

**16th
Annual Report
2009-10**



GOLDEN CARPETS LIMITED

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



GOLDEN CARPETS LIMITED

BOARD OF DIRECTORS	MANAGING DIRECTOR Shri S 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. N V Gangadhara & Associates Chartered Accountants Plot No 238A, MLA's Colony Road No 12, Banjara Hills, Hyderabad - 34
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 16th Annual General Meeting of the members of M/s Golden Carpets Limited will be held on Thursday the 30th day of September 2010 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 2010 and the Profit and Loss Account for the year ended 31st March 2010, together with the Reports of the Directors' and Auditors' thereon.
2. To Appoint a Director in the place of Mrs Meena Kerur who retires by rotation and being eligible offers herself for re-appointment.
3. To Appoint a Director in the place of Mr. Maqsood Ahmed who retires by rotation and being eligible offers himself for re-appointment.
4. To consider, if thought fit to pass with or with out modification, the following resolution as Ordinary Resolution:

WHEREAS a special notice has been received pursuant to Section 225(1) of the Companies Act, 1956 from shareholders for the appointment of M/s Ramasamy Koteswararao & Co., Chartered Accountants, Hyderabad in place of retiring Auditors, namely N.V Ganagadhara & Associates, Chartered Accountants.

NOW THEREFORE IT IS RESOLVED that M/s Ramasamy Koteswararao & Co. Chartered Accountant, Hyderabad be and is hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration as may be decided by the Board of the Directors of the Company."

By order of the Board of Directors

Place: Hyderabad
Date : 13-08-2010

Sd/-
S.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 HIMSELF. 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 Saturday the 25th September 2010 to Thursday the 30th September 2010 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the share transfer agents and incase their shares are held in dematerised form, this information should be passed on to their respective depository participants with out delay.
4. Members who have multiple accounts are requested to intimate to the company, the folios of such accounts, to enable the company to consolidate all their share holdings in to one account.
5. 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

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

Brief Profile of Mrs Meena Kerur:

Mrs.Meena Kerur, is a Graduate having more than 10 years of experience in various fields of Business, administration and marketing. She does not have Directorship in any other Companies.

Brief Profile of Mr.Maqsood Ahmed:

Mr.Maqsood Ahmed is a Graduate having more than 10 years of experience in various fields of Business, administration and marketing. He does not have Directorship in any other Companies.

By order of the Board of Directors

Place: Hyderabad
Date : 13-08-2010

Sd/-
S.NAIK
Chairman & Managing Director



DIRECTORS' REPORT

Dear Members,

Your Directors present herewith the 16th Annual Report on the business and operations of the Company and the audited accounts for the year ended 31st March 2010.

1. FINANCIAL RESULTS AND OPERATIONS

The summarized financial results for the year ended 31st March 2010 as compared with the previous year are as under:

			Rs. In Lakhs.	
S.No	Particulars	Year ended 31.03.2010	Year ended 31.03.2009	
1.	Sales	63.46	145.09	
2.	Other Income	9.98	6.25	
3.	TOTAL INCOME (1 + 2)	73.44	151.34	
4.	Total Expenses other than interest	72.31	141.27	
5.	Interest	0.00	0.00	
6.	Total Expenses other than Depreciation	72.31	141.27	
7.	Depreciation	75.35	74.69	
8.	Miscellaneous Expenditure Written off	0.00	16.18	
9.	Profit/ (Loss) for the before tax	(74.22)	(80.81)	
10.	Provision for tax	0.00	0.00	
	Fringe benefit Tax	0.00	0.72	
	MAT	0.00	1.14	
	Deferred Tax(Liability)/Asset	17.29	16.14	
	Profit/(Loss) for the year after tax	(56.93)	(66.53)	

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. DIVIDEND

Your directors consider it prudent to conserve the resources of the Company and hence have not declared any dividend to sustain the future growth of the Company.

4. DEPOSITS

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



5. 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 any as the existing technology is sufficient to meet the present market requirements.

6. FOREIGN EXCHANGE EARRINGS AND OUT GO:

Foreign Exchange Earnings	:	NIL
Foreign Exchange out go	:	16.69 Lakhs

7. 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.



8. DIRECTORS

In accordance with the requirements of the Companies Act 1956, read with the Articles of Association of the company Sri Maqsood Ahmed and Mrs Meena Kerur retire by rotation at this Annual General Meeting, and being eligible offer themselves for reappointment.

9. AUDITORS

M/s N.V Ganagadhara & Associates, Chartered Accountants, Statutory Auditors of the Company and WHEREAS a special notice has been received pursuant to Section 225(1) of the Companies Act, 1956 from shareholders for the appointment of M/s Ramasamy Koteswararao & Co., Chartered Accountants, Hyderabad in place of retiring Auditors, namely M/s N.V Ganagadhara & Associates, Chartered Accountants. It is proposed to appointment him as Auditors for the financial year 2010-2011 and fix their remuneration. A letter for unwillingness to continue as a Statutory Auditor is obtained from the Retiring Auditor. A consent letter and certificate is received from the New Auditors that if appointment is made, he will be within the limits laid down under section 224 (1B) of Companies Act, 1956.

10. 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 2010, 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 2010 on a 'going concern basis.

11. CORPORATE GOVERNANCE REPORT

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

12. 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, 2010 is annexes hereto.



14. 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.

15. AUDIT COMMITTEE

In accordance with Clause 49 of the Listing Agreement, the company has constituted the Audit Committee, which consist of Three Independent Directors and 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.

16. 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.

17. 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 : 13-08-2010

Sd/-
S.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.

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.

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.63.46-lacs as against 145.09 lacs. Although, the Company has suffered a net loss of Rs.56.93 lacs in the year under review, the same is lower as compared to the loss of Rs.66.53 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 handling 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 stakeholders. 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 2010 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 2009-10		Whether attended last AGM held on 30 th September 2009	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	5	5	Yes	1	NIL	NIL
Sri Meena kerur	Promoter & Non Executive	5	2	No	1	NIL	2
Sri K Suresh	Non Executive Independent	5	5	Yes	2	NIL	2
Sri Maqsood Ahmed	Non Executive Independent	5	5	No	Nil	Nil	Nil



- (iv) Five (5) Board Meetings were held during the year 2009-10 and the gap between 2 meetings did not exceed 4 months. The dates on which the Board Meetings held were 18th June 2009, 29th June 2009, 29th July 2009, 30th October 2009 and 28th January 2010.
- (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 2009-10 the Audit Committee met four (4) times on 29th June 2009, 29th July 2009, 30th October, 2009 and 28th January 2010. 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 2009-10	
			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 2009-10 are given below.

Name	Sitting Fee Rs.	Salary, perquisites and allowances Rs.
Sri S.Naik	Nil	8,00,000
Smt Meena Kerur	4000	N.A.
Sri Maqsood Ahmed	6000	N.A
Sri K Suresh	6000	N.A

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, 2010 are as below:

Name	No.of Shares
Sri S Naik	1843540
Smt.Meena Kerur	921430
Sri.Kotte Suresh	Nil
Sri.Maqsood Ahmed	8600

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 2010.

8. GENERAL BODY MEETINGS

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

Year	Venue	Date	Time
2008-2009	Hotel Marriott, Tank Bund, Hyderabad	30.09.2009	9.00 A.M
2007-2008	Hotel Marriott, Tank Bund, Hyderabad	30.09.2008	9.00 A.M
2006-2007	Hotel Marriott, Tank Bund, Hyderabad	29.09.2007	3.30 P.M.

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

9. DISCLOSURES

During the year 2009-10 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. The Company files the quarterly results, annual report and other information pursuant to clause 51 of the listing agreement on the Electronic Data Information and Filing Retrieval (EDIFAR) website maintained by National Information Center (NIC).

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. 16th Annual General Meeting

Date and Time : Thursday 30-09-2010 at 9.00A.M.
Venue : Hotel Marriot, Tankbund, Hyderabad.

b. Financial Calendar (tentative)

Financial Year : 1st April to 31st March
First Quarter Results : July 2010



- Second Quarter and Half yearly results : October 2010
 Third Quarter Results : January 2011
 Last Quarter Results / Audited Results : April 2011/June 2011
- c. Dates of Book closure : Friday the 25th September 2010 to
 Wednesday the 30th September 2010
- 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 2009-2010.

- f. Market Price Data : High/Low price quotation in each month of the last
 financial year 2009-10 on the Stock Exchange,
 Mumbai is given below.

Month	High (Rs.)	Low (Rs.)
Apr' 09	0.00	0.00
May' 09	0.00	0.00
Jun' 09	0.00	0.00
Jul' 09	3.99	2.97
Aug' 09	3.27	2.83
Sep' 09	3.20	3.06
Oct' 09	2.91	2.77
Nov' 09	2.79	2.53
Dec' 09	2.89	2.35
Jan' 10	2.37	2.26
Feb' 10	0.00	0.00
Mar' 10	2.60	2.48

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 2010

Sl.No	Category	No.of Shares	% of Shareholding
1.	Promoters	3218410	49.59
2.	Mutual Funds and UTI	0.00	0.00
3.	Banks, Financial Institution, Insurance Companies	185185	2.85
4.	Private Corporate Bodies	254300	3.92
5.	Indian Public	1595650	24.59
6.	NRIs/OCBs	1236314	19.05
7.	Clearing Members	300	0.00
	Total	6490159	100.00

16. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2010

Share or debenture holding of Nominal value of		Share / Debenture Holders		Shares / Debenture Amount	
Rs.	Rs.	Number	% to	In Rs.	% of
(1)	(2)	(2)	(3)	(4)	(5)
1 - 5000		313	48.45	931000	1.43
5001 - 10000		106	16.41	958000	1.48
10001 - 20000		64	9.91	1056000	1.63
20001 - 30000		42	6.50	1087000	1.67
30001 - 40000		21	3.25	782400	1.21
40001 - 50000		24	3.72	1175000	1.81
50001 - 100000		26	4.02	1953700	3.01
100001 - Above		50	7.74	56958490	87.76
TOTAL		646	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. 26.33 % of the paid up capital has been dematerialized as on 31.03.2010.

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.

23. 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 : 13-08-2010

Sd/-
 S.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 2010	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2010
Mrs Meena Kerur	Graduate with more than a decade of experience in various fields of business, marketing and administration	18-10-1963	Graduate	NIL	NIL
Mr.Maqsood Ahmen	Graduate with a decade of experience in business,marketing and administrative matters		Graduate	NIL	NIL



M/s N.V.Gangadhara & Associates
Chartered Accountants

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members
Golden Carpets Limited

We have examined the compliance of the conditions of Corporate Governance by Golden carpets Limited for the year ended 31st March 2010 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, 2010 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 N.V.Gangadhara & Associates
Chartered Accountants

Place : Hyderabad
Date : 13.08.2010

(N.V.Gangadhara)
Proprietor, M No 219486



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 : 13.08.2010

(S Naik)
Managing Director

(M.Janardhan)
Accounts Officer



AUDITOR'S REPORT

To
The Members
Golden Carpets Limited

1. We have audited the attached Balance Sheet of GOLDEN CARPETS LIMITED, as at March 31, 2010, 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, 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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, 2010;
 - (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 N V GANGADHARA & ASSOCIATES
Chartered Accountants
Firm Reg No.011861S

V GANGADHARA RAO N
Proprietor
Membership No. 219486

Place: Hyderabad
Date: 13-08-2010



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, 2010)

- (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) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories 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 is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The company has neither taken nor granted during the year any loans to Companies covered under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods.
- (v) (a) 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, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government did not prescribe maintenance of cost Records under Section 209(1) (d) of the Companies Act, 1956(Act 1 of 1956) for product of the company.
 - (a) The P.F & E.S.I Act are not applicable for the Company.
 - (b) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, excise duty and cess were in arrears, as at 31.03.2010 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, excise duty and cess which have not been deposited on account of any disputes.



- ix) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in payment of interest with respect to loan taken from IDBI and it is further negotiating for relief's and the matter is pending.
- xi) In our opinion and according to the information and explanation given to us no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiii) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv) The company has not given guarantees for loans taken by others from banks or financial institutions.
- xv) The company has not raised any new term loan during the year. The term loans outstanding at the beginning of the year were applied for the purpose for which they were raised.
- xvi) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long- term funds have been used to finance short-term assets except permanent working capital.
- xvii) During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xviii) The Company has not issued any debentures during the year.
- xix) The Company has not raised any money by way of public issue during the year.
- xx) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For N V GANGADHARA & ASSOCIATES
Chartered Accountants
Firm Reg No.011861S

Place : Hyderabad
Date : 13-08-2010

V GANGADHARA RAO N
Proprietor
Membership No. 219486



Balance Sheet As At 31st March, 2010

(Rupees)

	Particulars	Schedules	March 31, 2010	March 31, 2009
I	SOURCES OF FUNDS			
	1. SHARE HOLDER FUNDS	1	84,411,590	84,411,590
	2. RESERVES & SURPLES		22,407,396	22,407,396
	2. LOAN FUNDS			
	a) Secured Loans	2	1,142,791	1,142,791
	b) Unsecured Loans		38,235,272	38,235,272
	3. Deferred Tax Liability		18,387,007	20,116,806
	Total		164,584,056	166,313,855
II	APPLICATION OF FUNDS			
	1. FIXED ASSESTS	3		
	Gross Block		168,837,451	168,278,690
	Less: Depreciation		81,309,524	73,773,835
	Net Block		87,527,927	94,504,855
	2. CURRENT ASSESTS, LOANS & ADVANCES			
	a) Inventories	4	24,001,146	24,266,464
	b) Cash & Bank balances	5	1,999,200	1,594,660
	c) Sundry Debtors	6	1,573,196	2,021,269
	d) Loans & advances	7	4,456,965	5,919,127
			32,030,507	33,801,520
	b) Current Liabilities & provisions	8		
	1) Liabilities		8,239,246	7,875,773
	2) Provisions			
	Net Current Assests		23,791,261	25,925,747
	4. A. Miscellenious Expenditure (To the extent not written off or adjusted)	9		
	b) Profit & Loss account		53,264,868	45,883,253
	Total		164,584,056	166,313,855

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

For N.V.GANGADHARA & ASSOCIATES
Chartered Accountants
Firm Reg No.011861S

For & on behalf of the Board

Place: Hyderabad
Date: 20-05-2010

Sd/-
Srikrishna Naik
Managing Director

Sd/-
Meenakerur
Director



Profit and Loss account for the year ended 31st March 2010

(Rupees)

	Particulars	Schedules	March 31, 2010	March 31, 2009
I	INCOME			
	Sales		6,346,008	14,509,159
	Other Income		998,511	625,231
			7,344,519	15,134,390
II	EXPENDITURE			
	Cost of Raw material consumed	11	3,072,389	9,339,526
	General and Administration expenses	12	4,614,303	6,261,434
	Financial costs	13	67,033	74,817
	Decrease/Increase in stocks	10	(522,231)	(1,548,298)
			7,231,494	14,127,479
	Profit & Loss before Depreciation		113,025	1,006,911
	Depreciation for the year		7,535,689	7,469,291
	Loss after Depreciation		(7,422,664)	(6,462,380)
	Miscellaneous Exp written off		-	1,618,821
	Loss before Tax		(7,422,664)	(8,081,201)
	Provision for Tax :			
	Fringe Benift Tax			72,286
	MAT			114,083
	Deferred Tax(Liability)/Asset		1,729,799	1,614,235
	Profit/loss after Tax		(5,692,865)	(6,653,335)
	Previous Year Losses brought forward		(45,883,253)	(39,229,918)
	Prior Period Adjustments		1,688,750	-
	Profit & Loss transferred to Balance Sheet		(53,264,868)	(45,883,253)

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

For N.V.GANGADHARA & ASSOCIATES
Chartered Accountants
Firm Reg No.011861S

For & on behalf of the Board

Place: Hyderabad
Date: 20-05-2010

Sd/-
Srikrishna Naik
Managing Director

Sd/-
Meenakerur
Director



SCHEDULES FORMING PART OF THE BALANCESHEET

SCHEDULE - 1

PARTICULARS	March 31, 2010	March 31, 2009
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, 2010	March 31, 2009
SECURED LOANS		
Interest Free Sales tax Loan	1142791	1142791
(Under the sales tax defferment Scheme)		
	1142791	1142791

SCHEDULE - 4

PARTICULARS	March 31, 2010	March 31, 2009
INVENTORIES		
Raw Material	14708287	15495836
Work in Process	2293201	1692733
Finished Goods	6999658	7077895
	24001146	24266464

SCHEDULE - 5

PARTICULARS	March 31, 2010	March 31, 2009
CASH & BANK BALANCES		
i) Cash on hand	1120883	371967
ii) Balances with schedule banks	878317	1222693
In current Accounts		
	1999200	1594660



SCHEDULE - 6

PARTICULARS	March 31, 2010	March 31, 2009
SUNDRY DEBTORS (Unsecured and considered good)		
i) Less than Six Months	1527596	332519
ii) Other debts	45600	1688750
Total ..	1573196	2021269

SCHEDULE - 7

PARTICULARS	March 31, 2010	March 31, 2009
LOANS AND ADVANCES & OTHER CURRENT ASSETS (Unsecured and considered good)		
Other Advances	2155956	125956
Staff Advances	0	38250
Deposits	2208475	5680425
TDS On FDR Interst	92532	74494
	4456963	5919125

SCHEDULE - 8

PARTICULARS	March 31, 2010	March 31, 2009
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
a) Liability For Expenses	1187971	509076
b) Other Liabilities		
Sri Krishna Naik	6759307	7149307
Calls Unpaid payable on allotment money	2500	2500
c) Sales tax liability	187918	17398
d) TDS Payable	101550	11123
PROVISIONS		
a) Provision for FBT	0	72286
b) Provision for MAT	0	114083
	8239246	7875773



SCHEDULE - 9

PARTICULARS	March 31, 2010	March 31, 2009
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary, Pre-operative & Public issue Expenses		
Opening Balance	0	1618821
Less : written off during the year	0	1618821
Closing Balance	0	0

SCHEDULE - 10

PARTICULARS	March 31, 2010	March 31, 2009
INCREASE/DECREASE IN STOCKS		
A. Opening Balance		
Work in Progress	1692733	1992703
Finished goods	<u>7077895</u>	<u>5229627</u>
	<u>8770628</u>	<u>7222330</u>
B. Closing Balance		
Work in progress	2293201	1692733
Finished goods	6999658	7077895
	9292859	8770628
	522231	1548298

SCHEDULE - 11

PARTICULARS	March 31, 2010	March 31, 2009
RAW MATERIAL CONSUMED		
Opening balance of Raw Material	15495836	16876538
Add: Purchases	<u>2284840</u>	<u>7958824</u>
Less: Closing Balance	<u>14708287</u>	<u>15495836</u>
	3072389	9339526

SCHEDULE - 12

PARTICULARS	March 31, 2010	March 31, 2009
ADMINISTRATIVE & GENERAL EXPENSES		
ADVERTISEMENT CHARGES	38561	41117
ANNUAL CUSTODIAL CHARGES	33090	11236
AUDIT FEE	25000	25000



BOARD MEETING EXPENSES	15350	11986
BUSINESS PROMOTIONS	50668	162946
CONVEYANCE	34500	89455
CUSTOM CLEARING AGENT	33971	41850
DIRECTOR SITTING FEES	16000	36000
DIRECTORS REMUNERATION	800000	480000
FACTORY MAINTENANCE	30800	134680
FRIGHT & INSURANCE	15343	67899
FOREIGN EXCHANGE FLUCATION	9614	94844
GENERAL EXPENSES	13801	14170
LAYING MATERIAL & UNDERLAY EXP	141514	272856
LISTINTG CHARGES	50699	51744
MARKETING EXPENSES	-	65000
MCH EXPENSES	132612	47994
OFFICE MAINTENANCE	17100	205300
PACKING MATERIAL	7341	91698
POSTAGE & Tele	20802	62291
POWER & DIESEL	278103	463531
PRINTING & STATIONERY	17395	30276
PROFESSIONAL CHARGES	206432	352920
RATES & TAXES	371151	-
RENT 1199880	1313880	
REPAIR & MAINTENACE	27642	53168
SALARIES	783774	1109582
SECURITY EXPENSES	9269	123833
STAFF WELFARE	-	63152
TELEPHONE & FAX EXPENSES	154131	347581
TRANSPORT CHARGES	55960	106499
TRAVELING EXPESES	23800	288946
	4614303	6261434

SCHEDULE - 13

PARTICULARS	March 31, 2010	March 31, 2009
FINANCIAL CHARGES		
Bank Charges	67033	74817
	67033	74817



Depreciation Schedule as per companies Act for the year ended 31 Mar 2010

Description	Dep Rate %	Gross Block			Depreciation		Net Block	
		As on 31.03.09	Additions	As on 31.3.10	For the Period 31.03.10	Total as at 31.03.10	As on 31.03.10	As on 31.03.09
Building Others	1.63%	2,062,860	-	2,062,860	33,625	385,996	1,676,864.38	1,710,489
Buildings Factory	3.34%	16,751,094	535,368	17,286,462	574,616	5,828,411	11,458,051	11,497,299
Computers	1.62%	2,112,834		2,112,834	34,249	288,460	1,824,374	1,858,623
Electricals	4.75%	3,687,584	23,393	3,710,977	175,270	1,919,226	1,791,751	1,943,628
Furniture & Fixtures	6.33%	1,421,632	-	1,421,632	89,989	825,631	596,001	685,990
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	231,930	2,241,632	2,641,115	2,873,045
Plant & Machinery	4.75%	134,652,820	-	134,652,820	6,396,009	69,768,481	64,884,339	71,280,348
Vehicles	9.50%	51,686		51,686	-	51,686	-	-
	166,278,690	559,761	16887,451	73,773,835	73,773,835	94,504,855	94,504,855	



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 Accounting:

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

Sale is recognized on dispatch to the customers and on raising of invoice.

Accounting of 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.

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.15,73,196 /- include of Rs. 15,27,596/- 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. The liability for Expenses consists of provisions of Rs. 2,91,968/- made for the expenses etc. payable as on 31.03.2010.
6. 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.
7. 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.
8. There was no dues repayable to small/medium scale industries for the year ending 31.03.2010.
9. Details of sales, raw materials and components consumed capacities and production.

A Sales:	2009-2010	2008-2009
	Value (Rs.Lakhs)	Value (Rs.Lakhs)
Carpets	145.09	241.96
10. Director Remuneration	As on 31.03.2010 Rs.8,00,000/-	As on 31.03.2009 Rs.4,80,000/-
11. Audit fee	As on 31.03.2010	As on 31.03.2008
Statutory Audit Fee	Rs.15000/-	Rs.15000/-
Tax Audit Fee	Rs.10000/-	Rs.10000/-

12. Figures have been rounded off to nearest rupee.
13. Schedules 1 to 14 form an integral part of the Balance Sheet and have been duly authenticated.
14. Figures of previous year have been regrouped wherever necessary to conform to the current year's presentation/classification.

for N.V GANGADHARA & ASSOCIATES
Chartered Accountants
Firm Reg No.011861S

For & on behalf of the Board

V GANGADHARA RAO N
Proprietor
Firm Reg No.011861S

Sd/-
Srikrishna Naik
Managing Director

Sd/-
Meenakerur
Director

Place: Hyderabad
Date: 20-05-2010



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2010

(Pursuant to Clause 32 of the Listing Agreement)

PARTICULARS	YEAR ENDED 31ST MARCH 2010		YEAR ENDED 31ST MARCH 2009	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Operating Profit before Depreciation but after written off of Misc. Expenditure & provisions		(1,575,725)		(798,281)
Adjustment for				
Add: Decrease in Inventories	265,318		-	
Increase in Current Liabilities	363,473		-	
Increase in Share capital	-		-	
Decrease in Advances & Sundry Debtors	1,910,235		1,161,032	
		2,539,026		1,161,032
Less: Increase in Inventories	-		167,595	
Decrease in Share Capital	-		-	
Decrease in Current Liabilities	-		1,449,074	
Increase in Advances	-		1,686,661	
Net Cash from operating Activities -(A)		963,301		3,303,330 (2,940,579)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases/Increase of/in Fixed Assets	(558,761)		(1,815,480)	
Decrease in Misc. Expenditure	-		1,618,821	
Net Cash used in Investing Activities - (B)		(558,761)		(196,659) (196,659)
C. CASH FLOW FROM FINANCING 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)		404,540		(3,137,238)
Cash & Cash Equivalents Opening Balance		1,594,660		4,731,898
Cash & Cash Equivalents Closing Balance		1,999,200		1,594,660

for N.V GANGADHARA & ASSOCIATES
Chartered Accountants
Firm Reg No.011861S

For & on behalf of the Board

Place: Hyderabad
Date: 20-05-2010

Sd/-
Srikrishna Naik
Managing Director

Sd/-
Meenakerur
Director



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 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

Book Post

If Undeliver please return to

Golden Carpets Limited
8-2-596/5/B/1/A, Road No-10,
Banjara Hills, Hyderabad - 500 035