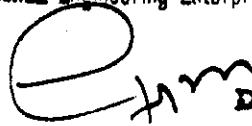


# GOLKONDA ENGINEERING ENTERPRISES LIMITED



For Golkonda Engineering Enterprises Ltd

  
Director

14 th

Annual Report  
1998-99

**Board of Directors**

**G.P. Surana**  
Managing Director

**Directors**  
Ravi Surana  
Dipin Surana  
Ram Mohan Rao

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**AUDITORS**

M/s. Sekhar & Co.  
Chartered Accountants,  
133/4, R.P. Road,  
Secunderabad - 5 00 003.

**BANKERS**

State Bank of Hyderabad  
UTI Bank Limited  
A.P Mahesh Co-operative Urban Bank Ltd.

**REGISTERED OFFICE**

7th Floor, Surya Towers,  
Sardar Patel Road,  
Secunderabad - 500 003.

**WORKS**

Plot No. 134,  
IDA Nacharam  
Mallapur  
Ranga Reddy District, (A.P)

GOLKONDA ENGINEERING ENTERPRISES LIMITED,  
REGD. OFF: 7TH FLOOR, SURYA TOWERS,  
S.P. ROAD, SECUNDERABAD-500003.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Shareholders of M/s. Golkonda Engineering Enterprises Limited, will be held on Wednesday, the 29th day of September, 1999, at 3.00 p.m. at 7th Floor, Surya Towers, S.P. Road, Secunderabad - 500 003 to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit & Loss Account for the period ended 31st March, 1999 along with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Dipin Surana, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS :**

4. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolution :

"RESOLVED THAT pursuant to Section 84 and other applicable provisions, if any, of the Companies Act, 1956, the Authorized Share Capital of the Company be and is hereby increased from Rs. 1.00,00,000/- (Rupees One Crore only) to Rs. 5.00,00,000/- (Rupees Five Crores only) by creation of 40,00,000 (Forty Lakhs) Equity Shares of Rs 10/- each ranking pari-passu with the existing Equity Shares of the Company".

5. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolution :

"RESOLVED THAT on the Resolution No.4 being duly passed and becoming effective, the existing Clause V of the Memorandum of Association of the Company be and is hereby deleted and substituted by the following:

- V. The Authorized Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty lakhs) Equity Shares of Rs 10/- (Rupees ten only) each with rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the Capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

6. To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Special Resolution :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, on the Resolution No.4 being duly passed and becoming effective, the existing Article 2 of the Articles of Association of the Company be and is hereby deleted and substituted by the following :

2. The Authorised Share Capital of the Company is Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each with powers to increase the share capital.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 17 of the Companies Act 1956, and subject to the approval of the Members, the Main Object Clause III(A)(1) of the Memorandum of Association of the Company be altered by inserting the word "manufacture" after the word "To" in the first line of sub-clause (1) of the Main Object Clause III(A) to read as under :

1. To manufacture, buy, sell, exchange, prepare for market, import, export, distribute and deal in all types of mechanical, electrical, electronic goods, components and parts thereof used in various industries and among other things and particularly the following items of engineering goods.

"RESOLVED FURTHER that Clause III(A) of the Memorandum of Association of the Company be altered by inserting of the undermentioned new Sub-clauses as Sub-clause 1 (i), (ii) and (iii) which reads as :

**Clause No.1 (i) :**

To manufacture, process, buy, sell, import, export or otherwise deal in all kinds of card board packing plastics packing polythene packing containers bottless, hollow wares whether made of plastic H.D.P., L.D.P., polypropoline plastic, P.V.C and other manmade fibrous material.

**Clause No.1 (ii) :**

To carry on the business of manufacturers, produce, process, sell, import, export and otherwise deal in all kinds of Fibre Cable, instrumentation cables, coaxial cables, Jelly-Filled Cables, cables to be used in defence and railways, telecommunication cables, power cables, telecommunication equipments and accessories and all kinds of cables and manufacture of telecommunication equipments, instruments, data communication equipment and all kinds of equipment meant for telecommunication network and systems including parts and accessories thereof.

**Clause No.1 (iii) :**

To carry on the business as copper, lead, iron and steel brass foundries, extrusion of all or any of the types of ferrous and non-ferrous metals, forgers, refiners, furnace proprietors, smelters, general engineers, jobbers, fabricators, contractors, tool makers, metal workers, manufacturers and dealers of copper, lead, steel, metal and malleable, greyiron castings, forgings including ferrous, non-ferrous, special and alloy steel and manufacturers of all sorts of re-rolling copper, recycling copper scrap and steel products and all other ferrous and non-ferrous metals.

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as Ordinary Resolution:

"RESOLVED that consent to the approval of the members as per the provisions of Section 293(1)(d) and any other provisions of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to borrow any sum or sums of monies from time to time which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not at any time exceed Rs.30.00 Crores (Rupees Thirty Crores only)".

9. To consider, and if thought fit, to pass the following resolution with or without modification(s), as Ordinary Resolution:

"RESOLVED that consent to the approval of the members as per the provisions of Section 293(1)(a) and any other provisions of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorised to mortgaging and/or charging of all the immovable and movable properties of the Company wheresoever situate, present and future, including outstanding monies, receivables, claims, bills, invoices, documents, contracts, engagements, securities, investments and assets of the company and/or conferring power to enter upon and to take possession of the assets of the company in

certain events, to or in favour of any Financial Institutions or Banks, Insurance Companies or any other parties or persons, for securing any loans or facilities granted or to be granted by or any obligation incurred or to be incurred towards such Financial Institutions, Banks, Insurance Companies or any other parties or persons as the case may be, together with the interest, thereon at agreed rates, compound interest, additional interest, liquidated damages, commitment charges, costs, charges, expenses and any monies payable in connection therewith and further that the Board be and is hereby authorised to finalise with any or all concerned parties aforesaid the documents in relation to or for creating the mortgages and/or charges aforesaid and to do all such acts, deeds and things including execution of any documents as may be necessary or expedient for giving effect to this resolution".

By Order of the Board,  
for GOKONDA ENGINEERING ENTERPRISES LTD



(G.P. SURANA)  
Managing Director

DATE : 31-07-1999  
PLACE : Secunderabad

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.
2. The proxy in order to be effective, must be deposited at the registered office of the company not less than 48 hours from the time of the Annual General Meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from 28-09-1999 to 29-09-1999 (both days inclusive).
4. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business set out above is annexed hereto.

### EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

#### Item No.4, 5 & 6 :

The authorised share capital of the Company presently stands at Rs.1,00,00,000/- divided into 10,00,000 Equity Shares of Rs.10/- each. With the growing expansion of the Company's business it is desirable to bring the authorised capital of the Company in proper co-relation with the magnitude of the Company's resources and size of its undertaking. It is, therefore, considered advisable to increase the authorised capital of the Company from Rs.1,00,00,000/- to Rs.5,00,00,000/- by creation of 40,00,000 Equity Shares of Rs.10/- each, which will rank pari passu in all respects with the existing equity shares in the Company. The proposed increase of the authorised capital of the Company requires the approval of the members in general meeting. Consequent upon the increase in authorised capital of the Company, its Memorandum and Articles of Association will require alteration so as to reflect the increase in share capital. The Board recommends the above resolutions for approval of the members.

None of the Directors is interested in the resolutions.

#### Item No.7 :

At present your Company is engaged in the business of Recycling of Copper scrap and manufacture of copper wire and copper rod, and had adequate resources for undertaking other business. In view of the liberalised economic policy pursued in the country, the Company is exploring the possibilities of broad-basing and strengthening its activities and to augment its resources. Your Company has ambitious plans to enter into manufacture of Jelly Filled Cables, Optical Fibre Cables, telecommunication cables and equipments and some other allied activities which are highly profitable and have good prospects in the prevailing economic scenario. It is, therefore, considered necessary, desirable and expedient to enlarge the objects clause in the Memorandum of Association of your Company as set out in the resolution. This will enable your company to carry on its business more economically and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the activities of your company.

The alteration in object clause of Memorandum of Association requires the approval of the members of the Company in the General Meeting. Hence, your Directors recommend the Special resolution for your approval.

None of the Directors of the Company is concerned or interested in the above resolution except as shareholders in general.

## Item No.8 :

Under Section 293 (1)(d) of the Companies Act, 1956, in case of a Public Limited Company, the Board of Directors cannot except with the consent of the Company in General Meeting, borrow monies apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate paid-up capital and free reserves of the Company. Since the Company is going for expansion, it may have to borrow long term funds from banks, financial institutions and corporate bodies which may exceed the aggregate paid capital and free reserves of the Company.

Major proposal of the Share holders is now sought to borrow funds for the Company in order to build up capital and reserves of the Company for an amount not exceeding Rs.50.00 Crores.

None of the Directors is interested or concerned in the resolution.

## Item No.9 :

Section 293 (1)(a) of the Companies Act, 1956 provides, inter alia that the Board of Directors of a public limited company shall not, without the consent of the Company in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertakings of the Company.

The company, for the purpose of its business, obtains loans and or other facilities from Financial Institution/Banks/ Insurance companies or other parties or persons which may have to be secured by mortgages and or charges on the movable and/or immovable properties of the Company.

Since the mortgaging and/or charging by the company of its movable and or immovable properties may be deemed to be disposal of the whole or substantial the whole of the undertakings of the Company within the meaning of Section 293 (1)(a) of the Companies Act, 1956, the Board considers it necessary for the Members to pass a resolution this effect.

None of your Directors are directly or indirectly interested in the resolution.

By Order of the Board,  
for GOLKONDA ENGINEERING ENTERPRISES LTD



(G.P.SURANA)  
Managing Director

DATE : 31-07-1979  
PLACE : Secunderabad



## DIRECTORS' REPORT

To

The Members,

Your Directors have pleasure in presenting the FOURTEENTH ANNUAL REPORT of the Company together with the audited accounts for the period ended on 31.03.99.

FINANCIAL RESULTS:

	Current Year 31.03.1999 (Rs. in lacs)	Previous Year 31.03.1998 (Rs. in lacs)
	-----	-----
Turnover	299.24	635.77
Expenditure	281.67	619.69
Profit for the year	17.57	16.08
Prior period adjustments	(0.56)	(0.20)
Profit before taxation	18.13	15.88
Less: Provision for taxation	3.50	4.75
Income Tax of earlier years	(0.82)	-
Profit after tax	13.80	11.13
Add: Balance brought forward from previous year	43.52	32.39
Balance available for appro- priation and carried forward to Balance Sheet.	57.32	43.52

**PERFORMANCE:**

On account of irregular supply of Raw material, the capacity utilisation of the plant was lower, which has resulted in lower turnover. However inspite of lower turnover the profit of the Company was higher at Rs. 13.80 lakhs as compared to 11.13 lakhs in previous year. This was mainly on account of better price realisation.

**DIVIDEND:**

In the light of the existing commitments and proposals Your Directors do not recommend any Dividend for the year 1998-99.

**DEPOSITS :**

The Company has not accepted any deposits from the public during the year under review.

**FUTURE OUTLOOK:**

With the substantial growth in telecom sector the Company expects continuous supply of cable scrap during the year. In addition to this the Company has been issued special license for import of cable scrap in view of the positive developments the Company expects to improve the capacity utilisation which will improve the bottom line of the Company.

**DIVERSIFICATION:**

In order to take advantage of growth in telecom sector and excellent scope of future growth in Jelly Filled Telecom Industry the Company has decided to diversify its operation by manufacturing Jelly Filled Telephone Cables accordingly it was decided to manufacture Jelly Filled Telephone Cables with an installed capacity of 8.5 lakhs LCKM the cost of the project is estimated at Rs. 1300 lakhs and is proposed to be funded from term loan of Rs. 850 lakhs, increase in Equity Capital of