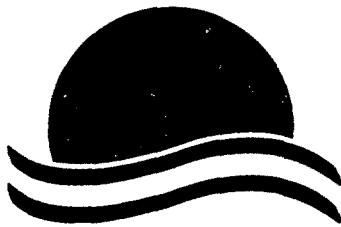


15th Annual Report

2008-2009



GOLDEN CARPETS LIMITED

8-2-596/B/1, Road No. 10,
Banjara Hills, Hyderabad - 500 035



GOLDEN CARPETS LIMITED

BOARD OF DIRECTORS

MANAGING DIRECTOR

Mr.S.Naik.

DIRECTORS

Mr.S.B.Kerur

Mrs.Meena Kerur

Mr.K.Suresh

Mr.Maqsood Ahmed

REGISTERED OFFICE

8-2-596/B/1

ROAD.NO.10

Banjara Hills

Hyderabad-500035

WORKS

Jeedipally Village

Toopran Mandal

Medak Dist

Andhra Pradesh

BANKERS

Axis Bank Limited.,

Road No. 1, Banjara Hills,

Hyderabad.

ICICI Bank Limited.,

Banjara Hills,

Hyderabad.

REGISTRARS AND

SHARE TRANSFER AGENTS

XL Softech Systems Limited

Sagar Society Road

Road.No.2, BanjaraHills,

Hyderabad

AUDITORS

M/s.Mahesh Nandiraju & Associates,

Chartered Accountants

1st Floor,2-1-133/3

Lane beside Fever hospital

Nallakunata,Hyderabad-44

LISTING

The Mumbai Stock Exchange Limited.

The Hyderabad Stock Exchange Limited.



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**NOTICE**

Notice is hereby given that the 15th Annual General Meeting of the members of M/s Golden carpets Limited will be held on the Wednesday, the 30th day of September 2009 at 9.00A.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 2009 and the Profit and Loss Account for the year ended 31st March 2009, together with the Reports of the Directors' and Auditors' thereon.
2. To Appoint a Director in the place of Mr.S.B.Kerur who retires by rotation and being eligible offers himself for re-appointment.
3. To Appoint a Director in the place of Mr.K.Suresh Who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification the following resolution as an 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 N.V Ganagadhara & Associates, Chartered Accountant, Hyderabad in place of retiring Auditors, namely M/s Mahesh Nandiraju & Associates, Chartered Accountants.

NOW THEREFORE IT IS RESOLVED that Shri N.V Gangadhara & Associates, 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."

SPECIAL BUSINESS

5. RE APPOINTMENT OF SRI S.NAIK AS MANAGING DIRECTOR

To consider, if thought fit to pass with or without modification, the following resolution as Ordinary Resolution

RESOLVED THAT pursuant to Sections 198, 269, 302, 309, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act 1956, including any statutory modification(s) or enactment(s) thereof, for the time being in force, and subject to the approval of the Central Government and such other approvals as may be required, as recommended by the remuneration committee and the Board of Directors, the consent and of the Shareholders be and is hereby accorded for re appointment of Shri.S.Naik, as Managing Director of the Company for a period of Three Years w.e.f. 01.08.2009 at a consolidated remuneration of Rs.80,000 per month .

6. CHANGE OF PLACE OF KEEPING REGISTER OF MEMBERS

To consider, if thought fit to pass with or without modification, the following resolution as Special Resolution

RESOLVED that pursuant to section 163 and other applicable provisions, if of the Companies Act, 1956("the Act") and rules and regulations thereunder, or any statutory modification or any amendment or substitution or re-enactment thereof, in super session of the resolution(s) passed by the Company approval of the Company be and is hereby accorded towards maintenance of the Registers and Indexes of Members of the Company under Section 150 and 151 of the Act, and copies of Returns prepared under Section 159 of the Act, together with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act, required to be maintained under the Companies(Preservation and Disposal of Records) Rules, 1966, at the Registered Office of the Company."

RESOLVED FURTHER that the records of the Company Including Registers and Indexes of members of the Company under Section 150 and 151 of the Act, and copies of Returns prepared under Section 159 of the Act, together with the Copies of certificates and documents required to be annexed thereto under Section 161 of the Act, for the period(s) after the year 2005, as shifted and maintained from M/s Ikon Visions Private Limited having its registered office at 33, Sanali Heavens, D No 8-3-948, Ameerpet, Hyderabad to M/s XL Softech Systems Limited having its registered office at Sagar Society Road, Road No 2, Banjara Hills, Hyderabad or at such other place within Hyderabad, where the Registrar and Transfer Agent may shift its office from time to time"

RESOLVED FURTHER that the acts, deeds and things done by the Board of Directors on behalf of the Company be and ratified"

By order of the Board of Directors

Sd/-

S. NAIK

Chairman & Managing Director

Place: Secunderabad

Date : 29-07-2009



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 Friday the 25th September 2009 to Wednesday the 30th September 2009 (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 Mr Kerur:

Mr Kerur is Graduate having more than 10 years experience in various fields of Business and Administration. He does not have Director ship in any other companies.

Brief Profile of Mr K Suresh:

Mr K Suresh is Master of Commerce having more than 10 years experience in accounts and finance. The details regarding directors ship held by him is briefed in the Corporate Governance Report.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISION OF SECTION 173(2) OF THE COMPANIES ACT 1956

ITEM NO 4

The retiring auditors, namely M/s Mahesh Nandiraju & Associates, Chartered Accountants have expressed their unwillingness to be re appointed and that a special notice in terms of Section 190 of the Companies Act, 1956 read with section 225 of the Act has also been received from shareholders of the Company for the appointment of new Auditors in place of the retiring auditors M/s Mahesh Nandiraju & Associates, Chartered Accountants. The Company has forthwith communicated to the retiring auditors of the special notice and that the retiring auditors have made no representation against the said special notice. A written certificate has been obtained from N.V Gangadhara & Associates, Chartered Accountant to the effect that in case of his appointment as Auditors of the Company, the appointment will be in accordance with the limits prescribed under section 224(1B) of the Act.

Your Directors recommended the resolution for approval.

None of the Directors is concerned or interested in this resolution.



ITEM NO 5

Sri.S.Naik aged 46 years, B.Com Graduate, has an experience of over 15 years in the Manufacture of Carpets. He holds the Directorship in Golden Harvest International Private Limited. His earlier appointment as Managing Director ceased by 31st July 2009, considering the experience and expertise based on the recommendation of Remuneration Committee, Board of Director Subject to approval of Shareholders appointed Sri.S.Naik as Managing Director on the terms and conditions as mentioned in the resolution for a period of three years w.e.f 1st August 2009. As per the provisions of Companies Act, 1956 Appointment and Fixation of remuneration to the Managing director requires the approval of shareholders by way of Ordinary resolution, Hence the Board of Directors recommended for the approval of shareholders.

This may be treated as a Notice as required under Section 302 of the Companies Act 1956.

None of the Directors except Sri.S.Naik, Smt.Meena Kerur and, Sri.S.B.Kerur are deemed to be concerned or interested in the above resolution.

ITEM NO 6

There is a provision under Section 163 of the Companies Act, 1956, which requires that certain registers and documents such as Register of Members, Index of Members, Register of Debenture holders, copies of all Annual Returns prepared under Section 159 and Section 16; together with the Copies of certificates and documents required to be annexed thereto under Section 160 and 161 of the Companies Act, 1956 are required to be kept at the registered office of the Company. It also provides that the aforesaid documents may be kept at any other place other than the Registered Office, within the city, town or village in which the registered office is situated, if such other place has been approved by the members by special resolution at their meeting.

As Registrars & Share Transfer Agents M/s Ikon Visions Private Limited has closed its operations, Board changed the Registrars & Transfer Agents ie, M/s Ikon Visions Private Limited to M/s XL Softech Systems Limited having its registered office at Sagar Society Road, Road No 2, Banjara Hills, Hyderabad, which requires the approval of Shareholders

The resolution for ratification for changed the address the Register and Transfer Agents and Keeping all the statutory registers, returns and documents pertaining to the period(s) after 2005 to the new Registered Office of XL Softech Systems Limited, Sagar Society Road, Road No 2, Banjara Hills, Hyderabad. As the shifting of books from a place other than the registered office requires approval of shareholders by way of special resolution, hence the same is placed for ratification.

None of the Directors are interested or concerned in the above resolution

By order of the Board of Directors

Sd/-

S. NAIK

Chairman & Managing Director

Place: Secunderabad

Date: 29-07-2009



DIRECTORS' REPORT

Dear Members,

Your Directors present herewith the 15th Annual Report on the business and operations of the Company and the audited accounts for the year ended 31st March 2009.

FINANCIAL RESULTS AND OPERATIONS

The summarized financial results for the year ended 31st March 2009 as compared with the previous year are as under:

Rs. In Lakhs.			
S.No	Particulars	Year ended 31.03.2009	Year ended 31.03.2008
1.	Sales	145.09	241.96
2.	Other Income	6.25	1.47
3.	TOTAL INCOME (1 + 2)	151.34	243.43
4.	Total Expenses other than interest	141.27	200.30
5.	Interest	0.00	12.03
6.	Total Expenses other than Depreciation	141.27	212.33
7.	Depreciation	74.69	74.64
8.	Miscellaneous Expenditure Written off	16.18	32.37
9.	Profit/ (Loss) for the before tax	(80.81)	(75.93)
10.	Provision for tax		
	Fringe benefit Tax	0.72	0.93
	MAT	1.14	3.20
	Deferred Tax(Liability)/Asset	16.14	14.56
	Profit/(Loss) for the year after tax	(66.53)	(65.50)

OPERATIONS:

During the year the company has achieved a turnover of RS.145.09 Lacs as against 241.96 lacs and the company has suffered a net loss of Rs.66.53 lacs in the year under review the same is also higher of Rs.1.02 lacs as compared to the loss of Rs.65.50 of the previous year. The company has not achieved the expected performance due to the Recession and adverse conditions for Export market.

RESERVES:

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

DIVIDEND

No dividend was recommended by the board of directors for the financial year 2008-2009 due to the non-profitability.



DEPOSITS

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

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

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 carrying out research constantly. The Company has developed new Yarn Structure which increases its Quality in terms of life of Carpet.

b) Benefits derived as a result of R&D

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

c) Future plan of action

The quality designs of carpets to be improved 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 existing technology is sufficient to meet present market requirements.

C. FOREIGN EXCHANGE EARRINGS AND OUT GO:

Foreign Exchange Earnings : 23.68 Lakhs

Foreign Exchange out go : 14.61 Lakhs

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.



DIRECTORS

In terms of Provision of section 255 and 256 of the Companies Act 1956, read with the Articles of Association of the company Sri S.B.Kerur and Sri. K.Suresh retires by rotation at this Annual General Meeting ,and being eligible offer themselves for reappointment. A brief resume of the retiring Directors as required under Cluase 49 of the Listing Agreement is provided in this Annual Report.

Sri S.NAIK, Managing Director, of the Company were re appointed for further period of three years and the same requires the ratification of members in the Annual General Meeting.

AUDITORS

M/s Mahesh Nandiraju & 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 N.V Ganagadhara & Associates, Chartered Accountant, Hyderabad in place of retiring Auditors, namely M/s Mahesh Nandiraju & Associates, Chartered Accountants. It is proposed to appointment him as Auditors for the financial year 2009-10 and fix their remuneration. A letter for unwilling to continue as a Statutory Auditor is received 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.

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 2009, 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 2009 on a 'going concern basis.

CORPORATE GOVERNANCE REPORT

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



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.

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, 2009 is annexes hereto.

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.

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. 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.

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 383 of the companies Act, Listing Agreement. The Efforts of the company was not fruitful, however company is availing the services from Practicing Company Secretary.

ACKNOWLEDGEMENT

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

By Order of the Board

Place : Secunderabad
Date : 29-07-2009

Sd/-
S.Naik
Chairman & Managing Director



**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 2009 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, 2009 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 Mahesh Nandi Raju & Associates
Chartered Accountants

Place : Hyderabad
Date : 29.07.2009

(Mahesh Nandi Raju)
M.No.204893



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 five Members, Two Promoter and Three Independent Directors as under: 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 2009 have been made by the Directors.
- (iii) 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 2008-09 Held	Whether attended last AGM held on 30 th September 2008 Attended	No. of Director ships in other Public companies Chairman	No. of Committee positions held in other public companies Member
Sri S Naik	Promoter & Executive Director	4	4	Yes 1	NIL NIL
Sri Meena kerur	Promoter & Non Executive	4	2	No 1	NIL 2
Sri S.B.Kerur	Non Executive Independent	4	2	No NIL	NIL 1
Sri K Suresh	Non Executive Independent	4	4	Yes 2	NIL 2
Sri Maqsood Ahmed	Non Executive Independent	4	4	No Nil	Nil Nil



- (iv) Four (4) Board Meetings were held during the year 2008-09 and the gap between 2 meetings did not exceed 4 months. The dates on which the Board Meetings held were 23rd June 2008, 29th July 2008, 31st October 2008 and 31st January 2009.
- (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

Purpose

The functions of the audit Committee includes providing company's Financial Reporting and recommending the appointment and removal of external auditor, internal auditors and reviewing with management the annual financial statements before submission to the Board and other matters as per Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The Audit Committee consists of the following:

Name	Category	No. of Meetings during the Year 2008-09		
			Held	Attended
Sri K. Suresh	Chairman	Independent; Non Executive	4	4
Sri. Meena Kerur	Member	Independent, Non Executive	4	2
Sri. Maqsood Ahmed	Member	Independent, Non Executive	4	4

Mr.K.Suresh was elected as the chairman of the Committee who is a Non Executive and Independent Director.

During the year Audit Committee has met four times during the financial year 2008-2009.

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 P Maqsood Ahmed and Sri S.B.Kerur, all non- executive 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.. The Committee has access to all records of the Company.



During the year 2008-09 the Committee was not required to meet:

REMUNERATION OF DIRECTORS

Details of remuneration/sitting fees paid to the Directors for the year 2008-09 are given below.

Name	Sitting Fee Rs.	Salary, perquisites and allowances Rs.	Relationship with other Directors
Sri S.Naik	Nil	480000	*
Smt Meena Kerur	6000	N.A.	*
Sri S.B.Kerur	6000	N.A.	None
Sri Maqsood Ahmed	12000	N.A.	None
Sri K Suresh	12000	N.A.	None

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

6. SHAREHOLDERS/INVESTORS GRIEVANCES COMMITTEE

The Shareholders/Investors Grievances committee consists of following members

S.no	Name	Number of meetings attended	Designation
1.	Mrs.Meena Kerur	2	Chairman
2.	Mr.S.B. Kerur	2	Member
3.	Mr.K.Suresh	2	Member

The Board has constituted a "SHAREHOLDERS / INVESTORS 'GRIEVANCE COMMITTEE'" with in the following terms of references:

1. To approve transfer / transmission of shares.
2. To approve demat / Remat of shares.
3. To review and ensure compliances of statutory provisions of the companies Act. To ensure all shareholders' queries, grievances and complaints are attended and redressed in expeditious manner.

There are no pending share transfers as on 31st March, 2009.

7. GENERAL BODY MEETINGS

The following are the details of last 3 Annual General Meetings:

Financial year	Date	Time	Venue	Nature of Special Resolution if any
2007-2008	30.09.2008	9.00 A.M	Hotel Marriott	Nil
2006-2007	29.09.2007	3.30PM.	Hotel Marriott	Nil
2005-2006	29.09.2006	10.00 A.M.	Hotel Marriott	Nil

No Special Resolution was passed through Postal Ballot during the previous year



8. DISCLOSURES:

1. Related party Transactions:

- a) The Company has not made any related party transactions during the previous year and none of the transactions with any related parties were in conflict with the interest of the company at large.
- b) The disclosure on details of non compliance by the company, penalties, structures imposed on the company by the stock exchange, SEBI or any statutory authority does not arise as there were no instances of noncompliance of any matter related to the capital markets related to the capital markets during the last three years.

2. Means of Communication

- a) The Board of Directors of the company approves and takes on record the unaudited financial results in the proforma prescribed by the stock exchange. Where the shares of the company are listed, with in one month of the close of quarter and announces forth with the results to the stock exchange. The unaudited/ audited results will be published usually in the news papers.

9. GENERAL SHAREHOLDERS INFORMATION

a. 15th Annual General Meeting

Date and Time : Wednesday the 30th day of September 2009
at 9.00 A.M

Venue : Hotel Marriot, Tankbund, Hyderabad.

b. Financial Calendar (tentative)

Financial Year : 1st April to 31st March

First Quarter Results : July 2009

Second Quarter and

Half yearly results : October 2009

Third Quarter Results : January 2010

Last Quarter Results /

Audited Results : April 2010/June 2010

c. Dates of Book closure

: Friday the 25th September 2009 to

Wednesday the 30th September 2009

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 2008-2009.

f. Market Price Data

: As there has not been much transaction this data is not available.

High/Low price quotation in each month of the last financial year 2008-09 on the Bombay Stock Exchange Limited, Mumbai is given below.



Month	High (Rs.)	Low (Rs.)
Apr' 08	4.23	3.49
May' 08	4.66	4.41
Jun' 08	4.19	4.19
Jul' 08	4.20	4.00
Aug' 08*	0.0	0.0
Sep' 08*	0.0	0.0
Oct' 08*	0.0	0.0
Nov' 08	4.00	4.00
Dec' 08	4.19	4.00
Jan' 09*	0.0	0.0
Feb' 09	3.99	3.99
Mar' 09	3.80	3.80

* Shares were not quoted during the month.

Source: www.bseindia.com

10. REGISTRAR AND SHARE TRANSFER AGENTS:

XL Softech Systems Limited
Sagar Society Road,
Road No. 2, Banjara Hills,
Hyderabad
xlfield@rediffmail.com
040-23545913; 040-23545914

11. SHARE TRANSFER SYSTEM:

Shares Sent for physical transfer are generally registered and returned with in period of 15 days form 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 dematerialization ("DEMAT"). The company has, as per SEBI guidelines with effect from said date offered the facility of transfer cum Demat.

12. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2009

Sl.No	Category	No.of Shares	% of Shareholding
1.	Promoters	3089170	47.60
2.	Mutual Funds and UTI	0.00	0.00
3.	Banks, Financial Institution, Insurance Companies	185185	2.85
4.	Private Corporate Bodies	266000	4.10
5.	Indian Public	1710690	26.36
6.	NRI/OCBs	1238814	19.09
7.	Clearing members	300	0.0
	Total	6490159	100.00

13. DE-MATERIALIZATION OF SHARES AND LIQUIDITY:

The company entered in to agreement with NSDL and CDSL, Where by share holders can avail the option to dematerialise their shares with either of the depositories during the year 6500 shares were transferred. 26.30% of the paid up capital hasbeen dematerialized as on 31.03.2009.



14. 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.

15. DISTRIBUTION OF SHAREHOLDING AS AT 31ST MARCH 2009

Share or debentue holding of Nominal value of		Shares/debenture Holders Number		Shares/debenture amount In rs.	
Rs.	Rs.	to	%	of	%
(1)		(2)	(3)	(4)	(5)
1 - 5000		307	47.67	929000	1.43
5001 - 10000		103	15.99	935000	1.44
10001 - 20000		67	10.40	1101000	1.70
20001 - 30000		47	6.83	1141000	1.76
30001 - 40000		20	3.11	751400	1.16
40001 - 50000		25	3.88	1216000	1.87
50001 - 100000		30	4.66	2254500	3.47
100001 - Above		48	7.45	56573690	87.17
Total		644	100.00	64901590	100.00

16. ADDRESS FOR CORRESPONDENCE:

The Address for all correspondence is:

GOLDEN CARPETS LIMITED

Flat. no.8-2-596/5/B/1,

Road NO.10

Banjara Hills, Hyderabad-34

Email: goldencarpets@vsnl.net.

17. 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. Mr. Sri Krishna naik, Managing Director had been appointed as the Compliance Officer for this purpose. 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

Sd/-

S. NAIK

MANAGING DIRECTOR

Place : Hyderabad
Date : 29-07-2009



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 2009	Chairman/Member of the Committees of the Board of other Companies in which he is a Director as on 31st March, 2009
S.B.Kerur	Bachelor of Degree, Multi Dimensional experience in Business	31.12.1929	B.Com	N A	N A
K.Suresh*	Master of Commerce, Vast Experience in Accounts, Finance and Business	06.11.1972	M.Com	Tirumala Tirupati Properties Private Limited, Sai Inspections Private Limited	N A

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

Pursuant to Circular No.SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October 2004, it is hereby declared that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. I hereby confirm that the Company has in respect of the financial year ended March 31, 2009, received from the senior management personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Place: Hyderabad
Date : 29-07-2009

Sd/-
S.NAIK
MANAGING DIRECTOR



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

We submit herewith the Management discussion and analysis report on the business of the Company as applicable to the extent relevant.

INDUSTRY STRUCTURE AND DEVELOPMENT:

Though floor coverings in India are one of the most ancient crafts followed till date the typical piled carpet more commonly known as the Kashmiri carpet in India and oriental carpet internationally reached here in the 14th century. Since then the carpet industry has developed leaps and bound in terms in production, styles and patterns and so in the markets.

Indian carpet industry is primarily export oriented. The major carpet producing regions (including all types of floor coverings and durries) are Agra-Bhadoi belt in Uttar Pradesh, Kashmir, Bikaner-Udaipur belt in Rajasthan, West Bengal, Haryana, Punjab and Andhra Pradesh. There are 1215 carpet manufacturing units recorded and of that 190 are in the organized sector and the rest are in small scale industry.

The Indian Carpet industry is governed by the regulations of the National Textile policy 2000.

Indian Carpets are renowned the world over for their exquisite designs, subtle elegance, attractive colours and workmanship. The magnificence of the Indian carpet weaving and the intricate patterns that have emerged from it have substantially increased India's carpet exports and placed it prominently in the international carpet map.

India having one of the big market for carpet industry. Golden Carpets set up the high technology unit to produce carpet with different colors and design at high speed. These loom at golden carpets replicate the same hand knotted carpets but at very high speed.

Designing Excellence

Pattern in a carpet is as much an integral part of the carpet as the colour scheme. The Indian carpet weaver freed carpets from the limitation of space, repeated intricate and infinite patterns in an ordered symmetry and wove abstract symbols into dense ornamentation.

The Industry continues to be predominantly labour intensive; The Indian carpet industry is a vibrant sector of textile economy and has considerable potential for growth.

The Indian carpets are considered most technically accomplished classical carpets. The carpet weavers over the time have grown artistically; Golden Carpets Limited with its technology and skilled personnel manufactures state of art carpets in exquisite designs, elegance, attractive, colors and workmanship with high technology looms.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the Year the Company has achieved a turnover of Rs. 145.09 lacs as against 241.96 lacs. Though the Company has suffered a net loss in the year under review the same is higher as compared to the loss of Rs. 75.93 in the previous year. The company has not achieved the expected performance due to financial recession in Indigenous market and adverse market for export.

OPPORTUNITIES AND CHALLENGES:

Considering the demand for the carpets with the change in the preference of the consumers with regard to interiors, your Company has tremendous growth opportunities;

However, competition with international market and acquiring a greater share in the market is a challenge.

The Company is getting orders from many hotels in India and Abroad. Software companies are also a source of business for the company.

SEGMENT WISE PERFORMANCE:

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

OUTLOOK:

As you aware that your company has repaid all its loans to the banks and institutions and it is slowly gaining in the domestic and international market without the heavy burden of interest. The management initiates steps to increase the Productivity and value of business.

RISKS AND CONCERNS:

Your Company presently has to compete with the manufactures of the Carpets from the un organized sector and importers.

CONTROL SYSTEMS & 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 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.



CERTIFICATE OF MANAGING DIRECTOR AND ACCOUNTS OFFICER

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: 29.07.2009

(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 31st March 2009, 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 3 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 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, the company has kept proper books of account as required by law 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 31st March 2009 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 accept in India.
 - a. In the case of the balance sheet, of the state of affairs of the company as at 31st March 2009.
 - 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 Mahesh Nandiraju & Associates
Chartered Accountant

Place: Hyderabad
Date: 29-06-2009

Mahesh Nandiraju
M.No. 204893



Annexure To Auditor's report

(Referred to in paragraph 3 of our report of even date)

- (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 PF & 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 31.03.2009 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 MAHESH NANDIRAJU & ASSOCIATES
Chartered Accountants

Place : Hyderabad
Date : 29-06-2009

Mahesh Nandiraju
M No.204893



Balance Sheet As At 31 st March , 2009

		(Rupees)		
	Particulars	Schedules	March 31,2009	March 31,2008
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		20,116,806	21,731,041
	Total		166,313,855	167,928,090
II	APPLICATION OF FUNDS			
	1. FIXED ASSESTS	3		
	Gross Block		168,278,690	166,463,210
	Less: Depreciation		73,773,835	66,304,544
	Net Block		94,504,855	100,158,666
	2. CURRENT ASSESTS, LOANS & ADVANCES			
	a) Inventories	4	24,266,464	24,098,869
	b) Cash & Bank balances	5	1,594,660	4,731,898
	c) Sundry Debtors	6	2,021,269	3,182,301
	d) Loans & advances	7	5,919,127	4,232,464
			33,801,520	36,245,532
	3) Current Liabilities & provisions	8		
	a) Liabilities		7,875,773	9,324,847
	b) Provisions			
	Net Current Assests		25,925,747	26,920,685
	4. a. Miscellenious Expenditure	9		1,618,821
	(To the extent not written off or adjusted)			
	b) Profit & Loss account		45,883,253	39,229,918
			45,883,253	40,84,8739
	Total		166,313,855	167,928,090

For MAHESH NANDIRAJU & ASSOCIATES
Chartered Accountants

For & on behalf of the Board

Sd/-
Mahesh Nandiraju
M.No. 204893

Sd/-
Srikrishna Naik
Managing Director

Sd/-
Meenakerur
Director

Place: Hyderabad
Date: 29-06-2009



Profit and Loss account for the year ended 31 st March 2009

(Rupees)

	Particulars	Schedules	March 31, 2009	March 31, 2008
I	INCOME			
	Sales		14,509,159	24,196,346
	Other Income		625,231	146,508
			15,134,390	24,342,854
II	EXPENDITURE			
	Cost of Raw material consumed	11	9,339,526	16,746,274
	General and Administration expenses	12	6,261,434	6,957,702
	Financial costs	13	74,817	1,247,033
	Decrease/Increase in stocks	10	(1,548,298)	(3,716,522)
			14,127,479	21,234,487
	Profit & Loss before Depreciation		1,006,911	3,108,367
	Depreciation for the year		7,469,291	7,464,199
	Loss after Depreciation		(6,462,380)	(4,355,832)
	Miscellaneous Exp written off		1,618,821	3,237,652
	Loss before Tax		(8,081,201)	(7,593,484)
	Provision for Tax :			
	Fringe Benefit Tax		72,286	93,633
	MAT		114,083	320,162
	Deferred Tax(Liability)/Asset		1,614,235	1,456,883
	Profit/loss after Tax		(6,653,335)	(6,550,259)
	Previous Year Losses brought forward		(39,229,918)	(32,679,522)
	Prior Period Adjustments			-
	Profit & Loss transferred to Balance Sheet		(45,883,253)	(39,229,918)

For MAHESH. NANDIRAJU & ASSOCIATES
Chartered Accountants

For & on behalf of the Board

Sd/-
Mahesh Nandiraju
M.No. 204893Sd/-
Srikrishna Naik
Managing DirectorSd/-
Meenakerur
DirectorPlace: Hyderabad
Date: 29-06-2009



SCHEDULES FORMING PART OF THE BALANCESHEET

SCHEDULE - 1

(Amt in Rs.)

PARTICULARS	March 31, 2009	March 31, 2008
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
(previes year 6490159 equity shares of Rs.10/- each)		
Add:Forfieted Shares	19510000	19510000
	84411590	84411590

SCHEDULE - 2

PARTICULARS	March 31, 2009	March 31, 2008
SECURED LOANS		
Interest Free Sales tax Loan	1142791	1142791
	1142791	1142791

SCHEDULE - 4

PARTICULARS	March 31, 2009	March 31, 2008
INVENTORIES		
Raw Material	15495836	16876538
Work in Process	1692733	1992704
Finished Goods	7077895	5229627
	24266464	24098869

SCHEDULE - 5

PARTICULARS	March 31, 2009	March 31, 2008
CASH & BANK BALANCES		
i) Cash on hand	371967	269960
ii) Balances with schedule banks	1222693	4461938
In current Accounts		
	1594660	4731898



SCHEDULE - 6

(Amt in Rs.)

PARTICULARS	March 31, 2009	March 31, 2008
SUNDRY DEBTORS (Unsecured and considered good)		
i) Less than Six Months	332519	744999
ii) Other debts	1688750	2437302
Total ..	2021269	3182301

SCHEDULE - 7

PARTICULARS	March 31, 2009	March 31, 2008
LOANS AND ADVANCES & OTHER CURRENT ASSETS (Unsecured and considered good)		
Other Advances	125956	3337445
Staff Advances	38250	0
Deposits	5680425	854151
TDS On FDR Interest	74494	40868
	5919125	4232464

SCHEDULE - 8

PARTICULARS	March 31, 2009	March 31, 2008
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
a) Liability For Expenses	509076	33873
b) Other Liabilities		
Sri Krishna Naik	7149307	8703807
Calls Unpaid payable on allotment money	2500	2500
c) Sales tax liability	17398	70444
d) TDS Payable	11123	100428
PROVISIONS		
a) Provision for FBT	72286	93633
b) Provision for MAT	114083	320162
	7875773	9324847



SCHEDULE - 9

(Amt in Rs.)

PARTICULARS	March 31, 2009	March 31, 2008
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)		
Preliminary, Pre-operative & Public issue Expenses		
Opening Balance	1618821	4856473
Less : written off during the year	1618821	3237652
Closing Balance		1618821

SCHEDULE - 10

PARTICULARS	March 31, 2009	March 31, 2008
INCREASE/DECREASE IN STOCKS		
A. Opening Balance		
Work in Progress	1992703	1421622
Finished goods	<u>5229627</u>	<u>2084186</u>
	<u>7222330</u>	<u>3505808</u>
B. Closing Balance		
Work in progress	1692733	1992703
Finished goods	<u>7077895</u>	<u>5229627</u>
	<u>8770628</u>	<u>7222330</u>
	1548298	3716522

SCHEDULE - 11

PARTICULARS	March 31, 2009	March 31, 2008
RAW MATERIAL CONSUMED		
Opening balance of Raw Material	16876538	15860009
Add: Purchases	7958824	17762803
Less: Closing Balance	15495836	16876538
	9339526	16746274

SCHEDULE - 13

PARTICULARS	March 31, 2009	March 31, 2008
FINANCIAL CHARGES		
Bank Charges	74817	43533
Interest on IDBI Term Loan		1203500
	74817	1247033

SCHEDULE - 3

Fixed Assets Schedule as per companies Act for the year ended 31 Mar 2009

(Amt in Rs.)

Description	Dep % Rate	Gross Block			Depreciation			Net Block	
		As on 31.03.08	Additions	As on 31.3.09	As on 31.03.08	For the Period	Total as at 31.03.09	As on 31.03.09	As on 31.03.08
Building Others	1.63%	2,062,860	-	2,062,860	318,746	33,625	352,371	1,710,489.38	1,744,114
Buildings Factory	3.34%	15,001,094	1,750,000	16,751,094	4,749,556	504,239	5,253,795	11,497,299	10,251,538
Computers	1.62%	2,089,004	23,830	2,112,834	220,022	34,189	254,211	1,858,623	1,868,982
Electricals	4.75%	3,645,934	41,650	3,687,584	1,569,788	174,168	1,743,956	1,943,628	2,076,146
Furniture & Fixtures	6.33%	1,421,632	-	1,421,632	645,653	89,989	735,642	685,990	775,979
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	1,777,772	231,930	2,009,702	2,873,045	3,104,975
Plant & Machinery	4.75%	134,652,820	-	134,652,820	56,976,463	6,396,009	63,372,472	71,280,348	77,676,357
Vehicles	9.50%	51,686	-	51,686	46,544	5,142	51,686	-	5,142
		166,463,210	1,815,480	168,278,690	66,304,544	7,469,291	73,773,835	94,504,855	100,158,666





SCHEDULES FORMING PART OF THE PROFIT AND LOSS A/C

SCHEDULE - 12

(Amt in Rs.)

PARTICULARS	0-Jan-00	March 31, 2008
ADMINISTRATIVE & GENERAL EXPENSES		
ADVERTISMENT CHARGES	41117	45887
ANNUAL CUSTODIAL CHARGES	11236	
AUDIT FEES	25000	25000
BOARD MEETING EXPENSES	11986	36142
BUSSINESS PROMOTION	162946	128827
CONVEYANCE	89455	31666
CUSTOM CLEAR AGENT	41850	
DE-MAT EXPENSES	0	0
DIRECTORS SITTING FEES	36000	12000
DIRECTORS REMUNARATION	480000	480000
EXIBITION EXPENSES		0
FACTORY MAINTANANCE	134680	95814
FRIGHT INSURANCE & FORWARDING	67899	83217
FOREIGN EXCHANGE FLUCATION	94844	
GENERAL EXPENSES	14170	37753
GARDEN MAINITENCE		0
LAYING MATERIAL & UNDERLAY EXPNESES	272856	101659
LEGAL FEES		200000
LISTINTG CHARGES	51744	
MARKETING EXPENSES	65000	140000
MCH EXPENSES	47994	
OFFICE MAINTANANCE	132300	13261
OTHER ADMINISTRATIVE EXPENSES	73000	38286
PACKING MATERIAL	91698	174796
POSTAGE & TELEGRAM	62291	37743
POWER & DIESEL	463531	414260
PRINTING & STATIONERY	30276	15561
PROFESSIONAL CHARGES	352920	252476
RATES & TAXES		91200
RENT	1313880	1310970
REPAIRS & MAINTANANCE	53168	28314
SALARIES	1109582	1593925
SECURITY EXPENSES	123833	125000
STAFF WELFARE	63152	56004
TELEPHONE & FAX EXPNESES	347581	170675
TRANSPORT CHARGES	106499	261240
TRAVELING EXPENSES	288946	956026
	6261434	6957702



SCHEDULE – 14

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2009

A. 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.2,021,269 /- include of Rs.1,688,750 /- which are more than six



months and in the opinion of the management the debts are considered good and hence non provision for doubtful debts is made.

4. Other liabilities under the head Current Liabilities include an amount of Rs.7,149,307/- due to the Directors & Promoters on which no interest is provided.
5. The Company has reviewed all outstanding Sundry Creditors balances and no amount is outstanding as on 31.03.2009. The liability for Expenses consists of provisions of Rs.7,23,966/- made for the expenses etc. payable as on 31.03.2009.
6. The traveling expenses include Foreign Travel of Managing Director.
7. Sales Income includes trading of goods, which excludes duties and taxes. The sales are recognized only on the basis of goods dispatched and invoices raised.
8. Opening balance of miscellaneous expenditure is Rs.1,618,821.- A sum of Rs. 1,618,821/- is written during the year. The closing balance is Rs.NIL/-. The Miscellaneous expenditure are being amortised over a period of 14 years.
9. 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.
10. There was no dues repayable to small/ medium scale industries for the year ending 31.03.2009.
11. Details of sales, raw materials and components consumed capacities and production.

A Sales:	2008-2009 Value (Rs.Lakhs)	2007-2008 Value (Rs.Lakhs)
Carpets	145.09	241.96
12. Director Remuneration	As on 31.03.2009 Rs.4,80,000/-	As on 31.03.2008 Rs.4,80,000/-
13. Audit fee	As on 31.03.2009	As on 31.03.2008
Statutory Audit Fee	Rs.15000/-	Rs.15000/-
Tax Audit Fee	Rs.10000/-	Rs.10000/-

14. The financial statements have been verified based on the books of accounts produced before us.
15. Paise have been rounded off to nearest rupee.
16. Schedules 1 to 14 form an integral part of the Balance Sheet and have been duly authenticated.
17. Figures of previous year have been regrouped wherever necessary to conform to the current year's presentation/classification.

For MAHESH NANDIRAJU & ASSOCIATES
Chartered Accountants

For & on behalf of the Board

Sd/-
Mahesh Nandiraju
M.No. 204893

Sd/-
Srikrishna Naik
Managing Director

Sd/-
Meenakerur
Director

Place: Hyderabad
Date: 29-06-2009



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2009

(Pursuant to Clause 32 of the Listing Agreement)

(Amt in Rs.)

PARTICULARS	YEAR ENDED 31ST MARCH 2009		YEAR ENDED 31ST MARCH 2008	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Operating Profit before Depreciation but after written off of Misc. Expenditure & provisions		(798,281)		(543,080)
Adjustment for				
Add: Decrease in Inventories	-	-	-	-
Increase in Current Liabilities	-	-	-	-
Increase in Share capital	-	-	-	-
Decrease in Advances & Sundry Debtors	1,161,032		6,308,910	
		1,161,032		6,308,910
Less: Increase in Inventories	167,595		4,733,051	
Decrease in Share Capital	-		-	
Decrease in Current Liabilities	1,449,074		538,562	
Increase in Advances	1,686,661			
		3,303,330		5,271,613
Net Cash from operating Activities - (A)		(2,940,579)		494,217
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases/Increase of/in Fixed Assets	(1,815,480)		(34,000)	
Decrease in Misc. Expenditure	1,618,821		3,237,652	
Net Cash used in Investing Activities - (B)				3,203,652
		(196,659)		3,203,652
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Share Capital			-	
Proceeds from Long Term Borrowings	-		(1,000,000)	
Proceeds from Short Term Borrowings			-	
Net Cash used in Financing Activities - (C)				(1,000,000)
Net increase in Cash & Cash Equivalents (A+B+C)		(3,137,238)		2,697,869
Cash & Cash Equivalents Opening Balance		4,731,898		2,034,029
Cash & Cash Equivalents Closing Balance		1,594,660		4,731,898

For MAHESH NANDIRAJU & ASSOCIATES
Chartered Accountants

For & on behalf of the Board

Sd/-
Mahesh Nandiraju
M.No. 204893Sd/-
Srikrishna Naik
Managing DirectorSd/-
Meenakerur
DirectorPlace: Hyderabad
Date: 29-06-2009



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration Details

Registration No.

1 6 6 7 2

State Code : 0 1

Balance Sheet

3	1	0	3	2	0	0	9
Date		Month		Year			

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

Public Issue

NIL

Rights Issue

NIL

Bonus Issue

NIL

Private Placement /Others

NIL

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

Total Liabilities

1 6 7 9 2 8

Total Assets

1 6 7 9 2 8

Sources of Funds

Paid-Up Capital

8 4 4 1 2

Reserves & Surplus

2 2 4 0 7

Secured Loans

1 1 4 2

Unsecured Loans

3 8 2 3 5

Deferred Tax liability

2 1 7 3 1

Application Funds

Net Fixed Assets

1 0 0 1 5 8

Capital work in Progress

NIL

Investments

NIL

Net Current Assets

2 6 9 2 0

Misc. Expenditure

1 6 1 9

Accumulated Losses

3 9 2 3 0

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

Turn Over (Include other income)

2 4 3 4 3

Total Expenditure

2 1 2 3 4

Loss Before Tax

7 5 9 4

Loss After Tax

6 5 5 0

Earning Per Share

NIL

Dividend Rate

NIL

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

Item Code No. (ITC Code)

Product description : Carpets

GOLDEN CARPETS LIMITED
FOURTEENTH ANNUAL GENERAL MEETING

Regd Off :8-2-596/B/1,Road.No.10,Banjara Hills,Hyderabad-500 035

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 Fourteenth Annual General Meeting, of the company to be
held on 30th September 2009 at 9.00 A.M AT Hotel Marriott Hyderabad and at any adjournment there of

Folio/Client id: _____

Signed this _____ day of _____ of 2009

Signed by the said _____

One rupee
Revenue
Stamp

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

GOLDEN CARPETS LIMITED
FOURTEENTH ANNUAL GENERAL MEETING

Regd Off :8-2-596/B/1,Road.No.10,Banjara Hills,Hyderabad-500 035

ATTENDANCE SLIP

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

Date
30-09-2009

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 meting must bring the admission Slip and hand
over at the entrance duly signed.

Book Post

If Undeliver please return to

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