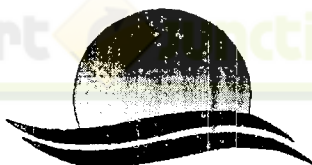


GOLDEN CARPETS LIMITED

MD	✓			SKC	✓
CS	NA			DPY	NA
RC	✓			DEV	NA
TRA	NA			AC	✓
AGM	✓	✓	✓	SHI	✓
YE	✓	✓	✓		

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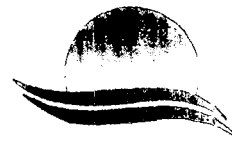


FOURTH ANNUAL REPORT
1997 - 98

*Golden Carpets Limited***Contents**

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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

REGISTERED OFFICE

1004, 10th Floor
Babukhan Estate
Basheer Bagh
Hyderabad-500 001
Andhra Pradesh.

FACTORY

Jeedipally
Tooparan Mandal
Medak
Andhra Pradesh.

BANKERS

State Bank of Hyderabad
Industrial Finance Branch
Somajiguda, Hyderabad.

AUDITORS

KN Murthy & Co.,
Chartered Accountants
002, Manchar Apartments
University Road, Vidyanagar
Hyderabad - 500 044.





Golden Carpets Limited

NOTICE

Dear Shareholders,

Notice is hereby given that the Fourth Annual General Meeting of the Company will be held on Wednesday, 23rd September, 1998 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, 1998, the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri L G Kulkarni, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri S B Kerur, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and authorise the Board of Directors to fix their remuneration.

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By order of the Board
for Golden Carpets Limited

Place : Hyderabad

Date : 10-08-98

(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 Wednesday 16th September, 1998 to 23rd September, 1998 (both days inclusive)

*Golden Carpets Limited***DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Fourth Annual Report together with the Audited Accounts for the year ended 31st March, 1998.

OVERVIEW OF PROJECT IMPLEMENTATION & OPERATIONS

Your directors are happy to inform you that your Company has successfully completed the implementation of the project and the trial productions have been commenced.

FUTURE OUT LOOK

Your Company's product has been well appreciated in the domestic as well as international market and have already received a number of enquiries for the same. Your Company's product being very competitive and economical, we will be able to penetrate the existing markets without any difficulty. No doubt, the project has been unreasonably delayed due to many factors beyond the control of the management, but you shall definitely be amply rewarded for the confidence reposed in the Company and its management.

PROJECTION Vs ACTUALS

As per the prospectus the commercial production was to be commenced by June, 1996. There have been a number of constraints like the non-receipt of allotment money, sluggish market conditions due to which the Company could not commence commercial production and so could not achieve the projected financial figures as stated in the prospectus dated 26th April, 1996 for the year ended 31.03.98.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri L G Kulkarni and Shri S B Kerur retire at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

AUDITORS

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

DEPOSITS

The Company has not accepted any fixed deposits from the 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 THE 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)	
	1997-98	1996-97
a) Foreign Exchange earned	Nil	Nil
b) Foreign Exchange used;		
i) CIF value of import	—	7,70,81,000
(Capital goods and raw materials)		
ii) Travel	—	3,28,422

INDUSTRIAL RELATIONS

The industrial and personnel relations have been cordial during the year.

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.

ACKNOWLEDGMENTS

Your Directors place on record their appreciation for the continued support and co-operation extended by the Industrial Development Bank of India and State Bank of Hyderabad.

Your Directors also place on record the confidence reposed by the Shareholders.

Your directors express their gratitude to their Technical Collaborators M/s. Michel Van De Wiele, Belgium, for their co-operation and support during the implementation of the project.

Your directors hereby place on record their appreciation for the efficient, loyal and outstanding services rendered by the employees of the Company.

On behalf of the Board of Directors

Place : Hyderabad.

Date : 10-08-98

(SRIKRISHNA NAIK)
Managing Director