

# ***GOLDEN CARPETS LIMITED***



**FIFTH ANNUAL REPORT  
1998-99**

*Golden Carpets Limited***CONTENTS**

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## **GOLDEN CARPETS LIMITED**

### **BOARD OF DIRECTORS**

### **MANAGING DIRECTOR**

Shri. Srikrishna Naik

### **DIRECTORS**

Shri. S.B. Kerur

Smt. Meena Kerur

Shri. B. Appa Rao

### **REGISTERED OFFICE**

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

### **WORKS**

Jeedipally Village  
Toopran Mandal  
Medak (Dt.)  
Andhra Pradesh

### **BANKERS**

State Bank of Hyderabad  
Industrial Finance Branch  
Somajiguda, Hyderabad.

### **INSTITUTIONS**

Industrial Development Bank of India  
Hyderabad.

### **REGISTRARS**

Ikon Visions Private Limited  
Flat No. 33, Sanali Heavens  
8-3-948, Ameerpet  
Hyderabad.

### **AUDITORS**

K.N. Murthy & Co.,  
Chartered Accountants



*Golden Carpets Limited*

## **NOTICE**

Notice is hereby given that the Fifth Annual General Meeting of the Company will be held on Monday the 6th September, 1999 at Hotel Viceroy at 10.00 A.M. to transact the following business :

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1999, Profit and Loss Account for the year ending on that date, the Director's and Auditor's Report thereon.
2. To appoint a Director in place of Shri B. Appa Rao who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. K.N. Murthy & Co., Chartered Accounts as Statutory Auditors and authorise the Board of Directors of fix their remuneration.

### **SPECIAL BUSINESS**

4. To consider and if thought fit to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the remuneration of Mr. Srikrishna Naik, Managing Director of the Company, be and is hereby increased from Rs. 7,500/- per month to Rs. 12,500/- per month w.e.f. 1st August, 1999.

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 30.07.1999

**(SRIKRISHNA NAIK)**  
Managing Director

*Golden Carpets Limited***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 1st September, 1999 to Monday, 6th September, 1999 (both days inclusive).

**EXPLANATORY STATEMENT**

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

Item 4 : Increase in remuneration of Mr. Srikrishna Naik, Managing Director.

Mr. Srikrishna Naik was reappointed as a Managing Director of the Company at the Extra Ordinary General meeting held on 15th April, 1998 with a remuneration of Rs. 7500/- p.m. Now it was decided by the Board in their meeting held on 30th July, 1999 that the remuneration of the Managing Director be increased to Rs. 12,500/- in view of the hard work and efforts put in by him for the implementation of the project and for the growth of the Company. The increase in remuneration requires ratification of the members in the General Meeting, hence the same is proposed.

Except Mr. Srikrishna Naik and Smt. Meena Kerur none of the Directors are interested in the said resolution.

**For and on behalf of the Board of Directors**

Place : Hyderabad.  
Date : 30.07.1999.

**(SRIKRISHNA NAIK)**  
Managing Director.



## **DIRECTORS' REPORT**

The Directors of your Company have pleasure in presenting the Fifth Annual Report together with the Audited Accounts for the year ended 31st March, 1999.

### **FINANCIAL RESULTS**

Sl. No.	Particulars	For the year ended 31st March, 1999 for 45 days only (in Rs.)
1.	Net sales / Income from operations	69,43,030
2.	Other Income	35,367
3.	Increase in stocks	1,19,27,812
4.	Total Income	1,89,06,209
5.	Total Expenditure	1,61,74,953
6.	Profit before depreciation	27,31,256
7.	Depreciation	28,55,519
8.	Miscellaneous Expenditure	16,18,826
9.	<b>Net Loss</b>	<b>17,43,089</b>

### **PERFORMANCE**

Your Company has successfully installed its state of art plant for manufacture of the imitation of hand knotted persian/oriental designed carpets and commenced the commercial production from 15th February, 1999.

In a short span of 45 days your Company has achieved a turnover of Rs. 69.43 lacs and earned a profit of Rs. 27.31 lacs before depreciation. The said performance very clearly reflects the well acceptance of your Company's product in the domestic as well as international markets.

### **FUTURE OUT LOOK**

The Carpets manufactured by the Company is made to order as per the customers preference and is very competitive and economical. Most of the five star hotels in India such as the Taj Group and Oberoi Group of Hotels have appreciated the product and placed orders for the supply of the same. Internationally also the product has been well received and have a lot of enquiries for the same and your Company is hopeful of getting a lot of orders. As your Company's product being competitive and economical, will be able to penetrate the existing market without any difficulty.

**Golden Carpets Limited****PROJECTION Vs ACTUALS**

Particulars	Projections in the Prospectus dated 26th April, 1996 for the year 1998-99	For the year ended 31st March, 1999 (for 45 days only)
Total sales/Income from operations	1299.00	69.43
Profit / (Loss) after tax	305.00	(17.43)
Earning Per Share	3.10	--

The reasons for variations in the Projected financial figures vis-a-vis the actual figures for the current year is the delayed start of commercial production. Your Directors are hopeful that there would be no hurdles to achieve the targeted turnovers for the next financial year.

**COST CONTROL**

The management of the Company has formulated and implemented several measures to minimize cost in all the areas of operation.

**STATUS OF THE YEAR 2000 (Y2K) PREPAREDNESS**

Your Company has already made arrangements to address the Year 2000 millennium issue and also has designed plans to ensure the year 2000 compliance well before the critical date.

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri. B. Appa Rao retire at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

**LISTING** : Listed in Hyderabad and Mumbai Stock exchanges.

**AUDITORS**

The statutory 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 public during the year and so the provisions of Section 58 A of the Companies Act, 1956 are not applicable.