

**13<sup>th</sup>**  
**ANNUAL REPORT**  
**2005-2006**

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**GOLDWON TEXTILES LIMITED**

## **BOARD OF DIRECTORS**

Sri. S.S.R. KISHEN

Chairman & Managing Director

Sri. S. RAHMATULLAH

Director

Sri. AMAR SINGH RATHOD

Director

## **REGISTERED OFFICE**

H.No. 7-1-28/1/A/1, Plot No. 1,  
2<sup>nd</sup> Floor, Ameerpet,  
Hyderabad-500 016

## **FACTORY**

Survey No. 248, Poppalguda (V),  
Rajender Nagar (Mandal)  
R.R. District, Andhra Pradesh.

## **AUDITORS**

C. Ramachandram & Co.,  
Chartered Accountants,  
606, Lingapur Building  
3-6-237, Himayat Nagar  
Hyderabad - 500 029

## **BANKERS**

**State Bank of Hyderabad,**  
Overseas Branch,  
Somajiguda, Hyderabad.

**Bank of Baroda,**  
Chanchelguda Branch,  
Hyderabad.

## **NOTICE**

Notice is hereby given that the Thirteenth Annual General meeting of the members of GOLDWON TEXTILES LIMITED will be held on Friday, the 29<sup>th</sup> September, 2006, at 10.00 a.m. at H.No. 7-1-28/1/A/1, Plot No.1, Ameerpet, Hyderabad-500 016 to transact the following business.

### **ORDINARY BUSINESS**

- (1) To receive, consider and adopt the audited Balance Sheet as at 31.03.2006 and the Profit and Loss Account for the year ended on that date along with Directors and Auditors reports thereon.
- (2) To appoint a director in place of Sri. Amar Singh Rathod who retires by rotation and being eligible offers himself for reappointment.
- (3) To appoint Auditors and fix their remuneration. M/s. C. Ramachandram & Co., Chartered Accountants, Hyderabad retire at this meeting and are eligible for re-appointment.

### **SPECIAL BUSINESS**

- (4) To consider and if thought fit, to pass with or without amendment the following as an ordinary resolution.

**RESOLVED THAT** Sri. Amar Singh Rathod, aged about 60 years, an Ex. M.L.C. and Chairman of Telangana Development Board and who was appointed as Additional Director of the Company under section 260 of Companies Act, 1956 and for whose appointment as Director a notice is received from a shareholder under section 257 of the Act, be and is hereby appointed Director of the Company.

- (5) To consider and, if thought fit, to pass with or without amendment the following as a special resolution

As the Company has been reeling under the Board of Industrial and Financial Reconstructions (BIFR) for the past 5 years duly burdened with heavy amounts of secured liabilities of Banks and Financial Institutions and of Statutory liabilities, the Board of Directors of the Company has decided to restructure and revive the Company by finding potential investors of funds and by disposing off the redundant excess land attached to the factory premises and the obsolete items of machinery and furniture lying idle and useless so that the funds so obtained be utilized to pay off the whole or part of secured liabilities and accumulated statutory liabilities after seeking necessary approval / permission from Banks and Financial Institutions, it is therefore **RESOLVED THAT** the Company do hereby accord consent for the aforesaid plan of restructure of the Company and authorize the Board of Directors to take necessary steps in this regard for revival of the Company and to do all other things, acts and deeds that are necessary and incidental thereto.

**EXPLANATORY STATEMENT (Under S.173 (2) of Companies Act)**

**Item No.4**

Sri. Amar Singh Rathod was appointed as Additional Director on 25.10.2005 under section 260 of the Act and he holds office till this meeting. The Board recommends his appointment as Director and you have to give consent for his appointment. Hence the above resolution.

None of the Directors is interested in this resolution.

**Item No.5**

The Company with all operations disbanded has been under the yoke of BIFR since 2000-01 and it badly needs revival. The Board of Directors of your Company has come up with a plan for restructure and *your consent is needed in this regard. Hence, the above resolution.*

None of the Directors is interested in this resolution.

**Place: Hyderabad**

**By Order of the Board**

**Date : 17<sup>th</sup> Aug 06**

**S.S.R. KISHEN**

**Chairman & Managing Director**

**Note:**

- (a) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf, and the proxy need not be a member.
- (b) The proxy form should be deposited at the Registered Office of the Company at least 48 hours before the meeting.
- (c) The Register of Members and Share transfer books will remain closed from 27<sup>th</sup> September 2006 to 29<sup>th</sup> September 2006 (Both days inclusive)

## DIRECTORS REPORT

Dear Members,

The Directors are pleased to present the 13<sup>th</sup> Annual Report together with the audited Balance Sheet, Profit and Loss Account and Auditors' Report for the year ended 31<sup>st</sup> March 2006.

### FINANCIAL RESULTS

	Rs. In Lakhs	
	2005-06	2004-05
Sales & Other Income	NIL	16.83
Total Expenditure	11.29	2.89
Gross Loss before interest		
And depreciation	11.29	13.94
Interest	-	310.02
Prior period items	-	74.96
Depreciation	70.62	70.67
Net Loss	81.91	441.71

### Operations

As you are aware that the Board for Industrial and Financial Reconstruction (BIFR) declared the Company as a sick unit in 2000-01 and since May 2002, the unit remained disbanded. However the Board of Directors of your Company has been striving to revive the Company and in the process came up with a plan for effective revival this year. A suitable resolution is placed before you for your consent in this meeting.

### Future Outlook

In our revival efforts new markets have been identified where the Company will be able to serve the ever growing diabetes and other patients. For this purpose a tie-up is made with Canadian Compression Technology unit for

manufacturing a wide range of medical socks including Diabetic socks. This arrangement envisages transfer of technology and buy-back with Equity participation. In view of this the Company is confident of serving new markets with higher profitability on its revival.

**Public Deposits:**

Your Company has not accepted deposits from the public during the year under review and there are no outstanding deposits as on 31<sup>st</sup> March, 2006.

**Personnel:**

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. D. Ramanaiah resigned on 25.10.05 and Sri. Amar Singh Rathod was taken as Additional Director. Sri. Amar Singh Rathod retires by rotation and being eligible offers himself for reappointment.

**Audit Committee**

The Company was declared as a sick unit and consequent to the resignation of the directors during the earlier years and inability of the company to induct independent directors, the reconstitution of the audit committee of directors could not be done.

**Directors' Responsibility Statement:**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility statement, it is hereby confirmed:

- 1) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2006 the applicable accounting standards have been followed along with proper explanation relating to material departure;
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review.
- 3) That the Directors have taken proper and sufficient care 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.
- 4) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2006 on a going concern basis.

### **Listing**

The shares of the company are listed on Hyderabad, Madras and Bombay Stock Exchanges. The Listing fee to Bombay Stock Exchange from 2001-02, the Hyderabad Exchange from 2000-01 and Madras Stock Exchange from 1997-98 is outstanding.

### **Conservation of Energy, Technology Absorption, Foreign Exchange:**

Particulars required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 are annexed hereto.

**Corporate Governance:**

The Provisions of Corporate Governance in terms of clause 49 of the listing agreement is applicable from the financial year 2005-06 and the report on Corporate Governance is enclosed as an Annexure to this report.

**Auditors**

M/s C. Ramachandram & Co., Chartered Accountants retired at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

**Acknowledgements:**

Your Directors wish to place on record their appreciation for the valuable support and cooperation extended by State Bank of Hyderabad, Bank of Baroda and other Central and State Government Agencies. Your directors also wish to place on record their sincere appreciation to the shareholders for their continued confidence, patronage and support to the management of the Company

For and on behalf of the board

HYDERABAD  
17<sup>th</sup> Aug 06

S.S.R.KISHEN  
Chairman and Managing Director

**ANNEXURE TO THE DIRECTOR'S REPORT**

Particulars required under the companies (Disclosure of particulars in the report of Board of Directors) Rules 1988.

**A. CONSERVATION OF ENERGY**

- a. Energy Conservation methods adopted.  
The Company has most modern plant having in built features of minimum energy consumption.
- b. Additional investment and proposals if any being implemented for reduction of consumption of Energy – Nil.
- c. Impact of the measure at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods. Lower energy consumption. There were no operations during the year under review.
- d. Total energy consumption and energy consumption per unit of production. - As there was no production no energy was consumed in the operations requiring to furnish the details in Form-A.

**B. TECHNOLOGY ABSORPTION**

- a. Form – B enclosed.

**C. FOREIGN EXCHANGE EARNING AND OUTGO**

- a. Activities relating to exports, initiatives taken to increase exports, Development of new export markets for products and services.

The Company is declared as a sick unit and due to non-availability of working capital no operations were carried on and consequently no marketing initiatives were taken during the year.

b. Total Foreign Exchange used and Earned	2005-06 (Rs. In lacs)	2004-05 (Rs. In lacs)
i. CIF Value of Exports	-	-
ii. Expenditure in Foreign Currency	-	-

**FORM – B**

(Form for disclosures of particulars with respect to Technology absorption. R & D etc.)