

**6th
ANNUAL REPORT
1998-99**



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GOLDWON TEXTILES LIMITED

GOLDWON TEXTILES LIMITED**NOMINATION OF SHARES**

The Companies (Amendment) Ordinance, 1999 has introduced the facility for nomination of shares. According to it, every holder of shares or in the case of joint holders, all the joint holders may at any time nominate a person to whom all the rights in his/her/their shares of the Company shall vest in the event of his/her/their death.

The nomination can be made by individuals holding shares on their own behalf singly or jointly upto two persons. Non-individuals such as partnership firm, Kartha of HUF, Trust of Body corporate or holder of Power of Attorney cannot nominate, nor can they become nominee(s).

Unless the nomination is varied or cancelled in the prescribed manner, the nominee shall become entitled on the death of share holder (or all the joint share holders) to all the rights in the shares of the Company. This is notwithstanding anything contained in any other law for the time being in force or in any testamentary or other disposition.

A minor can be nominated by shareholder(s). If the nominee is minor, the shareholder(s) to make the nomination to appoint in the prescribed manner any person to become entitled to shares of the Company in the event of his death, during the minority.

A non-resident Indian can be a nominee on repatriable basis.

Subject to production of such evidence as may be required by the Board, a nominee may elect either to be registered himself as a shareholder or to make such transfer of the shares as the deceased share holder could have made.

If the nominee elects to be registered as holder of shares, he shall send a notice in writing to the Company stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder(s). All the limitations, restrictions and provisions of the Companies Act, 1956 relating to the right to transfer and the registration of transfer of shares shall be applicable to such notice or transfer as if the death of member(s) has not occurred and the shareholder(s) himself/ herself/themselves signed the notice or transfer.

A nominee shall not be entitled to exercise membership right in relation to Company meetings before being registered as member of shares in respect of which he is nominated.

Board of Directors of the Company may at any time give notice requiring any such person to elect either to be registered himself as shareholder or to transfer the shares. In the event of non-compliance of such notice within 90 days, the Board may withhold payment of all dividends, bonuses or other monies payable in respect of shares, until the notice requirements are complied with.

For the purpose of making aforesaid nomination, Form 2B has been prescribed by Rule 5-D of Companies (Central Government's) General Rules and Forms (Amendment) Rules, 1999 and the same is given hereunder for information of Shareholders.

Folio No.:

FORM 2B

(See rules 4CCC and 5D)

NOMINATION FORM

(to be filled in by individual applying singly or jointly)
(if jointly only upto two persons)

I/We _____ and _____ the holders of
Shares/Debentures/Deposit Receipt bearing number(s) _____ of
M/s. GOLDWON TEXTILES LIMITED wish to make a nomination and do hereby nominate the following person in whom all rights of
transfer and/or amount payable in respect of shares/debentures/deposits shall vest in the event of my/our death.

Name and Address of Nominee

Name _____
Address _____
Date of Birth* _____ (* to be furnished in case the nominee is minor)
**The nominee is minor whose guardian is _____
Name and Address _____
(*To be deleted if not applicable)

Signature _____
Name _____
Address _____
Date _____

Signature _____
Name _____
Address _____
Date _____

Signature of two Witness

Name and Address

Signature with Date

1. _____
2. _____

GOLDWON TEXTILES LIMITED**BOARD OF DIRECTORS**

Sri.M.M.SINGHI	Director
Sri.S.S.LEE	Director
Smt.LALITHA KISHEN	Director
Sri D RAMANAIAH	Director
Sri.S.S.R.KISHEN	Chairman and Managing Director

REGISTERED OFFICE

104, Laxminivas
6-3-862/1, Ameerpet
Hyderabad-500 016.

FACTORY

Survey No.248, Puppalguda (V)
Rajendranagar (Mandal),
R.R.District,
Andhra Pradesh

AUDITORS

C.Ramachandram & Co.,
Chartered Accountants
3-5-45/6/2, Edenbagh,
Ramkote,Hyderabad - 500 001.

BANKERS

State Bank of Hyderabad
Overseas Branch
Somajiguda, Hyderabad

Bank of Baroda
Chanchalguda Branch,
Hyderabad

GOLDWON TEXTILES LIMITED**NOTICE**

Notice is hereby given that the Sixth Annual General Meeting of the members of **GOLDWON TEXTILES LIMITED** will be held on Thursday, the 30th September, 1999 at 12.00 Noon at Mahboob Mansion Function Hall, 12-2-825/3/A, Mehdiapatnam, Hyderabad - 500 028 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and the Profit & Loss Account for the year ended on that date and the Reports of the Director's and Auditor's thereon.
2. To appoint a Director in place of Shri S.S.Lee, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Smt Lalitha Kishen, who retires by rotation and being eligible offers herself for reappointment.
4. To appoint Auditor's and fix their remuneration.

M/s.C.Ramachandram & Co., Chartered Accountants, Hyderabad retire at this meeting and are eligible for reappointment.

SPECIAL BUSINESS:

5. To consider, and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:

"RESOLVED THAT subject to sections 198, 269, 309, 311 and other applicable provisions if any, of the Companies Act, 1956 read with schedule XIII as amended upto date, consent of the Company be and is hereby accorded for the re-appointment of Sri.S.S.R Kishen as Managing Director of the Company, who shall not be liable to retirement by rotation for a period of five years with effect from 21st March, 1999 on the terms and conditions as to the remuneration and perquisites as specified below:

- 1) Salary Rs.25,000 per month
- 2) Perquisites

A. HOUSING:

- a) The expenditure incurred by the Company on hiring furnished accommodation for the Managing Director shall be subject to the ceiling of 60% of the salary over and above 10% payable by him.

- b) In case the accommodation is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.

- c) In case no accommodation is provided by the Company, the Managing Director shall be entitled to a House Rent allowance subject to the ceiling laid down in (a) above.

- B. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary per year or three months' salary in a period of 3 years.

- C. Leave Travel Concession: For self and family once in a year in accordance with any rules specified by the company.

- D. Personal accident Insurance: For an amount the annual premium of which, does not exceed Rs.4000/-

- 3) Company's contribution towards provident fund subject to a ceiling of 10% of salary.

- 4) Gratuity payable shall not exceed one half months salary for each completed year of service.

- 5) Free use of Company's car on Company's business and Residential telephone shall be provided. Personal long distance calls shall be paid by the appointee.

- 6) Earned leave on full pay and allowances as per the rules of the company. Leave accumulated but not availed of during his tenure may be allowed to be encashed.

- 7) Club fees: Fees of clubs subject to a maximum of two Clubs. This will not include admission and life membership fee.

"RESOLVED FURTHER that the Board of Directors of the company be and is hereby authorised to vary or increase the remuneration and perquisites to the extent they may consider appropriate and as may be permitted from time to time under any of the provisions of the Companies Act, 1956."

By order of the Board

Hyderabad
28.8.1999

S.S.R. KISHEN
CHAIRMAN & MANAGING DIRECTOR

GOLDWON TEXTILES LIMITED**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company.
2. The proxy forms in order to be effective must be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting.
3. The Register of members and Share Transfer books of the Company will remain closed from 27th September, 1999 to 30th September, 1999 (both days inclusive)
4. Members/Proxies should bring the attendance slip sent herewith duly filled in for attending the meeting.
5. The equity shares of the Company are listed on Hyderabad, Madras and Mumbai Stock exchanges. The annual listing fee to Hyderabad and Mumbai Stock Exchanges is paid upto 1998-99.
6. The Shareholders are hereby informed that all the correspondence relating to the shares should be addressed to the Company's Registered Office.

EXPLANATORY STATEMENT:

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

Item No.5:

The term of office of Sri S.S.R.Kishen as Managing Director of the Company expired on 21st March, 1999. The Board of Directors of the Company have re-appointed him as the Managing Director for a further period of five years with effect from 21st March, 1999 on the remuneration as contained in the resolution.

Sri S.S.R.Kishen is the main promoter of the Company who has conceived the project and successfully implemented and put in unstinted efforts in making commendable progress. Pursuant to the requirements of Section 269 and schedule XIII of the Companies Act, 1956 the appointment and remuneration is to be approved by the shareholders at a General Meeting. The Board recommends the same for your approval.

The Resolution and explanatory statement may be treated as an abstract of the terms and conditions under section 302 of the Companies Act, 1956.

None of the Directors of the Company other than Smt Lalitha Kishen may be deemed to be concerned or interested in the resolution.

By order of the board

HYDERABAD **S.S.R.KISHEN**
28.08.99 **CHAIRMAN & MANAGING DIRECTOR.**

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GOLDWON TEXTILES LIMITED**DIRECTOR'S REPORT**

Your Directors herewith present the Sixth Annual Report together with the Audited Accounts for the financial year ended 31st March, 1999.

FINANCIAL RESULTS

	Rs. in Lakhs	
	1998-99	1997-98
Sales and other Income	321.12	227.57
Total expenditure	326.86	235.00
Gross Loss before interest and Depreciation	5.74	7.43
Interest	192.39	116.35
Depreciation	61.91	66.10
Net Loss	260.04	189.88

OPERATIONS:

During the year under review the Company has felt the brunt of recessionary pressure in Europe and the problems were further compounded by severe cut throat competition from neighboring South East Asian countries in the wake of sharply depreciated currencies. However the company with its strategic and aggressive marketing achieved an impressive turnover of Rs.3.09 Crores, an increase of 61% over the previous year's turnover of Rs.1.89 Crores. In the adverse business circumstances while the industry continued to operate in a highly competitive environment the company was able to improve its turnover and could demonstrate its global competitiveness. The operational loss of Rs.260.04 lacs during the year was due to subdued prices, lower margins, poor demand and consequent low capacity utilisation.

FUTURE OUTLOOK :

Your company with its proven superior technology of operations and strong bonding with international customers and capability of producing a wide range and grades of international designs is ideally positioned to capture new opportunities and enlarge its market presence. The company is making all efforts to overcome the present recessionary conditions by closely monitoring the costs at every area of operation

to improve the overall performance. The excellent quality standards which have already been set up by the company and the customer satisfaction has placed the company on the global map. The company has made arrangements for a long term tie-up with new international buyers while consolidating its presence in the existing markets. Your Board hopes to accelerate its performance significantly as soon as the recession in European and Asia Pacific regions ends and market demand begins to improve.

PUBLIC DEPOSITS

Your company has not accepted deposits from the public during the year under review and there are no outstanding deposits as on 31st March, 1999.

ENVIRONMENT PROTECTION

Your company gives top priority for the safety and health of the personal. The company continues to nurture and expand the green belt around the factory for environment protection.

PERSONNEL

The Industrial relations continued to be cordial throughout the year. Your Directors place on record their appreciation for the excellent team work of the employees at all levels. There are no employees drawing a remuneration as provided in section 217 (2A) of the Companies Act, 1956 whose particulars forming part of this report is to be annexed.

DIRECTORS:

Sri S.S.Lee and Smt Lalitha Kishen retire by rotation and are eligible for re-appointment. Sri S.S.R. Kishen was re-appointed as Managing Director by the Board on 21st March, 1999 for a further period of five years.

AUDITORS

M/s. C. Ramachandram & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

Y2K COMPLIANCE

The Company has taken effective steps for ensuring Y2K compliance. The expenditure on the above is minimal. The company has made contingency plans to address the problems, if any, that may arise.