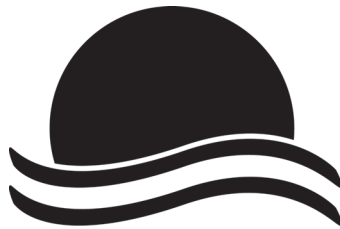


**17th
Annual Report
2010-11**



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 & 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 17th Annual General Meeting of the members of M/s Golden Carpets Limited will be held on Friday the 30th 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 31st March 2011 and the Profit and Loss Account for the year ended 31st 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 26th September 2011 to Friday, the 30th 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 17th Annual Report on the business and operations of the Company and the audited accounts for the year ended 31st March 2011.

1. FINANCIAL RESULTS AND OPERATIONS

The summarized financial results for the year ended 31st 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.	TOTAL INCOME (1 + 2)	148.92	73.44	
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	
	Profit/(Loss) for the year after tax	(23.97)	(56.93)	

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 frame work 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 31st 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 31st 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 annexes 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



current financial year. The industry is also suffering a lot due to unhealthy competition existing within it. If not handled properly, current rebound in the industry may not be sustainable. Social evil such as Child labor has strong bonding with the industry. Hence, the industry invites risk of possible backlash on itself. The carpet exporters and manufacturers lack marketing channels. Indian suppliers suffer due to poor infrastructure and internal competition, and lack professional approach and Intellectual Property Rights.

Segment Wise Performance:

As the Company is dealing in only one product, the same is not applicable.

Outlook

As the industry is moving towards the emergence of new market with use of modern techniques, Low-end carpets manufactured in modern designs like hand-tufted carpets are highly preferred by new customer base. Thus, innovative products range with lower volume could be a success mantra for Indian Carpet Industry. Your Company has already taken initiatives to increase the productivity and value of business by implementing quality standards, cost reduction, better development of products and their on-time delivery.

Discussion on Financial performance with respect to operational performance

During the Year the Company has achieved a turnover of Rs 139.68 lacs as against 63.46 lacs. Although, the Company has suffered a net loss of Rs 23.97 lacs in the year under review, the same is lower as compared to the loss of Rs 56.92 lacs in the previous year. The company has not achieved the expected performance due to financial recession in Indigenous market and adverse market for export. On account of these extraneous factors, there has been a reduction in the turnover of the Company. Nevertheless, the Company with all efforts and concentration hopes to maintain a good performance in the future.

Internal Control Systems and their Adequacy

The Company is having adequate Internal Control System with respect to effectively handing the operations and maintaining the accounts. The Audit Committee reviews the accounting systems and procedures and suggest remedial actions where required.

Material Development In Human Resources/Industrial Relations:

The Company recognizes the importance and contribution made by its employees to the growth and development of the Company the Company has cordial relations with employees and staff.

CAUTIONARY STATEMENT:

Statements in the Management and Discussion Analysis which seek to describe the Company's objective, projections, estimates, expectations or predictions may be considered to be forward looking statements within the meaning of the applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include Indian demand and supply conditions, availability of working capital, raw material prices, changes in government regulations, tax regime, economic developments within India and globally.



REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement with the Stock Exchange)

1. A brief statement on Company's philosophy on code of Governance

The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of affairs of the Company and help the company to achieve goal of maximizing value for all its stake owners. Your Company's business objective is to manufacture and market the Company's product in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees & business partners. Your Company is conscious of the fact that the success of a Company is a reflection of the professional conduct and ethical values of its management & employees. Your Company affirms its commitment to follow good corporate governance practices proactively.

2. Board of Directors

- (i) The Board has two promoters, Two non-executive Directors and the number of independent Directors are fifty percent to the of total number of Directors. The composition of the Board is in compliance with the Clause 49 of the Listing Agreement entered with the Stock Exchange.
- (ii) None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all the companies in which he is a Director. Necessary disclosures regarding committee positions in other public companies as at 31st March 2011 have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of directorships and committee memberships held by them in other companies are given below:

Name	Category	No. of Board Meetings during the Year 2010-11		Whether attended last AGM held on 30 th September 2010	No. of Directorships in other Public companies	No. of Committee positions held in other public companies	
		Held	Attended			Chairman	Member
Sri S Naik	Promoter & Executive Director	4	4	Yes	Nil	Nil	Nil
Smt Meena kerur	Promoter, Non Executive Director	4	2	No	Nil	Nil	Nil
Sri K Suresh	Non Executive Independent	4	4	Yes	Nil	Nil	Nil
Sri Maqsood Ahmed	Non Executive Independent	4	4	No	Nil	Nil	Nil



- (iii) Four (4) Board Meetings were held during the year 2010-11 and the gap between 2 meetings did not exceed 4 months. The dates on which the Board Meetings held were 29th May 2010, 13th August 2010, 29th October 2010 and 5th February 2011.
- (v) Apart from receiving the sitting fees, Non-Executive Directors do not have any other material pecuniary relationship or transactions with the Company, its promoters or its Management, which in the opinion of the Board may affect independence of judgment of the Director.
- (vi) Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

3. BOARD PROCEDURE

Board members are given in advance the appropriate documents and information of each Board and Committee meetings so as to enable them to participate effectively and contribute to the smooth functioning of the company.

4. AUDIT COMMITTEE

- (i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292 A of the Companies Act 1956.
- (ii) The Company's Audit Committee comprises of the following Directors all of whom are Non-Executive Independent Directors:

- 1. Sri K.Suresh - Chairman
- 2. Smt.Meena Kerur - Member
- 3. Sri Maqsood Ahmed - Member

- (iii) The terms of reference stipulated by the Board to the Audit Committee includes review of the following:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956



- b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - Discussion with internal auditors any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising three Non-Executive and independent Directors. Sri. Kotte Suresh, who is heading the Audit Committee as Chairman is a highly qualified with vast experience in matters relating to financial ,Banking, Industrial Finance, Project Implementation & Management. The Chairman of the Audit Committee was present at the previous Annual General Meeting.

- (iv) During the year 2010-11 the Audit Committee met **Four (4)** times on 29th May 2010, 13th August 2010, 29th October 2010 and 5th February 2011. The statutory auditors and whole-time directors were invited for the meetings. The attendance of the members of the committee are given below:

Name	Category		No. of Meetings during the Year 2010-11	
			Held	Attended
Sri K. Suresh	Chairman	Independent, Non Executive	4	4
Smt. Meena Kerur	Member	Independent, Non Executive	4	2
Sri. Maqsood Ahmed	Member	Independent, Non Executive	4	4



5. REMUNERATION COMMITTEE

The Company had constituted a Remuneration Committee in terms of Schedule XIII of the Companies Act, 1956 read with clause 49 of the listing agreement. The committee comprises of Sri. K.Suresh, Sri. Maqsood Ahmed and Mrs Meena Kerur, all are non- executive Majority Independent Directors. The broad terms of reference of the remuneration committee are to approve/recommend to the Board the salary (including annual increments) perquisites and commission including pension rights & any compensation payment to be paid to the Company's Managing / Whole-Time-Director's.

Remuneration policy: The Company while deciding the remuneration package of the management takes into consideration the employment scenario, remuneration package of the industry, financial performance of the Company and talents of the appointee. The Executive Directors and Non- Independent Directors of the Company are not entitled to sitting fees. The Non Executive Independent Directors are not paid any remuneration except sitting fees for attending Board/ Committee meetings.

During the year the Committee was not required to meet.

6. REMUNERATION OF DIRECTORS

Details of remuneration/sitting fees paid to the Directors for the year 2010-11 are given below.

Name	Sitting Fee Rs.	Salary, perquisites and allowances Rs.
Sri S.Naik	0.00	9,60,000
Smt Meena Kerur	0.00	0.00
Sri Maqsood Ahmed	0.00	0.00
Sri K Suresh	0.00	0.00

No pecuniary relationship exists between the Company and its Non - Executive Directors except for the sitting Fees as mentioned above.

The period of appointment of Managing Director is for 3 years, there is no notice period or severance fees prescribed. The Company does not have any stock option plan or performance incentives.

Details of Shares of the Company held by the Directors as on March 31, 2011 are as below:

Name	No.of Shares
Sri S Naik	1843540
Smt.Meena Kerur	979680
Sri.Kotte Suresh	Nil
Sri.Maqsood Ahmed	Nil

7. SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

This committee is headed by Mrs.Meena Kerur, while Sri Kotte Suresh and Sri. Maqsood Ahmed act as members of the Committee. The committee looks into transfer and transmission, issue of duplicate share certificate, consolidation and sub-division of shares and investors grievance. The committee oversees the performance of the Registrars and Transfer agents and recommends measures for overall improvement in the quality of investor services.

Name of the Member	No.of Meetings attended	Designation
Smt. Meena Kerur	2	Chairman
Sri. Kotte Suresh	4	Member
Sri. Maqsood Ahmed	4	Member



The total number of complaints received and replied to the satisfaction of shareholders during the year under review was Nil There was no outstanding complaints as on 31st March 2011.

8. GENERAL BODY MEETINGS

a. Location & Time of Last 3 Annual General Meetings:

Year	Venue	Date	Time
2009-2010	Hotel Marriott, Tank Bund, Hyderabad	30.09.2010	9.00 A.M
2008-2009	Hotel Marriott, Tank Bund, Hyderabad	30.09.2009	9.00 A.M
2007-2008	Hotel Marriott, Tank Bund, Hyderabad	29.09.2008	9.00 P.M.

b. During the year None of the resolutions had been passed through postal ballot.

9. DISCLOSURES

During the year 2010-11 the Company had no materially significant related party transactions, which is considered to have potential conflict with the interest of the Company at large. The disclosures as to related party transaction is disclosed in the notes to accounts.

There were no instances of non-compliance, penalties, strictures imposed on the Company by the stock exchanges, SEBI or any other statutory authority on any matter relating to the capital markets during the last 3 years.

10. MEANS OF COMMUNICATION

The quarterly/ half yearly/ annual results, notices of Board Meetings/ General Meetings and all other material information are normally published by the Company in the newspapers. The half-yearly results are not sent to the shareholders. Official news releases are sent to the stock exchanges at Mumbai where the shares of the Company are listed. Your Company has launched website, being the following URL <http://www.goldencarpets.com>, enabling the potential investors to have awareness of the Company. The website is yet to be updated with the latest information and the same is in work in progress.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Information on management discussion and analysis is placed else where in Annual Report.

12. NON-MANDATORY REQUIREMENTS

As regards adoption of Non-Mandatory requirement of Corporate governance. It is submitted that the Company does not send the half yearly results to each of the shareholders.

13. GENERAL SHAREHOLDERS INFORMATION

a. 17th Annual General Meeting

Date and Time : 30th September 2011, 9.00 A.M.
 Venue : Hotel Marriot, Tankbund, Hyderabad.

b. Financial Calendar (tentative)

Financial Year : 1st April to 31st March
 First Quarter Results : July / August 2011



Second Quarter and Half yearly results	:	October / November 2011
Third Quarter Results	:	January / February 2012
Last Quarter Results / Audited Results	:	May 2012/June 2012
c. Dates of Book closure	:	Monday, the 26 th September 2011 to Friday, the 30 th September 2011 (both days are inclusive)
d. Dividend payment date	:	Not applicable
e. Listing on Stock Exchanges	:	The Bombay Stock Exchange Limited, Mumbai
Stock Code	:	531928
ISIN Numbers in NSDL & CDSL for Equity Shares	:	INE595D01015

The company has paid its annual listing fees to the stock exchange for the financial year 2010-2011.

f. Market Price Data	:	High/Low price quotation in each month of the last financial year 2010-11 on the Stock Exchange, Mumbai is given below.
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Month	High (Rs.)	Low (Rs.)
Apr' 10	3.44	2.73
May' 10	3.46	3.14
Jun' 10	3.24	2.95
Jul' 10	3.39	3.39
Aug' 10	4.10	3.54
Sep' 10	4.95	4.29
Oct' 10	4.99	4.05
Nov' 10	4.33	3.55
Dec' 10	0.00	0.00
Jan' 11	0.00	0.00
Feb' 11	0.00	0.00
Mar' 11	0.00	0.00

Source: www.bseindia.com

Registrars and Transfer Agents (RTA): M/s XL Sofitech Systems Limited
Sagar Society Road,
Road No-2, Banjara Hills,
Hyderabad-34
Ph.No. 040-23545913, 23545914
E-Mail: xlfeild@rediffmail.com

14. SHARE TRANSFER SYSTEM

Shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. The shares of the Company have been placed by the SEBI under compulsory dematerialisation ("DEMAT"). The Company has as per, SEBI Guidelines with effect from the said date has offered the facility of physical transfer cum demat.



15. SHAREHOLDING PATTERN AS ON 31ST MARCH 2011

Sl.No	Category	No.of Shares	% of Shareholding
1.	Promoters	3376660	52.03
2.	Mutual Funds and UTI	0.00	0.00
3.	Banks, Financial Institution, Insurance Companies	185185	2.85
4.	Private Corporate Bodies	251000	3.56
5.	Indian Public	1748190	26.94
6.	NRIs/OCBs	948824	14.62
7.	Clearing Members	300	0.00
	Total	6490159	100.00

16. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2011

Share or debenture holding of Nominal value of		Share / Debenture Holders		Shares / Debenture Amount	
Rs.	Rs.	Number	% to	In Rs.	% of
(1)	(1)	(2)	(3)	(4)	(5)
1 - 5000	5000	323	49.46	946000	1.46
5001 - 10000	10000	103	15.77	930000	1.43
10001 - 20000	20000	67	10.26	1108000	1.71
20001 - 30000	30000	36	5.51	929000	1.43
30001 - 40000	40000	20	3.06	739400	1.14
40001 - 50000	50000	23	3.52	1125000	1.73
50001 - 100000	100000	29	4.44	2139700	3.30
100001 - Above	Above	52	7.96	56984490	87.80
TOTAL		653	100.00	64901590	100.00

17. DE-MATERIALIZATION OF SHARES AND LIQUIDITY

The Company entered into an agreement with NSDL and CDSL, where by shareholders can avail the option to dematerialize their shares with either of the depositories and on an average the dematerialization process is completed within a period of 7 days from receipt of a valid demat request along with all documents. 26.36 % of the paid up capital has been dematerialized as on 31.03.2011.

18. Outstanding ADRs/GDRs/ Warrants or any convertible instruments, conversion date and likely impact on equity : Not Applicable

19. SECRETARIAL AUDIT

The Company gets the Secretarial Audit done by a Practicing Company Secretary for the purpose of reconciliation of the total admitted capital with both the depositories and the total issued and listed capital. The Secretarial Audit Report placed before the Board of Directors on a quarterly basis is also sent to the Stock Exchanges where the Company's shares are Listed.



20. ADDRESS FOR CORRESPONDENCE

The Address for Correspondance is : GOLDEN CARPETS LIMITED
 Flat No-8-2-596/5/B/1,
 Road No-10,
 Banjara Hills,Hyderabad-500 034

E-Mail : Goldencarpets@vsnl.net

21. NOMINATION FACILITY

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956 are requested to submit to the Company the prescribed Form 2B for this purpose.

22. COMPANY'S POLICY ON PREVENTION OF INSIDER TRADING

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company had framed a Code of Conduct for prevention of insider trading. The code is applicable to all such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company and the same is being implemented as a self -regulatory mechanism.

By order of the Board of Directors

Place: Hyderabad

Date : 29-07-2011

Sd/-
 SRI KRISHNA NAIK
 Chairman & Managing Director

Particulars of Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Clause 49 of the Listing Agreement

Name of the Director	Qualification, Age & Expertise in Specific Functional Areas	Date of Birth	Qualification	List of the Companies in which Directorships is held as on 31st March 2011	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2011
Mr K Suresh	Master of Commerce, vast experience in Accounts, Finance and Business	09-11-1972	M.Com	NIL	NIL



M/s Ramasamy Koteswararao & Co
Chartered Accountants

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Share owners of
M/s Golden Carpets Limited

We have examined the compliance of the conditions of Corporate Governance by Golden carpets Limited for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements.

On the basis of representation received from Registrars and Share Transfer Agents and as per the records maintained by the Company which are presented to the Shareholders/Investors grievance committee, we state that during the year ended 31st March, 2011 no investor grievance were pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Ramasamy Koteswararao & Co
Chartered Accountants

Place : Hyderabad
Date : 29.07.2011

(C.V.Koteswara Rao)
Partner, M No. 28353

**CERTIFICATE BY MANAGING DIRECTOR AND SENIOR MANAGER FINANCE & ACCOUNTS OF THE COMPANY**

We, Sri Krishna Naik, Managing Director and M.Janardhan, Accounts Officer of M/s.GOLDEN CARPETS LIMITED, here by certify to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement for the year or omit any material fact or contain statements that might be misleading:
 - ii) These statements together present a true and fair view of the company's Affairs are in the compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered in to by the company during the year which are fraudulent, illegal or violate of the company's code of conduct
- c) We are responsible for establishing and maintaining internal controls in the company and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors, audit committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or proposed to take rectify these deficiencies.
- d) We have indicated to the auditors and the audit committee:
 - i) Significant changes in internal control during the year:
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.
- e) We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct)
- f) We further declare that all board members and designated senior management have performed compliance with the code of conduct for the current year.

Place: Hyderabad
Date : 29.07.2011

(Sri Krishna Naik)
Managing Director

(M.Janardhan)
Accounts Officer



AUDITOR'S REPORT

To
The Members
Golden Carpets Limited
Hyderabad

1. We have audited the attached Balance Sheet of GOLDEN CARPETS LIMITED, as at March 31, 2011, the Profit and Loss account and also the (Cash Flow statement) for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) and subject to in paragraph (4) above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, subject to the effect on the financial statements of the matter referred to in the preceding paragraph and subject to Note 3 of Schedule 18 regarding non-implementation of Negotiated Settlement, the said accounts together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - (b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
 - (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For RAMASAMYKOTESWARA RAO & CO
Chartered Accountants
Firm Reg No.010396S

C.V.KOTESWARA RAO
Partner
Membership No. 28353

Place: Hyderabad
Date: 30-05-2011



Annexure to Auditor's Report

(Referred to in paragraph 3 of our Report of even date to the Members of GOLDEN CARPETS LIMITED for the year ended March 31, 2011)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year and there is regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) During the year, the company has not disposed off a major part of the plant and machinery.
- (ii) a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year.
- b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company has maintained proper records of inventories. As explained to us there were no material discrepancies noticed on physical verification of inventories as compared to book records.
- (iii) As informed the Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(III) (b) to (d) of the Order are not applicable.
- (iv) On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business; for the purchases of inventory and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) a) In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the Companies Act, 1956 in respect of the Company's nature of business.
- ix) a) The P.F. & E.S.I Act are not applicable for the Company. According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31.03.2011 for a period of more than six months from the date they became payable.



- b) According to the information and explanations given to us, there are no income tax, sales tax, service tax, cess, wealth tax, customs duty and excise duty, which have not been deposited on account of any dispute, There were no dues on account of cess under 441A of the Companies Act, 1956, since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.
- x) The company does not have accumulated losses as at the end of the financial year and it has not incurred cash losses during the current financial year covered by our audit and the immediately preceding financial year.
- xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company did not have any outstanding dues to financial Institutions, banks, in payment of interest with respect to loan taken from IDBI and it is further negotiating for relief and the matter is pending. or debenture holders.
- xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion, the company is not a chit or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- xiv) The company is not in the business of dealing or trading in shares, securities, debenture and other instruments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable to the company.
- xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) According to the information and explanation given to us, and on an overall examination of the balance sheet, the company has not raised any short-term funds, which have been utilized for long-term investment.
- xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the price at which such shares have been issued, prejudicial to the interest of the company does not arise.
- xix) During the year covered by our audit report, the Company does not have any outstanding debentures, so the creation of charge does not arise.
- xx) The company has not made any public issue during the year. Accordingly the question of disclosing end use of money raised by public issue does not arise.
- xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For RAMASAMYKOTESWARA RAO & CO
Chartered Accountants
Firm Reg No.010396S

Place : Hyderabad

Date : 30-05-2011

C.V.KOTESWARA RAO
Partner
Membership No. 28353



Balance Sheet As At 31st March, 2011

(Amount in Rupees)

	Particulars	Schedules	March 31, 2011	March 31, 2010
I	SOURCES OF FUNDS			
	1. Shareholders' Funds			
	a) Share Capital	1	84,411,590	84,411,590
	b) Reserves and Surples		22,407,396	22,407,396
			106,818,986	106,818,986
	2. Loan Funds:			
	a) Secured Loans	2	1,934,871	1,142,791
	b) Unsecured Loans		38,235,272	38,235,272
	3. Deferred Tax Liability		16,720,874	18,387,007
	Total		163,710,003	164,584,056
II	APPLICATION OF FUNDS			
	1. FIXED ASSESTS	3		
	Gross Block		169,378,499	168,837,451
	Less: Depreciation		88,862,984	81,309,524
	Net Block		80,515,515	87,527,927
	2. Investments			
	3. Current Assets, Loan and Advances			
	a) Inventories	4	27,006,088	24,001,146
	b) Cash & Bank balances	5	701,580	1,999,200
	c) Sundry Debtors	6	2,191,144	1,573,196
	d) Loans & advances	7	5,362,821	4,456,965
			35,261,633	32,030,507
	Less: Current Liabilities & provisions	8		
	a) Liabilities		9,408,033	8,239,246
	b) Provisions			
	Net Current Assests		25,853,600	23,791,261
	3. a) Miscellenious Expenditure (To the extent not written off or adjusted)			
	b) Profit & Loss account		57,340,887	53,264,868
	Total		163,710,003	164,584,056

Schedules referred to above and the notes attached thereon form an integral part of the Balance Sheet.

For RAMASAMYKOTESWARA RAO & CO

Chartered Accountants

Firm Reg No.010396S

For & on behalf of the Board

C.V.KOTESWARA RAO

Partner

Membership No. 28353

Place: Hyderabad

Date: 30-05-2011

Sd/-

Sri Krishna Naik

Managing Director

Sd/-

Meenakerur

Director



Profit and Loss account for the year ended 31st March 2011

(Amount in Rupees)

	Particulars	Schedules No.	March 31, 2011	March 31, 2010
I	INCOME			
	Sales		13,968,076	6,346,008
	Other Income		924,685	998,511
	Total		14,892,761	7,344,519
II	EXPENDITURE			
	Cost of Raw material consumed	10	6,477,773	3,072,389
	General and Administration expenses	11	6,299,609	4,614,303
	Financial costs	12	129,771	67,033
	Decrease/Increase in stocks	9	(1,504,427)	(522,231)
	Total		11,402,726	7,231,494
	Profit & Loss before Depreciation		3,490,035	113,025
	Depreciation for the year	3	7,553,460	7,535,689
	Loss after Depreciation		(4,063,425)	(7,422,664)
	Miscellaneous Exp written off		—	—
	Loss before Tax		(4,063,425)	(7,422,664)
	Provision for Tax :			
	Fringe Benift Tax		—	—
	Income Tax		—	—
	Deferred Tax(Liability)/Asset		1,666,131	1,729,799
	Profit/loss after Tax		(2,397,294)	(5,692,865)
	Previous Year Losses brought forward		(53,264,868)	(45,883,253)
	Prior Period Adjustments		1,678,725	1,688,750
	Profit & Loss transferred to Balance Sheet		(57,340,887)	(53,264,868)

Schedules referred to above and the notes attached thereon form an integral part of the Profit & Loss A/c.

For RAMASAMYKOTESWARA RAO & CO
Chartered Accountants
Firm Reg No.010396S

C.V.KOTESWARA RAO
Partner
Membership No. 28353

Place: Hyderabad
Date: 30-05-2011

For & on behalf of the Board

Sd/-
Sri Krishna Naik
Managing Director

Sd/-
Meenakerur
Director



SCHEDULES FORMING PART OF THE BALANCESHEET

SCHEDULE - 1

PARTICULARS	March 31, 2011	March 31, 2010
SHARE CAPITAL		
Authorised		
10500000 equity shares of Rs.10 each	105000000	105000000
Issued, Subscribed and paid up		
6490159 equity shares of Rs. 10 each	64901590	64901590
(privies year 6490159 equity shares of Rs.10/- each)		
Add:Forfieted Shares	19510000	19510000
	84411590	84411590

SCHEDULE - 2

PARTICULARS	March 31, 2011	March 31, 2010
SECURED LOANS		
Interest Free Sales tax Loan	1934871	1142791
(Under the sales tax defferment Scheme)		
	1934871	1142791

SCHEDULE - 4

PARTICULARS	March 31, 2011	March 31, 2010
INVENTORIES		
Raw Material	16208802	14708287
Work in Process	2940978	2293201
Finished Goods	7856308	6999658
	27006088	24001146

SCHEDULE - 5

PARTICULARS	March 31, 2011	March 31, 2010
CASH & BANK BALANCES		
i) Cash on hand	176594	1120883
ii) Balances with schedule banks	524986	878317
In current Accounts		
	701580	1999200



SCHEDULE - 6

PARTICULARS	March 31, 2011	March 31, 2010
SUNDRY DEBTORS (Unsecured and considered good)		
i) Less than Six Months	2145544	1527596
ii) Other debts	45600	45600
Total ..	2191144	1573196

SCHEDULE - 7

PARTICULARS	March 31, 2011	March 31, 2010
LOANS AND ADVANCES & OTHER (Unsecured and considered good)		
Other Advances	2155956	2155956
Staff Advances	41000	–
Deposits	4853476	2208475
TDS On FDR Interst	108898	92532
	5362821	4456963

SCHEDULE - 8

PARTICULARS	March 31, 2011	March 31, 2010
CURRENT LIABILITIES		
a) Liability For Expenses	1187971	1187971
b) Other Liabilities		
Sri Krishna Naik	6759307	6759307
Calls Unpaid payable on allotment money	2500	2500
c) Sales tax liability	72115	187918
d) TDS Payable	112236	101550
PROVISIONS		
a) Provision for FBT	0	0
b) Provision for MAT	0	0
	9408033	8239246



SCHEDULE - 9

PARTICULARS	March 31, 2011	March 31, 2010
INCREASE/DECREASE IN STOCKS		
A. Opening Balance		
Work in Progress	2293201	1692733
Finished goods	6999658	7077895
	9292859	8770628
B. Closing Balance		
Work in progress	2940978	2293201
Finished goods	7856308	6999658
	10797286	9292859
	1504427	522231

SCHEDULE - 10

PARTICULARS	March 31, 2011	March 31, 2010
RAW MATERIAL CONSUMED		
Opening balance of Raw Material	14708287	15495836
Add: Purchases	7978288	2284840
Less: Closing Balance	16208802	14708287
	6477773	3072389

SCHEDULE - 11

PARTICULARS	March 31, 2011	March 31, 2010
ADMINISTRATIVE & GENERAL EXPENSES		
ADVERTISEMENT CHARGES	110198	38561
ANNUAL CUSTODIAL CHARGES	49635	33090
AUDIT FEE	25000	25000
BOARD MEETING EXPENSES	16816	15350
BUSINESS PROMOTIONS	187500	50668
CONVEYANCE	60500	34500
CUSTOM CLEARING AGENT	40007	33971
DIRECTOR SITTING FEE	-	16000
COMISSION & BROKARAGE	40000	-
DIRECTORS REMUNERATION	960000	800000



FACTORY MAINTENANCE	82984	30800
FRIGHT & INSURANCE	63105	15343
FOREIGN EXCHANGE FLUCATION	-	9614
GENERAL EXPENSES	4632	13801
LAYING MATERIAL & UNDERLAY EXP	122760	141514
LISTINTG CHARGES	-	50699
SHARE TRANSFER CHARGES	33992	-
MCH EXPENSES	-	132612
OFFICE MAINTENANCE	64900	26369
PACKING MATERIAL	10100	7341
POSTAGE & Tele	21621	20802
POWER & DIESEL	350533	278103
PRINTING & STATIONERY	32720	17395
PROFESSIONAL CHARGES	171000	206432
RATES & TAXES	42600	371151
RENT 1199880	1199880	
REPAIR & MAINTENACE	11855	27642
SALARIES	837558	783774
SALES TAX DEFERMENT	1426453	-
TELEPHONE & FAX EXPENSES	187040	154131
TRANSPORT CHARGES	129770	55960
TRAVELING EXPESES	16450	23800
	6299609	4614303

SCHEDULE - 12

PARTICULARS	March 31, 2011	March 31, 2010
FINANCIAL CHARGES		
Bank Charges	129771	67033
	129771	67033



Depreciation Schedule as per companies Act for the year ended 31 Mar 2011

Description	Dep Rate %	Gross Block			Depreciation			Net Block	
		As on 31.03.10	Additions	As on 31.3.11	As on 31.03.10	For the Period	Total as at 31.03.11	As on 31.03.11	As on 31.03.10
Building Others	1.63%	2,062,860	-	2,062,860	385,996	33,625	419,621	1,643,239	1,676,864
Buildings Factory	3.34%	17,286,462	400,000	17,686,462	5,828,411	588,824	6,417,235	11,269,227	11,458,051
Computers	1.62%	2,112,834		2,112,834	288,460	34,249	322,709	1,790,125	1,824,374
Electricals	4.75%	3,710,977	41,548	3,752,525	1,919,226	176,347	2,095,573	1,656,952	1,791,751
Furniture & Fixtures	6.33%	1,421,632	-	1,421,632	825,631	89,989	915,620	506,012	596,001
Land & Site Development	0.00%	2,655,433	-	2,655,433	-	-	-	2,655,433	2,655,433
Misc Fixed Assets	4.75%	4,882,747	-	4,882,747	2,241,632	231,930	2,473,562	2,409,185	2,641,115
Plant & Machinery	4.75%	134,652,820	99,500	134,752,320	69,768,482	6,398,495	76,166,977	58,585,343	64,884,338
Vehicles	9.50%	51,686		51,686	51,686	-	51,686	-	-
		1,68,837,451	541,048	1,69,378,499	81,309,524	7,553,460	88,862,984	80,515,515	87,527,927



SCHEDULE – 14

SCHEDULES FORMING PART OF THE ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The company maintains its accountants on accrual basis following historical cost convention in compliance with the Accounting Standards referred to in Section 211 (3c) and other requirements of the Companies Act, 1956.

Inventories:

Inventories are valued as under:

- i) Raw Materials, Components, Stores, Spares and Work-in-Progress are valued at Cost.
- ii) Finished goods are valued at lower of cost or net realisable value, Method of Valuation is on the same basis as in last year.

Depreciation:

Depreciation on original cost and on additions of Fixed Assets is provided on pro rata basis on straight line method at the rates specified in Schedule XIV of the Companies Act, 1956. The basis of providing depreciation for the current year is on the same basis as in the last year

Revenue Recognition:

The sales are recognized only in the basis of goods dispatched and invoices raised.

Fixed Assets:

Fixed Assets are stated at cost of acquisition including appropriate direct expenses after adjustments for any exchange fluctuations related to a particular asset, less depreciation.

Prior Period Items:

Expenditure / Income relating to previous year is shown in the accounts under the prior period Adjustments account as per the provisions of AS-5 (Net Profit or Loss for the Period, Prior period Items and Changes in the Accounting Policies) issued by The Institute of Chartered Accountants of India.

Effects of Changes in Foreign Exchange Rates:

The exchange fluctuations arising on foreign currency transactions is recognized as income/expenses by applying the rate applicable on the date of transaction. The exchange difference arising on repayment obligations for the purpose of acquiring fixed assets is adjusted in the carrying amount of the respective fixed assets by applying the closing rate.

NOTES FORMING PART OF ACCOUNTS:

1. The value of Inventory is considered based on the valuation made by the Management.
2. Sundry Debtors, Sundry Creditors and Advances are subject to the confirmation from the respective parties.



3. Sundry Debtors include Rs.45,600/- which are more than six months and in the opinion of the management the debts are considered good and hence no provision for doubtful debts is made.
4. Other liabilities under the head Current Liabilities include an amount of Rs. 67, 59,307/- due to the Directors & Promoters on which no interest is provided.
5. Sales Income includes trading of goods, which excludes duties and taxes. The sales are recognized only in the basis of goods dispatched and invoices raised.
6. Deferred Tax Liability has been reviewed and necessary adjustments made, during the current financial year and deferred Tax asset/liability was considered as per the provisions of AS-22.
7. There were no dues repayable to small/medium scale industries for the year ending 31.03.2011.
8. Details of sales, raw materials and components consumed capacities and production.

A Sales:	2010-2011 Value (Rs.Lakhs)	2009-2010 Value (Rs.Lakhs)
Carpets	139.68	63.46

- | | | |
|--------------------------|-----------------------------------|-----------------------------------|
| 9. Director Remuneration | As on 31.03.2011
Rs.9,60,000/- | As on 31.03.2010
Rs.8,00,000/- |
| 10. Audit fee | As on 31.03.2011 | As on 31.03.2010 |
| Statutory Audit Fee | Rs.15,000/- | Rs.15,000/- |
| Tax Audit Fee | Rs.10,000/- | Rs.10,000/- |
11. Figures have been rounded off to nearest rupee.
 12. Schedules 1 to 14 form an integral part of the Balance Sheet and have been duly authenticated.
 13. Figures of previous year have been regrouped wherever necessary to conform to the current year's presentation/classification.

For RAMASAMY KOTESWARA RAO & CO.,
Chartered Accountants
Firm Reg No.010396S

For & on behalf of the Board

(C.V. KOTESWARA RAO)
Partner
M.No. 028353

Sd/-
Srikrishna Naik
Managing Director

Sd/-
Meenakerur
Director

Place: Hyderabad
Date: 30-05-2011



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2011

(Pursuant to Clause 32 of the Listing Agreement)

PARTICULARS	YEAR ENDED 31ST MARCH 2011		YEAR ENDED 31ST MARCH 2010	
	Rs.	Rs.	Rs.	Rs.
A.CASH FLOW FROM OPERATING ACTIVITIES				
Operating Profit before Tax		(4,063,425)		(7,422,664)
Adjustment for				
Add: Depreciation	7,553,460		7,535,689	
Add: Decrease in Inventories	-		265,318	
Increase in Current Liabilities	1,960,864		363,473	
Increase in Share capital	-		-	
Decrease in Advances & Sundry Debtors			1,910,235	
		9,514,324		10,074,715
Less: Increase in Inventories	(3,004,942)		-	
Decrease in Share Capital	-		-	
Decrease in Current Liabilities	-		-	
Decrease in sundry debtors	(617,948)			
Increase in Advances	(905,856)			
		(4,528,746)		-
Cash from operating Activities before tax -(A)		922,153		2,652,051
Less: Income tax paid		-		-
Cash from operating Activities before extraordinary activities -(A)		922,153		2,652,051
Prior Period Adjustments		1,678,725		1,688,750
Cash from operating Activities -(A)		(756,572)		963,301
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases/Increase of/in Fixed Assets			(558,761)	
Decrease in Misc. Expenditure	(541,048)		-	
Net Cash used in Investing Activities -(B)		(541,048)		(558,761)
C. CASH FLOW FROM FINANCE ACTIVITIES				
Proceeds from Share Capital	-		-	
Proceeds from Long Term Borrowings	-		-	
Proceeds from Short Term Borrowings	-		-	
Net Cash used in Financing Activities -(C)		-		-
Net increase in Cash & Cash Equivalents (A+B+C)		(1,297,620)		404,540
Cash & Cash Equivalents Opening Balance		1,999,200		1,594,660
Cash & Cash Equivalents Closing Balance		701,580		1,999,200

As per our report of even date

for RAMASAMY KOTESWARA RAO & CO.,
Chartered Accountants
Firm Reg No.010396S

For & on behalf of the Board

C.V. KOTESWARA RAO
Partner
M.No. 28353

Sd/-
Sri Krishna Naik
Managing Director

Sd/-
Meenakerur
Director

Place: Hyderabad
Date: 30-05-2011



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration Details

Registration No. State Code :

Balance Sheet
Date Month Year

2 Capital Raised During The Year (Amount Rs. In thousands)

Public Issue Rights Issue

Bonus Issue Private Placement /Others

3 Position of Mobilisation and deployment of funds (Amount Rs. In thousands)

Total Liabilities Total Assets

Sources of Funds

Paid-Up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Application Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses

4 Performance of the Company (Amount Rs. In Thousand)

Turn Over (Include other income) Total Expenditure

Loss Before Tax Loss After Tax

Earning Per Share Dividend Rate

5 Generic Names of Principal Products / Services of the Company (As per Monetary Items)

Item Code No. (ITC Code)

Product description : Carpets



Dear Shareholder,

Sub: Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by Companies through electronic made. In accordance with the recent circular no.17/2011 dated 21.04.2011 and circular No 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices and documents including annual report, to its shareholders through electronic made to the registered e-mail addresses of shareholders. It is a welcome move for the society at large, as this will reduce paper consumption to great extent and allow share holders to contribute towards a Greener Environment. This is a golden opportunity for every shareholder of Hindustan Unilever to contribute to the corporate Social Responsibility initiative of the Company

We therefore invite all our shareholders to contribute to the cause by filling up the form given below and send it back to us in the attached postage prepaid envelope.

Let's be part of this 'Green Initiative'

Please note that as a member of the company you will be entitled to receive all such communication in physical form, upon request.

E-COMMUNICATION REGISTRATION FORM

(In terms of circular no. 17/2011 dated 21.04.2011 issued by the Ministry of Corporate Affairs)

Folio No./Dp ID& Client ID :

Name of 1st Registered Holder :

Name of joint Holder(s) :

Registered Address :

E-mail ID (to be registered) :

I/we shareholder(s) of Golden Carpets Limited agree to receive Communication from the Company in electronic mode. Please Register my above e-mail id in your for sending communication through e-mail.

Date

Signature.....

Note:

Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.

GOLDEN CARPETS LIMITED

SEVENTEENTH ANNUAL GENERAL MEETING

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

ATTENDANCE SLIP

I hereby record my presence at the SEVENTEENTH Annual general Meeting of the company on

Date
30-09-2011

Venue
Hotel Marriott, Hyderabad.

Time
9.00 A.M.

Name of the Shareholder/proxy	Folio. No./Client ID	No. Of Shares

NOTE: Shareholder/Proxy holder wishing to attend the meeting must bring the admission Slip and hand over at the entrance duly signed.

GOLDEN CARPETS LIMITED

SEVENTEENTH ANNUAL GENERAL MEETING

Regd Off :8-2-596/5/B/1/A, Banjara Hills, Hyderabad-500 034

PROXY FORM

I/We _____ of _____

being the Member/Members of Golden carpets Limited, hereby appoint Mr. /Ms. _____ of or

falling him /her,Mr/Ms. _____ of _____ as my /our Proxy to attend

and vote for me/us on my/our behalf at the SEVENTEENTH Annual General Meeting, of the company to

be held on Friday, the 30th day of September 2011 at 9.00 A.M at Hotel Marriott, Tank Bund, Hyderabad

and at any adjournment there of

Folio/Client id:

Signed this _____ day of _____ of 2011

Signed by the said _____

NOTE: The Proxy form duly completed must be deposited at The Registered Office of the Company not less than 48 hours before the time for holding the Meeting. A proxy need not be a member.

Book Post

If Undeliver please return to

Golden Carpets Limited
8-2-596/5/B/1/A, Road No-10,
Banjara Hills, Hyderabad - 500 034