

**19th
Annual Report
2012-2013**



GOLDEN CARPETS LIMITED

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



BOARD OF DIRECTORS	Shri Sri Krishna Naik - Managing Director Shri Meena Kerur - Director Shri K Suresh - Director Shri Maqsood Ahmed - Director
REGISTERED OFFICE	Flat # 8-2-596/5/B/1/A, Road No.10 Banjara Hills, Hyderabad-500 034 Opp. Karvy House 040-66771111 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, Too pran 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, Banjara Hills, Hyderabad.
LISTING	Bombay Stock Exchange Limited (BSE)-Mumbai.



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NOTICE

Notice is hereby given that the 19th Annual General Meeting of the members of M/s Golden Carpets Limited will be held on Friday the 27th day of September, 2013 at 9.00 AM 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 2013 and the Profit and Loss Account for the year ended 31st March 2013, together with the Reports of the Directors'and Auditors' thereon.
2. To appoint a Director in the place of Sri K Suresh who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint statutory auditors for the financial year 2013-2014 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 2013-2014 who shall hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors of the company.”

By order of the Board of Directors

Place: Hyderabad
Date: 30.07.2013

Sd/-
SRI KRISHNA NAIK
Chairman & Managing Director



NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND VOTE INSTEAD OF 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 23rd day of September, 2013 to Friday the 27th day of September, 2013 (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.

By order of the Board of Directors

Sd/-

SRI KRISHNA NAIK
Chairman & Managing Director

Place: Hyderabad
Date: 30.07.2013



DIRECTORS' REPORT

Dear Members,

Your Directors present herewith the 19th Annual Report on the business and operations of the Company and the audited accounts for the year ended 31st March 2013.

Financial Results and Operations

The summarized financial results for the year ended 31st March, 2013 as compared with the previous year are as under:

		Rs. In Lakhs.	
S.No	Particulars	Year ended 31.03.2013	Year ended 31.03.2012
1.	Sales	79.20	129.55
2.	Other Income	5.49	3.34
3.	Total Income (1+2)	8.47	135.89
4.	Total Expenses other than interest	(177.85)	(108.65)
5.	Interest	0.42	0.20
6.	Total Expenses other than Depreciation	102.27	108.85
7.	Depreciation	76.00	75.77
8.	Miscellaneous Expenditure Written off	0.00	0.00
9.	Profit/ (Loss) for the before tax	(93.57)	(54.10)
10.	Provision for tax:MAT	0.00	0.00
11.	Deferred Tax(Liability)/ Asset Profit/(Loss) for the year after tax	18.28	17.39
		75.28	(36.71)

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

Reserves

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

Deposits

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

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

Particulars pursuant to the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the report of Board of Directors) Rules, 1988 are given in the "Annexure – A"

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 accordance with the requirements of the Companies Act 1956, read with the Articles of Association of the company Sri. K Suresh shall retire by rotation at this Annual General Meeting, and being eligible offer himself for reappointment. A brief resume of the retiring director as required under clause 40 of the Listing Agreement is provided in this Annual Report.

Auditors and Audit Report

The Statutory Auditors of the company M/s.Ramasamy Koteswararao & Co, Chartered Accountants, Hyderabad Firm 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.

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, 2013; 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, 2013 on a 'going concern basis.



Management Discussion & Analysis Report

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

Corporate Governance Report

A separate report on corporate governance along with Auditor's certificate on its compliance is 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, 2013 is annexed hereto.

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. Sri.K.Suresh, Smt.Meena Kerur and Sri.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.

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.

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

Place: Hyderabad

Date: 30.07.2013

Sd/-

Sri Krishna Naik

Chairman & Managing Director

**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

Information under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 and forming a part of Directors' Report.

Conservation of Energy

The Company is striving to conserve energy by adopting innovative measures to reduce wastage and optimize consumption. The adoption of the above helps to control the proportionate increase in total energy usage consequent to overall increase in production. The total energy consumption is given as per form-A below:

FORM - A (See rule 2)
Form for Disclosure of Particulars with respect to Conservation of Energy

PARTICULARS	2012-13
POWER & FUEL CONSUMPTION	
1. Electricity	
a) Purchased	
Units	1199
Total Amount (Rs.)	15286
Rate Per Unit (Rs.)	12.70
b) Own Generation	
Through diesel generator	
Units (Litres)	7600
Total Cost (Rs.)	372029
2. Coal (specify quality and where used)	Nil
Quantity	
Total Cost (Rs.)	
Average Rate (Rs.)	
3. Furnace Oil	Nil
Quantity (Litres)	
Total Amount (Rs.)	
Average rate (Rs.)	
4. Natural gas	Nil
Quantity	
Total Amount (Rs.)	
Average rate (Rs.)	
Total Amount (Rs.)	
Average rate (Rs.)	
CONSUMPTION PER UNIT OF PRODUCTION:	
The consumption of raw material per Kg. is	



FORM B (See Rule 2)

Form for Disclosure of Particulars with respect to Technology Absorption (R&D)

A. Research and Developed (R&D)	-	Not Applicable
B. Technology absorption, adoption and innovation	-	Not Applicable
C. Foreign Exchange Earnings and Outgo:	Amount in Rs.	Amount in Rs.
Earnings	33.75 Lacs
Outgo	17.15 Lacs

Place: Hyderabad
Date: 30.07.2013

By Order of the Board
Sd/-
Sri Krishna Naik
Chairman & Managing Director



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure and Development

Carpet industry in India is one of the oldest and the most popular industries. India has always had an ancient heritage of carpet weaving, a craft that has assorted skill and expertise from lands as diverse as Persia, China and Afghanistan. However, this artistry is no longer a trade that is still isolated in the villages or towns. Along time, this craft has evolved spreading its wings not only at the domestic front but also the international markets.

Mughals brought the carpet weaving to India and some of the most majestic carpet in India can be seen from Mughal 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 of the country. So, major centers of carpet industry are in Kashmir, Jaipur, Agra and Bhadohi - Mirzapur.

Hand tufted carpets have been gaining importance in India since last few decades. Major parts of carpet 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.

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

There is lot of opportunities available for the carpet industry in terms of improving the productivity and quality of raw materials at reasonable prices, necessary capabilities including R & D facilities for improvement of fibre quality and development of specialized fibres/yarns, as market always demands new product, pattern & design. Rising Inflation is a world-wide phenomenon. Owing to increase in price of oil and commodities, raw material costs have increased.

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.



Threats

Indian Carpet industry is getting a intensified competition from the major carpet producing countries viz. Iran, Pakistan etc. This situation becomes even grimmer as the currency exchange rates of these countries are under-values Vis-a-Vis US Dollar than Indian Rupee which is stronger Vis-a-vis US Dollar, making Indian carpets less competitive compared to Iranian carpets.

The industry is suffering due to unhealthy competition existing within it. Social evil such as Child labor has strong bonding with the industry. Hence, the industry invites risk of possible backlash on itself.

Segment Wise Performance:

As the Company is dealing in only one product, the segment wise performance is not applicable.

Outlook

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

Discussion on Financial performance with respect to operational performance

During the Year the Company has achieved a turnover of Rs 79.20 lacs as against Rs 129.55 lacs. The Company has suffered a net loss of Rs 75.28 lacs in the year under review, the same is higher as compared to the loss of Rs 36.71 lacs in the previous year.

Internal Control Systems and their Adequacy

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

Material Development in Human Resources/Industrial Relations:

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

Cautionary Statement

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

**REPORT ON CORPORATE GOVERNANCE****(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)****1. A brief statement on Company's philosophy on code of Governance**

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

2. Board of Directors

The Board has two promoters and Two Independent Directors out of whom three non-executive and one Managing Director. The composition of the Board is in compliance with the Clause 49 of the Listing Agreement entered with the Stock Exchange.

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, 2013 have been made by the Directors.

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

Name	Category	No. of Board Meetings during the Year 2012-2013		Whether attended last AGM held on 29 th September 2012	No. of Directorships in all other companies	No. of Committee positions held in all other companies	
		Held	Attended			Chairman	Member
Sri S Naik	Promoter, Managing Director	4	4	Yes	2	Nil	Nil
Smt.Meena Kerur	Promoter, Non Executive Director	4	4	No	1	Nil	1
Sri K Suresh	Non Executive Independent	4	4	Yes	6	Nil	Nil
Sri Maqsood Ahmed	Non Executive Independent	4	3	No	Nil	Nil	Nil



Four (4) Board Meetings were held during the year 2012-2013 and the gap between 2 meetings did not exceed 4 months. The dates on which the Board Meetings held were 25th May 2012, 8th August 2012, 9th November 2012 and 11th February 2013.

Necessary information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

3. Code of conduct

The Board has laid down a code of conduct for all Board Members, senior management and employees of the Company. The relevant Declaration is enclosed as an attachment to the Directors' Report.

4. Audit Committee

- (i) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchange read with Section 292 A of the Companies Act 1956.
- (ii) The Company's Audit Committee comprises of the following Directors all of whom are Non-Executive and Majority are Independent Directors:
 - 1. Shri K.Suresh - Chairman
 - 2. Smt.Meena Kerur - Member
 - 3. Shri Maqsood Ahmed - Member
- (iii) The terms of reference stipulated by the Board to the Audit Committee includes review of the following:
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - e. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.



- f. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- g. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report.
- h. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
- i. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- j. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- k. Discussion with internal auditors any significant findings and follow up there on.
- l. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- m. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- n. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.



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

- (iv) During the year 2012-2013 the Audit Committee met **Four (4)** times on 25th May 2012, 8th August 2012, 9th November 2012, and 11th February 2013. The statutory auditors and whole-time directors were invited for the meetings. The attendance of the members of the committee is given below:

Name	Category	No. of Meetings during the Year 2012-2013	
		Held	Attended
Shri K.Suresh – Chairman	Independent, Non Executive	4	4
Smt.Meena Kerur – Member	Promoter, Non Executive	4	4
Shri Maqsood Ahmed – Member	Independent, Non Executive	4	3

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 Shri. K.Suresh, Shri. Maqsood Ahmed and Smt. Meena Kerur, all are non- executive and majority are Independent Directors. Committee did not hold any meeting during the year since there was no changes in the remuneration of 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.

6. Remuneration of Directors

The Non Executive Independent Directors apart from receiving the sitting fees 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.



The aggregate value of salary and perquisites for the year ended 31.03.2013 to Managing/ Executive Director are as under:

Shri. S. Naik, Managing Director : Rs.11,20,000/-P.A.

Notice Period, severance fee and stock options to the above Personnel :Nil

The period of appointment of Managing Director is for 3 years

The Company does not have any stock option plan or performance incentives.

Details of Shares of the Company held by the Directors as on March 31, 2013 are as below:

Name	No. of Shares
Shri S Naik	18,43,540
Smt.Meena Kerur	10,24,764
Shri.Kotte Suresh	Nil
Shri.Maqsood Ahmed	Nil

7. Share Transfer & Investor's Grievance Committee

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

Name of the Member	No.of Meetings attended	Designation
Smt.Meena Kerur	1	Chairman
Shri. Kotte Suresh	1	Member
Shri. Maqsood Ahmed	1	Member

The total number of complaints received and replied to the satisfaction of shareholders during the year under review was Nil. There were no outstanding complaints as on 31st March, 2013.

During the year 2012-2013 the Share Transfer & Investor's Grievance Committee met on 12th March, 2013.

Sri Krishna Naik, Managing Director is the Compliance Office of the company.



8. General Body Meetings

Location and Time of Last 3 Annual General Meetings:

Year	Venue	Date	Time	Special Resolutions passed during the AGMs
2011-2012	Hotel Marriott, Tank Bund, Hyderabad	29.09.2012	9.00 A.M	1
2010-2011	Hotel Marriott, Tank Bund, Hyderabad	30.09.2011	9.00 A.M	0
2009-2010	Hotel Marriott, Tank Bund, Hyderabad	30.09.2010	9.00 A.M	0

In the last AGM no resolution was passed through postal ballot.

9. Disclosures

A. Related Party Transactions

During the year 2012-2013 the Company had no related party transactions, which is considered to have potential conflict with the interest of the Company at large. The disclosures as to related party transaction is disclosed in the notes to accounts.

B. Compliance made by the company

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

C. Means of Communication

The quarterly/ half yearly/ annual results, notices of Board Meetings/ General Meetings and all other material information are normally published by the Company in the newspapers. Official news releases are sent to the stock exchanges at Mumbai where the shares of the Company are listed. Your Company has launched website, being the following URL <http://www.goldencarpets.com>, enabling the potential investors to have awareness of the Company. The website is yet to be updated with the latest information and the same is in work in progress.

10. Non-Mandatory requirements:

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

11. General Shareholders information

The following information would be useful to the shareholders:

- a. 19th Annual General Meeting

Date and Time	:	27 th September 2013
Venue	:	Hotel Marriot, Tankbund, Hyderabad
- b. Financial Year

:	:	1 st April 2012 to 31 st March, 2013
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- c. Dates of Book closure : 23rd September 2013 to 27th September 2013
(both days are inclusive)
- d. Listing on Stock Exchanges : The Bombay Stock Exchange limited, Mumbai
- e. Stock Code : 531928
ISIN Numbers in NSDL &
CDSL for Equity Shares : INE595D01015
- f. Dividend payment date : Not applicable
- g. Market Price Data : High/Low price quotation in each month of the
last financial year 2012-2013 on the Stock
Exchange, Mumbai is given below.

Month	High Price(Rs.)	Low Price(Rs.)
Apr' 12	0.00	0.00
May' 12	0.00	0.00
Jun' 12	2.42	2.42
Jul' 12	0.00	0.00
Aug' 12	0.00	0.00
Sep' 12	2.54	2.54
Oct' 12	2.66	2.55
Nov' 12	0.00	0.00
Dec' 12	2.67	2.43
Jan' 13	4.35	2.60
Feb' 13	4.50	4.01
Mar' 13	4.50	3.89

Source: www.bseindia.com

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

i. SHARE TRANSFER SYSTEM

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

j. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2013

Sl.No	Category	No.of Shares	% of Shareholding
1.	Promoters	3413744	52.60
2.	Mutual Funds and UTI	0000	0.00
3.	Banks, Financial Institution, Insurance Companies	185185	2.85
4.	Private Corporate Bodies	208304	3.21
5.	Indian Public	1771186	27.29
6.	NRIs/OCBs	911740	14.05
7.	Clearing Members	0000	0.00
	Total	6490159	100.00

K. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013

Share or debenture holding of Nominal value of		Share / Debenture Holders		Shares / Debenture Amount	
Rs.	Rs.	Number	%	In Rs.	%
(1)	(2)	(3)	(4)	(5)	(6)
1 - 5000	378	52.94	983170	1.51	
5001 - 10000	109	15.27	988670	1.52	
10001 - 20000	65	9.10	1071420	1.65	
20001 - 30000	35	4.90	898840	1.38	
30001 - 40000	24	3.36	879130	1.35	
40001 - 50000	24	3.36	1164850	1.79	
50001 - 100000	25	3.50	1916700	2.95	
100001 - Above	54	7.56	56998810	87.82	
TOTAL	714	100.00	64901590	100.00	

l. De-materialization of shares and liquidity

The Company entered into an agreement with NSDL and CDSL, where by shareholders can avail the option to dematerialize their shares with either of the depositories and on an average the dematerialization process is completed within a period of 7 days from receipt of a valid demat request along with all documents. As on 31.03.2013 the number of shares held in dematerialized form with both the depositories are 4183992 shares, which comes to be 64.47 % of the total paid up capital.



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

n. Address for Correspondence :GOLDEN CARPETS LIMITED
Flat No-8-2-596/5/B/1,
Road No-10,
Banjara Hills,Hyderabad-500 034
E-Mail :Goldencarpets@vsnl.net

12. Reconciliation of Share Capital Audit

The Company gets the Reconciliation of Share Capital 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 Reconciliation of Share Capital 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.

13. Nomination Facility

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

14. Company's Policy on prevention of insider trading

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

Place : Hyderabad
Date : 30.07.2013

By Order of the Board

Sd/-
Sri Krishna Naik
Chairman & Managing Director



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

Name of the Director	Qualification & Expertise in Specific Functional Areas	Date of Birth	List of companies in which outside Directionship held as on 31.03.2013
Sri K Suresh	M.Com , vast experience in Accounts, Finance and Business	06.11.1972	1. Sai Inspections Private Ltd. 2. Tirumala Tirupati Properties Private Limited 3. Grandeur Educational Service Private Limited 4. Power Adventures & Resors Private Limited 5. Marvel Publications Private Limited

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

To
The Shareholders

I hereby declare that all the Board members and Senior Management Personnel have affirmed compliance with the code of conduct adopted by the company and have submitted declarations in this behalf for the year ended 31st March,2013.

By Order of the Board

Place: Hyderabad
Date: 30.07.2013

Sd/-
Sri Krishna Naik
Chairman & Managing Director



M/s Ramasamy Koteswararao & Co
Chartered Accountants

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE
GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Share owners of
M/s Golden Carpets Limited

We have examined the compliance of the conditions of Corporate Governance by Golden Carpets Limited for the year ended 31st March, 2013 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, 2013 no investor grievance were pending for a period exceeding one month.

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

For Ramasamy Koteswararao & Co
Chartered Accountants

Sd/-
(C V Koteswara Rao)
Partner
M No:28353

Place : Hyderabad
Date : 30.07.2013



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

We, Shri Sri Krishna Naik, Managing Director and Shri. M.Janardhan, Accounts Officer, of M/s Golden Carpets Limited, hereby certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement for the year or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the Company's Affairs and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. 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.
3. 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.
4. We have indicated to the auditors and the audit committee:
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which they have become aware of and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
5. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct)
6. 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: 30.07.2013

Sd/-
(Sri Krishna Naik)
Managing Director

Sd/-
(M.Janardhan)
Accounts Officer



MANAGING DIRECTOR CERTIFICATE ON CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

I, Shri Sri Krishna Naik, Managing Director of the Company, hereby certify that:

- a. I have reviewed financial statements (including the cash flow statement) for the year 2012-13 prepared by the Management and that to the best of my knowledge and belief.
 - i) these statements do not contain any materially untrue statement 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 and are in compliance with existing accounting standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have timely disclosed to the auditors and the Audit Committee, any kind of deficiencies, if any during the year, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. have indicated to the auditors and the Audit Committee on the following items:-
 - i) Significant changes in internal control during the year, if any
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, if any; 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.

Place: Hyderabad
Date: 30.07.2013

Sd/-
(Sri Krishna Naik)
Managing Director



INDEPENDENT AUDITOR'S REPORT

To the Members,
Golden Carpets Limited,
Hyderabad

Report on the Financial Statements

We have audited the accompanying financial statements of **Golden Carpets Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In the case of Balance Sheet, of the state affairs of the Company as at March 31, 2013
- (b) In the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. The Balance Sheet, Statement of Profit and Loss and the Cash flow statement dealt with by this report are in agreement with the books of account
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash flow statement comply with the Accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For RAMASAMY KOTESWARA RAO & CO.,

Chartered Accountants

Firm Regn No: 010396S

Sd/-

(C.V.Koteswara Rao)

Partner

Membership No.028353

Place: Hyderabad
Date: 29th May, 2013



Annexure to the Auditors' Report

[referred to in paragraph 3 of our Report of even date to the Members of
Golden Carpets Limited for the year ended March 31, 2013]

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with the program, certain fixed assets were verified during the year and no material discrepancies have been noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.
- (c) No Fixed Assets are disposed off during the year.
- ii. (a) The verification of inventory is being conducted at reasonable intervals by the management.
- (b) The procedures followed for the physical verification of inventory are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) Proper records regarding the inventory are being maintained and no material discrepancies are noticed during the physical verification.
- iii. (a) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, requirements of clauses (iii-b), (iii-c) and (iii-d) of paragraph 4 of the order are not applicable.
- (e) According to the information and explanation given to us, the company has not taken any loans, secured or unsecured to/from companies, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses (iii-f), (iii-g) of paragraph 4 of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to the purchases of inventory and fixed assets and for the sale of goods and services. During the course of audit, no major weaknesses in the internal controls are noticed.



- v. (a) According to the information and explanation given to us, we are of the opinion that the company has not entered into any transactions that required to be entered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clause (v-b) of paragraph 4 of the order is not applicable.
- vi. In our opinion and according to the explanations given to us, the company has not accepted any deposits within the meaning of Sections 58A and 58AA of the Companies Act and Companies (Acceptance of Deposits) Rules, 1975.
- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. The Central Government of India has not prescribed maintenance of cost records under Section 209 (i) (d) of the Act for any of the services rendered by the company.
- ix. (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including income tax, sales tax, customs duty, excise duty, cess and other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, there are no income tax, wealth tax, sales tax, customs duty and excise duty, which have not been deposited on account of any dispute. There were no dues on account of cess under 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been not filed by the Central Government.
- x. The company have the accumulated losses as at the end of the financial year and that are more than fifty percent of its net worth, and has incurred cash losses in the financial year and in the immediately preceding financial year.
- xi. According to the records of the company and as per the explanations given to us the company, we are of the opinion that the company has not defaulted in repayment of dues to financial Institutions, banks or debenture holders during the year.
- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The company is not a chit or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv. According to the information given to us, the company is not dealing in or trading in shares, securities, debenture and other instruments, accordingly the provisions of clause 4(xiv) of the order is not applicable.



-
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The Company did not have any term loans outstanding during the year.
- xvii. The company has not raised any funds on short-term basis.
- xviii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 Act.
- xix. The company has not issued any debentures during the year. Accordingly, no securities have been created.
- xx. The company has not raised any money by public issue during the year.
- xxi. 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 Ramasamy Koteswara Rao & Co.,
Chartered Accountants
Firm Regn No: 010396S

(C.V.Koteswara Rao)
Partner
Membership No: 028353

Place: Hyderabad
Date: 29th May 2013.

**Balance Sheet as at 31st March, 2013**

Particulars	Notes	As on 31.03.2013	As on 31.03.2012
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	84,411,590	84,411,590
Reserves and Surplus	2	(46,134,038)	(38,605,335)
Non-Current Liabilities			
Long Term Borrowings	3	45,184,949	45,343,540
Deferred Tax liability(Net)	4	13,153,108	14,981,782
Current Liabilities			
Trade payables	6	1,040,180	2,189,815
Other Current Liabilities	7	622,981	384,089
		98,278,770	108,705,481
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	65,751,181	73,251,260
Long Term Loans and Advances	9	483,410	483,410
Current Assets			
Inventories	10	24,264,667	23,934,861
Trade Receivables	11	313,082	3,990,244
Cash and Bank Balances	12	7,104,010	6,481,867
Short Term Loans and Advances	13	24,000	65,000
Other Current Assets	14	338,422	498,839
		98,278,770	108,705,481

As per figures extracted from the books of account.

For RAMASAMYKOTESWARARAO & Co.

Chartered Accountants

Firm Reg. No.010396S

For & on behalf of the Board

Sd/-

C.V.KOTESWARARAO

Partner

Membership No.28353

Place : Hyderabad

Date : 29-05-2013

Sd/-

Sri Krishna Naik

Managing Director

Sd/-

Meena Kerur

Director



Statement of Profit and Loss for the period ended 31 March 2013

Particulars	Notes	As at 31 March 2013	As at 31 March 2012
Revenue			
Revenue from operations	15	7,920,621	12,954,665
Other Income	16	549,631	334,416
Total Revenue		8,470,252	13,289,081
Expenses:			
Cost of raw material Consumed	17	851,110	3,042,936
(Increase)/decrease in inventories of finished goods and work-in -progress	18	2,707,493	2,913,260
Employee benefit expense	19	2,286,322	1,894,000
Financial costs	20	42,465	20,276
Depreciation and amortization expense		7,600,080	7,577,496
Other expenses	21	4,340,160	3,252,049
Total Expenses		17,827,629	18,700,016
Profit before tax		(9,357,377)	(5,410,935)
Tax expense:			
Current tax		-	-
Deferred tax (saving)		(1,828,674)	(1,739,092)
Profit(Loss) from the period from continuing operations		(7,528,703)	(3,671,843)
Profit/(Loss) for the period		(7,528,703)	(3,671,843)
Earning per equity share:			
Basic & Diluted			

As per figures extracted from the books of account.

For RAMASAMYKOTESWARA RAO & Co.

Chartered Accountants

Firm Reg. No.010396S

For & on behalf of the Board

Sd/-

C.V. KOTESWARA RAO

Partner

Membership No.28353

Place : Hyderabad

Date : 29-05-2013

Sd/-

Sri Krishna Naik

Managing Director

Sd/-

Meena Kerur

Director



SCHEDULES FORMING PART OF BALANCE SHEET

1	Share Capital	31-Mar-13	31-Mar-12
	Authorised		
	10500000 equity shares of Rs.10 each	105,000,000	105,000,000
	Issued		
	6490159 equity shares of Rs. 10 each	64,901,590	64,901,590
	Subscribed		
	6490159 equity shares of Rs. 10 each	64,901,590	64,901,590
	Add:Forfieted Shares	19,510,000	19,510,000
		84,411,590	84,411,590
2	Reserves & Surplus		
	Capital Reserve		
	Securities Premium account	22,407,396	22,407,396
		22,407,396	22,407,396
	Surplus/(Deficit) in the statement of profit and loss		
	Balance as per last financial statements	(61,012,731)	(57,340,887)
	Profit/(Loss) for the year	(7,528,703)	(3,671,844)
		(68,541,434)	(61,012,731)
		(46,134,038)	(38,605,335)
3	Long term Borrowings		
	Other Loans and Advances	-	-
	Deferred Sales tax loan (Interest free)	190,370	348,961
	Unsecured loans from Promoters	44,994,579	44,994,579
		45,184,949	45,343,540
4	Deferred tax liability		
	Fixed Assets:		
	Deferred tax liability as per last financials statements	14,981,782	16,720,874
	Deferred tax asset on Impact of depreciaton	(1,828,674)	(1,739,092)
	Net Deferred tax liability	13,153,108	14,981,782



6	Trade payables		
	Trade payables		
	Audit Fees Payable	25,000	45,000
	Courier charges payable	2,179	1,779
	Electricity charges payable	3,936	2,673
	Director Remuneration Payable	848,340	31,000
	Rent payable	44,739	2,014,248
	Salaries Payable	98,341	78,000
	Telephone & Internet Expenses Payable	9,949	8,686
	Share Transfer Fees Payable	8,575	8,429
	1,040,180	2,189,815	
7	Other Current liabilities		
	Other liabilities		
	Sales tax liability	69,793	67,506
	TDS Payable (Audit Fees, Proff. Fees, Director Rem.,RK)	155,660	113,000
	Calls Unpaid payable on allotment money	2,500	2,500
	Advance from Customer	355,179	64,150
	Sundry Creditors (Ramkumar , Gokak, Mahavir and XL Softech)	39,849	136,933
		622,981	384,089



DEPRECIATION AS PER COMPANIES ACT 2013-2014 (F. YEAR 2012-2013)

Description	GROSSBLOCK				Depreciation		Depreciation		
	As at 01.04.12	Addition During the period	Deletion During the period	As at 31.03.12	As on 31.03.12	For the PERIOD	Total 31.03.13	WDV as at 31.03.12	
Buildings others	2,062,860	-	-	2,062,860	453,246	33,625	486,870	1,575,990	1,609,614
Building factory	17,686,462			17,686,462	7,007,963	590,728	7,598,691	10,087,771	10,678,499
Computers	2,112,834			2,112,834	356,958	34,249	391,207	1,721,627	1,755,876
Electrical	3,752,525			3,752,525	2,273,818	178,245	2,452,063	1,300,462	1,478,707
Furniture & Fixtures	1,534,872			1,534,872	1,009,193	97,157	1,106,351	428,521	525,679
Land & site development	2,655,433			2,655,433	-	-	-	2,655,433	2,655,433
Misc fixed assets	4,882,747			4,882,747	2,705,492	231,930	2,937,423	1,945,324	2,177,255
Plant & Machinery	134,752,320			134,752,320	82,567,712	6,400,735	88,968,447	45,783,873	52,184,608
Vehicles	251,686	100,000		351,686	66,096	33,410	99,506	252,180	185,590
Total	169,691,739	100,000	-	169,791,739	96,440,479	7,600,080	104,040,558	65,751,181	73,251,260



9	Long Term Loans and Advances		
	Security Deposit (APSEB, FAPCCI, Rent, Sales Tax, Telephone)	483,410	483,410
		483,410	483,410
10	Inventories		
	Raw materials	19,088,134	16,050,835
	Work in progress	1,517,333	1,815,074
	Finished goods	3,659,200	6,068,952
		24,264,667	23,934,861
11	Trade Receivables and other assets		
	Trade Receivables		
	Unsecured and considered good		
	Outstanding for a period		
	Less than 6 months from the date they are due for payment	164,103	520,000
Exceeding 6 months from the date they are due for payment	148,979	3,470,244	
		313,082	3,990,244
12	Cash and Bank Balances		
	cash and cash equivalents		
	Cash on hand	149,538	780,720
	Balances with Banks		
	In Current accounts	2,158,381	2,072,243
		2,307,920	2,852,963
	Other bank balances		
	Fixed Deposits	4,610,931	2,527,616
Sweep Term Deposit	185,159	1,101,288	
	7,104,010	6,481,867	
13	Short Term Loans and Advances		
	Loans to Employees	24,000	65,000
		24,000	65,000
14	Other Current Assets		
	Advances given to suppliers	159,447	359,447
	TDS on FDR Interest from Axis Bank	178,975	139,392
		338,422	498,839



Note No.		31-Mar-13	31-Mar-12
15	Revenue from Operations		
	Sale of Finished goods	7,920,621	12,954,665
		7,920,621	12,954,665
16	Other Income		
	Interest Income		
	Interest on Fixed Deposit - Axis Bank	315,669	197,902
	Interest on Sweep term Deposit - Axis Bank	18,164	132,054
	Non-operating Income (Foreign Exchange Fluct)	83,830	4,460
	Other Income	131,968	-
	549,631	334,416	
17	Cost of Raw material and components consumed		
	Inventory at the beginning of the year	16,050,835	16,208,802
	Add : Purchases	3,888,409	2,884,969
		19,939,244	19,093,771
	Less : Inventory at the end of the year	19,088,134	16,050,835
	851,110	3,042,936	
18	(Increase)/decrease in Inventories		
	Inventories at the end of the year (Mar,2013)		
	Work-in-progress	1,517,333	1,815,074
	Finished goods	3,659,200	6,068,952
		5,176,533	7,884,026
	Inventories at the beginning of the year (April,12)		
	Work-in-progress	1,815,074	2,940,978
	Finished goods	6,068,952	7,856,308
		7,884,026	10,797,286
	2,707,493	2,913,260	
19	Employee benefit Expenses		
	Salaries	1,166,322	934,000
	Directors Remuneration	1,120,000	960,000
		2,286,322	1,894,000
20	Finance Cost		
	Bank Charges	42,465	20,276
		42,465	20,276



21	Other Expenses		
	Advertisement Expenses	59,164	27,815
	Annual Custodial Fees	61,798	61,620
	Board Meeting Expenses	21,674	21,840
	Business Promotion	170,472	55,000
	Building Maintenance	55,200	6,000
	Conveyance Expenses		73,000
	Consumption of Spares	87,051	110,141
	Customs Clearing Agent	9,832	55,111
	Customs Duty	-	26,871
	Directions Sitting Fees	12,000	45,000
	Debtors Written off	596,240	-
	Discount allowed	15,684	5,925
	Factory Maintenance	130,650	48,000
	Fright, Insurance & Forwarding	72,840	-
	General Expenses	1,000	-
	Laying Material & Underlay Expenses	49,792	187,200
	Share Transfer Processing fees	51,315	33,693
	MCH Expenses	34,666	87,729
	Office expenses	134,956	56,040
	Packing expenses	18,035	5,149
	Postage & Courier charges	43,983	11,503
	Power & Diesel	447,730	349,020
	Printing & Stationery	15,878	18,063
	Professional Charges	140,000	257,000
	Rent	1,119,880	1,119,880
	Donations	20,000	-
	Repair & Maintenance	535,297	74,789
	Telephone & Internet Expenses	149,695	143,852
	Transport Charges	80,458	121,200
	Travelling Expenses	99,869	40,000
	Payment to Auditor		
	As Auditor		
	Audit Fee	15,000	15,000
	Tax audit Fee	10,000	10,000
		4,340,160	3,252,049



SCHEDULE – 14
SCHEDULES FORMING PART OF THE ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

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

Inventories:

Inventories are valued as under:

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

Depreciation:

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

Revenue Recognition:

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

Fixed Assets:

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

Prior Period Items:

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

Effects of Changes in Foreign Exchange Rates:

The exchange fluctuations arising on foreign currency transactions are 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. Sales Income includes trading of goods, which excludes duties and taxes. The sales are recognized only in the basis of goods dispatched and invoices raised.
4. 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.
5. There were no dues repayable to small/medium scale industries for the year ending 31.03.2013.
6. Details of sales, raw materials and components consumed capacities and production.

A Sales:

	2012-2013 Value (Rs.Lakhs)	2011-2012 Value (Rs.Lakhs)
Carpets	79.21	129.55
7. Director Remuneration	As on 31.03.2013 Rs.12,00,000/-	As on 31.03.2012 Rs.9,60,000/-
8. Audit fee	As on 31.03.2013	As on 31.03.2012
Statutory Audit Fee	Rs.15,000/-	Rs.15,000/-
Tax Audit Fee	Rs.10,000/-	Rs.10,000/-

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

For RAMASAMYKOTESWARARAO & Co.
Chartered Accountants
Firm Reg. No.010396S

For & on behalf of the Board

Sd/-

C.V.KOTESWARARAO

Partner

Membership No.28353

Place : Hyderabad

Date : 29-05-2013

Sd/-

Sri Krishna Naik
Managing Director

Sd/-

Meena Kerur
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2013
(Pursuant to Clause 32 of the Listing Agreement)

PARTICULARS	YEARENDED 31st MARCH 2013		YEARENDED 31st MARCH 2012	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Operating Profit before Depreciation but after written off of Misc. Expenditure & provisions		(9,357,377)		(5,410,935)
Adjustment for				
Add: Depreciation	7,600,080		7,577,496	
Add: Decrease in Inventories			3,071,227	
Increase in Current Liabilities				
Decrease in Debtors	3,677,162		-	
Decrease in Advances	201,417		-	
		11,478,659		10,648,723
Less: Increase in Inventories	329,806			
Increase in Debtors			1,799,100	
Decrease in Current Liabilities	910,743		74,822	
Increase in Advances			54,494	
		1,240,549		1,928,416
Net Cash from operating Activities -(A)		880,733		3,309,371
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of Fixed Assets	(100,000)		(313,240)	
			(313,240)	
Net Cash used in Investing Activities - (B)		(100,000)		(313,240)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Share Capital			-	
Payments Towards Long Term Borrowings	-	(158,591)	(1,585,910)	
Proceeds from Short Term Borrowings			-	
Net Cash used in Financing Activities -(C)		(158,591)		(1,585,910)
Net increase in Cash & Cash Equivalents (A+B+C)		622,142		1,410,221
Cash & Cash Equivalents Opening Balance		6,481,867		5,071,646
Cash & Cash Equivalents Closing Balance		7,104,010		6,481,867

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

For & on behalf of the Board

Sd/-

C.V.KOTESWARA RAO

Partner

Membership No.28353

Place : Hyderabad

Date : 29-05-2013

Sd/-

Sri Krishna Naik
Managing Director

Sd/-

Meena Kerur
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1.Registration Details

Registration No.	:	16672	State Code	:	1
Balance Sheet Date	:	31/03/2013			

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement/Others	:	NIL

3.Position of Position of Mobilisation &Development of Funds: (Amount in Rs. Thousands)

Total Liabilities	:	98278.77	Total Assets	:	98278.77
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SOURCES OF FUNDS

Paid-up Capital	:	84411.59	Reserves & Surplus	:	(46134)
Secured Loans	:	---	Unsecured Loans	:	44994.57

APPLICATION OF FUNDS

Net Fixed Assets	:	65751.18	Investments	:	---
Net Current Assets	:	32020.18	Misc. Expenditure	:	---
Accumulated Losses	:	---			

4.Performance of Company (Amount in Rs. Thousands)

Turnover (Incl.other income)	:	8,470.25	Total Expenditure	:	17827.62
Profit before Tax	:	(9,357.37)	Profit After Tax	:	(7528.7)
Earning per Share in Rs.	:	(1.16)	Dividend Rate (%)	:	---

5.Generic Names of Principal products of Company: (As per monetary terms)

Item Code	:	
Product Description	:	Carpets



Dear Shareholder,

Sub: Green Initiative in Corporate Governance

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

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

Let’s be part of this ‘Green Initiative’

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

E-COMMUNICATION REGISTRATION FORM

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

Folio No./DP ID & Client ID	:
Name of 1 st Registered Holder	:
Name of joint Holder(s)	:
	:
Registered Address	:
E-mail ID (to be registered)	:

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

Date.....

Signature.....

Note:

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

Book Post

If Undelivered please return to

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

FORM - A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

S.No.	Name of the Company	Golden Carpets Limited
1.	Annual Financial Statement for the year ended	31 st March 2013
2.	Type of Audit Observation	Un qualified
3.	Frequency of observation	Nil
4.	To be signed by * CEO /Managing Director * CFO * Auditor of the Company * Audit Committee Chairman	

 FOR GOLDEN CARPETS LIMITED
Managing Director

FORM - B**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

S.No.	Name of the Company	Golden Carpets Limited
1.	Annual Financial Statement for the year ended	31 st March 2013
2.	Type of Audit Qualification	Un-Qualified
3.	Frequency of observation	Nil
4.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	Nil
5.	Additional comments from the board/audit committee chair:	Nil
6.	To be signed by * CEO /Managing Director * CFO * Auditor of the Company * Audit Committee Chairman	x