

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 without 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 depositary 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.