

17th Annual Report
2008-2009



KARAN WOO-SIN LIMITED

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BOARD OF DIRECTORS

Mr. Anil Agarwal
Mr. Percy H.italia
Mr. A.G. Ravindranath Reddy
Mr. Sri Kishan Badruka
Mr. Rakesh Garg

MANAGER

Mr. N.C. Reddy

AUDITORS

Niranjan & Narayan
Chartered Accountants
Himayatnagar
Hyderabad - 500 029

BANKERS

State Bank Of India
Commercial Branch
Secunderabad - 500 003

REGISTERED OFFICE AND WORKS

S.no.321, Kallakal Village
Gajwel Tq, Medak Dist.
Andhra Pradesh.
Ph: (040) 27848700 Fax: (040) 40021946
E-mail – Karanwoosin@rediffmail.com

REGISTRARS AND SHARE TRANSFER AGENTS

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

NOTICE

Notice is hereby given that the 17th Annual General Meeting of the members of M/s. Karan Woo-Sin Limited will be held on Wednesday, the 30th September 2009 at 11 A.M at the Registered Office of the Company situated at S. No. 321, Kallakal Village, Gajwel Tq., Medak District, Andhra Pradesh, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit & Loss Account for the financial year ended March 31, 2009 and the Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a director in the place of Mr. 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 Niranjana & Narayan, Chartered Accountants, Hyderabad be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company at a remuneration of Rs.10,000/- per Annum plus out of pocket expenses on actual basis.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass the following resolution, with or without modification as a Special Resolution.

RESOLVED THAT subject to confirmation by the Hon'ble High Court of Andhra Pradesh and other approvals, as may be required, the paid-up capital of the Company be reduced from Rs.8,23,50,000/- divided into 82,35,000 Equity shares of Rs.10/- each to Rs.4,94,41,000/- divided into 82,35,000 Equity shares of Rs.6/- each fully paid-up by canceling the accumulated loss of Rs. 3,29,40,000/- which represents 82,35,000 shares of Rs.4/- each, which has been lost and is unrepresented by the available assets.

RESOLVED FURTHER THAT consequential amendments be made in the capital clause of the Memorandum of Association of the company after such reduction becomes operative and effective.

RESOLVED FURTHER THAT on such reduction becoming operative an effective, every member of the Company do surrender to the Company their old certificates in respect of the physical shares held by him and thereupon the company shall issue fresh share certificates to the said shareholder and to which he may be entitled to as aforesaid.

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

RESOLVED THAT pursuant to the provisions of Section 269, 309, 310 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII, approval of the members be and is hereby accorded for the re-appointment of Mr. N.C.Reddy, as Manager of the Company for a period of 5 years with effect from 01.10.2009, on the following terms and conditions:

a. Salary: Rs.30,000/- P.M. inclusive of all perks

b. Duties and Responsibilities:

He shall be responsible for handling all the day to day activities of the company and compliance with all the statutory requirements under the supervision and direction of the Board of Directors and discharge such functions and responsibilities as delegated to him by the Board from time to time.

c. Tenure of Appointment: 5 years

//By Order of the Board//
For Karan Woo-Sin Limited

Place: Secunderabad
Date : 31.07.2009

Sd/-
ANIL AGARWAL
Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF / HERSELF 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 25.09.2009 to 30.09.2009 (both days inclusive).
3. Explanatory Statement pursuant to section 173(1) of the Companies Act, 1956, relating to the special business to be transacted at the meeting is annexed herewith.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(1) OF THE COMPANIES ACT, 1956.**Item No. 5**

The Company has accumulated losses of Rs.3,67,81,497.66 as on 31.03.2009 which has been accumulated since commencement of business. The Board of directors in their meeting held on 31.07.2009 are of the opinion that the accumulated losses should not continue to be carried forward and hence it is proposed to reduce the capital of the Company to the extent of accumulated loss of Rs. 3,29,40,000/- which represents 82,35,000 shares of Rs.4/- each, which has been lost and is unrepresented by the available assets. The paid up capital of the Company after cancellation of accumulated loss of Rs. 3,29,40,000/- shall be Rs.4,94,41,000/- divided into 82,35,000 Equity shares of Rs.6/- each fully paid-up.

As per section 100 to 104 of the Companies Act, 1956, the reduction of capital requires the approval of the members by way of special resolution, subject to confirmation by the Hon'ble High Court of Andhra Pradesh. Therefore your Board of Directors proposes the above resolution for your approval.

None of the Directors except Mr. Anil Agarwal and Mr. Percy H Italia, are interested in the resolution.

Item No. 6

The present term of office of Mr. N.C. Reddy as Manager will be expiring on 30th September 2009. The Board recommends the reappointment of Mr. N.C. Reddy as Manager for a further period of 5 years from 1st October 2009. The remuneration committee fixed the remuneration in their meeting held on 31.07.2009 as detailed in the resolution.

Mr. N.C. Reddy is aged about 49 years and has been looking after the day to day affairs of the Company and has been associated since its inception. Your Board of Directors proposes the above resolution for your approval.

None of the directors are interested in this resolution.

DIRECTORS' REPORT

We hereby present the Seventeenth Annual Report and the Audited Statement of Accounts for the Financial Year ended 31st March, 2009.

1. FINANCIAL RESULTS

Particulars	Rs. in Lakhs 31.03.2009	Rs. in Lakhs 31.03.2008
Turnover	318.97	405.44
Other Income	30.20	3.06
	<u>349.17</u>	<u>408.50</u>
Profit/(Loss) Before Interest, Depreciation and Tax (PBIDT)	26.36	51.03
Interest	<u>17.71</u>	<u>13.45</u>
Depreciation	34.20	31.46
Profit/ (Loss) Before Tax	(25.36)	6.12
Less: Provision for Taxation	<u>1.18</u>	<u>1.24</u>
Net Profit/ (loss)	(26.54)	4.88
Prior Period Items	<u>(16.50)</u>	<u>(2.94)</u>
Net Profit / (Loss)	(43.04)	1.94
Add: Loss b/f from previous year	<u>(324.77)</u>	<u>(326.71)</u>
Loss carried forward to Balance sheet	<u>(367.81)</u>	<u>(324.77)</u>

2. REVIEW OF OPERATIONS

The company's operations have been severely hit by the unprecedented slow down and the huge decline in exports of apparel from India.

3. FUTURE PROSPECTS

The company sees no signs of recovery of demand in the markets that it presently operates. Fortunately, the domestic market for the company's products is showing encouraging signs. The competition is limited. The company is therefore making all efforts to meet the requirements of 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 March 31, 2009 and of the Profit of the company for the year ended on that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

5. 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 raised any fixed deposits as on 31st March, 2009 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, 2009.

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 24,00,000/- or more per annum nor was any employee in receipt of remuneration of Rs.2,00,000/- or more per month for 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.

10. AUDITORS

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. REPLIES TO THE QUALIFICATIONS IN THE AUDITORS REPORT:

- a) The Company has been accounting Gratuity on a cash basis and the same will be accounted for on accrual basis at the earliest.
- b) The Board has confirmed in the Board Meeting held on 31.07.2009 that all the Profession Tax & ESI dues as at March 31, 2009 have been paid.
- c) The company has made representations as per the H'ble High Court(AP) directive to the Provident Fund Tribunal in New Delhi. The company has filed all the relevant papers substantiating its objections against the levy of the unfair penalty by the Provident Fund Department. The company is awaiting the case to be heard.

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
The listing fee to the Bombay Stock Exchange Limited is up to date.

13. ACKNOWLEDGEMENTS

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

//By Order of the Board//
For KARAN WOO-SIN LIMITED

	Sd/-	Sd/-	Sd/-
Place: Secunderabad	N.C REDDY	ANIL AGARWAL	PERCY H.ITALIA
Date: 31.07.2009	Manager	Director	Director

ANNEXURE "A" TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

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.

Conservation of Energy

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.

NIL

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.

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

A. Power & Fuel Consumption	Current year 2008- 2009	Previous year 2007- 2008
1. Electricity		
a. Purchased		
Units	2,16,838	2,96,848
Total Amount (Rs.)	11,37,589	12,31,070
Cost/Unit (Rs.)	5.25	4.15
b. Own Generation		
i. Through diesel Generator		
Units	543	4,344
Total Amount (Rs.)	45,776	1,46,870
Cost/Unit (Rs.)	84.30	33.81
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)	4.03	2.79
Furnace oil/unit	-	-

FORM B
(See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO
TECHNOLOGY ABSORPTION

	Current Year 2008-2009 Rs. In Lacs	Previous year 2007-2008 Rs. in Lacs
Research and Development (R & D)		
Technology Absorption, Adaptation and Innovation	-	-

Foreign Exchange Earnings and outgo:

Activities relating to exports:	Producing Socks with Cotton and Nylon Yarn and with blends thereof.	
	2008-2009 (Rs.Lakhs)	2007-2008 (Rs.Lakhs)
1. Foreign Exchange Earnings	262.18	405.44.
2. Foreign Exchange used	14.77	40.00

MANAGEMENT DISCUSSION AND ANALYSIS

Industry structure and Developments

The industry is witnessing large scale dismantling of capacities in the high cost economies. The shortfall is being partly met by producers in China, the Indian sub-continent and Eastern Europe. However, unprecedented slow down that the world is facing has put the market in turmoil. No clear pattern is emerging as yet.

Opportunities and threats

The current scenario makes a compelling reason for the company to market its products within the country while keeping in close touch with the international situation. In the short term, the company will be totally dependant on domestic sales.

The company has received favourable response from retailers for its products and the Indian market can throw up a huge opportunity for the company.

Outlook

The Company's products have found acceptance with a larger number of retailers spread all over India. The focus continues to be to increase production and to enlarge the market for high value products.

Risks and Concerns

The exchange rates have been in favour of the company. If the export demand picks up soon, the company will be able to take advantage of good exchange rates. As the company is likely to be dependant on the domestic market in the current year, the company's marketing efforts have to bear fruit and quickly

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 suffered 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 in the Company on 31.03.2009 is 97.

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 2008- 2009, five Board Meetings were held on 26.05.2008, 30.06.2008, 29.07.2008, 29.10.2008 and 29.01.2009 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 2008- 09	Attendance at the last AGM held on 30th September, 2008	*No. of directorships As at 31st March, 2009	*Committee/s Position as at 31st March, 2009	
					Member	Chairman
Mr. Percy H. Italia	NonExecutive	3	YES	NIL	NIL	NIL
Mr. Anil Agarwal	NonExecutive	4	YES	NIL	NIL	NIL
Mr. A. G. Ravindra nath Reddy	NonExecutive/ Independent.	3	NO	02	NIL	NIL
Mr. Sri Kishan Badruka	NonExecutive/ Independent	3	NO	02	NIL	NIL
Mr. Rakesh Garg	NonExecutive/ Independent	4	NO	02	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 , 2009

Name of the Director	No. of Shares held
Mr. Anil Agarwal	10,89,792
Mr. Percy H. Italia	10,39,392

A BRIEF RESUME OF DIRECTORS RETIRING BY ROTATION

Mr. Anil Agarwal

Mr. Anil Agarwal was appointed as Director with effect from 31st August 1995 and is due to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Anil Agarwal aged about 58 years is a Fellow member of “Institute of Chartered Accountants of India”. 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.

Mr. Rakesh Garg

Mr. Rakesh Garg was appointed as Director with effect from 26th June 2006 and is due to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Rakesh Garg aged about 46 years is a Fellow member of "Institute of Chartered Accountants of India" and is in practice for over 15 years. He has gained considerable knowledge and experience in the financial matters.

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, 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.Sri Kishan Badruka	Non-Executive & Independent	3
3	Mr. Rakesh Garg	Non-Executive & Independent	4

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

1. 30th June, 2008
2. 29th July, 2008
3. 29th October, 2008
4. 29th January, 2009

4. Remuneration Committee

The Remuneration Committee comprises of three non- executive independent directors, 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 Meeting of the Remuneration Committee was held during the year. None of the directors of the company received remuneration during the year 2008 – 2009.

5. Shareholders / Investors Grievance Committee

The Shareholders / Investors Grievance committee comprises of Mr. Sri Kishan Badruka (Chairman), Mr. A.G. Ravindranath Reddy and Mr. Rakesh Garg. 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 23 and all the complaints were resolved to the satisfaction of the shareholders. 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:

Sl. No.	Particulars	Date	Venue	Time	Special Resolutions Passed in AGM
1	16th AGM – for the year 2007- 2008	30.09.2008	Survey No. 321 Kallakal Village Gajwel Taluq, Medak District Andhra Pradesh	11.00 A.M	No
2	15th AGM – for the year 2006 - 2007	29.09.2007	Survey No. 321 Kallakal Village Gajwel Taluq, Medak District Andhra Pradesh	11.00 A.M	Yes
3	14th AGM – for the year 2005-2006	29.09.2006	Survey No. 321 Kallakal Village Gajwel Taluq, Medak District Andhra Pradesh	11.00 A.M	No

There were no Extraordinary General Meetings held during the year 2008 – 2009.

No item of business, which requires Special Resolution to be put through postal ballot, was transacted during the year 2008-09.

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 (English) and Andhra Bhoomi (regional). The results were displayed in the EDIFAR website. The results were not presented to any institutional investors during the year.

9. General Share Holder Information:

Sl.No.	Salient Items of Interest	Particulars
i.	AGM Date & Venue	Wednesday, the 30th September, 2009 at 11 A.M Survey No. 321, Kallakal Village, Gajwel Taluq Medak District, Andhra Pradesh.
ii.	Financial Calendar	Financial reporting for the year 2009-2010 Quarter ending June, 30 2009 – Held on 31st July 2009 Quarter ending Sept, 30 2009 – on or Before 31st October 2009 Quarter ending Dec, 31 2009 - on or Before January 2010 Quarter ending Mar, 31 2010 - on or Before April 2010. In case of audited results for the last quarter - on or before 30th June 2010. AGM for year ended Mar, 31 2010 – on or Before 30th Sept, 2010.
iii	Date of Book Closure	25th September, 2009 to 30th September, 2009 (both days inclusive)
iv.	Dividend Payment Date	No dividend declared
v.	Listing on Stock Exchanges	Bombay 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 2008 - 2009 on the BSE

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Nos.)
April, 2008	3.45	2.86	3.08	41171
May, 2008	3.30	2.86	3.21	42315
June, 2008	3.36	2.81	2.81	4915
July, 2008	3.08	2.54	3.02	11708
August, 2008	3.30	2.87	3.20	163245
September, 2008	3.57	3.10	3.56	5158
October, 2008	3.97	3.52	3.78	4149
November, 2008	3.60	2.69	3.25	1793
December, 2008	3.60	2.94	3.60	526
January, 2009	4.09	3.56	4.00	11
February, 2009	4.52	3.04	3.04	3294
March, 2009	3.23	2.53	3.23	307

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 31, 2009

Range of Shares (in Rupees)	No of Shareholders	% of Shareholders	Amount (Rs.)	% of Shareholding
Upto 5000	8253	99.18	23300730	28.29
5001 – 10000	31	0.37	2132550	2.59
10001 - 20000	16	0.19	2095470	2.84
20001 - 30000	3	0.04	855950	1.04
30001 - 40000	6	0.07	2484550	2.55
40001 - 50000	4	0.06	1870630	2.27
50001 -100000	2	0.02	3524000	2.36
Above 100000	6	0.07	46233800	58.06
Total	8321	100	8,23,50,000	100

Categories of Shareholding as on March 31, 2009

Category	No. of Shares held	% of Shareholding
Promoters	33,73,849	40.97
Persons acting in Concert	2,50,247	3.04
Banks, Financial Institutions, Insurance Companies, Mutual Funds(Central/State Gov. Institutions/ Non- Government Institutions)	12,500	0.15
Private Corporate Bodies	12,51,347	15.19
Indian Public	32,83,472	39.87
NRIs/OCBs	63,585	0.77
Total	82,35,000	100

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, 2009, 57,96,190 shares (70.38% 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 be no dilution of the equity.

Plant Location: Survey No.321, Kallakal Village, Gajwel Taluq, Medak District, Andhra Pradesh.

Address for correspondence

Suite 'H', Vth Floor, Surya Towers,
S.P. Road, Secunderabad – 500 003
Ph: 040 27848700
Fax: 040 40021946
e-mail – karanwoosin@rediffmail.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

Sd/-

N. C. REDDY
MANAGER

Place: Hyderabad

Date : 29.06.2009

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, 2009 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.

**For Niranjana & Narayana
Chartered Accountants**

Sd/-
**M. Niranjana
Partner**

Place: Hyderabad
Date: 29 June, 2009.

Membership No 29552

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, 2009 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. 4 of Notes on Accounts.
- v. on the basis of written representations received from the directors, as on 31st March,

2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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, 2009.
 - b. in the case of the Profit and Loss Account, 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

Sd/-

M. Niranjan
Partner

Membership No -29552

Place : Hyderabad
Date : 29th June, 2009.

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 two directors and four others where the maximum amount outstanding during the year was Rs. 24.78 lacs and the year end balance of unsecured loans taken from such parties was Rs.22.59 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, Income Tax Deducted at Source dues, and Investor Protection Fund.
- 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, 2009 on account of any dispute are given below:

Name of Statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates (Financial Years)	Forum where dispute is pending
Income Tax Act	Income Tax	0.88	2002-03	Tribunal
		1.01	2004-05	Tribunal
		0.00	2005-06	Appeals
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.

For **Niranjan & Narayan**
Chartered Accountants

Sd/-

M. Niranjan
Partner

Membership No -29552

Place : Hyderabad
Date : 29th June, 2009.

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCH	31st March, 2009		31st March, 2008	
		Rupees	Rupees	Rupees	Rupees
I. SOURCES OF FUNDS					
1. SHARE HOLDERS FUNDS:					
a. Share Capital	1	8,23,50,000		82,350,000	
b. Share Application Money		-	82,350,000		82,350,000
2. RESERVES & SURPLUS:					
Capital Reserve	2	-	2,247,813		2,247,813
3. LOAN FUNDS:					
Secured Loans	3	12,886,620	-	17,855,281	-
Unsecured Loans	4	4,321,961	17,208,581	3,239,779	21,095,060
TOTAL			101,806,394		105,692,873
II. APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block	5	70,760,034	-	65,387,525	
Less: Depreciation		34,957,646	-	31,703,273	
Net Block			35,802,388		33,684,252
Capital Work-in-progress			2,344,356		3,852,156
			38,146,744		37,536,408
2. INVESTMENTS			921,188		100,078
3. CURRENT ASSETS, LOANS & ADVANCES					
a) Inventories	7	20,526,633		20,724,803	
b) Sundry Debtors	8	7,887,049		18,032,913	
c) Cash & Bank Balances	9	3,367,982		7,012,674	
d) Loans & Advances	10	2,159,170		4,643,026	
		33,940,834		50,413,416	
LESS: Current Liabilities & Provisions					
a) Current Liabilities	11	7,209,074		14,493,949	
b) Provisions	12	774,795		339,908	
		7,983,869		14,833,857	
3. NET CURRENT ASSETS			25,956,965		35,579,559
4. PROFIT & LOSS A/C			36,781,497		32,476,828
TOTAL			101,806,394		105,692,873
Accounting Policies	23		-		-
Notes to Accounts	24				

For Nirranjan & Narayan
Chartered Accountants
Sd/-
M.Nirranjan
Partner
Membership No:29552
Place: Secunderabad
Date: June 29, 2009

For and on behalf of the Board
Sd/-
Percy.H.Italia
Director

Place: Secunderabad
Date: June 29, 2009

Sd/-
N.C.Reddy
Manager

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

PARTICULARS	SCH	31st March, 2009	31st March, 2008
		Rupees	Rupees
INCOME			
Sales	13	31,897,873	40,543,875
(Decrease)/ Increase in stocks	14	(826,969)	(1,102,749)
Other Income	15	3,020,175	306,441
		<u>34,091,079</u>	<u>39,747,567</u>
EXPENDITURE			
Materials Consumed	16	11,227,070	16,590,058
Manufacturing Overheads	17	803,897	865,115
Purchase of Finished Goods		-	24,720
Power & Fuel	18	2,097,492	2,534,289
Payments & Benefits to Employees	19	6,303,545	6,685,347
Selling, Administrative & Other Expenses	20	8,904,646	7,133,372
Customs Duty/Sales Tax paid	21	244,800	140,480
Interest on Term Loans		1,771,852	1,345,306
Depreciation		3,420,705	3,145,923
Repairs & Maintenance	22	894,863	670,425
Website Marketing & Brand Development		958,595	-
		<u>36,627,465</u>	<u>39,135,035</u>
Profit/ (Loss) for the Year		(2,536,386)	612,532
Prior Period Expenses		(1,649,678)	(294,154)
		(4,186,064)	318,378
Less: Provision for Taxation		526	7,599
Less: Provision for Deferred Tax Liability		-	-
Less: Provision for Fringe Benefit Tax		118,079	116,882
(Loss) / Profit for the year		(4,304,669)	193,897
(Loss) b/f from previous year		(32,476,828)	(32,670,725)
Profit/ (Loss) carried to Balance Sheet		<u>(36,781,497)</u>	<u>(32,476,828)</u>
Basic & Diluted earnings per share		<u>(0.52)</u>	<u>0.02</u>
Accounting Policies	23		
Notes to Accounts	24		

For Niranjan & Narayan
Chartered Accountants
Sd/-
M.Niranjan
Partner
Membership No:29552
Place: Secunderabad
Date : June 29, 2009

For and on behalf of the Board
Sd/-
Percy.H.Italia Anil Agarwal
Director Director
Sd/-
Place: Secunderabad N.C.Reddy
Date : June 29, 2009 Manager

**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2009**

PARTICULARS	31st March,2009		31st March,2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-1: SHARE CAPITAL AUTHORISED				
110,00,000 Equity Share of Rs.10/- each		110,000,000		110,000,000
ISSUED,SUBCRIBED & PAID UP				
82,35,000 Equity Shares of Rs.10/- each		82,350,000		82,350,000
SCHEDULE -2: RESERVES & SURPLUS				
Capital Reserve		2,247,813		2,247,813
SCHEDULE-3: SECURED LOANS				
SBI - Current A/c		1,380,352		-
State Bank of India - E.P.C		3,385,577		6,578,493
State Bank of India - Bill Discounting (Bank overdraft secured by pledge/hypothication of stocks and receivables and guaranteed jointly and severally by 2 directors of the company)		7,580,297		10,920,541
Vehicle Loan (Defered payment credit against purchase of vehicle net of future interest guarenteed by Directors and hypothication of Vehicle)	640,706		372,101.00	
Less: Interest Suspence	100,312	540,394	15,854.00	356,247
TOTAL		12,886,620		17,855,281
SCHEDULE-4: UNSECURED LOANS				
Loans from Directors & Others		4,321,961		3,239,779
SCHEDULE-6: INVESTMENTS				
A. Long Term Investments (Quoted)				
78,879.57 Units of IDFC Money Manager Liquid Flees Fund (Previous Year- 9,994.503 Units of Grindlays Floating Rate Fund).		921,188		100,078
B. Others		-		-
TOTAL		921,188		100,078

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009
SCHEDULE : 5 - FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 31.03.2008 RS.	Additions/Adj During the Period RS.	Adj/Disposals During the Period RS.	As At 31.03.2009 RS.	As At 31.03.2008 RS.	Depreciation for the Period RS.	Deductions Rs.	As At 31.03.2009 RS.	As At 31.03.2009 RS.	As At 31.03.2008 RS.
Land freehold	1,310,104	-	-	1,310,104	-	-	-	-	1,310,104	1,310,104
Buildings	7,930,120	-	316,957	7,613,163	3,658,286	254,280	-	3,912,566	3,700,597	4,271,834
Plant & Machinery	49,986,961	6,556,767	1,183,043	55,360,685	24,246,048	2,629,633	-	26,875,681	28,485,004	25,740,913
Office Equipment	658,692	149,427	-	808,119	599,044	101,985	-	701,029	107,090	59,648
Furniture & Fixture	513,508	-	-	513,508	361,056	32,505	-	393,561	119,947	152,452
Vehicle	3,253,032	679,215	512,900	3,419,347	1,561,023	319,884	166,332	1,714,575	1,704,772	1,692,009
Electrical Installation	1,735,108	-	-	1,735,108	1,277,816	82,418	-	1,360,234	374,874	457,292
TOTAL	65,387,525	7,385,409	2,012,900	70,760,034	31,703,273	3,420,705	166,332	34,957,646	35,802,388	
PREVIOUS YEAR:-										
Previous Year Capital Work in progress (including Advances)	64,965,511	422,014	-	65,387,525	28,557,350	3,145,923	-	31,703,273	-	33,684,252
	3,852,156	615,985	2,123,785	2,344,356	-	-	-	-	2,344,356	3,852,156
									<u>38,146,744</u>	<u>37,536,408</u>



**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2009**

PARTICULARS	31st March,2009		31st March,2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-7: INVENTORIES				
Stock in trade at lower of cost or net realisable value as taken valued and certified by Directors				
Raw Materials		5,122,521		4,629,119
Work-in-progress		10,706,173		10,829,292
Tools & Spares		939,155		531,976
Packing Material		3,001,246		3,273,028
Finished Goods		757,538		1,461,388
Consumables		-		-
TOTAL		20,526,633		20,724,803
SCHEDULE-8: SUNDRY DEBTORS				
(Unsecured considered good)				
-More than six months		7,669,727		8,369,885
-Others		217,322		9,663,028
TOTAL		7,887,049		18,032,913
SCHEDULE-9: CASH & BANK BALANCES				
Cash on Hand		1,032,330		1,037,230
Balances with scheduled banks:				
In Current Account		546,585		4,153,094
In Deposit Account		1,789,067		1,822,350
TOTAL		3,367,982		7,012,674
SCHEDULE-10: LOANS & ADVANCES				
(Unsecured - Considered Good)				
Advances Recoverable in cash or kind		1,475,795		3,918,997
Deposit with APCPDCL		455,368		455,368
Tax deducted at source		108,800		90,254
Other deposits		119,207		178,407
TOTAL		2,159,170		4,643,026

**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2009**

PARTICULARS	31st March,2009		31st March,2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-11: CURRENT LIABILITIES				
a) Sundry Creditors (See Note)				
Others		1,822,322		5,032,563
b) Other Liabilities		543,202		3,758,986
c) Sundry Creditors for Capital Purchases		4,843,550		5,702,400
TOTAL		<u>7,209,074</u>		<u>14,493,949</u>
Note : 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.				
SCHEDULE-12: PROVISIONS				
Provision for Taxation		409,834		93,026
Provision for FBT		364,961		246,882
TOTAL		<u>774,795</u>		<u>339,908</u>

**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2009**

PARTICULARS	31st March,2009		31st March,2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-13: SALES				
Domestic Sales		217,580		291,796
Export Sales		30,581,069		40,252,079
Job work income		1,099,224		-
TOTAL		31,897,873		40,543,875
SCHEDULE-14: INCREASE/ (DECREASE) IN STOCKS				
<u>Closing Stock</u>				
Finished goods		757,538		1,461,388
Work in progress		10,706,173		10,829,292
(A)		11,463,711		12,290,680
<u>Opening Stock</u>				
Finished goods		1,461,388		760,546
Work in progress		10,829,292		12,632,883
(B)		12,290,680		13,393,429
Increase/(Decrease) in stock (A) - (B)		(826,969)		(1,102,749)
SCHEDULE-15: OTHER INCOME				
Interest received		100,431		40,044
Foreign Exchange Fluctuation		-		160,897
Dividend on Chits		-		105,422
CST Claim		341,512		-
Dividend from Mutual Fund		131,110		78
Balances Written Off		2,447,122		-
TOTAL		3,020,175		306,441
SCHEDULE-16: MATERIALS CONSUMED				
Raw Material Consumed		8,478,193		13,751,360
Packing Material Consumed		1,605,033		1,677,081
Stores, Spares Tools Consumed		1,143,844		1,151,946
Consumables and Stores items consumed		-		9,671
TOTAL		11,227,070		16,590,058

**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2009**

PARTICULARS	31st March,2009		31st March,2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-17: MANUFACTURING OVERHEADS				
Insurance charges		37,083		115,409
Freight inward		347,642		484,071
Job work charges		75,386		-
Security charges		-		216,725
Factory maintenance		343,786		48,912
TOTAL		803,897		865,115
SCHEDULE-18:POWER & FUEL				
Electricity charges		1,151,688		1,231,070
Fuel cost		945,804		1,303,219
TOTAL		2,097,492		2,534,289
SCHEDULE-19: PAYMENTS & BENEFITS TO EMPLOYEES				
Office Salaries		1,458,082		1,509,548
Factory Salaries		3,563,492		3,393,410
Staff Welfare		59,514		181,086
Contribution to PF/ESI		535,356		539,769
Production incentives		111,966		-
OT Expenses		573,135		168,275
Bonus		-		857,659
Staff incentives		2,000		35,600
TOTAL		6,303,545		6,685,347

**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2009**

PARTICULARS	31st March,2009		31st March,2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE 20: SELLING, ADMINISTRATION AND OTHER EXPENSES				
Administrative Expenses		45,000		11,370
Advertisement Expenses		27,201		34,405
Bussiness Promouion Expenses		99,264		250,664
Clearing and Forwarding Expenses		1,155,675		1,462,440
Commission / Brokerage on Sales		98,356		366,276
Conveyance		159,935		28,490
Conveyance Fixed		19,180		43,705
Entertainment Expenses		21,813		57,229
Foreign Exchange Fluctuation		351,647		-
Foreign Travelling Expenses		1,279,456		487,383
Inspection Charges		19,270		6,570
Miscellaneous / Other Expenses		60,705		31,053
Postage and Telegrams		494,597		330,593
Printing and Stationery		185,223		112,398
Professional Charges		790,660		452,181
Rent - Godown		72,000		72,000
Rent - Office		660,000		660,000
Office Maintenance		45,608		-
Directors Sitting Fees		80,000		40,000
Board Meeting Expenses		11,109		-
Telephone / Telex / Fax /				
Postage Charges		245,221		332,878
Travelling Expenses		665,996		971,189
Bank Charges		529,736		595,385
Listing Fees		15,000		15,000
Depository Charges		11,236		11,236
Registrar Fees		21,550		22,448
Freight Outward		651,202		63,177
Rents, Rates and Taxes		79,400		98,998
Auditor's Remunarition		10,000		10,000
Donation		29,000		22,000
Membership Charges		8,163		8,200
Insuramce		282,460		193,744
Car hire charges		16,312		750
Loss on Sale of Assets		294,568		-
Loss on chits		-		341,610
Service Tax		368,103		-
TOTAL		8,904,646		7,133,372

**SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2009**

PARTICULARS	31st March,2009		31st March,2008	
	Rupees	Rupees	Rupees	Rupees
SCHEDULE-21: EXCISE DUTY/SALES TAX PAID				
Customs Duty		52,926		25,542
Sales Tax		191,874		114,938
TOTAL		<u>244,800</u>		<u>140,480</u>
SCHEDULE-22: REPAIRS & MAINTENANCE				
Plant & Machinery maintenance		322,521		177,011
Vehicle Maintenance		572,342		493,414
TOTAL		<u>894,863</u>		<u>670,425</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT

SCHEDULE - 23 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 ever 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, 2009, 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.

**SCHEDULES FORMING PART OF THE BALANCE SHEET AND THE
PROFIT AND LOSS ACCOUNT (CONTD...)**

SCHEDULE – 24

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. Research and Development expenses incurred Rs. Nil (Previous Year – Rs. Nil).
4. The company has not provided for the gratuity in the accounts for the year 2008-2009 and the amount not provided is Rs . 87,085 (Previous Year Rs.21,612)
5. Consequently the loss and provisions for the year are understated to the extent of Rs. 87,085 (Previous Year Rs.21,612) and Rs. 7,25,134 (Previous Year Rs. 6,38,049) respectively
6. Related Party Disclosure for the year ended March 31, 2009:

Related Parties and their relationships:

Associates	Directors	Relatives of Directors
Zarish Properties Pvt Ltd	Mr. Anil Agarwal	Mrs. Chitritha Agarwal
Continental Monetary Fund	Mr. Percy H. Italia	Mrs. Yasmin Italia
		Ms. Nirati Agarwal
		Ms. Sushila Agarwal

Transactions with the related Parties:

	Associates (Rs.)	Directors (Rs.)	Relatives of Directors (Rs.)
Amounts payable (in respect of Loans)	23,250	3,20,061	19,39,200

SCHEDULES FORMING PART OF THE BALANCE SHEET AND THE PROFIT & LOSS ACCOUNT

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

	31st March, 2009		31st March 2008	
	Deca pairs		Deca pairs	
A. Licensed capacity	N.A		N.A	
B. Installed capacity	*442,000		*442,000	
C. Details of production				
Item	Quantity		Quantity	
	Deca pairs		Deca pairs	
Socks	53,935.00		107,847.00	
D. Details of Inventories:				
Item	Quantity	Stock Value	Quantity	Stock Value
	Deca pairs	Rs.	Deca pairs	Rs.
	31.03.2009	31.03.2009	31.03.2008	31.03.2008
Socks	29,594	11,463,711	40,033	1,22,90,680
E. Details of Turnover:				
Item	Quantity	Value	Quantity	Value
	Deca pairs	Rs.	Deca pairs	Rs.
	31.03.2009	31.03.2009	31.03.2008	31.03.2008
Socks	64,374	30,798,649	93,160	4,05,43,875
* As certified by the Management on which the auditors have placed reliance.				
F. Raw material & Components consumed:				
	31st March, 2009		31st March, 2008	
	% to total	Value	% to total	Value
	Consumption	Rs. In Lacs	Consumption	Rs. In Lacs
Imported	6.92%	7.77	3.77%	6.84
Indegeneous	93.08%	104.5	96.23%	174.37
G. Value of imports on CIF basis	31st March, 2009		31st March, 2008	
	Rs.		Rs.	
-Raw materials & packing materials	-	11286	-	-
-Components and spare parts	-	496,005	-	40,00,000
-Capital goods	-	-	-	-
H. Earnings in foreign currency:				
-Export of goods on CIF basis	-	3,05,81,069	-	4,02,52,079

	Rs. In Lacs	Rs. In Lacs
I. Expenditure in foreign currency:		
a. Travelling expenses	3.36	8.50
b. Commission - discounts allowed on exports	-	2.01
c. Other expenses	-	1.03
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, 2009.		
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 2008-2009:-
1. Registration Details
I. Registration No 0 1 - 1 4 3 8 9 **State Code** 0 1

Balance Sheet Date 3 1 **Date** 0 3 **Month** 2 0 0 9 **Year**
II. Capital Raised during the year (Amount in Rs. Thousands)
Public Issue

N	I	L
---	---	---

Rights Issue

N	I	L
---	---	---

Bonus Shares

N	I	L
---	---	---

Private Placement

N	I	L
---	---	---

III. Position of Mobilization and deployment of Funds (Amount in Rs. Thousands)
Total Liabilities

1	0	1	8	0	6
---	---	---	---	---	---

Total Assets

1	0	1	8	0	6
---	---	---	---	---	---

Sources of Funds
**Paid-Up Capital
(Including Share
Application Money)**

8	2	3	5	0
---	---	---	---	---

Secured Loans

1	2	8	8	7
---	---	---	---	---

Application of Funds
Net Fixed Assets

3	8	1	4	7
---	---	---	---	---

Net Current Assets

2	5	9	5	7
---	---	---	---	---

Accumulated Losses

3	6	7	8	1
---	---	---	---	---

Reserves and Surplus

2	2	4	8
---	---	---	---

Unsecured Loans

4	3	2	1
---	---	---	---

Investments

9	2	1
---	---	---

Misc Expenditure

-

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

Turnover including other income	Total Expenditure
3 4 9 1 8	3 9 1 0 4
Loss before tax (for the year)	Loss after tax(for the year)
4 1 8 6	4 3 0 5
Earnings per share in Rs.	Dividend
(0 . 5 2)	-

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)

6 1 - 1 5

Product Description

S O C K S

Signature to Schedule: 1-24

As per our Report attached
for Niranjana & Narayan
Chartered Accountants

Sd/-
M. Niranjana
Partner
Membership No. 29552

Place: Secunderabad
Date : June 29, 2009

For and on behalf of the Board

Sd/-
Anil Agarwal
Director

Sd/-
Percy H. Italia
Director

Sd/-
N.C.Reddy
Manager

Place: Secunderabad
Date : June 29, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	PARTICULARS	31st March,2009	31st March,2008
		Rs. (in lacs)	Rs. (in lacs)
A	<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
1	Net profit /(Loss) before tax and extra-ordinary items	(25.36)	6.12
	Adjustments For :		
2	Depreciation	34.21	31.46
3	Interest - Income	(30.20)	(3.06)
4	Interest - Expenditure	17.72	13.45
	Operating Profit /Loss Before working Capital Changes	(3.64)	47.97
	Adjustments For :		
5	Trade receivables	101.46	(29.04)
6	Inventories	1.98	(1.04)
7	Other receivables	24.84	(0.63)
8	Trade Payables	(68.50)	34.97
	Cash Generated from operations	56.14	52.23
9	Interest Paid	(17.72)	(13.45)
10	Direct Taxes	(1.19)	(1.24)
	Cash Flow before Extra-ordinary Items	37.23	37.54
11	Extra-ordinary Items	(16.50)	(2.94)
	Net Cash Flow from operating Activities	<u>20.73</u>	<u>34.60</u>
B	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
12	Loans to Companies	-	-
13	Purchase of Fixed Assets	(60.52)	(4.22)
	Increase in Working Capital	15.08	(6.71)
	Increase in Investment	(8.21)	(1.00)
14	Sale of Fixed Assets	5.13	-
15	Interest Received	30.20	3.06
16	Dividend Received	-	-
17	Exhibition Expenses	-	-
	Net Cash Flow for Investing Activities	<u>(18.32)</u>	<u>(8.87)</u>
C	<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
18	Proceeds from Issue of share capital (net of Share Issue Expenses)	-	15.52
19	Proceeds from/repayment of Long Term Borrowings	(38.86)	(0.16)
20	Transfer to Investor Protection Fund		

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	PARTICULARS	31st March,2009	31st March,2008
		Rs. (in lacs)	Rs. (in lacs)
21	Dividend	-	-
	Net Cash Flows from Financing Activities	<u>(38.86)</u>	<u>15.36</u>
	Net Increase / Decrease in Cash + Cash equivalents	(36.45)	41.09
	Opening Balance	<u>70.13</u>	<u>29.04</u>
	Closing Balance	<u><u>33.68</u></u>	<u><u>70.13</u></u>

As per our Report attached
For Niranjan & Narayan
Chartered Accountants

Sd/-
M. Niranjan
Partner
Membership No. 29552

Place: Secunderabad
Date : June 29, 2009

For and on behalf of the Board

Sd/-
Anil Agarwal
Director

Sd/-
Percy H. Italia
Director

Sd/-
N.C.Reddy
Manager

Place: Secunderabad
Date : June 29, 2009



KARAN WOO-SIN LIMITED
 Regd. Office: S.No.321, Kallakal Village, Gajwel Tq.,
 Medak District, ANDHRA PRADESH

ATTENDANCE SLIP

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 17th Annual General Meeting of the Company held at the Registered Office: S.No.321 Kallakal Village, Gajwel Tq, Medak District, ANDHRA PRADESH at 11 a.m. on Wednesday, the 30th Sept 2009.

 Member's / Proxy's Signature

KARAN WOO-SIN LIMITED
 Regd. Office: S.No.321, Kallakal Village, Gajwel Tq.,
 Medak District, ANDHRA PRADESH

PROXY FORM

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 17th Annual General Meeting of the Company to be held on Wednesday, the 30th Sept 2009 or at any adjournment thereof.

Affix Re.0.15/- Revenue Stamp
--

Signed this day of 2009.

NOTE:

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 Suite '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

Regd. Office: Survey S.NO.321,

KALLAKAL VILLAGE

GAJWEL TQ, MEDAK DIST. - 502334

ANDHRA PRADESH