SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

16th
ANNUAL REPORT
2008-2009

Report Junction.com

GOLDWON TEXTILES LIMITED

certified copy
GOLDWON TEXTILES LTD

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

BOARD OF DIRECTORS

Sri. S.S.R. KISHEN	Chairman & Managing Director
Sri. S. RAHMATULLAH	Director
Sri. AMAR SINGH RATHOD	Director

REGISTERED OFFICE

4th Floor, H.No. 6-2-966/5/1,
Hill Colony, Khairatabad,
Hyderabad 500 004

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.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTICE

Notice is hereby given that the Sixteenth Annual General meeting of the members of GOLDWON TEXTILES LIMITED will be held on Tuesday, the 29th September, 2009, at 11.30 a.m. at 4th Floor, H.No 6-2-966/5/1, Hill Colony, Khairatabad, Hyderabad 500 004 to transact the following business.

ORDINARY BUSINESS

(1) To receive, consider and adopt the audited Balance Sheet as at 31.03.2009 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. S Rehamtulla 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 retires at this meeting and is eligible for re-appointment.

Place: Hyderabad
Date: 17th Aug 09

By Order of the Board
S.S.R. KISHEN
Chairman & Managing Director

NOTES

1. 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.
2. The proxy form should be deposited at the Registered Office of the Company at least 48 hours before the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 27th September to 29th September 2009 (both days inclusive)
4. The equity shares of the Company are listed on Hyderabad, Madras and Bombay Stock Exchanges.
5. The Shareholders are hereby informed that all the corresponding related to the shares should be addressed to the Company's Registered Office.

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

Place: Hyderabad
Date: 17th Aug 09

By Order of the Board
S.S.R. KISHEN
Chairman & Managing Director

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

DIRECTORS REPORT

Dear Members,

The Directors are pleased to present the 16th Annual Report together with the audited Balance Sheet, Profit and Loss Account and Auditors' Report for the year ended 31st March 2009.

FINANCIAL RESULTS

	Rs. In Lakhs	
	2008-09	2007-08
Other Income	NIL	NIL
(Interest on Term Loan Written back)		
Total Expenditure	0.32	0.01
Gross Profit before interest		
And depreciation	(0.32)	(0.01)
Depreciation	NIL	NIL
Net Profit	(0.01)	(0.01)

Financial Review

As there was no new business done during the year, there was no income from the operations.

Operations Review

As you are aware that the Company was established a fully integrated 100% Export Oriented Unit for Manufacturing and export of Knitted Socks in the year 1996 at Sy.No 248 (P) Poppalguda village, Rajendranagar Mandal, Ranga Reddy District, Andhra Pradesh in technical collaboration with M/s Jungwon Corporation, Korea after obtaining change in Land Use from the Government of Andhra Pradesh for Ac 1.02 Guntas. The Company had commenced its commercial production on 01.07.1996 after executing Security Bond with Customs & Central Excise department. The Company had availed Foreign Currency Loan (FCL) from State Bank of India. State Bank of Hyderabad (SBH) and Bank of Baroda (BOB) are Secured Creditors of the Company. The said FCL was secured by Deferred Payment Guarantee given by SBH and counter Guarantee by BOB and Joint Deed of Hypothecation by the company.

The net-worth was eroded and consequently it was declared a sick industrial company by the Hon'ble Board for Industrial and Financial Reconstruction (for short 'BIFR') u/s 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 on 20.02.2001 in Reference Case No222/2000. In the said proceedings, SBH was

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

originally appointed as the Operating Agency (OA) u/s 17(3) of SICA. However, the Hon'ble Board after having satisfied that the OA had acted with a biased attitude appointed BOB on 4.3.2003 as the OA u/s.17 (3) of the Act to review and formulate the revised DRS of the Company. The Hon'ble BIFR declared the Company as a sick unit in 2000-01 under Case No.222/2000. The unit is not operational since May 2002.

Revival Efforts

In the revival efforts the Board of Directors of your Company have been exploring new opportunities with Strategic Partnership arrangements and have succeeded in identifying a potential Investor for infusion of funds to revive the unit and buy back the production of the unit. On the confirmation of Assignment of Debit by SBH in favour of ASREC (India) Ltd (ASREC), the Company had reached an OTS with Deutsche Bank being the Attorney holder of ASREC (India) Ltd on 02.03.2007 for full & final settlement of dues. The Company had also reached a compromised OTS with Bank of Baroda on 03.09.2007 towards full & final settlement of dues. Thereafter, the State Bank of Hyderabad had confirmed to the Hon'ble BIFR in the hearing held on 02.09.2008 that the security is still with them. While that being so, the Company to show its seriousness had arranged down payment of Rs.30 Lakhs on 09.06.2008 to BOB and was unable to pay the OTS amount to Deutsche Bank as the issue of charged documents between SBH and Deutsche Bank /ARSEC (India) Ltd could not be sorted which was one of the pre-conditions for the strategic investor to invest into the company. The Company had submitted a Comprehensive Revival Scheme on 12.06.2008 to the Hon'ble BIFR and BOB for approval considering OTS reached with both the Secured Creditors and keeping in view of the cost for recondition, imported spares and need based working capital with the infusion of funds since tied-up with a Strategic Investor to revive the unit.

Pending finalization of issue of charged documents between SBH and Deutsche Bank /ARSEC (India) Ltd no interest was provided on principal outstanding loans for the year under review. BOB being the Operating is in the process of sorting-out the pending issues with SBH and Deutsche Bank /ARSEC (India) Ltd and once the OTS amounts and other dues are paid, the Net-Worth of the Company would become positive.

Future Prospects

In our revival efforts new three distinct market niches - (1) Outdoor wear; (2) Dress & Casual wear (3) Health wear have been identified where the Company will be able to serve the ever growing diabetes and other patients. In fact, the Hosiery Knitwear Sector is zooming with the new EXIM Policy and increase in demand from US markets. The Vision Statement has projected an increase in the size of the industry from USD 36 billion in 2002 to USD 85 billion by 2010 and that exports will reach a level of at least USD 40 billion by 2010. The increases in exports and the size of the industry are projected to boost employment opportunities in the industry and provide

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

12 million additional jobs. 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 31st March, 2009.

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. S Rehamtulla who retires by rotation at the ensuing Annual general Meeting and being eligible, offer himself for re-appointment

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

Audit Committee

The Audit committee consists of two independent Directors viz., Sri. S. RAHMATULLA and Sri. AMAR SINGH RATHOD and Sri. S.S.R. Kishen. The Audit committee met four times during the year and recommended the accounts for approval by the Board.

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 31st March, 2009 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 31st March 2009 on a going concern basis.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

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 report on Corporate Governance is enclosed as an Annexure to this report.

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.

ReportJunction.com

For and on behalf of the board

HYDERABAD
Date: 17th Aug 09

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.

Since there was no activity in the unit during the year under review there are no particulars under this item.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

REPORT ON CORPORATE GOVERNANCE
(Pursuant to clause 49 of Listing Agreement)

1. Company Philosophy

Company's Philosophy on Corporate Governance is to attain fairness, transparency, accountability, commitment and quality in all its relationships with shareholders customers, Government, lenders and Public at large. The Company will strive to improve these qualities as a continuous process.

2. Composition of Board of Directors.

There are 3 directors on the Board of your Company of which 1 is an Executive Director and 2 are non-executive Directors. One Executive Director, who is also the Chairman of the board, is a promoter Director while the two non-executive directors are independent directors as detailed below:

1. Executive Director
   Promoters : Sri. S.S.R. Kishen

2. Non Executive Directors
   Independent : Sri. S. Rahmatullah
   Independent : Sri. Amar Singh Rathod

ReportJunction.com

Attendance of each Director in Board Meetings and Last AGM

	Board Meetings Held	Meetings Attended	Attendance in last AGM
Sri. S.S.R. Kishen	5	5	Yes
Sri. S. Rahmatullah	5	5	Yes
Sri. Amar Singh Rathod		5	Yes

During the year under review, five Board meetings were held on 30.04.2008 27.08.2008, 27.10 2008, 28.1.2009 and 30.04.2009

Number of other Directorships and Board Committees in which he is a member or Chairman.

	Other Directorship Or Board Committee		Director		Chairman or Member
Sri. S.S.R. Kishen	1		1	1	
Sri. S. Rahmatullah	-	-	-	-	
Sri. Amar Singh Rathod	-	-	-	-	

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

3. Audit Committee

The Audit Committee was constituted with Sri. S.S.R. Kishen Sri.Amar Singh Rathod and Sri. S. Rahmatullah as members. It met for 3 times and un-audited results declared were NIL as the company is under BIFR and there were no activities and has approved the annual accounts of the year ended 31st March, 2009.

4. SHARE HOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Committee originally constituted with Sri. S.S.R. Kishen as Chairman and Sri. S. Rahmatullah as a member is reconstituted with Sri. S.S.R. Kishen as Chairman and Sri. Amar Singh Rathod as member. The committee has received complaints from the shareholders during financial year under review and the same were replied to their satisfaction. There are no complaints pending as on 31.03.2009.

5. REMUNERATION OF DIRECTORS

No remuneration was paid to Executive or Non-executive Directors .

6. ANNUAL GENERAL MEETINGS

Details of the past three AGMs held are given below:

Year	Date & Time	Venue
2005-06	29.9.2006 at 10 a.m.	H.No.7-1-28/1/A/1, Plot No.1, II floor, Ameerpet, Hyderabad-16.
2006-07	29.09.2007 at 11.30 a.m.	H.No.7-1-28/1/A1, Plot No.1, II floor, Ameerpet, Hyderabad-16
2007-08	29.09.2008 at 11.30 am	4th Floor, H.No. 6-2-966/5/1, Hill Colony, Khairatabad, Hyderabad 500 004

7. DISCLOSURES

a) There was no occasion to pass special resolutions through postal ballot on any of the matters specified under clause 49 of the Listing Agreement.

b) During the last three years there were no strictures imposed on the Company by the stock exchange or SEBI or any statutory authority on any matter related to capital markets.

www.reportjunction.com