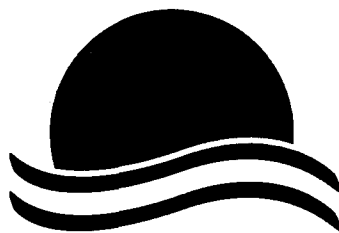


18th Annual Report 2011-12



GOLDEN CARPETS LIMITED

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



GOLDEN CARPETS LIMITED

BOARD OF DIRECTORS

MANAGING DIRECTOR

Shri SriKrishna Naik

DIRECTORS

Shri Meena kerur

Shri K Suresh

Shri Maqsood Ahmed

REGISTERED OFFICE

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

Road No.10

Banjara Hills,

Hyderabad-34

Email: goldencarpets@vsnl.net

AUDITORS

M/s. Ramasamy Koteswara Rao & Co

Chartered Accountants

Plot No 238/A, MLA's Colony

Road No.12, Banjara Hills

Hyderabad - 500 034

FACTORY LOCATION

Jeedipally Village,

Toopran Mandal

Medak District,

Andhra Pradesh

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 18th Annual General Meeting of the members of M/s Golden Carpets Limited will be held on Saturday the 29th day of September 2012 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 2012 and the Profit and Loss Account for the year ended 31st March 2012, together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Smt. Meena Kerur who retires by rotation and being eligible offers herself for re-appointment.
3. To appoint statutory auditors for the financial year 2012-2013 by passing the following resolution as an Ordinary resolution.

"RESOLVED THAT the consent of the members be and is hereby accorded for the appointment M/s. Ramasamy Koteswara Rao & Co., Chartered Accountants, Firm Regd. No.010396S, Hyderabad as Statutory Auditors of the company for the financial year 2012-2013 who shall hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the company."

SPECIAL BUSINESS

4. **APPOINTMENT OF SHRI SRI KRISHNA NAIK AS MANAGING DIRECTOR**
To consider, and if thought fit to pass with or without modification, the following resolution as special resolution:

"RESOLVED THAT pursuant to section 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 such other approvals as may be required, as recommended by the remuneration committee and the Board of Directors, the consent of the shareholders be and is hereby accorded for appointment of Shri. Sri Krishna Naik, as Managing Director of the company for a period of three years w.e.f. 06.08.2012 at a consolidated remuneration of Rs.1,00,000 per month."

By order of the Board of Directors

Sd/-

SRI KRISHNA NAIK

Chairman & Managing Director

Place: Hyderabad

Date : 06-08-2012



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 Monday, the 24th September 2012 to Saturday, the 29th day of September 2012 (both days inclusive).
3. Members are requested to notify immediately any change in their address to the share transfer agents and in case their shares are held in dematerialised form, this information should be passed on to their respective depository participants with out delay.
4. Pursuant to the requirements of the listing agreement of stock exchanges, the information of the directors proposed to be appointed or Re-appointed is given in the annexure to the notice.
5. Shareholders holding shares in physical form are invited to contribute to the cause of Green Initiative by registering their e-mail ID, by submitting the E- COMMUNICATION REGISTRATION FORM inserted in the Annual Report to the Registrars i.e., XL Softech Systems Limited, Sagar Society Road, Road No.2, Banjara Hills, Hyderabad.
6. Members who hold shares in dematerialized form are requested to bring their client ID and DP IDs for easier identification of attendance at the meeting.

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

ITEM NO 1

The Board of Directors of the company at its meeting held on 6th August, 2012 has, subject to the approval of the members, appointed Shri. Sri Krishna Naik as Managing Director for a period of three years w.e.f. 6th August, 2012. Shri. Sri Krishna Naik upon appointment as Managing Director shall hold office on the terms and conditions as mentioned in the resolution. As per section 198, 269, 309, 310 read with Schedule XIII of companies Act 1956, approval of shareholders by way of special resolution is required. Hence the Board of Directors recommends the aforesaid resolution.

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

By order of the Board of Directors

Place: Hyderabad

Date : 06-08-2012

Sd/-
SRI KRISHNA NAIK
Chairman & Managing Director



DIRECTORS' REPORT

Dear Members,

Your Directors present herewith the 18th Annual Report on the business and operations of the Company and the audited accounts for the year ended 31st March 2012.

1. FINANCIAL RESULTS AND OPERATIONS

The summarized financial results for the year ended 31st March 2012 as compared with the previous year are as under:

Rs. In Lakhs.			
S.No	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
1.	Sales	129.55	139.68
2.	Other Income	3.34	9.24
3.	TOTAL INCOME (1+2)	132.89	148.92
4.	Total Expenses other than interest	(108.65)	(115.32)
5.	Interest	0.20	1.29
6.	Total Expenses other than Depreciation	108.85	114.02
7.	Depreciation	75.77	75.53
8.	Miscellaneous Expenditure Written off	0.00	0.00
9.	Profit/ (Loss) for the before tax	(51.33)	(40.63)
10.	Provision for tax:		
	MAT	0.00	0.00
	Deferred Tax (Liability)/Asset	17.39	16.66
11.	Profit/(Loss) for the year after tax	(33.94)	(23.97)

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

2. RESERVES:

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

3. DEPOSITS

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

4. INFORMATION PURSUANT TO THE COMPANIES DISCLOSURE OF (PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO (pursuant to sec 217(1)(e)).



A. Conservation of energy:

Adequate measures have been taken for conservation of energy. There is no additional investment and proposal for reduction of energy conservation. 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 have to be improved with a view to have unique features, pattern and design.

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

ii) Technology absorption, adoption and innovation.

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

5. FOREIGN EXCHANGE EARNINGS AND OUT GO:

Foreign Exchange Earnings	:	3.51 Lakhs
Foreign Exchange out go	:	17.84 Lakhs

6. PARTICULARS OF EMPLOYEES

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

7. DIRECTORS

In accordance with the requirements of the Companies Act 1956, read with the Articles of Association of the company Smt. Meena Kerur shall retire by rotation at this Annual General Meeting, and being eligible offer herself for reappointment. A brief resume of the retiring director as required under clause 49 of the Listing Agreement is provided in this Annual Report.

Shri. S. Naik, Managing Director, of the company was appointed for further period of 3 years and the same requires ratification of members in this Annual General Meeting.



8. AUDITORS AND AUDIT REPORT

The Statutory Auditors of the company M/s Ramasamy Koteswararao & Co, Chartered Accountants, Hyderabad Firm Regd. No. 010396S, retire at the ensuing Annual General Meeting and are eligible for re-appointment.

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

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

9. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a. That in the preparation of the accounts for the financial year ended 31st March 2012; 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 2012 on a 'going concern basis'.

10. MANAGEMENT DISCUSSION & ANALYSIS REPORT

A separate report on Management Discussion & Analysis Report is attached to this report.

11. CORPORATE GOVERNANCE REPORT

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

12. 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, 2012 is annexed hereto.



13. AUDIT COMMITTEE

In accordance with Clause 49 of the Listing Agreement, the company has constituted the Audit Committee, which consists of Majority of Independent Directors and Non Executive Directors of the company Viz. Mr.K.Suresh, Smt. 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.

14. HUMAN RESOURCE

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 work 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.

15. 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 : 06-08-2012

Sd/-
SRI KRISHNA NAIK
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT:

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

Moghuls brought the carpet weaving to India and some of the most majestic carpet in India can be seen from Moghul period. Weavers in India then learned magic of colors and weaves and more aesthetic touch was started to appear in Indian carpets. Carpet industry in India flourished more in its northern part. So major centers of carpet industry can be found in Kashmir, Jaipur, Agra and Bhadohi.

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.

Hand tufted carpets have been gaining importance in India since last few decades. Major parts of carpets that are produced in India are exported to different parts of world as local market for these is less. Moreover the channels for local marketing and selling are also less. But with the retail boom the Indian carpet industry is going to see some major changes in the carpet industry here for local market.

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 all over the world. Carpet industry in India will flourish further because of the unique artistic skill. The labor cost is low in India adding to the advantage and favorable factors list for growth purposes. Carpet designs in India are very innovative. Apart from this, Indian carpet industry can produce different kinds of carpet which are not produced by other countries.

Home furnishing market is moving towards Carpet Industry, which results in evolution of new carpet designs. It is used as a Marketing tool and gives the opportunity to provide stocking and warehousing services to various players in the market. Youth market is now more open to the contemporary and modern carpet industry which has given a new opportunity to the carpet industry.

India has far better options than its competitors in terms of quality and designs. India is more flexible and produces all kinds of carpet.

Our Company has been able to capture the export market and has made its place in the domestic as well as, global market. We have explored the opportunities for providing stocking and warehousing services to various players also.