

Sd/-  
Hemant Kumar Agarwal  
**Director**

Place : Hyderabad,

Date : 12<sup>th</sup> August, 2011.

**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 2010 - 2011	Previous year 2009 - 2010
<b>A. Power &amp; Fuel Consumption</b>		
1. Electricity		
a. Purchased Units	<b>3,37,138</b>	3,84,563
Total Amount (Rs.)	<b>15,73,873</b>	14,87,293
Cost/Unit (Rs.)	<b>4.67</b>	3.87
b. Own Generation	-	-
i. Through diesel generator (Units)	<b>10,800</b>	20,100
Total Amount (Rs.)	<b>28,498</b>	80,742
Cost/Unit (Rs.)	<b>2.64</b>	4.02
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)	<b>3.60</b>	4.83
Furnace oil/unit	-	-

**FORM B**  
(See Rule 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

	<b>Current year 2010 - 2011</b>	Previous year 2009 - 2010
<b>Research and Development (R &amp; D)</b>		
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.

	<b>2010 - 2011 (Rs.Lakhs)</b>	2009 - 2010 (Rs.Lakhs)
1. Foreign Exchange Earnings	<b>144.19</b>	121.08
2. Foreign Exchange used	<b>9.86</b>	13.31

## MANAGEMENT DISCUSSION AND ANALYSIS

### **Industry structure & Developments:**

The dismantling of capacities in the hosiery and socks sector in the high cost economies of West Europe is now almost complete. Most high end and luxury articles in this sector will be increasingly sourced by imports.

There is a very large but dormant demand for the company's products within the country.

### **Opportunities and threats:**

The company can seize the opportunities available, if it is able to increase its capacity for production of luxury articles, procure brand licenses and if it can set up a sales distribution network within India. To be able to do this, the company will require fairly large capital inputs. Inability to raise adequate funds to gain from the present opportunities can be a serious threat. There is huge competition from the unorganized sector in India and from the low cost countries that are aggressively competing in the international market for the lower end products.

### **Outlook:**

The process of strengthening the company's presence in the domestic market is continuing with good progress. The volumes in the domestic market are currently very low. The company expects the domestic market to show exponential growth in the near future. The company will be well placed to benefit from such an exponential growth.

The export market continues to be of major interest to your company. The high end products are of particular interest to us and the market for these products now appears to be opening up for producers like your company who have a long

tradition of producing high quality products.

### **Risks and Concerns:**

If Europe continues to be in the throes of the debt crisis resulting in contracted demand and if the domestic market fails to grow as anticipated or if your company is not able to raise adequate resources to profit from the opportunities, your company can be faced with serious challenges.

### **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, 2011 is 140.

## 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 2010- 2011, four Board Meetings were held on 29th May, 2010, 12th August, 2010, 03rd November, 2010 and 14th February 2011 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 2010-11	Attendance at the last AGM held on 30 <sup>th</sup> September, 2010	*No. of directorships As at 31 <sup>st</sup> March, 2011	*Committee/s Position as at 31 <sup>st</sup> March, 2011	
					Member	Chairman
Mr. Anil Agarwal	NonExecutive Promoter	4	Yes	Nil	Nil	Nil
Mr. A.G. Ravindra nath Reddy	NonExecutive/ Independent.	4	No	02	Nil	Nil
Mr. Srikishan Badruka	NonExecutive/ Independent	2	No	02	Nil	Nil
Mr. Rakesh Garg	Non Executive Independent	3	No	02	Nil	Nil
Mr. Hemant Kumar Agarwal	Non Executive/ Independent	3	Yes	Nil	Nil	Nil

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

<b>Details of Shareholding of Directors as at 31<sup>st</sup> March , 2011</b>	
<b>Name of the Director</b>	<b>Number of Shares held</b>
Mr.Anil Agarwal	10,89,792

### **A BRIEF RESUME OF DIRECTORS RETIRING BY ROTATION**

#### **i. Mr.Rakesh Garg:**

Mr.Rakesh Garg aged about 48 years is a Fellow member of "Institute of Chartered Accountants of India" and is in practice for over 17 years. He has gained considerable knowledge and experience in financial matters.

#### **ii. Mr.Anil Agarwal:**

Mr.Anil Agarwal aged about 60 years is a Fellow member of "Institute of Chartered Accountants of India" and is in practice for the last 25 years. He has gained considerable knowledge and experience of the industry by virtue of his close involvement with the project, participation at international trade shows, interaction with socks producers in Europe and meetings with manufacturers of machinery, producers of cotton yarn and with socks technicians of various countries.

### **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:**

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

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

1. 29th May, 2010,
2. 12th August, 2010
3. 03rd November, 2010
4. 14th February, 2011

#### **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 2010-11.

#### **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
- Issue and allotment of Rights/Bonus shares against Employees stock options
- Monitors expeditious redressal of investors grievances
- All other matters related to shares.

Total shareholder complaints received during the year was one and the complaint was resolved to the satisfaction of the shareholder. There are no pending complaints at the end of the year.

## 6. General Body Meetings:

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

SI No	Particulars	Date	Venue	Time	Special Resolutions passed in AGM
1	18th AGM – for the Year 2008 - 2009	30.09.2010	Survey No. 321 Kallakal Village Toopran Mandal, Medak District Andhra Pradesh Pin : 502336	11.00 A.M.	No
2	17th AGM – for the Year 2007 - 2008	30.09.2009	Survey No. 321 Kallakal Village Toopran Mandal, Medak District Andhra Pradesh Pin : 502336	11.00 A.M.	Yes
3	16th AGM – for the Year 2007 - 2008	30.09.2008	Survey No. 321 Kallakal Village Toopran Mandal, Medak District Andhra Pradesh Pin : 502336	11.00 A.M.	Yes

There were no Extraordinary General Meetings held during the year 2010 – 2011.

No item of business, which requires Special Resolution to be put through postal ballot, was transacted during the year 2010-11.

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 Exchanges 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, Financial Chronicle (English) and Andhra Prabha, Andhra Bhoomi (regional). The results were not presented to any institutional investors during the year.

**9 General Share Holder Information:**

<b>SI No</b>	<b>Salient Items of Interest</b>	<b>Particulars</b>
i.	AGM Date & Venue	26th September, 2011 at 11 A.M Survey No. 321, Kallakal Village, Toopran Mandal, Medak District, Andhra Pradesh-502336.
ii.	Financial Calendar	Financial reporting for the year 2011-12: Quarter ending 30th June, 2011 – held on 12th August, 2011. Quarter ending 30th September, 2011 – on or before 14th of November, 2011 Quarter ending 31st December, 2011 – on or before 14th of February, 2012. Quarter ending 31st March, 2012 – on or before 14th of May, 2012. In case of audited results for the last quarter - on or before 30th of May, 2012. AGM for year 2011-2012 - on or before 30th of September, 2012.
iii.	Date of Book Closure	19th Sept, 2011 to 26th Sept, 2011 (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 2010 - 2011 on the BSE**

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Nos.)
April, 2010	3.80	2.79	2.79	14,140
May, 2010	2.89	2.33	2.75	12,471
June, 2010	2.88	2.88	2.45	23,925
July, 2010	2.65	2.25	2.37	24,923
August, 2010	2.86	2.28	2.42	14,820
September, 2010	3.06	2.30	2.57	38,668
October, 2010	2.80	2.35	2.40	21,559
November, 2010	2.97	2.35	2.70	43,241
December, 2010	2.74	2.32	2.65	12,332
January, 2011	2.84	2.52	2.60	9,282
February, 2011	2.72	2.26	2.26	4,503
March, 2011	2.59	2.13	2.13	6,345

**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 March 31st 2011:**

Range of Shares (in Rupees)	No of Share holders	% of Share holders	Amount (Rs.)	% of Share holding
Up to 5000	8108	99.13	22538600	27.37
5001 - 10000	31	0.38	2094120	2.54
10001 - 20000	19	0.24	2789150	3.39
20001 - 30000	2	0.02	590000	0.72
30001 - 40000	6	0.07	2170000	2.64
40001 - 50000	4	0.05	1870630	2.26
50001 - 100000	3	0.04	2483700	3.02
Above 100000	6	0.07	47813800	58.06
<b>Total</b>	<b>8179</b>	<b>100</b>	<b>8,23,50,000</b>	<b>100</b>

**Categories of Shareholding as on March 31st 2011:**

Category	No. of Shares held	% of Share holding
Promoter and their group	36,24,096	44.00
Banks, Financial Institutions, Insurance Companies, Mutual Funds (Central/ State Gov. Institutions/ Non- Government Institutions)	12,500	0.15
Private Corporate Bodies	11,64,022	14.13
Indian Public	33,67,297	40.90
NRIs/OCBs	67,085	0.82
<b>Total</b>	<b>82,35,000</b>	<b>100</b>

**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, 2011, 58,21,690 shares (70.69% 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.

**Plant Location:**

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

**Address for correspondence**

Survey No.321, Kallakal Village,  
Toopran Mandal, Medak District,  
Andhra Pradesh-502336.  
Ph: 040-27848700 Fax: 040-40021946  
E-Mail: karanwoosin@gmail.com

**Compliance Officer:**

Mr.N.C.Reddy,  
Survey No.321, Kallakal Village,  
Toopran Mandal, Medak District,  
Andhra Pradesh-502336.  
Ph: 040-27848700 Fax: 040-40021946  
E-Mail: karanwoosin@rediffmail.com

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**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**

Sd/-  
N.C.Reddy  
**Manager**

Place : Hyderabad,  
Date : 12<sup>th</sup> August, 2011.

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

To,  
The Members,  
Karan Woo-sin Limited

We have reviewed the implementation of Corporate Governance procedures by Karan Woo-sin Limited during the year ended 31st March, 2011 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 Exchanges, 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.

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For **Niranjan & Narayan**

Chartered Accountants

Firm Regn. No. 05899S

Sd/-

**M. Niranjan**

Partner

Membership No-29552

Place : Hyderabad,  
Date : 30<sup>th</sup> May, 2011.

**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, 2011 and also the Profit and Loss Account 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 Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv. 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.
- v. on the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011,
  - b. in the case of the Profit and Loss Account, of the profit 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.

Place : Hyderabad,  
Date : 30<sup>th</sup> May, 2011.

For **Niranjan & Narayan**  
Chartered Accountants  
Firm Regn. No. 05899S  
Sd/-  
**M. Niranjan**  
Partner  
Membership No-29552

**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. 60.06 lacs and the year end balance of unsecured loans taken from such parties was Rs.57.04 lacs.
  - 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, Provident Fund 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, 2011 on account of any dispute are given below:

<b>Name of Statute</b>	<b>Nature of dues</b>	<b>Amount (Rs. in Lakhs)</b>	<b>Financial Year to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act	Income Tax	0.02	2004-05	Tribunal
Value Added Tax Act	Value Added Tax and penalty	1.76	2004-05	Appeals

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.
- 

Place : Hyderabad,  
Date : 30<sup>th</sup> May, 2011.

For **Niranjan & Narayan**  
Chartered Accountants  
Firm Regn. No. 05899S  
Sd/-  
**M. Niranjan**  
Partner  
Membership No-29552

**BALANCE SHEET AS AT 31st MARCH, 2011**

PARTICULARS	SCH	As At		As At	
		31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
		Rs.	Rs.	Rs.	Rs.
<b>I. SOURCES OF FUNDS:</b>					
<b>1. SHARE HOLDERS FUNDS:</b>					
Share Capital	1		<b>8,23,50,000</b>		8,23,50,000
<b>2. RESERVES &amp; SURPLUS:</b>					
Capital Reserve	2		<b>22,47,813</b>		22,47,813
<b>3. LOAN FUNDS:</b>					
Secured Loans	3	<b>11,750,111</b>		1,47,42,120	
Unsecured Loans	4	<b>5,704,195</b>	<b>17,454,306</b>	17,48,296	1,64,90,416
<b>TOTAL</b>			<b><u>1,02,052,119</u></b>		<b><u>10,10,88,229</u></b>
<b>II. APPLICATION OF FUNDS:</b>					
<b>1. FIXED ASSETS:</b>					
Gross Block	5	<b>69,541,365</b>		6,92,70,662	
Less: Depreciation		<b>40,999,704</b>		3,77,96,700	
Net Block			<b>28,541,661</b>		3,14,73,962
Capital Work-in-progress			<b>1,728,371</b>		17,28,371
			<b>30,270,032</b>		3,32,02,333
<b>2. INVESTMENTS</b>					
	6		<b>2,393,062</b>		2,36,240
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES:</b>					
a) Inventories	7	<b>26,594,733</b>		2,66,57,359	
b) Sundry Debtors	8	<b>7,938,224</b>		59,40,711	
c) Cash & Bank Balances	9	<b>2,513,951</b>		19,56,942	
d) Loans & Advances	10	<b>2,777,070</b>		38,45,841	
		<b>39,823,978</b>		3,84,00,853	
<b>LESS: Current Liabilities &amp; Provisions:</b>					
a) Current Liabilities	11	<b>5,755,044</b>		67,55,359	
b) Provisions	12	<b>369,987</b>		4,57,987	
		<b>6,125,031</b>		72,13,346	
<b>4. NET CURRENT ASSETS</b>					
			<b>33,698,947</b>		3,11,87,507
<b>5. PROFIT &amp; LOSS A/C</b>					
			<b>35,690,078</b>		3,64,62,149
<b>TOTAL</b>			<b><u>102,052,119</u></b>		<b><u>10,10,88,229</u></b>
Accounting Policies	22				
Notes to Accounts	23				

For **Niranjan & Narayan**  
Chartered Accountants

Sd/-  
M.Niranjan  
**Partner**

Membership No:29552  
Place : Hyderabad  
Date : 30<sup>th</sup> May, 2011

For and **on behalf of the Board**

Sd/-  
Anil Agarwal  
**Director**

Sd/-  
Hemant Kumar Agarwal  
**Director**

Sd/-  
Place: Hyderabad  
Date : 30<sup>th</sup> May, 2011

Sd/-  
N.C.Reddy  
**Manager**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011**

PARTICULARS	SCH	Year Ended	Year Ended
		31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
		Rs.	Rs.
<b>INCOME:</b>			
Sales	13	<b>34,851,351</b>	24,031,231
Increase / (Decrease) in stocks	14	<b>3,886,255</b>	2,655,189
Other Income	15	<b>1,081,212</b>	3,732,055
		<b>39,818,818</b>	30,418,475
<b>EXPENDITURE:</b>			
Materials Consumed	16	<b>19,066,242</b>	8,125,864
Purchases of Finished Goods		<b>659,748</b>	-
Manufacturing Overheads	17	<b>366,357</b>	553,216
Power & Fuel	18	<b>2,435,608</b>	2,596,844
Payments & Benefits to Employees	19	<b>6,884,367</b>	7,327,747
Selling, Administrative & Other Expenses	20	<b>3,950,614</b>	5,816,427
Sales Tax		<b>197,949</b>	156,823
Customs Duty paid		<b>40,254</b>	19,017
Interest on loans		<b>1,944,935</b>	1,771,108
Depreciation		<b>3,203,004</b>	3,362,625
Repairs & Maintenance	21	<b>290,028</b>	338,777
		<b>39,039,106</b>	30,068,448
Profit / (Loss) for the Year		<b>779,712</b>	350,027
Less : Prior Period Expenses		<b>5,505</b>	4,389
Profit / (Loss) for the year before tax		<b>774,207</b>	345,638
Less: Prior Period Taxes		<b>2,136</b>	26,290
Profit / (Loss) for the year after tax		<b>772,071</b>	319,348
(Loss) b/f from previous year		<b>(36,462,149)</b>	(36,781,497)
(Loss) carried to Balance Sheet		<b>(35,690,078)</b>	(36,462,149)
Basic & Diluted earnings per share		<b>0.09</b>	0.04
Accounting Policies	22		
Notes to Accounts	23		

For **Niranjan & Narayan**  
Chartered Accountants

Sd/-  
M.Niranjan  
**Partner**

Membership No:29552

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2011

For and **on behalf of the Board**

Sd/-  
Anil Agarwal  
**Director**

Sd/-  
Hemant Kumar Agarwal  
**Director**

Sd/-  
Place: Hyderabad  
Date : 30<sup>th</sup> May, 2011

Sd/-  
N.C.Reddy  
**Manager**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010**

<b>PARTICULARS</b>	<b>31<sup>st</sup> March, 2011 (Rs. in lakhs)</b>	31 <sup>st</sup> March, 2010 (Rs. in lakhs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
1 Net profit /Loss before tax and extra-ordinary items	<b>7.80</b>	3.50
<i>Adjustments For :</i>		
2 Depreciation	<b>32.03</b>	33.63
3 Interest - Income	<b>(10.81)</b>	(37.32)
4 Interest - Expenditure	<b>19.45</b>	17.71
Operating Profit /Loss Before working Capital Charges	<b>48.47</b>	17.52
<i>Adjustments For :</i>		
5 Trade receivables	<b>(19.98)</b>	19.46
6 Inventories	<b>0.63</b>	(61.31)
7 Other receivables	<b>10.69</b>	(16.84)
8 Trade Payables	<b>(10.88)</b>	(7.71)
Cash Generated from operations	<b>28.93</b>	(48.88)
9 Interest Paid	<b>(19.45)</b>	(17.71)
10 Direct Taxes	<b>(0.02)</b>	(0.27)
Cash Flow before Extra-ordinary Items	<b>9.46</b>	(66.86)
11 Extra-ordinary / Prior period Items	<b>(0.06)</b>	(0.04)
<b>Net Cash Flow from operating Activities</b>	<b>9.40</b>	(66.90)
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
12 Loans to Companies	-	-
13 Purchase of Fixed Assets	<b>(2.71)</b>	(0.31)
Decrease in Capital work in progress	-	6.16
Decrease/ (Increase) in Investment	<b>(21.57)</b>	6.85
14 Sale of Fixed Assets (Gross Value)	-	9.97
15 Interest Received	<b>10.81</b>	37.32
<b>Net Cash Flow for Investing Activities</b>	<b>(13.47)</b>	59.99

<b>PARTICULARS</b>	<b>31<sup>st</sup> March, 2011 (Rs. in lakhs)</b>	31 <sup>st</sup> March, 2010 (Rs. in lakhs)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
16 Proceeds from Issue of share capital (net of Share Issue Expenses)	-	-
17 Proceeds from/repayment of Long Term Borrowings	<b>9.64</b>	(7.20)
20 Transfer to Investor Protection Fund	-	-
21 Dividend	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>9.64</b>	(7.20)
<b>Net Increase / Decrease in Cash + Cash equivalents</b>	<b>5.57</b>	(14.11)
<b>Opening Balance</b>	<b>19.57</b>	33.68
<b>Closing Balance</b>	<b>25.14</b>	19.57

As per our report of even date attached.

For **Niranjan & Narayan**

Chartered Accountants

Sd/-

M.Niranjan

**Partner**

Membership No:29552

Place : Hyderabad

Date : 30<sup>th</sup> May, 2011

For and **on behalf of the Board**

Sd/-

Anil Agarwal

**Director**

Sd/-

Hemant Kumar Agarwal

**Director**

Sd/-

N.C.Reddy

**Manager**

## SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	As At 31 <sup>st</sup> March, 2011		As At 31 <sup>st</sup> March, 2010	
	Rs	Rs	Rs	Rs
<b>SCHEDULE-1: SHARE CAPITAL</b>				
AUTHORISED				
110,00,000 Equity Share of Rs.10/- each		<b>11,00,00,000</b>		11,00,00,000
<b>ISSUED,SUBSCRIBED &amp; PAID UP</b>				
82,35,000 Equity Shares of Rs.10/- each		<b>8,23,50,000</b>		8,23,50,000
<b>SCHEDULE -2: RESERVES &amp; SURPLUS</b>				
Capital Reserve		<b>22,47,813</b>		22,47,813
<b>SCHEDULE-3: SECURED LOANS</b>				
SBI - Current A/c		-		
State Bank of India - E.P.C		<b>6,860,048</b>		7,586,237
State Bank of India - Bill Discounting		-		
Letter of Credit A/c		<b>2,682,705</b>		3,861,463
SBI-Term Loan- A/c		<b>2,027,455</b>		2,936,383
(Bank Loans secured by pledge / hypothecation of stocks and receivables and guaranteed jointly and severally by two directors of the company)				
Vehicle Loan		<b>189,880</b>		402,199
(Defered payment credit against purchase of vehicle net of future interest guaranteed by Directors and hypothecation of Vehicle)				
Less: Interest Suspence	<b>9,977</b>	<b>179,903</b>	44,162	358,037
<b>TOTAL</b>		<b>11,750,111</b>		1,47,42,120
<b>SCHEDULE-4: UNSECURED LOANS</b>				
Loans from Directors & Others		<b>5,704,195</b>		17,48,296
		<b>5,704,195</b>		<b>17,48,296</b>
<b>SCHEDULE-6: INVESTMENTS</b>				
<b>A. Long Term Investments (Quoted)</b>	<b>Nos.</b>		<b>Nos.</b>	
Units of IDFC Money Manager Fund - Investment Plan - Plan A	<b>327,714.47</b>	<b>2,293,062</b>	23,574.53	236,240
Units of Canara Robeco - Investment Plan	<b>100,000.00</b>	<b>100,000</b>	-	-
<b>B. Others</b>		-		-
<b>TOTAL</b>		<b>2,393,062</b>		236,240

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2011											
SCHEDULE : 5 - FIXED ASSETS											
GROSS BLOCK					DEPRECIATION					NET BLOCK	
DESCRIPTION	As at	Additions/ Adj/ during the Period	Disposals/ Adj/ during the Period	As at	As at	Depreciation for the Period	Deductions	As at	As at	As at	
	31.03.2010			31.03.2011				31.03.2010			31.03.2011
	RS.	RS.	RS.	RS.	RS.	RS.		RS.	RS.	RS.	
Land freehold	13,10,104	-	-	-	-	-	-	-	13,10,104	13,10,104	
Buildings	76,13,163	-	-	4,166,847	254,280	-	-	4,421,127	3,192,036	3,446,316	
Plant & Machinery	5,53,84,267	270,703	-	29,505,577	2,631,280	-	-	32,136,857	23,518,113	25,878,690	
Office Equipment	815,519	-	-	803,162	12,356	-	-	815,518	1	12,357	
Furniture & Fixture	513,508	-	-	426,066	32,505	-	-	458,571	54,937	87,442	
Vehicle	1,898,993	-	-	1,452,396	190,165	-	-	1,642,561	256,432	446,597	
Electrical Installation	1,735,108	-	-	1,442,652	82,418	-	-	1,525,070	210,038	292,456	
<b>TOTAL</b>	69,270,662	270,703	-	37,796,700	3,203,004	-	-	40,999,704	28,541,661	31,473,962	
Previous Year	70,760,034	30,982	1,520,354	34,957,647	3,362,625	523,572	-	37,796,700	-	-	
Capital Work in progress (including Advances)	1,728,371	-	-	-	-	-	-	-	1,728,371	1,728,371	
<b>TOTAL</b>									<b>30,270,032</b>	<b>33,202,333</b>	

**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2011**

<b>PARTICULARS</b>	<b>As At 31<sup>st</sup> March, 2011 Rs</b>	<b>As At 31<sup>st</sup> March, 2010 Rs</b>
<b>SCHEDULE-7: INVENTORIES</b>		
Stock in trade at lower of cost or net realisable value as taken valued and certified by Directors		
Raw Materials	2,949,146	8,447,322
Work-in-progress	15,305,154	13,314,374
Tools & Spares	2,004,683	1,187,371
Packing Material	3,635,750	2,903,767
Finished Goods	2,700,000	804,525
<b>TOTAL</b>	<b>26,594,733</b>	<b>26,657,359</b>
<b>SCHEDULE-8: SUNDRY DEBTORS</b>		
(Unsecured considered good)		
- More than six months	6,692,271	4,560,385
- Others	1,245,953	1,380,326
<b>TOTAL</b>	<b>7,938,224</b>	<b>5,940,711</b>
<b>SCHEDULE-9: CASH &amp; BANK BALANCES</b>		
Cash on Hand	1,079,133	537,589
Balances with scheduled banks:		
In Current Account	19,818	16,083
In Deposit Account	1,415,000	1,403,270
<b>TOTAL</b>	<b>2,513,951</b>	<b>1,956,942</b>
<b>SCHEDULE-10: LOANS &amp; ADVANCES</b>		
(Unsecured - Considered Good)		
Advances Recoverable in cash or kind	2,296,390	3,095,384
Deposit with APCPDCL	260,100	455,368
Tax deducted at source	192,980	175,882
Other deposits	27,600	119,207
<b>TOTAL</b>	<b>2,777,070</b>	<b>3,845,841</b>
<b>SCHEDULE-11: CURRENT LIABILITIES</b>		
a) Sundry Creditors (See Note)		
Others	1,409,971	2,438,837
b) Other Liabilities	1,445,161	1,285,479
c) Sundry Creditors for Capital Purchases	-	1,179,863
d) Advances from Customers	2,899,912	1,835,163
e) Investor Protection Fund	-	16,017
<b>TOTAL</b>	<b>5,755,044</b>	<b>6,755,359</b>
<b>Note :</b> The Company has not received information from Vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/ payable under this Act have not been given.		
<b>SCHEDULE-12: PROVISIONS</b>		
Provision for Taxation	5,026	93,026
Provision for FBT	364,961	364,961
<b>TOTAL</b>	<b>369,987</b>	<b>457,987</b>



**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2011**

PARTICULARS	Year Ended 31 <sup>st</sup> March, 2011 Rs	Year Ended 31 <sup>st</sup> March, 2010 Rs
<b>SCHEDULE-13: SALES</b>		
Domestic Sales	19,857,977	9,277,704
Export Sales	14,419,376	12,108,407
Job work income	573,998	2,645,120
<b>TOTAL</b>	<b>34,851,351</b>	<b>24,031,231</b>
<b>SCHEDULE-14: INCREASE/(DECREASE) IN STOCKS</b>		
Closing Stock		
Finished goods	2,700,000	804,525
Work in progress	15,305,154	13,314,374
<b>(A)</b>	<b>18,005,154</b>	<b>14,118,899</b>
Opening Stock		
Finished goods	804,525	757,538
Work in progress	13,314,374	10,706,172
<b>(B)</b>	<b>14,118,899</b>	<b>11,463,710</b>
<b>Increase/(Decrease) in stock (A) - (B)</b>	<b>3,886,255</b>	<b>2,655,189</b>
<b>SCHEDULE-15: OTHER INCOME</b>		
Interest received	95,107	70,600
CST Claim	197,566	156,488
Dividend from Mutual Fund	6,822	15,052
Foreign Exchange Fluctuation	13,347	-
Balances Written back	768,370	3,489,915
<b>TOTAL</b>	<b>1,081,212</b>	<b>3,732,055</b>
<b>SCHEDULE-16: MATERIALS CONSUMED</b>		
Raw Material Consumed	17,534,036	5,418,208
Packing Material Consumed	1,543,200	1,999,493
Stores, Spares Tools Consumed	(10,994)	708,163
<b>TOTAL</b>	<b>19,066,242</b>	<b>8,125,864</b>
<b>SCHEDULE-17: MANUFACTURING OVERHEADS</b>		
Insurance charges	12,600	9,000
Freight inward	331,405	405,687
Demurrages	1,010	8,308
Job work charges	1,650	58,570
Factory maintenance	19,692	71,651
<b>TOTAL</b>	<b>366,357</b>	<b>553,216</b>
<b>SCHEDULE-18: POWER &amp; FUEL</b>		
Electricity charges	1,573,873	1,487,293
Fuel cost	861,735	1,109,551
<b>TOTAL</b>	<b>2,435,608</b>	<b>2,596,844</b>

**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2011**

PARTICULARS	Year Ended 31 <sup>st</sup> March, 2011 Rs.	Year Ended 31 <sup>st</sup> March, 2010 Rs.
<b>SCHEDULE-19: PAYMENTS &amp; BENEFITS TO EMPLOYEES</b>		
Office Salaries	1,361,636	1,350,991
Factory Slaries	4,605,936	4,306,482
Staff Welfare	68,761	134,435
Contribution to PF/ESI	679,168	585,597
Production incentives	16,927	64,299
OT Expenses	151,939	885,943
<b>TOTAL</b>	<b>73,27,747</b>	<b>63,03,545</b>

**SCHEDULE 20: SELLING, ADMINISTRATION AND OTHER EXPENSES**

Advertisement Expenses	37,544	30,967
Auditor's Remuneration	10,000	10,000
Bank Charges	971,192	592,439
Board Meeting Expenses	449	5,614
Books & Periodicals	290	3,675
Bussiness Promotion Expenses	7,534	149,927
Car hire charges	23,428	21,181
Clearing and Forwarding Expenses	374,616	142,743
Commission / Brokerage on Sales	-	22,691
Conveyance	17,395	45,297
Custodial Fees	29,862	30,776
Directors Sitting Fees	110,000	90,000
Discount on Sales	60,775	13,161
Donation	11,000	-
Electricity Charges	37,650	42,771
Foreign Exchange Fluctuation	-	252,391
Foreign Travelling Expenses	95,600	707,986
Freight Outward	382,792	408,377
Inspection Charges	23,840	3,125
Insurance	155,474	57,160
Listing Fees	15,000	15,000
Loss on Chits	-	266,440
Loss on Sale of Assets	-	366,782
Membership Charges	14,988	12,211
Miscellaneous / Other Expenses	245,182	62,660
Office Maintanance	71,807	80,924
Postage and Telegrams	196,138	247,674
Printing and Stationery	102,526	114,423
Professional Charges	206,344	189,129
Rates and Taxes	79,865	266,185
Registrar Fees	57,125	57,225
Rent - Office	-	228,000
Sales Promotion Expenses	14,209	84,097
Service Tax	85,954	87,818
Telephone / Telex / Fax / Postage Charges	204,306	197,161
Travelling Expenses	307,729	827,488
Written Off	-	82,929
<b>TOTAL</b>	<b>3,950,614</b>	<b>5,816,427</b>

**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31ST MARCH, 2011**

PARTICULARS	Year Ended 31 <sup>st</sup> March, 2011 Rs	Year Ended 31 <sup>st</sup> March, 2010 Rs
<b>SCHEDULE-21: REPAIRS &amp; MAINTENANCE</b>		
Plant & Machinery maintenance	146,191	131,494
Repairs and Maintenance- Vehicle	30,793	62,303
Vehicle Maintenance - Car	113,044	144,980
<b>TOTAL</b>	<b>290,028</b>	<b>338,777</b>

**SCHEDULE – 22: 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 inclusive 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 Profit and Loss account 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 profit and loss account.

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 Profit and Loss Account.

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, 2011, 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 Profit and Loss account as per the requirement of the standard.

### SCHEDULE – 23: NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (Previous Year – Rs. Nil).
2. The company has not paid any remuneration to the directors during the year.
3. The details of investments in and disposal of securities for the years ended 31st March, 2011 and 2010 are as follows:

Particulars	Year Ended	
	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
Investments in securities		
Liquid mutual fund units	<b>33,56,822</b>	15,052
Redemption / disposal of investments in securities		
Liquid mutual fund units	<b>(12,00,000)</b>	(7,00,000)
<b>Net movement in investments</b>	<b>21,56,822</b>	(6,84,948)

4. Research and Development expenses incurred Rs. Nil (Previous Year - Rs. Nil).

5. The company has not provided for the gratuity in the accounts for the year 2010-2011 and the amount not provided is Rs. 2,81,408 (Previous Year Rs.1,66,296). Consequently the profit for the year is overstated and provisions for the year is understated to the extent of Rs.2,81,408 (Previous Year Rs.1,66,296) and Rs. 11,72,838 (Previous Year Rs. 8,91,430) respectively.

6. Related Party Disclosure for the year ended March 31, 2011:

*Related Parties and their relationships:*

Associates	Directors	Relatives of Directors
Zarish Properties Pvt Ltd	Mr. Anil Agarwal	Mrs. Chitriha Agarwal
Continental Monetary Fund		

Transactions with the related Parties:

	Associates Rs.	Directors Rs.	Relatives of Directors Rs.
Amounts payable (in respect of Loans)	25,450	15,32,015	5,04,499

7. Additional information pursuant to paragraph 3 and 4c of part II of Schedule VI of the Companies Act, 1956.

Particulars	31 <sup>st</sup> March, 2011		31 <sup>st</sup> March, 2010	
	Deca pairs	Value	Deca pairs	Value
A Licensed capacity	N.A	-	N.A	-
B Installed capacity	*4,42,000	-	*4,42,000	-
C Details of production Stocks	96,554	-	83,782	-
D Details of Inventories: Socks	31,054	18,005,154	37,480	14,118,899
E Details of Turnover: Socks	102,980	34,277,353	75,896.00	21,386,111
F Raw material & Components Consumed	(% of total Consumption)	(Value Rs. In Lakhs)	(% of total Consumption)	(Value Rs. In Lakhs)
Imported	1.06%	1.86	5.54%	3.39
Indegeneous	98.94%	173.37	94.46%	57.87
G Value of imports (on CIF basis)				
Raw materials & packing materials	-	-	-	-
Components and spare parts	-	6.20	-	5.87
Capital goods	-	2.71	-	-
H Earnings in foreign currency: - Export of goods on CIF basis	-	144.19	-	121.08
I Expenditure in foreign currency:				
a. Travelling expenses (Rs. In Lakhs)	-	0.96	-	7.08
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 lac which are outstanding for more than 30 days as at 31st March, 2011.
9. Previous year figures have been regrouped wherever necessary.
10. Statement pursuant to Part IV of Schedule VI of the Companies Act, 1956.

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE 2010-2011****I Registration Details:**

Registration No: 

0	1	-	1	4	3	8	9
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 State Code 

0	1
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Date Month Year  
Balance Sheet Date 

3	1
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0	3
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2	0	1	1
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**II Capital Raised during the year ( Amount in Rs. Thousands)**

Public Issue	Rights Issue						
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					
Bonus Shares	Private Placement						
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>N</td><td>I</td><td>L</td></tr></table>	N	I	L
N	I	L					
N	I	L					

**III Position of Mobilisation and deployment of Funds (Amount in Rs. Thousands)**

Total Liabilities	Total Assets		
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1,02,052</td></tr></table>	1,02,052	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>1,02,052</td></tr></table>	1,02,052
1,02,052			
1,02,052			
Sources of Funds	Reserves and Surplus		
Paid-Up Capital (Including Share Application Money)	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>2,248</td></tr></table>	2,248	
2,248			
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>82,350</td></tr></table>	82,350	Unsecured Loans	
82,350			
Secured Loans	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>5,704</td></tr></table>	5,704	
5,704			
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>11,750</td></tr></table>	11,750		
11,750			

**Application of Funds**

Net Fixed Assets	Investments		
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>30,270</td></tr></table>	30,270	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>2,393</td></tr></table>	2,393
30,270			
2,393			
Net Current Assets	Misc. Expenditure		
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>33,699</td></tr></table>	33,699	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>-</td></tr></table>	-
33,699			
-			
Accumulated Losses			
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>35,690</td></tr></table>	35,690		
35,690			

**IV Performance of Company (Amount in Rs. Thousands)**

Turnover including other income	Total Expenditure		
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>35,933</td></tr></table>	35,933	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>35,159</td></tr></table>	35,159
35,933			
35,159			
Profit before tax ( for the year)	Profit after tax( for the year)		
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>774</td></tr></table>	774	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>772</td></tr></table>	772
774			
772			
Earnings per share in Rs.	Dividend		
<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>0.09</td></tr></table>	0.09	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>-</td></tr></table>	-
0.09			
-			

**V Generic names of Three Principal Products/Services of Company**

Names of three principal products/services of company  
(as per monetary terms)

Item code No. (ITC code No)	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>0</td><td>6</td><td>1</td><td>-</td><td>1</td><td>5</td></tr></table>	0	6	1	-	1	5
0	6	1	-	1	5		
Product Description	<table border="1" style="display: inline-table; vertical-align: middle;"><tr><td>S</td><td>O</td><td>C</td><td>K</td><td>S</td></tr></table>	S	O	C	K	S	
S	O	C	K	S			

Signature to Schedule: 1-23

As per our report of even date attached.

For **Niranjan & Narayan**

Chartered Accountants

Sd/-

M.Niranjan

**Partner**

Membership No:29552

Place : Hyderabad

Date : 30<sup>th</sup> May, 2011

For and **on behalf of the Board**

Sd/-

Anil Agarwal

**Director**

Place: Hyderabad

Date : 30<sup>th</sup> May, 2011

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**

**19<sup>th</sup> Annual General Meeting - 26<sup>th</sup> September 2011 at 11:00 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 19th 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 26th September 2011.

(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**

**19<sup>th</sup> Annual General Meeting - 26<sup>th</sup> September 2011 at 11:00 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 19th Annual General Meeting of the Company to be held on 26th September 2011 or at any adjournment thereof.

Signed this.....day of.....2011.

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.