

# ***GOLDEN CARPETS LIMITED***

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## ***THIRD ANNUAL REPORT 1996 - 97***

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## ***GOLDEN CARPETS LIMITED***

### **BOARD OF DIRECTORS**

#### **CHAIRMAN**

Shri L.G. Kulkarni

#### **MANAGING DIRECTOR**

Shri Srikrishna Naik

#### **DIRECTORS**

Shri S.B. Kerur

Shri Suresh Keerthi

Smt Meena Kerur

Shri Ramesh R. Gosai

Shri B.Appa Rao

Shri Bhushan Kerur

(Alternate to Marc Sagaert)

### **REGD OFFICE**

1004, 10th Floor

Babukhan Estate

Basheer Bagh

Hyderabad- 500 001.

Andhra Pradesh

### **FACTORY**

Jeedipally Village

Toopran Mandal

Medak

Andhra Pradesh

### **BANKERS**

State Bank of Hyderabad

Industrial Finance Branch

Somajiguda, Hyderabad.

### **AUDITORS**

KN Murthy & Co.,

Chartered Accountants

002, Manohar Apartments

University Road, Vidyanagar

Hyderabad - 500 044.



## NOTICE

Notice is hereby given that the third Annual General Meeting of the Company will be held on Monday 3rd November, 1997 at Hotel Viceroy at 3.30 p.m. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1997 and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Suresh Keerthi, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Smt. Meena Kerur, who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint Auditors and authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the consents, approvals and permissions being obtained from appropriate authority to extent applicable or necessary, the consent of Company be and is hereby accorded to the Board of Directors to charge the whole or substantially the whole of undertaking of the Company as security for such loans taken on such terms and conditions as the Board of Directors may consider to be in the best interest of the Company with authority to the Board of Directors to do all such acts, deeds, matters and things as may be necessary or appropriate to give effect to the resolution."

for and on behalf of the Board of Directors

Place : Hyderabad  
Date : 19-09-1997

(SRIKRISHNA NAIK)  
Managing Director

**NOTES :**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING MAY APPOINT A PROXY OR PROXIES TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIM. A PROXY, NEED NOT BE A MEMBER.
- b) Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
- c) Members are requested to notify immediately any change in their address to the Company.
- d) The Register of Members and Share Transfer Books of the Company will be closed from 28th October, 1997 to 3rd November, 1997 (both days inclusive)
- e) The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of item # 5 is annexed.

**EXPLANATORY STATEMENT**

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

**ITEM # 5 :**

The borrowings made by the Company have to be secured by such mortgages/ charge on the properties of the Company as may be agreed by the Company and the lender. Since the mortgaging / charging of assets of the Company may be regarded as disposal of the whole or substantially the whole of the undertaking of the Company, it is necessary for the Board of Directors to obtain the approval of the members under Section 293 (1) (a) of the Companies Act, 1956.

In the circumstances, an ordinary resolution in terms as set out in item # 5 of the accompanying Notice is put up for the members consideration and their consent.

None of the directors are interested or concerned in the Resolutions.

for and on behalf of the Board of Directors

Place : Hyderabad

Date : 19-09-1997

(SRIKRISHNA NAIK)

Managing Director



## DIRECTORS' REPORT

Your Directors have pleasure in presenting the third Annual Report together with the Audited Accounts for the year ended 31st March, 1997.

### OVERVIEW OF PROJECT IMPLEMENTATION & OPERATIONS

Your directors are happy to inform you that the project is now at the final stage of implementation. The Civil works have been completed and the imported machinery have arrived at the site. The technicians from the foreign collaborator will be arriving in October, 1997 to install the machinery. The trial production is likely to commence from November, 1997 and the commercial production is likely to commence by December 1997.

### PRODUCT AND ITS FEATURES

Your Company will be manufacturing machine made imitation of hand knotted Persian / Oriental Designed Special polypropylene / wollen and acrylic Carpets by using the latest computerised weaving technology from Michel Van de wile, Belgium world leader in the manufacture of weaving looms and Company also has made an arrangement with NED GRAPHICS of Holland for supply of Computerised Design Station.

### FUTURE OUT LOOK

The Company is having a marketing tie-up with Belgium based organisation to lift part of production. Further, due to ban on export of hand knotted carpets from the Indian sub-continent due to use of child labour, there is tremendous demand for machine made carpets worldwide and therefore the future of the Company is undoubtedly very bright and encouraging.

Though there has been a delay in commencing the commercial production, your directors are confident that the shareholders who have laid their confidence in the Company will be amply rewarded.

### PUBLIC ISSUE

The Company went for Public Issue in the month of June, 1996 for an amount of Rs. 492.50 lakhs. which was subscribed to the extent of 97.98%. Your Directors take this opportunity to thank all investors who have subscribed to the issue and placed their faith in the Company.



## PROJECTION Vs ACTUALS

As per the Prospectus the Commercial Production was to be commenced by June, 1996. However, due to delay in the Public Issue and as well as non-receipt of huge amount of allotment money, the Company had to again approach Financial Institutions for additional term loan to bridge the gap.

The additional term loan of Rs. 170 lacs was sanctioned and disbursed by IDBI in the month of May, 1997, in the month of June, 1997 Company had forfeited the shares which were not fully-paid and we have now reached the final stage of implementation.

Hence, due to the above constraints we could not achieve the projected financial figures stated in the prospectus dated 26th April 1996 for the year ended 31.03.1997.

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri Suresh Keerthi and Smt. Meena Kerur will retire at the ensuing Annual General Meeting, and being eligible, offers himself/herself for re-appointment.

## AUDITORS

The Auditors M/s. KN Murthy & Co., Chartered Accountants retire at the conclusion of this meeting, are eligible for re-appointment.

## DEPOSITS

The Company has not accepted any fixed deposits from public during the year and so the provisions of Section 58A of the Companies Act, 1956 are not applicable.

## INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

### I. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

As the Company has not commenced the commercial production these provisions are not applicable.

### II. FOREIGN EXCHANGE EARNINGS AND OUTGO

		(in Rupees)
	1996-1997	1995-96
a) Foreign Exchange earned	Nil	Nil
b) Foreign Exchange used ;		
i) CIF value of import	7,70,81,000	Nil
(Capital goods and raw materials)		
ii) Travel	3,28,422	3,50,175

## PERSONNEL

There are no employees drawing remuneration in excess of the limits prescribed under sub-section (2A) of Section 217 of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.