

**20th
ANNUAL REPORT
2012-2013**



GOLDWON TEXTILES LIMITED

BOARD OF DIRECTORS

Sri. S.S.R. KISHEN
Sri NEELAM SRI RAMULU
Sri. AMAR SINGH RATHOD

Chairman & Managing Director
Director
Director

REGISTERED OFFICE

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

FACTORY

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

AUDITORS

C. Ramachandram & Co.,
Chartered Accountants,
606, Lingapur La Bilde Complex
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 20th Annual General meeting of the members of GOLDWON TEXTILES LIMITED will be held on Saturday, the 28th September 2013 at 11.30 a.m. at Regd. Office 4th Floor, 6-2-966/5/1, Hill Colony, Khairatabad, Hyderabad 500 004 A.P to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31.03.2013 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, Himayat Nagar Hyderabad, the Auditors of the Company retire at this meeting and are eligible for re-appointment.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution.

RESOLVED THAT in accordance with the provisions of Sections 269, 309, 311 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII thereto, the consent is hereby accorded to the re-appointment of Mr. S S R Kishen as Chairman-cum-Managing Director of the Company, who shall not be liable to retirement by rotation for a period of Five years with effect from 26th August, 2013 without any remuneration.

Further resolved that the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the above Resolution.

By Order of the Board

SSR Kishen
Chairman & Managing Director

Place: Hyderabad

Date: 02.09.2013

Notes:

- (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 26th September 2013 to 28th September 2013 (both days inclusive)
- (d) Explanatory Statement pursuant to section 173 (2) of the Companies Act 1956 is annexed as the Board of Directors of the reappointed Mr.S S R Kishen as Chairman-cum-Managing Director w.e.f 26.08.2013 on expiry of his tenure. Hence the resolution as mentioned in item No.4 proposed for seeking the Members approval for the said resolution. None of the Directors of the Company is concerned or interested in this resolution.

Annexure to the Notice of the 20th Annual General Meeting

EXPLANATORY STATEMENT**Item No.5**

As the earlier term of Mr. S S R Kishen as Chairman-cum-Managing Director came to an end on 25th August, 2013, he was re-appointed by the Board for a further period of Five years with effect from 26th August, 2013 without any remuneration. The said appointment requires the approval of the members, inter-alia, Section 269 read with other applicable Sections and Schedule XIII to the Companies Act, 1956. Your Directors commend the Resolution for approval of the shareholders. Accordingly, the Special Resolution under item No.5 of the Notice is submitted to the shareholders for approval.

By Order of the Board

SSR Kishen
Chairman & Managing Director

Place: Hyderabad

Date: 02.09.2013

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 20th Annual Report together with the audited Balance Sheet, Statement of Profit and Loss and Auditors' Report for the year ended 31st March 2013.

FINANCIAL RESULTS:

PARTICULARS	2012 – 2013 Rs.In Lakhs	2011 – 2012 Rs.In Lakhs
Other Income (Interest on Term Loan Written back)	NIL	NIL
Total Expenditure	1.2	0.61
Gross Profit before interest and Depreciation	(1.2)	0.61
Depreciation	NIL	NIL
Net Loss	(1.2)	(0.61)

Financial Review

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

Operations Review

As you are kindly aware that the Knitted Socks meet the basic necessities of all ages and the income strata is Knitted Socks. Socio-economic changes and fashion awareness amongst the masses have brought in a sea change in the living styles in India. The use of socks by the armed forces fighting in high altitude and in adverse climatic conditions has now been finding its ways among executives and school children. Wearing of any kind of shoes without socks is termed as incomplete. Our unit has been established for the production of Knitted Socks with an annual installed capacity of 5.00 Lakh Decca pairs per annum with a product mix including Comfort, Travel, Support, Running, Jogging, walking or simply trotting to meet the needs of people with lifestyle-related afflictions. The Knitted Socks Products are manufactured with Korean State-of-Art Technology to meet the worldwide requirement. The Machinery employed is imported from renowned Manufacturers of Korea. 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 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 unit is not operational since May 2002 for want of Working Capital support.

Revival Efforts

Your Directors succeeded in identifying a potential Investor for infusion of funds to revive the unit with buy back arrangement of the entire production. The Company is having two Secured creditors being Bank of Baroda and State Bank of Hyderabad. The Company had also reached a compromised OTS with Bank of Baroda on 03.09.2007 towards full & final settlement of dues and had arranged down payment of Rs.30 Lakhs on 09.06.2008. The Company had also reached a compromised OTS with Assignment holders of State Bank of Hyderabad. The investors as they are keen to revive the unit and have called on both IARC and ASREC along with the MD of the Company and requested to sort out the issues related to the Charged Documents. They were appraised on the present political agitated situation on Telangana and no new investment is taking place in this sector as no body is willing to lock-up funds and wait for protracted legal battle and are fully confident to resolve the pending issues and shortly revive the operations. Pending finalization of issue of charged documents no interest was provided on principal outstanding loans for the year under review.

Future Prospects

The demand for the socks has been increasing gradually for the last few decades particularly in India and other developing countries. The largest consumer of socks is the Europeans and Western countries who have been using this item as part of their dresses for a very long period. The European and Western countries have been producing socks, from where these items used to be imported into India and other countries. The socks industry has a very bright future as its demand both in India and abroad has increased substantially. 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 100 billion by 2012 and that exports will reach a level of at least USD 50 billion by 2010. The increases in exports and the size of the industry are projected to boost employment opportunities in the industry and provide 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 2013

Personnel:

There are no employees drawing remuneration as provided in section 217 (2A) of the Companies Act, 1956 whose particulars forming part of this report is to be annexed.

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. Amar Singh Rathod and Sri. Neelam Sri ramulu. 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, 2013 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 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 2013 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 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.

For and on behalf of the board

Place: Hyderabad

Date: 02.09.2013

S.S.R.KISHEN

Chairman and Managing Director

ANNEXURE TO THE DIRECTORS' 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.

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 hereunder:

1. Executive Director
Promoters : Sri. S.S.R. Kishen
2. Non Executive Directors
Independent : Sri. Neelam Sri Ramulu
Independent : Sri. Amar Singh Rathod

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. Neelam Sri Ramulu	5	5	Yes
Sri. Amar Singh Rathod	5	5	Yes

During the year under review, five Board meetings were held on 30.04.2012, 17.08.2012, 27.10.2012, 28.01.2013, 30.4.2013.

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

Name of Director	No. of other Memberships of Boards		No. of other memberships of Committees	
	As Chairman	As member	As Chairman	As member
Sri. S.S.R. Kishen	1	1	0	2
Sri. Neelam Sri Ramulu	0	0	1	2
Sri. Amar Singh Rathod	0	0	1	2

3. AUDIT COMMITTEE

The Audit Committee was constituted with Sri. S.S.R. Kishen Sri. Amar Singh Rathod and Sri. Neelam Sri Ramulu 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, 2013.

4. SHARE HOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Committee originally constituted with Sri. S.S.R. Kishen as Chairman and Sri. Neelam Sri Ramulu 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 31.03.2013.

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:

Financial year (ended)	Date	Time	Place
31st March 2012	30.09.2012	11.30 am	4th Floor, H No.6-2-966/5/1, Hill Colony, Khairatabad, Hyderabad. – 500 004
31st March 2011	30.09.2011	11.30 am	4th Floor, H No.6-2-966/5/1, Hill Colony, Khairatabad, Hyderabad. – 500 004
31st March 2010	30.09.2010	11.30 am	4th Floor, H No.6-2-966/5/1, Hill Colony, Khairatabad, Hyderabad. – 500 004

7. DISCLOSURES

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