

**21<sup>st</sup> Annual Report  
2012 - 2013**

**KARAN WOO-SIN LIMITED**

## CONTENTS

	<b>Page No.</b>
Notice	2
Directors Report	5
Management Discussion & Analysis	10
Report on Corporate Governance	11
Auditors Report	18
Balance Sheet	22
Statement of Profit and Loss	23
Cash Flow Statement	24
Notes Forming part of the Financial Account	26
Attendance Slip / Proxy Form	35

**Board of Directors :**

Mr. A.G. Ravidnranath 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 - 502 336  
Andhra Pradesh.

Ph: 040-27848700      Fax: 040-40021946  
E-mail: info@karanwoosinltd.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 21st Annual General Meeting of the members of **KARAN WOO-SIN LIMITED** will be held on Monday, the 30th September, 2013 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, 2013 and Statement of Profit and Loss 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. Ravindranath Reddy. A.G, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a director in the place of Mr. Rakesh Garg, 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. Niranjani & 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.15000/- per Annum plus out of pocket expenses on actual basis.

//By Order of the Board//

For **Karan Woo-Sin Limited**,  
Sd/-

Anil Agarwal  
**Director**

Place : Secunderabad,  
Date : 9th August, 2013

### 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. Members/Proxies are requested to fill in the enclosed attendance slip and deposit the same at the entrance of the meeting hall.
3. The Share Transfer books of the Company will be closed from 23rd September, 2013 to 30th September, 2013 (both days inclusive).
4. All the documents referred to in the notice are open for inspection at the registered office of the company during office hours on all working days upto the date of the Annual General Meeting.
5. 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.
6. 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 April 21, 2011 and April 29, 2011 inter-alia stating that a company would have complied with Section 53 of the Companies Act, 1956, if the service of document has been made through electronic mode. Accordingly the Annual Reports are being sent through email to the members whose email ids are available with the Company. The members who have not provided their email id are requested to update their email ids with the Depository Participant, if the shares are in Demat mode and to CIL Securities Limited, Registrars and Transfer Agents of the Company, in case the shares are in physical mode.
7. The relevant details as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, of person(s) seeking re-appointment as Director(s) under Item #2 and #3 of the Notice, are provided in the Report on Corporate Governance forming part of the Annual Report.
8. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the AGM.

### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued Circulars stating that service of documents including Annual Report to the members can be made through electronic mode. SEBI vide circular Ref. No. CIR/CFD/DIL/7/2011 dated 5th October 2011, has also advised listed companies to supply soft copies of full annual reports to all those members who have registered their e-mail addresses for the purpose. In order to support the said initiative, **KARAN WOOSIN LTD** has sent the copy of the Annual Report for the year 2012-13 along with the notice convening the Annual General Meeting through E-mail to those members who have registered their e-mail id with the DP's / R&T agents.

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

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

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

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

Name of Sole / First Holder : \_\_\_\_\_

DP ID / Client ID / Regd. Folio No. : \_\_\_\_\_

PAN No. : \_\_\_\_\_

E-mail Address : \_\_\_\_\_

Date :

Place: \_\_\_\_\_ (Signature of Member)



## DIRECTORS' REPORT TO THE SHARE HOLDERS

Your Directors have pleasure in presenting the 21st Annual Report of your Company along with the Audited Accounts for the year ended 31st March, 2013.

### 1. Financial Results :

Particulars	Year ended	
	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
Turnover	<b>94.81</b>	267.27
Other Income	<b>13.22</b>	7.55
Increase / (Decrease) in stock	<b>(19.83)</b>	(18.00)
<b>Total</b>	<b>88.20</b>	256.82
Total Expenditure except Interest and Depreciation	<b>99.67</b>	233.32
<i>Profit/(Loss) Before Interest, Depreciation and Tax (PBIDT)</i>	<b>(11.47)</b>	23.50
Interest	<b>8.99</b>	14.26
Depreciation	<b>31.33</b>	31.30
Profit/ (Loss) Before Tax	<b>(51.79)</b>	(22.06)
Less: Provision for Taxation	-	-
Net Profit/ (loss) before prior period items	<b>(51.79)</b>	(22.06)
Prior Period Items	-	0.70
Net Profit / (Loss)	<b>(51.79)</b>	(22.76)
Add: Loss b/f from previous year	<b>(379.66)</b>	(356.90)
Loss carried forward to Balance sheet	<b>(431.45)</b>	(379.66)

### 2. Review of Operations :

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

### 3. Future Prospects :

The company is one of the very few producers of high quality socks in the world. The continued slow down in the Europe and the Indian consumer's unfamiliarity with high quality pure cotton socks has caused the company to temporally shut production.

### 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, 2013 and of the loss of the company for the year ended on that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The annual accounts have been prepared on a going concern basis.

#### **5. Corporate Governance :**

- (a) Management Discussion and Analysis Report is enclosed.
- (b) As per Clause 49 of the Listing Agreement with the Stock 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, 2013 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, 2013.

#### **7. Particulars of Employees :**

During the year under review, no employee of the company was in receipt of remuneration for the whole year which in the aggregate was Rs 60,00,000/- or more per annum nor was any employee in receipt of remuneration Rs.5,00,000/- or more per month for the any part of the year in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended.

During the year under review, industrial relations of the company continued to be cordial and peaceful.

#### **8. Particulars regarding Energy Conservation, Technology Absorption and Foreign Exchanges Earnings & Outgo :**

Details of Energy Conservation, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure "A" and Annexure "B" respectively, to the Directors Report.



**9. Directors :**

In accordance with the requirement of the Companies Act, 1956 and the Articles of Association of the Company, Mr. RavindraNath Reddy. A. G and Mr. Rakesh Garg, who retire by rotation and the board recommends their reappointment.

**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. 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.

**12. 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**

Place : Secunderabad  
Date : 09th August, 2012

Sd/-  
Anil Agarwal  
**Director**

Sd/-  
Hemant Kumar Agarwal  
**Director**

**ANNEXURE "A"****Energy Conservation and Technology Absorption:**

Statement pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

## 1. Energy Conservation measures taken.

The company does not have a major requirement of energy. However it is upgrading some of its electrical systems to bring itself up to date with the new hardware available for its motor driven machines.

## 2. Additional Investments and proposals, if any, implemented for reduction of consumption of energy.

## 3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact of the cost of production of goods.

} NIL

**FORM - A****Form for disclosure of particulars with respect to conservation of energy**

Particulars	Current year 2013 - 12	Previous year 2012 - 11
<b>A. Power &amp; Fuel Consumption</b>		
1. Electricity		
a. Purchased Units	<b>1,30,793</b>	3,98,494
Total Amount (Rs.)	<b>11,68,343</b>	14,59,534
Cost/Unit (Rs.)	<b>8.93</b>	3.66
b. Own Generation		
i. Through diesel generator		
Units	-	10,200
Total Amount (Rs.)	-	25,830
Cost/Unit (Rs.)	-	2.53
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>B. Consumption per unit of production</b>		
Standards (if any)		
Electricity per deca pair (Units)	<b>6.21</b>	6.81
Furnace oil/unit		

**FORM B**  
(See Rule 2)

**Form for disclosure of particulars with respect to technology absorption**

Particulars	Current year 2013 - 12	Previous year 2012 - 11
<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.

Particulars	2013 - 12 (Rs. in Lakhs)	2012 - 11 (Rs. in Lakhs)
1. Foreign Exchange Earnings	<b>33.38</b>	195.25
2. Foreign Exchange used	<b>0.17</b>	8.37

## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure and Developments

After dismantling of capacities in the high cost economics of Europe, a very few factories are left in the world who can produce high quality socks. Your company is one of them. However, due to the continued low demand in Europe and the inclination of the customer to accept the low quality and low price articles from china, your company has not benefited from the capacity dismantling which has taken place.

### Opportunities and Threats

The company expects to benefit from for the favorable exchange rate of the rupee with respect to the U.S Dollar and the Euro. Your directors have launched a vigorous marketing drive and expect good results. The Indian market for the high quality products of our company appears to be good. However to tap this domestic market your Company will need to find substantial risk capital to set up a distribution network and to educate to the domestic consumer. If the company is unable to exploit the aforesaid opportunities, the production will continue to maintain curtailed.

### Outlook

The company has to focus on the export market drive and hope that it bears fruit.

### Risks and Concerns

If the current export marketing drive and efforts to raise resource to market the

company's products in the domestic area are not successful the company will not be able to remedy the current situation.

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 and 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

As the company has temporarily ceased production. There are no employees.

## 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 2012- 2013, Four Board Meetings were held on 29.05.2012, 04.08.2012, 14.11.2012 and 14.02.2013 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 2012-13	Attendance at the last AGM held on 26th September, 2011	*No.of directorships As at 31st March, 2013	*Committee/s Position as at 31st March, 2013	
					Member	Chairman
Mr. Anil Agarwal	Non Executive Promoter	4	Yes	Nil	Nil	Nil
Mr. A.G. Ravindra nath Reddy	Non Executive Independent	4	No	1	Nil	Nil
Mr. Srikishan	Non Executive Independent	2	No	Nil	Nil	Nil
Mr. Rakesh Garg	Non Executive Independent	3	No	03	Nil	Nil
Mr. Hemant Kumar Agarwal	Non Executive Independent	4	No	Nil	Nil	Nil

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

**Details of Shareholding of Directors as at 31st March , 2013**

<b>Name of the Director</b>	<b>Number of Shares held</b>
Mr. Anil Agarwal	23,34,457

**A BRIEF RESUME OF DIRECTORS RETIRING BY ROTATION****a. Mr. Ravindranath Reddy. A. G :**

Mr. A. G. Ravindranath Reddy, aged about 56 Years is a Post Graduate in Commerce and a Fellow Member of the 'Institute of Company Secretaries of India'. Presently he is practicing in the area of Management Consultancy. He is Chairman of the Audit Committee and Shareholders Grievance Committee and member of the Remuneration committee of the Company. He has gained considerable knowledge and experience in financial matters.

**b. Mr. Rakesh Garg :**

Mr. Rakesh Garg aged about 51 years is a Fellow member of "Institute of Chartered Accountants of India" and is in practice for over 20 years. He has gained considerable knowledge and experience in 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 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 Meeting attended during the year</b>
1	Mr. A.G Ravindra nath Reddy	Non-Executive & Independent	4
2	Mr. SriKishan Badruka	Non-Executive & Independent	2
3	Mr. Rakesh Garg	Non-Executive & Independent	3

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

- |                        |                        |
|------------------------|------------------------|
| 1. 29th May, 2012      | 2. 4th August, 2012    |
| 3. 14th November, 2012 | 4. 14th February, 2013 |

#### **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 2012-13.

#### **5. Shareholders / Investors Grievance Committee :**

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

This committee deals with various matters relating to:

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

Total shareholder complaints received during the year was Nil.

## 6. General Body Meetings :

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

Sl. No.	Particulars	Date	Venue	Time	Special Resolutions passed in AGM
1.	20th AGM - for the Year 2011-12	29.09.2012	Survey No. 321 Kallakal Village Toopran Mandal, Medak District 502336, Andhra Pradesh.	11 A.M.	No
2.	19th AGM - for the Year 2010-11	26.09.2011	Survey No. 321 Kallakal Village Toopran Mandal, Medak District 502336, Andhra Pradesh.	11 A.M.	No
1.	18th AGM - for the year 2009-10	30.09.2010	Survey No. 321 Kallakal Village Toopran Mandal, Medak District 502336, Andhra Pradesh.	11 A.M.	No

There were no Extraordinary General Meetings held during the year 2012-13.

No item of business, which requires Special Resolution to be put through postal ballot, was transacted during the year 2012-13. 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 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	30th September, 2013 at 11 A.M. Survey No. 321, Kallakal Village, Toopran Mandal, Medak District -502 336, Andhra Pradesh.
ii.	Financial Calendar	<b>Financial reporting for the year 2013-14:</b> Quarter ending 30th June, 2013 - held on 9th August, 2013. Quarter ending 30th Sept, 2013 - on or before 14th November, 2013 Quarter ending 31st Dec, 2013 - on or before 14th of February, 2014 Quarter ending 31st March, 2013 - on or before 14th May, 2014.  <b>In case of Audited results</b> For the last quarter - on or before 30th May, 2014. AGM for year 2013-14 - on or before 30th Sept, 2014.
iii.	Date of Book Closure	23rd Sept, 2013 to 30th Sept, 2013 (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 2012-13 on the BSE**

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume (Nos.)
April, 2012	--	--	--	--
May, 2012	2.01	2.01	2.01	11
June, 2012	2.02	1.73	1.73	2901
July, 2012	1.84	1.65	1.84	301
August, 2012	1.84	1.84	1.84	500
September, 2012	1.83	1.67	1.83	225
October, 2012	1.83	1.44	1.44	4498
November, 2012	1.41	1.23	1.29	2420
December, 2012	1.47	1.22	1.47	5402
January, 2013	1.68	1.54	1.6	2667
February, 2013	1.68	1.53	1.53	1021
March, 2013	1.6	1.46	1.53	51

**Registrar and Transfer Agents, Share Transfer System :**

The Company's Registrar and Share Transfer Agents are CIL Securities Limited and all the shareholders' 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, 2013 :**

Range of Shares (in Rupees)	No. of Share holders	% of Share holders	Amount (Rs.)	% of Share holding
Up to 5000	7259	89.47	1,20,69,900	14.66
5001 - 10000	481	5.93	39,93,460	4.85
10001 - 20000	207	2.55	31,54,170	3.83
20001 - 30000	48	0.59	11,86,470	1.44
30001 - 40000	27	0.33	9,45,050	1.15
40001 - 50000	21	0.26	9,95,970	1.21
50001 - 100000	32	0.39	22,69,110	2.76
Above 100000	38	0.47	5,77,35,870	70.11
<b>Total</b>	<b>8113</b>	<b>100</b>	<b>82,35,000</b>	<b>100</b>

**Categories of Shareholding as on March 31st 2013 :**

Category	No. of Shares held	% of Share holding
Promoter and their group	36,24,096	44.01
Banks, Financial Institutions, Insurance Companies, Mutual Funds (Central/State Gov. Institutions/ Non- Government Institutions)	12,500	0.15
Private Corporate Bodies	12,23,511	14.86
Indian Public	33,32,608	40.47
NRIs/OCBs	42,285	0.51
<b>Total</b>	<b>82,35,000</b>	<b>100.00</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, 2013, 58,38,290 shares (70.90% 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 : info@karanwoosinltd.com &  
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

**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/-

Place: Secunderabad  
Date : 09th August, 2013

N. C. Reddy  
Manager

## **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, 2013 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 **Niranjan & Narayan**  
**Chartered Accountants**

FRN : 005899S

Sd/-

M. Niranjan

Partner

Place : Hyderabad

Date : 24th May 2013

M.No. : 29552

### **INDEPENDENT AUDITORS' REPORT TO KARAN WOO-SIN LTD.**

1. Report on the Financial Statements

We have audited the attached Financial Statements of Karan Woo-sin Limited as at 31st March, 2013 which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements and the statements annexed thereto

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956("the Act"). This

responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements and the statements annexed thereto that give a true and fair view and are free from material misstatements, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on the said Financial Statements annexed thereto based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement.

An audit involves performing procedures to

obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend upon our judgment, including the assessment of risks of material misstatements of the Financial Statements, whether due to fraud and error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of *financial statements*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements together with the schedules attached and read with the accounting policies and Notes forming part of accounts give the information required by the Act 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, 2013;
- b. In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Reporting under other Legal and Regulatory Authorities

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.

As required by Section 227(3) of the Act, we report that:

- a. 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 ;
- b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books ;
- c. The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and the Statement of Profit and Loss dealt with by this report comply with the accounting standards referred to in section 211(3C) 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.
- e. On the Basis of the written representations received from the directors as on 31st March, 2013, taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as director in terms of Section 274(1)(g) of the Act.

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

FRN : 005899S  
Sd/-

M. Niranjan  
Partner

Place : Hyderabad  
Date : 24th May 2013

M.No. : 29552

**ANNEXURE TO THE INDEPENDENT AUDITOR'S 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. 55.80 Lakhs and the year ending balance of unsecured loans taken from such parties was Rs.39.68 Lakhs.
  - b. The terms and conditions of such loans are prima facie not prejudicial to the interest of the Company.
  - c. The parties from whom loans and advances in the nature of loans have been taken were repaid as stipulated.
4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, through personal supervision of management, in respect of purchases of goods and other assets and for the sale of goods. During the course of our audit, we have not observed any major weakness in the internal controls.
5.
  - a. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of section 301 of the Act have been entered.
  - b. The transactions have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The company is not required to maintain cost records under section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
9.
  - a. According to the information and explanations given to us, and on the basis of our examination of the books of account, the Company has not been regular in depositing with appropriate authorities undisputed statutory dues including Service Tax, Excise Duty, Provident Fund, ESI and Income Tax Deducted at Source.
  - b. According to the information and explanations given to us, details of disputed Income Tax

and Sales tax which have not been deposited as on 31st March, 2013 on account of any dispute are given below :

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

10. The Company does not have accumulated losses at the end of the financial year, which is more than 50% of its net worth. The Company has incurred cash losses in the current financial year but not incurred cash losses in the year immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, clause 4(xii) of the order is not applicable.
13. The Company is not a chit fund, nidhi, mutual benefit fund, or a society. Accordingly clause 4(xiii) of the order is not applicable.
14. According to the information and explanations given to us and based on our verification, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, clause 4(xv) of the order is not applicable.
16. According to the information and explanations given to us and on the basis of our examination of the books of account, the term loans obtained by the Company were applied for the purpose for which such loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that no funds raised on short-term basis have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, clause 4(xviii) of the order is not applicable.
19. The Company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.
20. The Company has not raised any money by public issues during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

FRN : 005899S

Sd/-

M. Niranjan

Partner

M.No. : 29552

Place : Hyderabad  
Date : 29th May 2013

**Balance Sheet as at 31st March, 2013**

(Amount in Rupees)

PARTICULARS	Notes	As At	
		31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
<b>EQUITY &amp; LIABILITIES :</b>			
<b>Shareholder's Funds :</b>			
Share Capital	1	<b>82,350,000</b>	82,350,000
<b>Reserves &amp; Surplus</b>	2	<b>(40,897,026)</b>	(35,718,505)
<b>Non-Current Liabilities :</b>			
Long Term Borrowings	3	<b>11,949,711</b>	13,971,576
<b>Current Liabilities :</b>			
Trade Payable	4	<b>1,107,199</b>	1,421,038
Short Term Borrowings		-	-
Other Current Liabilities	5	<b>652,178</b>	1,914,540
Short Term Provisions	6	<b>369,987</b>	369,987
<b>Total :</b>		<b>55,532,049</b>	64,308,636
<b>ASSETS :</b>			
<b>Non-Current Assets :</b>			
<b>Fixed assets :</b>			
Tangible Assets	7	<b>24,861,260</b>	27,994,449
Intangible Assets		-	-
Non-Current Investments		-	-
Long Term Loans and Advances		-	-
<b>Current assets :</b>			
Current Investments	8	<b>3,062</b>	103,062
Inventories	9	<b>23,514,130</b>	27,074,157
Trade Receivables	10	<b>4,337,783</b>	4,052,240
Cash and Bank Balances	11	<b>297,122</b>	2,374,793
Short Term Loan & Advances	12	<b>2,518,692</b>	2,709,935
<b>Total :</b>		<b>55,532,049</b>	64,308,636
Significant Accounting Policies & Notes on Accounts	21		-

As per our report of even date

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

FRN : 005899S

Sd/-

M. Niranjan

Partner

M.No. : 29552

Place : Hyderabad

Date : 24th May 2013

For and on behalf of the Board

Sd/-

Anil Agarwal

**Director**

Sd/-

Hemant Kumar Agarwal

**Director**

Sd/-

N.C. Reddy

**Manager**



**Statement of Profit and Loss for the year ended 31st March, 2013**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>Notes</b>	<b>Year ended 31<sup>st</sup> March, 2013</b>	<b>Year ended 31<sup>st</sup> March, 2012</b>
<b>INCOME :</b>			
Revenue from operations	13	<b>9,481,450</b>	26,726,846
Other Income	14	<b>1,322,482</b>	755,213
<b>Total :</b>		<b>10,803,932</b>	<b>27,482,059</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	15	<b>4,338,327</b>	11,617,060
Changes in Inventory		<b>1,983,243</b>	1,800,171
Purchase of Finished Goods		-	233,036
Manufacturing Overheads	16	<b>74,342</b>	125,685
Power & Fuel	17	<b>1,182,432</b>	1,741,433
Sales Tax		<b>46,923</b>	192,093
Customs Duty		-	33,263
Employee Benefit Expenses	18	<b>2,371,637</b>	5,102,352
Financial Costs		<b>1,123,058</b>	1,425,582
Depreciation	7	<b>3,133,189</b>	3,130,294
Administration and Other Expenses	19	<b>1,582,552</b>	3,678,542
Repairs & Maintenance	20	<b>146,750</b>	608,756
<b>Total :</b>		<b>15,982,453</b>	<b>29,688,267</b>
<b>(Loss) / Profit before Taxation</b>		<b>(5,178,521)</b>	<b>(2,206,208)</b>
Less : Prior Period Expenses		-	(70,032)
Less : Interest on TDS		-	-
<b>(Loss) / Profit for the year</b>		<b>(5,178,521)</b>	<b>(2,276,240)</b>
<b>Earnings per Equity Share :</b>			
Basic		<b>(0.63)</b>	(0.28)
Diluted		<b>(0.63)</b>	(0.28)

As per our report of even date

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

FRN : 005899S

Sd/-

M. Niranjan

Partner

M.No. : 29552

Place : Hyderabad

Date : 24th May 2013

For and on behalf of the Board

Sd/-

Anil Agarwal

**Director**

Sd/-

Hemant Kumar Agarwal

**Director**

Sd/-

N.C. Reddy

**Manager**

**Cash Flow Statement for the year ended 31st March, 2013**

(Amount in Lakhs)

PARTICULARS	As At 31 <sup>st</sup> March, 2013	As At 31 <sup>st</sup> March, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
1 Net profit /Loss before tax and extra-ordinary items	<b>(51.64)</b>	(22.06)
Adjustments for :		
2 Depreciation	<b>31.33</b>	31.30
3 Interest & Other non operating Income	<b>(13.22)</b>	(7.55)
4 Interest - Expenditure	<b>8.99</b>	14.26
Operating Profit /Loss Before working Capital Charges	<b>(24.69)</b>	15.95
Adjustments for :		
5 Trade receivables	<b>(2.86)</b>	38.86
6 Inventories	<b>35.60</b>	(4.80)
7 Other receivables	<b>1.91</b>	0.67
8 Trade Payables	<b>(7.31)</b>	(24.19)
Cash Generated from operations	<b>2.81</b>	26.49
9 Interest Paid	<b>(8.99)</b>	(14.26)
10 Direct Taxes	-	-
Cash Flow before Extra-ordinary Items	<b>(6.18)</b>	12.23
11 Extra-ordinary / Prior period Items	-	(0.70)
<b>Net Cash Flow from operating Activities</b>	<b>(6.18)</b>	11.53
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
12 Loans to Companies	-	-
13 Purchase of Fixed Assets	-	(9.21)
Decrease in Capital work in progress	-	-
Decrease/ (Increase) in Investment	<b>1.00</b>	22.90
14 Sale of Fixed Assets (Gross Value)	-	0.67
15 Interest Income	<b>4.63</b>	7.55
<b>Net Cash Flow for Investing Activities</b>	<b>5.63</b>	21.91

PARTICULARS	As At 31 <sup>st</sup> March, 2013	As At 31 <sup>st</sup> March, 2012
<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>(20.22)</b>	(34.83)
18 Dividend	-	-
<b>Net Cash Flows from Financing Activities</b>	<b>(20.22)</b>	(34.83)
<b>Net Increase / Decrease in Cash + Cash equivalents</b>	<b>(20.78)</b>	(1.39)
<b>Opening Balance</b>	<b>23.75</b>	25.14
<b>Closing Balance</b>	<b>2.97</b>	23.75

As per our report of even date  
For **Niranjan & Narayan**  
**Chartered Accountants**  
FRN : 005899S  
Sd/-  
M. Niranjan  
Partner  
M.No. : 29552  
Place : Hyderabad  
Date : 24th May 2013

For and on behalf of the Board

Sd/- Anil Agarwal <b>Director</b>	Sd/- Hemant Kumar Agarwal <b>Director</b>
	Sd/- N.C. Reddy <b>Manager</b>

## Notes forming part of the financial accounts

(Amount in Rupees)

PARTICULARS	As At 31 <sup>st</sup> March, 2013	As At 31 <sup>st</sup> March, 2012
<b>1. Share Capital :</b>		
Authorised :		
110,00,000 Equity Share of Rs.10/- each	<b>110,000,000</b>	110,000,000
Issued, Subscribed and Paid up :		
82,35,000 Equity Shares of Rs.10/- each	<b>82,350,000</b>	82,350,000
	<b>82,350,000</b>	82,350,000
<b>2. Reserves &amp; Surplus :</b>		
Capital Reserve	<b>2,247,813</b>	2,247,813
Profit & Loss a/c. :		
As per last Balance Sheet	<b>(37,966,318)</b>	(35,690,078)
Add : Loss during the year	<b>(5,178,521)</b>	(2,276,240)
	<b>(40,897,026)</b>	(35,718,505)
<b>3. Long Term Borrowings :</b>		
Secured Loans :		
Hire Purchase Loan		
Hire Purchase Loan	<b>188,652</b>	284,424
Other Secured Loans		
Other Secured Loans	<b>7,792,523</b>	9,220,456
Unsecured Loans :	<b>3,968,536</b>	4,466,696
	<b>11,949,711</b>	13,971,576
<b>4. Trade Payables :</b>		
Other Long term Liabilities		
Dues to Medium & Small Scale	-	-
Dues to Others	<b>1,107,199</b>	1,421,038
	<b>1,107,199</b>	1,421,038
<b>5. Other Current Liabilities :</b>		
Advance from Customers	-	512,732
Other Liabilities	<b>652,178</b>	1,401,808
	<b>652,178</b>	1,914,540
<b>6. Short-term Provisions :</b>		
Provision for Taxation	<b>5,026</b>	5,026
Provision for FBT	<b>364,961</b>	364,961
	<b>369,987</b>	369,987
<b>8. Current Investments:</b>		
Quoted Investments:		
Units of IDFC Money Manager Fund-Plan A	<b>3,062</b>	3,062
Market Value Rs.13,642.61/-		
Units of Canara Robeco - Investment	-	100,000
Market Value Rs.1,02,526/-		
	<b>3,062</b>	103,062

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

Description	Gross Block			Depreciation			Net Block		
	As at 01-04-2012	Additions/ Adj/ during the period	Deletions/ Discarded during the period	As at 31-03-2013	As at 01-04-2012	Depreciation for the period	Deletions/ Discarded during the period	As at 31-03-2013	As at 31-03-2012
<b>i) Tangible Assets :</b>									
Own Assets:									
Land freehold	1,310,104	-	-	1,310,104	-	-	-	1,310,104	1,310,104
Buildings	7,613,163	-	-	7,613,163	4,675,407	254,280	4,929,687	2,683,476	2,937,756
Plant & Machinery	56,185,729	-	-	56,185,729	34,802,570	2,668,821	37,471,391	18,714,338	21,383,159
Office Equipment	815,519	-	-	815,519	815,518	-	815,518	1	1
Furniture & Fixture	513,508	-	-	513,508	491,076	22,431	513,507	1	22,432
Vehicle	1,107,780	-	-	1,107,780	622,774	105,239	728,013	379,767	485,006
Electrical Installation	1,735,108	-	-	1,735,108	1,607,488	82,418	1,689,906	45,202	127,620
<b>Sub-total (i)</b>	69,280,911	-	-	69,280,911	43,014,833	3,133,189	46,148,022	23,132,889	26,266,078
<b>ii) Intangible Assets :</b>									
<b>Total (i+ii)</b>	69,280,911	-	-	69,280,911	43,014,833	3,133,189	46,148,022	23,132,889	26,266,078
Previous Year Capital WIP (including Advances)	69,541,365	921,262	1,181,716	69,280,911	40,999,704	3,130,294	1,115,165	1,728,371	1,728,371
	1,728,371	-	-	1,728,371	-	-	-	-	-
							Total	24,861,260	27,994,449

**Notes forming part of the financial accounts (Contd.)**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As At 31<sup>st</sup> March, 2013</b>	<b>As At 31<sup>st</sup> March, 2012</b>
<b>9. Inventories :</b>		
Stock in trade at lower of cost or net realisable value as taken, valued and certified by Directors		
Raw Materials	<b>2,054,227</b>	3,772,651
Work-in-progress	<b>14,178,540</b>	15,574,983
Tools & Spares	<b>2,748,741</b>	2,314,540
Packing Material	<b>4,489,422</b>	4,781,983
Finished Goods	<b>43,200</b>	630,000
	<b>23,514,130</b>	27,074,157
<b>10 . Trade Receivables :</b>		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	<b>4,326,004</b>	2,570,773
Other debts	<b>11,779</b>	1,481,467
	<b>4,337,783</b>	4,052,240
<b>11. Cash and Bank Balances :</b>		
Cash on hand	<b>266,744</b>	997,900
Balances with scheduled banks		
- On Current accounts	<b>30,378</b>	459,421
- On Fixed Deposit accounts	-	917,472
	<b>297,122</b>	<b>2,374,793</b>
<b>12. Short-term Loans and Advances :</b>		
(Unsecured and considered good)		
Advances recoverable in cash or in kind for value to be received	<b>2,063,048</b>	2,295,351
Deposit with APCPDCL	<b>299,325</b>	260,100
Tax deducted at source	<b>138,969</b>	137,134
Other deposits	<b>17,350</b>	17,350
	<b>2,518,692</b>	2,709,935

**Notes forming part of the financial accounts (Contd.)**

(Amount in Rupees)

<b>PARTICULARS</b>	<b>As At 31<sup>st</sup> March, 2013</b>	<b>As At 31<sup>st</sup> March, 2012</b>
<b>13. Revenue from operations :</b>		
Export Income		
Sales	<b>6,142,991</b>	19,524,974
Domestic Income		
Sales	<b>3,338,459</b>	7,201,872
Job work income	-	-
	<b>9,481,450</b>	26,726,846
<b>14. Other Income :</b>		
Dividend from Mutual Fund	-	-
Interest on Deposits	<b>462,686</b>	206,792
CST Claims	<b>10,333</b>	190,209
Profit on sale of Assets	-	127,449
Exchange Fluctuation Gain	-	-
Balances written back	<b>849,463</b>	230,763
	<b>1,322,482</b>	755,213
<b>15. Cost of materials consumed :</b>		
Raw Material Consumed	<b>4,079,552</b>	10,553,411
Packing Material Consumed	<b>451,810</b>	1,047,210
Stores, Spares Tools Consumed	<b>(193,035)</b>	16,439
	<b>4,338,327</b>	11,617,060
<b>16. Manufacturing Overheads :</b>		
Insurance charges	-	1,053
Freight/Octroi Inwards-Courier	<b>38,704</b>	75,578
Freight/Octroi Inwards-GTA	<b>21,503</b>	48,054
Job work charges	-	-
Factory maintenance	<b>14,135</b>	1,000
	<b>74,342</b>	125,685
<b>17. Power &amp; Fuel :</b>		
Electricity charges	<b>1,182,432</b>	1,459,533
Fuel cost	-	281,900
	<b>1,182,432</b>	1,741,433
<b>18. Employee benefit expenses :</b>		
Salaries, Wages and Bonus	<b>2,152,257</b>	4,648,202
Contribution to Provident Fund & ESI	<b>215,180</b>	451,540
Production Incentives	<b>4,200</b>	-
OT Expenses	-	-
Staff Welfare Expenses	-	2,610
	<b>2,371,637</b>	5,102,352

**Notes forming part of the financial accounts (Contd.)**

(Amount in Rupees)

PARTICULARS	As At	As At
	31 <sup>st</sup> March, 2013	31 <sup>st</sup> March, 2012
19. Administrative and other Expenses :		
Advertisement Expenses	54,396	15,336
Auditor's Remuneration	15,000	15,000
Bank Charges	58,535	588,342
Board Meeting Expenses		-
Books & Periodicals	4,000	1,670
Bussiness Promotion Expenses	5,514	2,140
Car hire charges	-	1,620
Clearing and Forwarding Expenses	-	773,244
Conveyance	2,903	810
Custodial Fees	30,000	30,000
Directors Sitting Fees	70,000	90,000
Discount on Sales	-	9,180
Donation	7,500	7,500
Electricity Charges	30,579	17,570
Foreign Exchange Fluctuation	229,455	199,822
Foreign Travelling Expenses	-	159,920
Freight Outward	254,043	226,551
Inspection Charges	-	14,125
Insurance	43,146	114,376
Listing Fees	25,000	25,000
Membership Charges	24,791	22,769
Miscellaneous / Other Expenses	740	7,586
Office Maintanance	63,832	60,942
Postage and Telegrams	61,827	165,911
Printing and Stationery	69,422	128,745
Professional Charges	124,079	168,333
Rates and Taxes	17,264	37,320
Registrar Fees	56,689	54,900
Rent - Office	114,000	114,000
Sales Promotion Expenses	14,500	-
Service Tax	39,998	87,693
Telephone / Xerox / Fax / Postage Charges	96,444	171,771
Travelling Expenses	63,895	315,166
Website Marketing & Brand Development	5,000	51,200
	<b>1,582,552</b>	<b>3,678,542</b>
20. Repairs & Maintanance		
Plant & Machinery maintenance	55,839	492,511
Vehicle Maintenance	90,911	116,245
	<b>146,750</b>	<b>608,756</b>



**21. SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES:**

- a) **Basis of accounting** : The Financial Statements are prepared under the historical cost convention on an accrual basis and are in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 and are in accordance with the requirements of the Companies Act, 1956.
- b) Sales are recognized on dispatches to customers and exclusive of excise duty wherever applicable.
- c) **Fixed Assets** : Fixed Assets are stated at cost less depreciation and capital work in progress is valued at cost.
- d) Depreciation on fixed assets is provided on straight-line method at the rates specified from time to time in schedule XIV of the Companies Act, 1956. Depreciation on additions / deductions during the year is calculated pro-rata from / to date of additions / deductions.
- e) An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.
- f) **Borrowing Costs** : Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.
- g) **Investment** : The investments that are made by the company are valued at cost or realizable value, whichever is less.
- h) **Inventories** : Inventories are valued as under:
- |                      |   |   |
|----------------------|---|---|
| Raw materials        | } | At Cost   |
| Stores & Spares      |   |   |
| Packing materials    |   |   |
| Finished goods       |   | At cost or net realizable value whichever is lower. |
| Work - in - progress |   | At cost   |

i) **Retirement Benefits for Employees** : The provisions of Accounting Standard 15 on Accounting for Retirement Benefits in the Financial Statements of Employer issued by the Council of the Institute of Chartered Accountants of India are being complied with by the company under the Provident Fund Act. Gratuity is accounted for on cash basis.

j) **Prior Period and Extraordinary items** : Income and expenditure pertaining to prior period as well as extraordinary items, where material are disclosed separately.

k) **Foreign Exchange transactions** : Transactions in Foreign Currency are recorded at original rates of exchange in force at the time of the transaction. Gains/Losses, if any, at the year-end on account of restatement of current assets and current liabilities are accounted for in the statement of profit and loss.

Exchange Rate Fluctuations arising due to repayment of liabilities incurred for the purpose of acquiring fixed assets or due to restatement at the closing rate or at the forward rate contracted, as applicable, are accounted for in the statement of profit and loss.

l) The company is engaged in the business of manufacturing socks and there are no separate reportable primary and secondary segments as per Accounting Standard - 17 "Segment Reporting."

m) The company has not entered into any non-cancelable lease. Hence reporting as per Accounting Standard AS-19 "Accounting for Leases" does not arise.

n) The timing differences relating mainly to depreciation and unabsorbed losses up to 31st March, 2013, resulted in net deferred asset as per Accounting Standard - 22 "Accounting for Taxes on Income". As a prudent measure the net deferred assets relating to the above periods have not been recognized in the accounts.

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

**p) Cash and Cash Equivalents :**

Particulars	As at 31st March	
	2013	2012
Cash and bank balance as per Balance Sheet	<b>2,97,122</b>	23,74,793

**q) Important Ratios :**

Particulars	Year ended 31st March	
	2013	2012
Sales to total assets ratio	<b>17.07 %</b>	41.56 %
Operating profit /Average capital employed ratio	<b>-12.17 %</b>	-4.89 %
Return on average net worth	<b>-12.49 %</b>	-4.88 %
Profit after tax to sales ratio	<b>-54.62 %</b>	-8.52 %

**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 need not provide any gratuities for the current year as no employees are working as on date. The company has not provided for the gratuity in the accounts for the year 2012-13 and the amount not provided in the previous year was Rs. 55,541. Consequently the loss for the previous year and provisions for the previous year is understated to extent of Rs. 55,541 and Rs 12,28,379 respectively.
5. Related Party Disclosure for the year ended March 31, 2013:

Related Parties and their relationships:

<b>Associates</b>	<b>Directors</b>	<b>Relatives of Directors</b>
Zarish Properties Pvt Ltd	Mr. Anil Agarwal	Mrs. Chitrita Agarwal Mr. Rishabh Agarwal

Transactions with the related Parties :

	<b>Associates</b>	<b>Directors</b>	<b>Relatives of Directors</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
Amounts payable (in respect of Loans)	Nil	17,47,251	22,01,425

### NOTES FORMING PART OF THE BALANCE SHEET AND THE STATEMENT OF PROFIT AND LOSS

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

Particulars	31st March, 2013		31st March, 2012	
	Deca pairs	Value	Deca pairs	Value
A Licensed & Installed capacity	<b>*442,000</b>	-	*442,000	-
B Details of production	<b>21,057</b>	-	60,000	-
C Details of Inventories :	<b>17,496</b>	<b>14,221,740</b>	23,881	16,204,983
D Details of Turnover :	<b>27,442</b>	<b>9,481,450</b>	67,173	26,726,846
E Raw material & Components consumed :	<b>% to total</b>	<b>Value</b>	<b>% to total</b>	<b>Value</b>
Consumption Imported	<b>0.38%</b>	<b>0.17</b>	1.38%	1.46
Indegeneous	<b>99.62%</b>	<b>42.78</b>	98.62%	104.24
F Value of imports on CIF Basis		<b>Rs. In Lakhs</b>		<b>Rs. In Lakhs</b>
-Raw materials & packing materials	-	-	-	-
-Components and spare parts	-	<b>0.17</b>	-	5.40
-Capital goods	-	-	-	5.31
G Earnings in foreign currency :				
-Export of goods on CIF basis	-	<b>33.38</b>	-	195.25
H Expenditure in foreign currency :				
a. Travelling expenses	-	<b>0.63</b>	-	1.60
b. Commission / discounts allowed on exports	-	-	-	-
c. Other expenses	-	-	-	-

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

7. There are no dues payable to Small Scale Industries in excess of Rs. 1 Lakh which are outstanding for more than 30 days as at 31st March, 2013.
  8. Previous year figures have been regrouped wherever necessary.
  9. Statement pursuant to Part-IV of Schedule-VI of the Companies Act,1956.
- 

Signature to Notes : 1 - 21  
As per our report of even date  
For **Niranjan & Narayan**  
**Chartered Accountants**  
FRN : 005899S

For and on behalf of the Board

Sd/- Anil Agarwal <b>Director</b>	Sd/- Hemant Kumar Agarwal <b>Director</b>
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Sd/-  
M. Niranjan  
**Partner**  
M.No. : 29552

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

Place : Hyderabad  
Date : 24th May 2013

**KARAN WOO-SIN LIMITED**

Regd. Office : S.No.321, Kallakal Village, Toopran Mandal, Medak Dt - 502 336. A.P.

**ATTENDANCE SLIP****21st Annual General Meeting - 30th September, 2013 at 11 a.m.**

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

DP Id
Client Id

Folio No.
-----------

Name of the Member.....

Name of the Proxy.....

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

No. of Shares held .....

I hereby record my presence at the 21st 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 28th September 2013.

(Joint Shareholders may obtain additional slip on demand)

.....  
Member's / Proxy's Signature**KARAN WOO-SIN LIMITED**

Regd. Office : S.No.321, Kallakal Village, Toopran Mandal, Medak Dt - 502 336. A.P.

**PROXY FORM****21st Annual General Meeting - 30th September, 2013 at 11 a.m.**

DP Id
Client Id

Folio No.
-----------

I/We ..... of .....being a member(s) of Karan Woo-Sin Limited hereby appoint ..... of ..... or failing him ..... of .....as my / our proxy to vote for me/ us and on my /our behalf , at the 21st Annual General Meeting of the Company to be held on 30th September 2013 or at any adjournment thereof.

Signed this ..... Day of September 2013.

Affix Re.0.15/- Revenue Stamp
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**NOTE :**

- The form should be signed across the stamp as per the specimen signature registered with the Company.
- 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 Dt - 502 336. Andhra Pradesh.