

# **GOLDEN CARPETS LIMITED**



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**TENTH ANNUAL REPORT  
2003-2004**

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*Golden Carpets Limited***GOLDEN CARPETS LIMITED****BOARD OF DIRECTORS****MANAGING DIRECTOR**

Mr. Srikrishna Naik

**DIRECTORS**

Mr. S. B. Kerur

Mrs. Meena Kerur

Mr. K. Suresh

Mr. P. Krishnamurthy

**REGISTERED OFFICE**

8-2-596/5/B/1  
Road No.10  
Banjara Hills,  
Hyderabad – 500 035.  
Ph: 55771111

**WORKS**

Jeedipally Village  
Toopran Mandal  
Medak District  
Andhra Pradesh

**BANKERS**

State Bank of Hyderabad  
Industrial Finance Branch  
Somajiguda, Hyderabad

**FINANCIAL INSTITUTION**

Industrial Development  
Bank of India,  
Hyderabad.

**DEPOSITORY REGISTRAR & SHARE  
TRANSFER AGENTS**

M/s. Ikon Visions Private Limited  
Flat No. 33, Sanali Heavens  
8-3-948, Ameerpet  
Hyderabad – 500 073.  
Ph: 55615699

**AUDITORS**

Mahesh Nandiraju & Associates  
Chartered Accountants

**LISTING**

Hyderabad Stock Exchange  
Stock Exchange, Mumbai

**NOTICE**

Notice is hereby given that the Tenth Annual General Meeting of Golden Carpets Limited will be held on Tuesday, the 28th day of September, 2004 at 9.30 a.m. at Hotel Viceroy, Hyderabad to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2004, & Profit and Loss Account for the year ended as on that date, the Directors' and Auditor's Report thereon.
2. To appoint a Director in place of Mr. K. Suresh, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint M/s. Mahesh Nandiraju & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

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

"RESOLVED THAT subject to the provisions of the applicable laws, guidelines, rules and regulations including the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956, Listing Agreement with the Stock Exchange, SEBI (Delisting of Securities) Guidelines 2003 and the rules framed thereunder in this regard and subject to such other approvals, permissions and sanctions as may be required from the Stock Exchange with which the equity shares of the Company are listed, the consent of the Members be and is hereby accorded to delist equity shares of Company from the Hyderabad Stock Exchange.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to make such applications, and do all such things and acts for delisting the Company's Shares from the Hyderabad Stock Exchange."

**for and on behalf of the Board of Directors  
of Golden Carpets Limited**

Sd/-

**Srikrishna Naik  
Managing Director**

Place: Hyderabad  
Date : 30-06-2004



*Golden Carpets Limited*

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF ON A POLL ONLY AND A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Transfer Books of the Company will remain closed from 23rd September, 2004 to 28th September, 2004 (Both days inclusive).
4. As the Company's securities continue to be listed on the Stock Exchange, Mumbai, the Company has no intention to give an exit option to the shareholders of the regional Stock Exchange, from which the securities are to be delisted.
5. Additional information of

Director retiring by rotation and eligible for re-appointment:-

Name of the Director	:	K. Suresh
Date of Birth	:	09-11-1972
Date of Appointment	:	30-09-2002
Experience	:	He has over 10 years of Experience in the field of accounts and administration
Qualifications	:	He is M.Com & M.B.A

Newly appointed Nominee Director of IDBI in place of Mr. Daniel Sudhakar:-

Name of the Director	:	Pulivarthy Krishnamurthy
Date of Birth	:	25-10-1948
Date of Appointment	:	01-03-2004
Occupation	:	Asst. General Manager, IDBI, Hyderabad
Other Company where he is Nominee Director	:	M/s. Om Shanti Satins Ltd.

6. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item # 4 is annexed hereto and forms part of the notice.

*Golden Carpets Limited*

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

**Item # 4**

Your Company's shares are at present listed at The Hyderabad Stock Exchange & The Mumbai Stock Exchange. After introduction of screen based trading by the Mumbai Stock Exchange, the volumes at regional stock exchanges have come down drastically.

As per the Guidelines issued by the Securities and Exchange Board of India for voluntary delisting of shares from all Stock Exchanges other than the Mumbai Stock Exchange and National Stock Exchange, the prior approval of members by way of special resolution has to be obtained.

Though the Company has taken members approval for delisting company's securities from the Hyderabad Stock Exchange, at the last Annual General Meeting, it could not act upon it. Hence the Board of Directors proposes this resolution for the members' approval, as they found no justification for continuation of listing in The Hyderabad Stock Exchange and further the delisting of shares from this Stock Exchange will help in reduction of costs in terms of listing fees and reduced compliances. However our company shares will continue to be listed at the Stock Exchange, Mumbai.

None of the Directors of the company is in any way concerned or interested in the said resolution.

Your directors recommend the said resolution for your approval.

**for and on behalf of the Board of Directors  
of Golden Carpets Limited**

**Sd/-**

**Srikrishna Naik  
Managing Director**

Place : Hyderabad  
Date : 30-06-2004



## Golden Carpets Limited

### DIRECTORS' REPORT

**Dear Shareholders,**

Your Directors take pleasure in bringing you this report and financial statements for the financial year 2003-2004

#### FINANCIAL RESULTS:

(Rs.in lakhs)

Sl. No.		Year ended 31.03.2004	Year ended 31.03.2003
1.	Sales	203.30	188.12
2.	Other Income	0.74	0.11
3.	<b>Total Income</b>	<b>204.04</b>	<b>188.23</b>
4.	Operating Expenses including decrease in stocks	142.59	159.39
5.	Profit before Interest and Depreciation	61.45	28.84
6.	Interest	258.73	232.37
7.	Depreciation	73.19	73.19
8.	Miscellaneous Expenditure written off	32.37	32.37
9.	Prior Period Income	3.66	0
10.	<b>Profit/(Loss) for the year</b>	<b>(299.18)</b>	<b>(309.10)</b>

#### OPERATIONS

During the year under review, your Company achieved a turnover of Rs.203.30 lakhs as compared to Rs. 188.12 lakhs during the previous year. It has registered a loss of Rs.299.18 lakhs as compared to Rs.309.10 lakhs of loss during the previous year. All efforts are being made to improve the performance and as a step in that direction the Company has opened its first showroom in Hyderabad for retail sales and will be opening many more such outlets in other metro cities. It is also planning a proper advertisement campaign in order to create an awareness and build the brand equity of the Company.

#### INDUSTRIAL RELATIONS

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



*Golden Carpets Limited*

## **CHANGE IN REGISTERED OFFICE**

The registered office of the Company is shifted from # 1004, 10th Floor, Babu Khan Estate, Basheerbagh, Hyderabad to 8-2-596/5/B/1, Road No.10, Banjara Hills, Hyderabad – 500 035.

## **DIVIDEND**

No dividend is recommended by the Board of Directors of the Company for the financial year 2003-2004.

## **FIXED DEPOSITS**

The Company has not accepted any deposits from the public during the year. So the provisions of Section 58A are not applicable to the Company.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Directors' Responsibility Statement (Section 217(2AA) of Companies Act, 1956):

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgement and estimates that are 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 that year;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

## **DIRECTORS**

Mr. K. Suresh, Director, is liable to retire by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting. Hence the Board of Directors recommends his re-appointment.



*Golden Carpets Limited***AUDIT COMMITTEE**

During the financial year 2003-2004 the Audit Committee met 3 times for considering the quarterly, half yearly and the annual accounts of the Company as per the provisions of the Companies Act, 1956.

**AUDITORS**

M/s. Mahesh Nandiraju & Associates, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The letter has been received by the Company to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956.

**PARTICULARS OF EMPLOYEES**

As required by the provisions of Section 217(2A) of the Companies Act, 1956, the names and other particulars of the employees are not required to set out in the Directors' Report, because Company has no employees whose salary exceeds the limits prescribed under Section as stated above.

**INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.****CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO****A. CONSERVATION OF ENERGY:**

Adequate actions have been adopted by the Company for conservation of energy.

**B. TECHNOLOGY ABSORPTION:****Research and Development (R & D)****Specific areas in which R & D carried out by the Company:**

For having the modern designs and improving the quality of its product at reasonable market price, the Company is carrying out research constantly.

**Benefits derived as a result of the R & D:**

The highest standards in quality and design of the carpets are expected to be achieved by the Company during the financial year.



Golden Carpets Limited

**Future plan of Action:**

The quality and various designs of carpets are to be improved by the Company through Research and Development.

Expenditure on R & D : Nil

Technology, Absorption, Adaptation and Innovation : Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Rs. in lakhs)

Sl. #		2003-04	2002-03
1.	Total Foreign Exchange Earned	-	-
2.	Total Saving in Foreign Exchange	-	-
3.	Total Foreign Exchange Used	-	2.59

**CORPORATE GOVERNANCE**

The report on Corporate Governance is enclosed.

**ACKNOWLEDGMENTS**

Your directors take this opportunity to express their gratitude to the IDBI, State Bank of Hyderabad, its customers, employees, shareholders and all other business associates, for their continued support, especially in these present difficult times.

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

Place : Hyderabad  
Date : 30-06-2004

Sd/-  
**Srikrishna Naik**  
Managing Director

Sd/-  
**Meena Kerur**  
Director