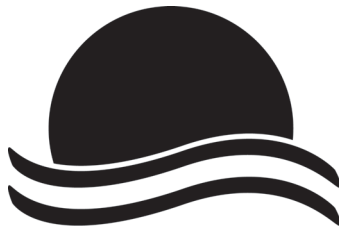


# **17th Annual Report 2010-11**



## **GOLDEN CARPETS LIMITED**

Regd. Office: 8-2-596/5/B/1/A, Road No.10,  
Banjara Hills, Hyderabad - 500 034



## GOLDEN CARPETS LIMITED

## BOARD OF DIRECTORS

## MANAGING DIRECTOR

Shri SriKrishna Naik

## DIRECTORS

Shri Meena kerur

Shri K Suresh

Shri Maqsood Ahmed

## REGISTERED OFFICE

Flat. No.8-2-596/5/B/1/A,

Road No.10

Banjara Hills,

Hyderabad-34

Email: goldencarpets@vsnl.net

## AUDITORS

M/s. Ramasamy Koteswara Rao &amp; Co

Chartered Accountants

Plot No 238/A, MLA's Colony

Road No.12, Banjara Hills

Hyderabad - 500 034

## FACTORY LOCATION

Jeedipally Village,

Toopran Mandal

Medak District,

Andhrapradesh

## BANKERS

Axis Bank Limited.,

Road No. 1, Banjara Hills,

Hyderabad.

ICICI Bank Limited.,

Road No. 12, Banjara Hills,

Hyderabad.

REGISTRARS AND  
SHARE TRANSFER AGENTS

M/s. XL Softech Systems Limited

Sagar Society Road

Road.No.2, BanjaraHills,

Hyderabad.

## LISTING

Bombay Stock Exchange Limited (BSE)-Mumbai.



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## NOTICE

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the members of M/s Golden Carpets Limited will be held on Friday the 30<sup>th</sup> day of September 2011 at 9.00 A.M at Hotel Marriot, Tankbund, Hyderabad to transact the following items of business:

### ORDINARY BUSINESS

1. To Receive, Consider and Adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2011 and the Profit and Loss Account for the year ended 31<sup>st</sup> March 2011, together with the Reports of the Directors' and Auditors' thereon.
2. To Appoint a Director in the place of Mr K Suresh who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint statutory auditors for the financial year 2011-2012 by passing the following resolution as an Ordinary resolution.

"RESOLVED THAT the consent of the members be and is hereby accorded for the appointment M/s. Ramasamy Koteswara Rao & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the company for the financial year 2011-2012 who shall hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the company."

By order of the Board of Directors

Place: Hyderabad

Date : 29-07-2011

Sd/-

SRI KRISHNA NAIK

Chairman & Managing Director

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE INSTEAD OF HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Register of members of the Company and Share Transfer Books will remain closed from Monday, the 26<sup>th</sup> September 2011 to Friday, the 30<sup>th</sup> September 2011 (both days inclusive).



3. Members are requested to notify immediately any change in their address to the share transfer agents and in case their shares are held in dematerialised form, this information should be passed on to their respective depository participants with out delay.
4. Pursuant to the requirements of the listing agreement of stock exchanges, the information of the directors proposed to be appointed or Re-appointed is given in the annexure to the notice.
5. Shareholders holding shares in physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E- COMMUNICATION REGISTRATION FORM inserted in the Annual Report to the Registrars i.e., XL Softech Systems Limited, Sagar Society Road, Road No.2, Banjara Hills, Hyderabad.
6. Members who hold shares in dematerialized form are requested to bring their client ID and DP IDs for easier identification of attendance at the meeting.

Additional Information on retiring directors as required under provisions of Listing Agreement:

Brief Profile of Mr K Suresh:

Mr. K.Suresh, aged 39 Years, is Masters in Commerce, having more than 10 years of experience in various fields of business, Marketing, Finance and Administration. He holds directorships in the following companies as on 31.03.2011:

Sai Inspections Private Limited

Marvel Publication Pvt. Ltd.

By order of the Board of Directors

Place: Hyderabad

Date : 29-07-2011

Sd/-

SRI KRISHNA NAIK  
Chairman & Managing Director



## DIRECTORS' REPORT

Dear Members,

Your Directors present herewith the 17<sup>th</sup> Annual Report on the business and operations of the Company and the audited accounts for the year ended 31<sup>st</sup> March 2011.

## 1. FINANCIAL RESULTS AND OPERATIONS

The summarized financial results for the year ended 31<sup>st</sup> March 2011 as compared with the previous year are as under:

			Rs. In Lakhs.
S.No	Particulars	Year ended 31.03.2011	Year ended 31.03.2010
1.	Sales	139.68	63.46
2.	Other Income	9.24	9.98
3.	<b>TOTAL INCOME (1 + 2)</b>	<b>148.92</b>	<b>73.44</b>
4.	Total Expenses other than interest	(115.32)	72.98
5.	Interest	1.29	0.67
6.	Total Expenses other than Depreciation	114.02	72.31
7.	Depreciation	75.53	75.35
8.	Miscellaneous Expenditure Written off	0.00	0.00
9.	Profit/ (Loss) for the before tax	(40.63)	(74.22)
10.	Provision for tax	0.00	0.00
	Fringe benefit Tax	0.00	0.00
	MAT	0.00	0.00
	Deferred Tax(Liability)/Asset	16.66	17.29
	<b>Profit/(Loss) for the year after tax</b>	<b>(23.97)</b>	<b>(56.93)</b>

The operational performance of the Company is discussed in detail under the Management Analysis and Discussion Report.

## 2. RESERVES:

The company has not transferred any amount to reserves during the financial year under review.

## 3. DEPOSITS

The Company has not accepted any fixed deposits from the public within the meaning of section 58A of the Companies Act, 1956.

## 4. 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 EARNING AND OUTGO (pursuant to sec 217(1)(e))



#### A. Conservation of energy:

- I. Adequate measures have been taken for conservation of energy.
- II. There is no additional investment and proposal for reduction of energy conservation.
- III. As there is no additional investment, there is no impact on the business of the company

#### B. Technology Absorption

##### i) Research & Development (R&D)

###### a) Specific areas in which R & D carried out by the company

For having the modern design, patterns and styles and improving the quality of the products and to have unique, royal and classic designs, the company is constantly carrying out research. The Company has developed new Yarn Structure which increases the quality in terms of life of Carpet.

###### b) Benefits derived as a result of R&D

The most impressive designs with highest standard in quality meeting the present market demand have emerged out of research carried out by the Company. The new Yarn has been greatly accepted in the market.

###### c) Future plan of action

The quality designs of carpets has to be improved with a view to have unique features, pattern and design.

Expenditure on R & D: The Company has not made any expenditure on R & D.

##### ii) Technology absorption, adoption and innovation.

During the year the company has neither absorbed any new Technology nor adopted or innovated as the existing technology is sufficient to meet the present market requirements.

#### 5. FOREIGN EXCHANGE EARRINGS AND OUT GO:

Foreign Exchange Earnings	:	Nil
Foreign Exchange out go	:	Nil

#### 6. PARTICULARS OF EMPLOYEES

No employee of the Company was in receipt of remuneration, which requires disclosure under section 217(2A) of the Companies Act, 1956.

#### 7. DIRECTORS

In accordance with the requirements of the Companies Act 1956, read with the Articles of Association of the company Mr. K.Suresh retire by rotation at this Annual General Meeting, and being eligible offer himself for reappointment.



## 8. AUDITORS AND AUDIT REPORT

The Statutory Auditors of the company M/s Ramasamy Koteswararao & Co, Chartered Accountants, Hyderabad, retire at the ensuing Annual General Meeting and are eligible for re -appointment.

Your company has received intimation to the effect that, proposed re-appointment, if made would be within the prescribed limit under Section 224(1B) of the Companies Act 1956 and also in compliance with the requirements of the Listing Agreement regarding Peer Review. They have also confirmed their willingness to accept office, if re-appointed. The Board and Audit Committee recommend the re-appointment of M/s Ramasamy Koteswararao & Co, Chartered Accountants, Hyderabad, as Statutory Auditors to hold office till conclusion of Next Annual General Meeting.

The Company has well established system of Internal Audit which carries out audit on Risk Management framework which covers the entire gamut of financial, marketing, plant operations and other service functions

The Auditors Report and notes to the accounts are self explanatory and do not call for any further comments.

## 9. DIRECTOR'S RESPONSIBILITY STATEMENT

In accordance with sub-section (2AA) of section 217 of the Companies Act, 1956, the Directors of the Company state:

- a. That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. 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 profit of the Company for the year under review.
- c. 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 safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2011 on a 'going concern basis.

## 10. CORPORATE GOVERNANCE REPORT

A separate report on corporate governance along with Auditor's certificate on its compliance is attached to this report.

## 11. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Separate Report of Management Discussion and Analysis Report as required under the Provisions of listing agreement attached to this report.

## 13. CASH FLOW STATEMENT

In conformity with the provisions of Clause 32 of the Listing Agreement with the Stock Exchanges, the cash flow statement for the year ended March 31, 2011 is annexed hereto.





### 13. LISTING

The Equity shares of the company Listed on the Bombay Stock Exchange Limited. The company has paid the applicable listing fee to the BSE up-to-date.

### 14. AUDIT COMMITTEE

In accordance with Clause 49 of the Listing Agreement, the company has constituted the Audit Committee, which consists of Two Independent Directors, One Promoter all are Non Executive Directors of the company Viz. Mr. K.Suresh, Mrs.Meena Kerur and Mr.Maqsood Ahmed. The Audit committee functions in terms of the role and powers delegated by the Board of Directors keeping in view of the Provisions of Clause 49 of Listing Agreement and Section 292A of the Companies Act 1956.

### 15. HUMAN RECOURSE

The Board of Directors would like to place on record its deep appreciation to all the employees for their dedicated services to the company. Our organizational culture and work environment is central to our ability to complete effectively.

Company has taken initiative to appoint Qualified Company Secretary to comply with the provision of Section 383A of the companies Act, Listing Agreement. The Efforts of the company was not fruitful, however company is availing the services from Practicing Company Secretary.

### 16. ACKNOWLEDGEMENT

Your Directors take this opportunity to express their appreciation for the cooperation and continued support received from various departments of Central and State Governments, financial institutions, Banks, the Suppliers, Customers and Shareholders of the Company.

By order of the Board of Directors

Place: Hyderabad

Date : 29-07-2011

Sd/-  
SRI KRISHNA NAIK  
Chairman & Managing Director



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENT:

Carpet weaving is a tradition which goes back by more than 700 years and the tradition of weaving has been passed on to each successive generation. The Indian carpet industry is the true expression of the worker's philosophy and their insight into the nature's changing moods in the form of designs on carpets. The designs, composition, color, size, finish, methods have been influenced by the incidents in Indian history, culture, myths, life style, and geographical conditions prevailing in the country.

Each region is engaged in making different types of carpets with variations in material (silk, wool, etc.), designs, color and quality. On the basis of quality of wool used in the production, the feel of carpets differs. While Northern region carpets are soft and shiny, those of southern region are rough and opaque. The leading carpet manufacturing workshops are located in Kashmir, Rajasthan, Punjab, Uttar Pradesh, Andhra Pradesh and Himachal Pradesh.

Indian carpet industry with a strong base of improved infrastructure, quality and technology is primarily export-oriented, accounting for about 20% of the total exports, next only to Iran and China. Europe and America are the chief importers accounting for almost 95 percent of total carpet imports. The Indian Carpet Industry is governed by the regulations of National Textile Policy, 2000. Presently, India exports carpets worth over Rs. 2600 crores. The domestic market size is about Rs. 200 crores.

Golden Carpets Limited, with its modern technology like computerized electronic Jacquard, skilled personnel manufactures carpets which are exquisitely designed, elegant, attractive catering to the different needs of the customers.

## OPPORTUNITIES

Indian Carpets are famous the world over. After dealing with China for some time, many players think that India provides a better option and flexibility. The Indian carpet industry, with the evolution of modern design, is in a vibrant mood, offering considerable potential for growth to the Company as it is getting many orders from Hotels as well as software companies in India and abroad.

Home furnishing market is moving towards Carpet Industry, which results in evolution of new carpet designs. It is used as a Marketing tool and gives the opportunity to provide stocking and warehousing services to various players in the market.

Our Company with its magnificent designs and the heart winning workmanship has been able to capture the export market and has made a remarkable progress in export market. With use of modern technology and organized operations we enhance the image of the Company. There is an opportunity for providing stocking and warehousing services to various players also.

## Threats

Due to the economic meltdown, the carpet industry, which has survived through the worst periods in the last two decades, is facing the kind of challenges never witnessed before. The famous carpets woven industry which has a ready made clientele across the globe, is now in a state of disarray, brought about by the Tsunami like economic crisis which has engulfed worldwide economies. Experts warn of troubled times for the sector in the current year and expect overseas exports of carpets to fall by as much as 70 percent in the