



BOARD OF DIRECTORS	Shri Sri Krishna Naik - Promoter Managing Director Smt. Meena Kerur - Promoter-Woman Director Shri K Suresh - Independent Director Shri Maqsood Ahmed - Independent Director
REGISTERED OFFICE	Flat # 8-2-596/5/B/1/A, Road No.10 Banjara Hills, Hyderabad-500 034 Opp. Karvy House Phone: 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 Phone: 23545913/14
FACTORY LOCATION	Jeedipally Village, Toopran Mandal Medak District, Telangana
BANKERS:	Axis Bank Limited Road No. 1, Banjara Hills, Hyderabad.
REGISTRARS AND SHARE TRANSFER AGENTS	M/s. XL Softech Systems Limited Sagar Society Road, Road No.2, Banjara Hills, Hyderabad. E.mail: xlfield@gmail.com
LISTING	Bombay Stock Exchange Limited (BSE)-Mumbai.
EVOTING	Open on 10 am on 23.09.2014 and Closes on 6 pm on 26.09.2014



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NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of M/s Golden Carpets Limited (CIN U17220TG1993PLC016672) will be held on Tuesday 30th day of September, 2014 at 11.00 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 2014 and the Profit and Loss Account for the year ended 31st March 2014, together with the Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in the place of Sri Krishna Naik who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint M/s. Ramasamy Koteswara Rao & Co., Chartered Accountants as statutory auditors for the financial year 2014-15 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 2014-15 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. **To appoint Sri K. Suresh as Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013

Sri K Suresh (holding DIN 01440949), Director of the Company who retires by rotation at the Annual General Meeting and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th September, 2019.”



5. **To appoint Sri Maqsood Ahmed as Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 **Sri Maqsood Ahmed**, Director of the Company who retires by rotation at the Annual General Meeting and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 29th September, 2019.”

6. **Appointment of Sri Krishna Naik as a Director, liable to retire by rotation and also as a Managing Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), **Sri Krishna Naik** (holding DIN 01730236), Director of the Company and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.

RESOLVED FURTHER in suppression of the earlier resolution passed by the members of the company in the previous Annual General Meetings & in pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Company, be and is hereby accorded to the appointment of **Sri Krishna Naik** (holding DIN 01730236.) as Managing Director of the Company for a period of five years w.e.f. 01.10.2014 at a consolidated remuneration of **Rs. 1,00,000** per month. on the terms and conditions of appointment as contained in the draft agreement, a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting, and the Board of Directors be and is hereby authorized to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Sri Krishna Naik.”

By order of the Board of Directors

Sd/-

Sri Krishna Naik
Managing Director

Place: Hyderabad
Date: 04/08/2014



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.
2. 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.
3. Members holding shares in physical form are requested to lodge all valid transfers, transmission of shares, power of attorney and also notify change in address, if any to the Registrar and Transfer Agents (RTA), M/s. XL Softech Systems Limited Sagar Society Road, Road No.2, Banjara Hills, Hyderabad
4. Members / Proxies should bring the duly filled Attendance Slips enclosed herewith to attend the meeting.
5. The Register of Directors and Key Managerial personal and their shareholding, maintained under Section 170 of the Companies Act 2013, will be available for inspection by the Members at the AGM.
6. Register of members of the Company and Share Transfer Books will remain closed from 27th day September 2014 to 30th September 2014 (both days inclusive).
7. Members holding shares in the dematerialized mode are requested to intimate all changes with respect to their bank details, mandate, nomination, power of attorney, change of address, change in name etc., to their Depository Participants (DP).
8. Members desiring any information as regards accounts are requested to write to the Company at least seven days before the date of the meeting to enable the management to keep the information ready at the meeting.
9. Copies of Annual Report 2014 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.
10. The notice of 20th AGM and instructions for e-voting, along with the Attendance slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with company / Depository Participant(s) unless a member has requested for the hard copy of the same.



11. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.
12. Members may also note that the Notice of the 20th AGM and Annual Report 2014 will be available on the Company's website www.goldencarpets.com. The physical copy of the 20th AGM will be available at the Registered office of the company on working hours from Monday to Friday.
13. The shares of the Company are listed at the Bombay Stock Exchange Limited, Mumbai. The Listing Fee for the year 2014-15 has been paid to Stock Exchange.
14. Information required under Listing Agreement entered into with the Stock Exchange(s) with respect to the Directors retiring by rotation and Directors who are retiring at this Annual General Meeting is given under the head "Corporate Governance".
15. 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.
16. 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.
17. **The procedure and instructions for evoting are as under :**
 - i) Open your web browser during the voting period and log on to the e voting website **www.evotingindia.com**.
 - ii) Now click on "shareholders" to cast your votes.
 - iii) Now, select the Electronic Voting Sequence Number _ "EVSN" along with "GOLDEN CARPETS LIMITED" from the drop down menu and click on "SUBMIT".
 - iv) Now fill up the details in appropriate boxes.

18 . The voting period commences at 10 AM on 23rd September 2014 and closes at 6 PM on 26th September 2014.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

**Item No. 4**

Sri K Suresh is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30th September 2002

Sri K Suresh is a Director in Sai Inspections Private Limited, RT Informatic Services Private Limited, Tirumalaturupati Properties Private Limited, Grandeur Educational Services Private Limited, Powell Adventures & Resorts Private Limited and Marvel Publications Private Limited. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Sri K Suresh is a M.com Graduate has vast experience in Accounts, Finance and Business Administration.

Sri K Suresh retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri K Suresh being eligible and offering himself for reappointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 29th September, 2019.

In the opinion of the Board, Sri K Suresh fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri K Suresh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday & Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri K Suresh as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri K Suresh as an Independent Director, for the approval by the shareholders of the Company.

Except Sri K Suresh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 5

Sri Maqsood Ahmed is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 25.01.2006

Sri Maqsood Ahmed is not holding any Directorship in any other company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.



Sri Maqsood Ahmed is a Commerce Graduate has vast experience in finance and administration.

Sri Maqsood Ahmed retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Sri Maqsood Ahmed being eligible and offering himself for reappointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 29th September, 2019.

In the opinion of the Board, Sri Maqsood Ahmed fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Sri Maqsood Ahmed as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday & Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri Maqsood Ahmed as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Sri Maqsood Ahmed as an Independent Director, for the approval by the shareholders of the Company.

Except Sri Maqsood Ahmed, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

The existing tenure of **Sri Krishna Naik**, Managing Director, will be expiring on 5th August 2015. The Board of Directors of the Company at their meeting held on 4th August 2014 appointed Sri Krishna Naik as a Director whose period of office is liable to determination by retirement of directors by rotation and as Managing Director for a period of five years w.e.f. 01.10.2014 with a remuneration of Rs.100,000/- per month and on such terms and conditions as provided in service agreement entered between company and Sri Krishna Naik.

Sri Krishna Naik is a B.com Graduate having nearly 19 years of experience in manufacture of Capets and he holds directorship in Golden Harvest International Private Limited, Golden Avenues Private Limited Considering the efforts and time devoted by Sri Krishna Naik in achieving growth and success of the company and his long and rich experience also seeking in view to increase in the complexities of business, approval of members is sought for the balance tenure upto 05th august 2014.

Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the period of his office as a Whole-time Director, the Company has no profits or its profits are inadequate, the Company



may, subject to the requisite approvals, pay Sri. Krishna Naik, remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 (corresponding to Para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Sri Krishna Naik.

The period of office of Sri Krishna Naik shall be liable to determination by retirement of directors by rotation.

Except to the extent of his shareholding of 1843540 equity shares in the Company, Sri Krishna Naik being an appointee and Smt. Meena Kerur, Director none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

By order of the Board of Directors

Place: Hyderabad
Date: 04/08/2014

Sd/-
Sri Krishna Naik
Managing Director



DIRECTORS' REPORT

Dear Members,

Your Directors present herewith the 20th Annual Report on the business and operations of the Company and the audited accounts for the year ended 31st March 2014.

Financial Results and Operations

The summarized financial results for the year ended 31st March, 2014 as compared with the previous year are as under:

		Rs. In Lakhs.	
S.No	Particulars	Year ended 31.03.2014	Year ended 31.03.2013
1.	Sales	51.46	79.20
2.	Other Income	19.16	5.50
3.	Total Income (1+2)	70.62	84.70
4.	Total Expenses other than interest	(146.11)	(178.28)
5.	Financial Cost	0.06	0.42
6.	Total Expenses other than Depreciation	66.54	101.86
7.	Depreciation	79.51	76.00
8.	Miscellaneous Expenditure Written off	0.00	0.00
9.	Profit/ (Loss) for the before tax	(75.49)	(93.57)
10.	Provision for tax:MAT	0.00	0.00
11.	Deferred Tax(Liability)/ Asset	33.90	18.29
12.	Profit/(Loss) for the year after tax	(41.59)	(75.29)

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

Deposits

The Company has not accepted any fixed deposits from the public

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.Krishna Naik, 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.

The Company has received declarations from all the Independent Directors of the company conforming that they meet the criteria of Independence as prescribed both under section 149(6) of the Companies Act, 2013 and under clause 49 of the listing agreement with the stock exchange.

Auditors and Audit Report

The Statutory Auditors of the company M/s.Ramasamy Koteswararao & Co, Chartered Accountants, Hyderabad (Firm Reg 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 139 of the Companies Act 2013 and also in compliance with the requirements of the Listing Agreement. 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, 2014; 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, 2014 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, 2014 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, Sri. Maqsood Ahmed and Smt. Meena Kerur. 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.

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: 04/08/2014

Sd/-
Sri Krishna Naik
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	2013-14	2012-13
POWER & FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units	2615	1199
Total Amount (Rs.)	47344	15286
Rate Per Unit (Rs.)	18.10	12.70
b) Own Generation		
Through diesel generator		
Units (Litres)	4600	7600
Total Cost (Rs.)	263190	372029
2. Coal (specify quality and where used)	Nil	
Quantity		
Total Cost (Rs.)		
Average Rate (Rs.)		
3. Furnace Oil	Nil	Nil
Quantity (Litres)		
Total Amount (Rs.)		
Average rate (Rs.)		
4. Natural gas	Nil	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	Nil	Nil

**FORM B (See Rule 2)**

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

A. Research and Developed (R&D)	-	Applicable
B. Technology absorption, adoption and innovation	-	Not Applicable

C. Foreign Exchange Earnings and Outgo:	Amount in Rs.	Amount in Rs.
Earnings	Nil	Nil
Outgo	19.16 Lacs	17.15 Lacs

Place: Hyderabad
Date: 04/08/2014

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



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure and Development

The carpet industry in India is an age-old, well established decentralised sector, employing over 2 million rural workers, and who are mostly non-agricultural rural populace. Indian hand made carpet is an export oriented item & above 90% of its production being exported. The industry has made rapid strides during the post-independence era especially during and after 70s in the wake of overseas demand which stimulated carpet production and exports. As a result, exports which were worth around 3 crore in 1947-48 and 11 crore in 1970-71 registered manifold increase and exceeded Rs 3,600 crore in 2006-07. But after 2010-11 there is a sharp decline in export due to worldwide economic recession.

Indian carpet has a special place particularly in the heart of the people in the developed countries which absorb 88-90% of Indian carpet exports. USA and Germany, the two largest and established markets for carpets together account for 76% of India's exports. The other developed countries and only a few developing countries account for the rest of the part. The carpet industry is basically both export-oriented and labour intensive. Apart from earning foreign exchange, the industry provides employment to a large number of people mostly in rural areas and helps in generating supplementary income for their families.

The total value of India's listed companies is expected to cross the US\$ 1.5 trillion mark within the next 12 months as India enters the top 10 club of countries by market capitalisation.

Also, India could become the world's seventh biggest nation in terms of private wealth, with a 150 per cent increase in total, from US\$ 2 trillion in 2013 to US\$ 5 trillion by 2018, as per a recent study by the Boston Consulting Group (BCG).

Thus, the Government of India's initiatives for improving trade and infrastructure can go a long way in improving the country's overall economy and make it a force to reckon with in the global economic scenario

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. Hence, the industry invites risk of possible backlash on itself.

Segment Wise Performance:

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

Outlook

As the industry is moving towards the emergence of new market with use of modern techniques, Low-end carpets manufactured in modern designs like hand-tufted carpets are highly preferred by new customer base. 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 51.45 lacs as against Rs 79.20 lacs. The Company has suffered a net loss of Rs 41.58 lacs in the year under review, against loss of Rs 75.28 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.

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 and one Promoter Woman 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, 2014 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 2013-14		Whether attended last AGM held on 27 th September 2013	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	2	No	Nil	Nil	Nil



Four (4) Board Meetings were held during the year 2013-14 and the gap between 2 meetings did not exceed 4 months. The dates on which the Board Meetings held were 29th May 2013, 30th July 2013, 08th November 2013 and 10th February 2014

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

The Audit Committee provides the Board with additional Assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit Committee acts as a link between the Management, Statutory Auditors, Internal Auditors and the Board of Directors. The composition, powers and functions of the Audit committee meet the requirements of the Listing Agreement and Section 292A of the Companies Act, 1956.

The Company's Audit Committee comprises of the following Directors all of whom are Non-Executive and Majority are Independent Directors:

- | | | |
|----------------------|---|----------|
| 1. Sri K.Suresh | - | Chairman |
| 2. Smt.Meena Kerur | - | Member |
| 3. Sri Maqsood Ahmed | - | Member |

During the year 2013-14 the Audit Committee met **Four (4)** times on 29th May 2013, 30th July 2013, 08th November 2013 and 10th February 2014. 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 2012-13	
		Held	Attended
Sri. K.Suresh – Chairman	Independent, Non Executive	4	4
Smt.Meena Kerur – Member	Promoter, Non Executive	4	4
Sri.Maqsood Ahmed – Member	Independent, Non Executive	4	2



5. Remuneration Committee

The Company had constituted a Remuneration Committee in terms of Schedule XIII of the Companies Act, 1956 read with clause 49 of the listing agreement. The committee comprises of Sri. K.Suresh and Sri. Maqsood Ahmed 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 31.03.2014 to Managing /Executive Director are as under:

Sri. S. Naik, Managing Director : Rs.12,00,000/-P.A.

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

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, 2014 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 Sri Maqsood Ahmed act as members of the Committee. The committee looks into transfer and transmission, issue of duplicate share certificate, consolidation and sub-division of shares and investors grievance. The committee oversees the performance of the Registrars and Transfer agents and recommends measures for overall improvement in the quality of investor services.



Name of the Member	No.of Meetings attended	Designation
Smt.Meena Kerur	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, 2014.

During the year 2013-2014 the Share Transfer & Investor's Grievance Committee met on 14.02.2014.

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
2012-2013	Hotel Marriott, Tank Bund, Hyderabad	27.09.2013	9.00 A.M	0
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

No resolution was passed through postal ballot.

9. Disclosures

A. Related Party Transactions

During the year 2013-14 the Company had no related party transactions. 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. 20th Annual General Meeting
 - Date and Time : Tuesday, 30th September 2014
 - Venue : Hotel Marriot, Tankbund, Hyderabad
- b. Financial Year : 1st April to 31st March,
- c. Dates of Book closure : 27th September to 30th September 2014
(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. evoting : Opens on 10 am on 23rd September 2014 and
Closes on 6 pm on 26th September 2014
- h. Market Price Data : High/Low price quotation in each month of the
last financial year 2013-2014 on the Stock
Exchange, Mumbai is given below.

Month	High Price(Rs.)	Low Price(Rs.)
Apr' 13	4.35	3.70
May' 13	0.00*	0.00*
Jun' 13	0.00*	0.00*
Jul' 13	4.16	4.14
Aug' 13	4.00	4.00
Sep' 13	0.00*	0.00*
Oct' 13	4.19	4.19
Nov' 13	4.38	4.21
Dec' 13	4.95	4.5
Jan' 14	5.45	4.83
Feb' 14	4.59	2.94
Mar' 14	2.80	2.50

Source: www.bseindia.com



Equity shares were not traded in the months of May, June and September 2013.

- i. 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

j. 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.

k. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2014

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	284563	4.38
5.	Indian Public	1694927	26.12
6.	NRIs/OCBs	911740	14.05
7.	Clearing Members	0000	0.00
	Total	6490159	100.00

l. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2014

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		396	53.80	977070	1.51
5001 - 10000		109	14.80	991670	1.53
10001 - 20000		67	9.10	1112010	1.71
20001 - 30000		35	4.76	898840	1.38
30001 - 40000		23	3.13	841440	1.30
40001 - 50000		27	3.67	1297310	2.00
50001 - 100000		25	3.40	1916700	2.95
100001 - Above		54	7.34	56866550	87.80
TOTAL		736	100.00	64901590	100.00



m. 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 31.03.2014 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.

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

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 : 04/08/2014

By Order of the Board

Sd/-
Sri Krishna Naik
Managing Director



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

Pursuant to Circular No.SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October 2004, it is hereby declared that the Company has adopted a Code of Conduct for its Board Members and Senior Management Personnel. I hereby confirm that the Company has in respect of the financial year ended March 31, 2014, received from the senior management personnel of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Sd/-
Sri Krishna Naik
Managing Director

Place: Hyderabad
Date: 04/08/2014



CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

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 2014 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 and based on the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreements.

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 : 04/08/2014



CERTIFICATE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To
The Board of Directors
Golden Carpets Limited
Hyderabad

We, Sri Krishna Naik, Managing Director and. M.Janardhan, CFO, of M/s Golden Carpets Limited, to the best of our knowledge and belief, certify hat:

1. We have reviewed the Balance Sheet, Statement of Profit and Loss and Cash Flow Statements and all the notes on accounts and the directors' Report.
2. Based on our knowledge and information, these statements do not contain any materially untrue statement or omit to state a material facts necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. Based on our knowledge and information, the financial statements and other financial information included in this report, present in all material respects a true and fair view of the company's affairs, the financial condition, results of operations and cash flows of the company as at, and for the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions eneterd into by the company during the year that are fradulant, illegal or violative of the company's code of conduct and ethics.
5. We are responsible for establishing and maintain disclosure controls and procedures and internal controls over financial reporting for the company and we have
 - a. Designed such disclosure controls and procedures or caused such disclosure controls and precodures to be designed under our supervision to ensure that material information relating to the company.
 - b. Designated such internal controlover financial reporting, or cuased such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP) in India.
 - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - d. Disclosed in this report changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected or is reasonably likely to materially affect, the company's internal control over financial reporting.



-
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable to the Company's auditors and the audit committee of the Company's Board of Directors (and persons performing the equivalent functions);
 - a. There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weakness in internal controls over financial reporting including any corrective actions with regard to deficiencies.
 - b. There were no significant changes in internal controls during the year covered by this report.
 - c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - d. There were no instances of fraud of which we are aware that involve the Management or other employees who have a significant role in the Company's internal control system.
 7. We affirm that we have not denied any personnel, access to the audit committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
 8. We further declare that all Board members and senior managerial personnel have affirmed compliance with the code of conduct and ethics for the current year.

Place:Hyderabad
Date: 04/08/2014

Sd/-
(Sri Krishna Naik)
Managing Director

Sd/-
(M.Janardhan)
Chief Finance Officer



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

I, 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 2013-14 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: 04/08/2014

Sd/-
(Sri Krishna Naik)
Managing Director



INDEPENDENT AUDITOR'S REPORT

To the Members,
GOLDEN CARPETS LIMITED

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, 2014, and the Statement of Profit and Loss and 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") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 judgment, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. 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, 2014
- (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 Cash Flow statement, the cash flows of the company 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 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 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of written representations received from the directors as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014 from being appointed as a director in terms of clause (g) of sub-section(1) of section 274 of the Companies Act, 1956.
 - f. Since the central Government has not issued any notification as to the rate at which cess is to be paid under section 441A of companies act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company..

For **Ramasamy Koteswara Rao & Co.,**
Chartered Accountants
Firm Regn No: 010396S

Sd/-

(C.V.Koteswara Rao)

Partner

Membership No.028353

Place: Hyderabad

Date: 29-05-2014.



Annexure to the Auditors' Report
(referred to in paragraph 1 of our Report of even date to the Members of
"GOLDEN CARPETS LIMITED" for the year ended March 31, 2014)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that,

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the Management 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 the nature of its assets.
- (c) In our opinion, and according to the information and explanation given to us, the company has not disposed off any fixed asset during the year.
- (ii) (a) As explained to us, inventories have been physically verified by the Management at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion, the company has maintained proper records of inventories and as explained to us there was no material discrepancies were noticed on physical verification.
- (iii) (a) In our opinion and according to the information and explanations given to us, the company didn't grant any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, requirements of clauses (b),(c),(d), of paragraph 4(iii) of the order are not applicable.
- (e) According to the information and explanations given to us, during the current year the company had not taken any loan from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and the unsecured loans taken in previous years from its Managing Director is outstanding for an amount of Rs. 4,49,94,579/- (Rs Four Crores Forty Nine Lakhs Ninety Four Thousand Five hundred and Seventy Nine).



- (f) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loan were not prima facie prejudicial to the interest of the company.
- (g) In our opinion and according to the information and explanations given to us, the company is in regular in payment of principal and interest for the above said loans.
- (iv) On the basis of checks carried out during the course of the audit and as per the explanations given to us, we are of the opinion that there are adequate internal control systems commensurate with the size of the company and the nature of its business, with regard to payment of expenses. During the course of audit no major weaknesses in the internal controls are noticed.
- (v) According to the information and explanations given to us, the particulars of contracts or arrangements during the year that need to be entered into a register in pursuance of section 301 of the Companies Act, 1956 have been so entered.
- (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) As per information and explanations given by the management, the company has an internal audit system commensurate with its size and nature of its business.
- (viii) According to the information and explanations given to us, maintenance of cost records has not been prescribed by the central government under the clause (d) of sub-section (1) to Section 209 of the Act.
- (ix) (a) According to the information and explanation given to us, the company is regular in depositing undisputed statutory dues including income-tax, cess and other statutory dues with the appropriate authorities. According to the information and explanation given to us, there were no arrears of undisputed statutory dues as at 31st March 2014, which were outstanding for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of income-tax, wealth- tax, sales-tax and cess which have not been deposited on account of any dispute.
- (x) *The company has accumulated losses as at the end of the financial year and it accumulated losses are not less than fifty percent of its net worth and the company has not incurred any cash losses during the current financial year covered by our audit and it has incurred cash losses in the immediately preceding financial year.*
- (xi) According to the records of the company and as per the explanations given to us the company has not taken any loans from a financial institution or bank and the company



was not raised any debentures during the year. Accordingly, clause 4 (xi) of the order is not applicable.

- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the said 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, debentures 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 guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, no term loans were raised during the year.
- (xvii) According to the information and explanation given to us, and on an overall examination of the balance sheet, we report that the company was not raised any funds on short term basis during the year.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
- (xix) The company has not issued any debentures during the year. Accordingly, question of creating securities or charge does not arise.
- (xx) The company has not raised any money by public issue during the year.
- (xxi) Based on the audit procedures performed and information and explanations given to us by the management, we report that 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

Sd/-

(C.V.Koteswara Rao)

Partner

Membership No: 028353.

Place: Hyderabad

Date: 29-05-2014.

**Balance Sheet as at 31st March, 2014**

Particulars	Notes	As on 31.03.2014	As on 31.03.2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	84,411,590	84,411,590
Reserves and Surplus	2	(50,292,899)	(46,134,038)
Non-Current Liabilities			
Long Term Borrowings	3	45,184,949	45,184,949
Deferred Tax liability(Net)	4	9,763,031	13,153,108
Current Liabilities			
Trade payables	5	878,212	1,040,180
Other Current Liabilities	6	202,934	622,981
		90,147,810	98,278,770
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	7	58,247,143	65,751,181
Long Term Loans and Advances	8	483,410	483,410
Current Assets			
Inventories	9	25,897,041	24,264,667
Trade Receivables	10	1,227,742	313,082
Cash and Bank Balances	11	3,892,152	7,104,009
Short Term Loans and Advances	12	28,000	24,000
Other Current Assets	13	372,325	338,422
		90,147,810	98,278,770

For Ramasamy Koteswararao & Co
Chartered Accountants
FRN No.010396S

For and On Behalf of Board Of Directors

Sd/-
C.V.Koteswara Rao
Partner
M.No.028353

Sd/-
Sri Krishna Naik
Managing Director

Sd/-
Meena Kerur
Director

Place : Hyderabad
Date : 29-05-2014



Statement of Profit and Loss for the period ended 31 March 2014

Particulars	Notes	As at 31 March 2014	As at 31 March 2013
Revenue			
Revenue from operations	14	5,145,965	7,920,621
Other Income	15	1,915,838	549,631
Total Revenue		7,061,803	8,470,252
Expenses:			
Cost of raw material and components Consumed (Increase)/decrease in inventories of finished goods and work-in -progress	16	1,584,000	851,110
Employee benefit expense	17	-	2,707,493
Financial costs	18	2,071,184	2,286,322
Depreciation and amortization expense	19	6,352	42,465
Other expenses	7	7,950,634	7,600,080
	20	2,998,572	4,340,160
Total Expenses		14,610,742	17,827,629
Profit before tax		(7,548,939)	(9,357,377)
Tax expense:			
Current tax		-	-
Deferred tax (saving)		(3,390,077)	(1,828,674)
Profit(Loss) from the period from continuing operations		(4,158,862)	(7,528,703)
Profit/(Loss) for the period		(4,158,862)	(7,528,703)
Earning per equity share:			
Basic & Diluted		(0.64)	(0.12)

For Ramasamy Koteswara Rao & Co.,
Chartered Accountants
FRN : 010396S

For and on behalf of the Board of Directors

Sd/-
C.V.Koteswara Rao
Partner
M.No.028353

Sd/-
Sri Krishna Naik
Managing Director

Sd/-
Meena Kerur
Director

Place : Hyderabad
Date : 29-05-2014



SCHEDULES FORMING PART OF BALANCE SHEET

1	Share Capital	31-Mar-14	31-Mar-13
	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

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	31-Mar-14	
	Number	Amount
Shares outstanding at the beginning of the year	6,490,159	64,901,590
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	6,490,159	64,901,590

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	(68,541,434)	(61,012,731)
Profit/(Loss) for the year	(4,158,862)	(7,528,703)
	(72,700,295)	(68,541,434)
	(50,292,899)	(46,134,038)
3 Long term Borrowings		
Other Loans and Advances	-	-
Deferred Sales tax loan (Interest free)	190,370	190,370
Unsecured loans from Promoters	44,994,579	44,994,579
	45,184,949	45,184,949



4	Deferred tax liability		
	Fixed Assets:		
	Deferred tax liability as per last financials statements	13,153,108	14,981,782
	Deferred tax asset on Impact of depreciaton	(3,390,077)	(1,828,674)
	Net Deferred tax liability	9,763,031	13,153,108
5	Trade payables		
	Audit Fees Payable	25,000	25,000
	Courier charges payable	1,015	2,179
	Electricity charges payable	3,035	3,936
	Director Remuneration Payable	718,340	848,340
	Rent payable	44,739	44,739
	Salaries Payable	69,718	98,341
	Telephone & Internet Expenses Payable	7,800	9,949
	Share Transfer Fees Payable	8,565	8,575
	878,212	1,040,180	
6	Other Current liabilities		
	Other libilities		
	Sales tax liability	109,894	69,793
	TDS Payable	39,000	155,660
	Calls Unpaid payable on allotment money	2,500	2,500
	Advance from Customer	-	355,179
	Sundry Creditors	51,540	39,849
	202,934	622,981	



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

Description	GROSS BLOCK				Depreciation		Depreciation		
	As at 01.04.13	Addition During the period	Deletion	As at 31.03.14	As on 31.03.13	For the PERIOD	Total 31.03.14	WDV as at 31.03.14	31.03.13
Building others	2,062,860	-		2,062,860	486,870	33,625	520,495	1,542,365	1,575,990
Building factory	17,686,462	-		17,686,462	7,598,691	590,728	8,189,418	9,497,040	10,087,771
Computers	2,112,834	6,600		2,119,434	391,207	343,976	735,184	1,384,250	1,721,627
Electrical	3,752,525	440,000		4,192,525	2,452,063	219,072	2,671,134	1,521,391	1,300,462
Furniture & fixtures	1,534,872	-		1,534,872	1,106,351	97,157	1,203,508	331,364	428,521
Land & site development	2,655,433	-		2,655,433	-	-	-	2,655,433	2,655,433
Misc fixed assets	4,882,747	-		4,882,747	2,937,423	231,930	3,169,353	1,713,394	1,945,324
Plant & machinery	134,752,320	-		134,752,320	88,968,447	6,400,735	95,369,183	39,383,137	45,783,873
Vehicles	351,686	-		351,686	99,506	33,410	132,917	218,769	252,180
TOTAL	169,791,739	446,600	-	170,238,339	104,040,558	7,950,634	111,991,192	58,247,143	65,751,181



8	Long Term Loans and Advances		
	Security Deposit (APSEB, FAPCCI, Rent, Sales Tax, Telephone)	483,410	483,410
		483,410	483,410
9	Inventories		
	Raw materials	22,237,841	20,605,467
	Finished goods	3,659,200	3,659,200
		25,897,041	24,264,667
10	Trade Receivables and other asstes		
	Trade Receivables	-	-
	Unsecured and considered good	-	-
	Outstanding for a period		
	Less than 6 months from the date they are due for payment	1,024,619	164,103
Exceeding 6 months from the date they are due for payment	203,123	148,979	
		1,227,742	313,082
11	Cash and Bank Balances		
	cash and cash equivelents		
	Cash on hand	1,276,012	149,538
	Balances with Banks		
	In Current accounts	601,468	2,158,381
		1,877,480	2,307,920
	Other bank balances		
Fixed Deposits	2,014,672	4,610,931	
Sweep Term Deposit	-	185,159	
	3,892,152	7,104,010	
12	Short Term Loans and Advances		
	Loans to Employees	28,000	24,000
		28,000	24,000
13	Other Current Assets		
	Advances given to suppliers	159,447	159,447
	TDS on FDR Interest from Axis Bank	212,878	178,975
		372,325	338,422



Note No.		31-Mar-14	31-Mar-13
14	Revenue from Operations		
	Sale of Finished goods	5,145,965	7,920,621
		5,145,965	7,920,621
15	Other Income		
	Interest Income		
	Intrest on Fixed Deposit - Axis Bank	326,745	315,669
	Intrest on Sweep term Deposit - Axis Bank	28,452	18,164
	Non-operating Income (Foreign Exchange Fluctuation)	1,429	83,830
	Other Income	1,559,212	131,968
		1,915,838	549,631
16	Cost of Raw material and components consumed		
	Inventory at the beginning of the year	19,088,134	16,050,835
	Add : Purchases	3,216,374	3,888,409
		22,304,508	19,939,244
	Less : Inventory at the end of the year	20,720,508	19,088,134
		1,584,000	851,110
17	(Increase)/decrease in Inventories		
	Inventories at the end of the year (Mar,2014)		
	Finished goods	3,659,200	3,659,200
		3,659,200	3,659,200
	Inventories at the beginning of the year (April,13)		
	Finished goods	3,659,200	6,366,693
		3,659,200	6,366,693
		-	2,707,493
18	Employee benefit Expenses		
	Salaries	857,284	1,166,322
	Directors Remuneration	1,200,000	1,120,000
	Staff Welfare	13,900	-
		2,071,184	2,286,322



19	Finance Cost		
	Bank Charges	6,352	42,465
		6,352	42,465
20	Other Expenses		
	Advertisement Expenses	48,802	59,164
	Annual Custodial Fees	61,798	61,798
	Board Meeting Expenses	42,350	21,674
	Business Promotion	-	170,472
	Building Maintenance	-	55,200
	Conveyance Expenses	24,602	
	Consumption of Spares	-	87,051
	Customs Clearing Agent	-	9,832
	Debtors Written off	276,592	596,240
	Directors Sitting Fees	10,000	12,000
	Donations	40,000	20,000
	Interest on TDS	9,366	
	Discount allowed		15,684
	Fright, Insurance & Forwarding	-	72,840
	Laying Material & Underlay Expenses	23,000	49,792
	MCH Expenses	-	34,666
	Office expenses	13,560	135,956
	Packing expenses	-	18,035
	Postage & Courier charges	16,326	43,983
	Power & Diesel	310,534	447,730
	Printing & Stationery	17,180	15,878
	Professional Charges	90,000	140,000
	Rent	1,199,880	1,199,880
	Repair & Maintenance	364,786	665,947
	Share Transfer Processing fees	34,590	51,315
	Telephone & Internet Expenses	145,529	149,695
Transport Charges	23,800	80,458	
Travelling Expenses	220,877	99,869	
Payment to Auditor		-	
As Auditor			
Audit fee	15,000	15,000	
Tax audit fee	10,000	10,000	
	2,998,572	4,340,160	



MEASUREMENT AND DISCLOSURES AS PER ACCOUNTING STANDARDS

1. SIGNIFICANT ACCOUNTING POLICIES: –

I. **Basis of Preparation of Financial Statements:**

Financial statements have been prepared and presented under historical cost convention in accordance with the accounting principles generally accepted in India having due regard to fundamental accounting assumptions of going concern, consistency and accrual and comply with the Accounting Standards referred to in Sec.211 (3C) of the Companies Act, 1956('the Act') which as per a clarification issued by the Ministry of Corporate affairs continue to apply under section 133 of the Companies Act 2013 (which has superseded section 211(3c) of the Companies Act 1956 w.e.f 12 September 2013) as applicable and with the relevant provisions of the Companies Act, 1956.

II. **Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

III. **Revenue Recognition:**

Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from domestic sales of products is recognized on dispatch of products. Revenue from products is stated inclusive of duties, taxes but exclusive of returns, and applicable trade discounts and allowances.

Interest accrues on the time basis, determined by the amount outstanding and the rate applicable.

IV. **Fixed Assets:**

Fixed assets are carried at cost of acquisition less accumulated depreciation. Cost includes non-refundable taxes, duties, freight, borrowing costs and other incidental expenses related to the acquisition and installation of the respective assets.

Fixed assets which are found to be not usable or retired from active use or when no further benefits are expected from their use are removed from the books of account and the difference if any, between the cost of such assets and the accumulated depreciation thereon is charged to Statement of Profit & Loss.



V. Depreciation:

Depreciation on fixed assets under Straight Line Method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956

VI Valuation of Inventories:

Inventories are valued at the lower of cost (or) net realizable value.

Cost is arrived at by using weighted average method and includes all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

VII Tax Expense:

Deferred tax resulting from "Timing Difference" between book profit and taxable profit is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future.

Provision is made for tax on Income is as per the applicable provisions of Income Tax Act, 1961.

VIII Foreign Exchange Transactions:

Transactions denominated in foreign currency are accounted for initially at the exchange rate prevailing on the date of transaction and any gain or losses arising due to exchange differences arising on settlement are accounted for in the statement of profit or Loss.

2. Other Notes to Accounts and Disclosures

I Related party disclosures (AS-18):

- i. Key Management Personnel: Mr. Sri Krishna Naik, Managing Director
- ii. Particulars of transactions with related parties:

(Amount in Rupees)

Sl. No.	Type of Relationship	Name of the Company/ Party	Nature of Transaction	As on 31-03-2014	As on 31-03-2013
1	Managing Director	Mr Sri Krishna Naik	Remuneration	12,00,000	11,20,000

**II. Remuneration to Auditors:-**

Particulars	As on 31-03-2014	As on 31-03-2013
Audit Fee	25,000	25,000

III. Earnings Per Share:-

Particulars	As on 31-03-2014	As on 31-03-2013
Net Profit/(Loss) attributable to Equity Share Holders	(41,58,862)	(75,28,703)
Weighted Average No of Equity Shares	64,90,159	64,90,159
Basic and Diluted Earnings per Share	(0.64)	(1.16)

IV. Contingent Liabilities and commitments – (AS-29):

i) Guarantees and letters of credit: Nil

ii) Bank Guarantees: Rs. Nil

V. Quantitative and other information:-

- a) Opening Stock and closing stock:-
 (i) Raw-Materials:-

Particulars	Raw Material(in Kgs)		
	Description of Item	Opening 01.04.2013)	Purchases During (the year 2013-14
Raw Materials	90426	17773	108199

(ii) Raw- Materials in Value (In Rs) for the year 2013-14:-

Particulars	Opening	Purchases	Consumption	Closing
Raw Material	2,06,05,467	32,16,374	15,84,000	2,22,37,841

(iii) Finished Goods:

Particulars	Opening (in SQMT)	Produced (in SQMT	Sales (SQMT)	Closing Stock (in SQMT)	Closing stock in Value
Finished Goods	6654	2900	2900	6654	36,59,200

(iv) **Goods Purchased: - (In Rs)**

Particulars	2013-14	2012-13
Raw Material Purchased	3216374	3888409

(v) **Raw Material Consumed:- (In Rs)**

Particulars	2013-14	2012-13
Raw material consumed	15,84,000	8,51,110

c) **Sales (in Rs)**

Particulars	2013-14	2012-13
Sale of Goods	51,45,965	79,20,621

VI. Foreign Exchange Details:	As at 31.03.2014	As at 31.03.2013.
Foreign Exchange Outgo:	19,15,569	17,15,000

VII. Other Disclosures:-

- a) The Previous year's figures have been regrouped and recast wherever necessary to bring them in line with the current year's figures.

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

For and on behalf of the Board

Sd/-
(C.V. KOTESWARA RAO)
Partner
Membership No.028353

Sd/-
Sri Krishna Naik
Managing Director

Sd/-
Meena Kerur
Director

Place: Hyderabad
Date: 29-05-2014

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2014**

(Pursuant to Clause 32 of the Listing Agreement)

PARTICULARS	YEARENDED		YEARENDED	
	31st MARCH 2014		31st MARCH 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Operating Profit before Depreciation but after written off of Misc. Expenditure & provisions		(7,548,939)		(9,357,377)
Adjustment for				
Add: Depreciation	7,950,634		7,600,080	
Add: Decrease in Inventories	(1,632,374)			
Increase in Current Liabilities	(582,015)			
Decrease in Debtors			3,677,162	
Decrease in Advances	(37,903)		201,417	
		5,698,342		11,478,659
Less: Increase in Inventories			329,806	
Increase in Debtors	914,660			
Decrease in Current Liabilities	-			
Increase in Advances	-			
		914,660		1,240,549
Net Cash from operating Activities -(A)		(2,765,257)		880,733
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchases of Fixed Assets	(446,600)			100,000
Net Cash used in Investing Activities -(B)		(446,600)		100,000
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Share Capital	-		-	
Payments Towards Long Term Borrowings	-		(158,591)	
Proceeds from Short Term Borrowings	-		-	(158,591)
Net Cash used in Financing Activities -(C)		-		
Net increase in Cash & Cash Equivalents (A+B+C)		(3,211,857)		622,142
Cash & Cash Equivalents Opening Balance		7,104,010		6,481,868
Cash & Cash Equivalents Closing Balance		3,892,153		7,104,010

For Ramasamy Koteswara Rao & Co.,
Chartered Accountants
FRN : 010396S

For and on behalf of the Board of Directors

Sd/-
C.V.Koteswara Rao
Partner
M.No.028353
Place : Hyderabad
Date : 29-05-2014

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	:	31/03/2014			

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	:	90147.81	Total Assets	:	90147.81
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SOURCES OF FUNDS

Paid-up Capital	:	84411.59	Reserves & Surplus	:	(50,293)
Secured Loans	:	---	Unsecured Loans	:	44994.57

APPLICATION OF FUNDS

Net Fixed Assets	:	(58,247)	Investments	:	---
Net Current Assets	:	31389	Misc. Expenditure	:	---
Accumulated Losses	:	---			

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

Turnover (Incl.other income)	:	7061.80	Total Expenditure	:	14610.74
Profit before Tax	:	(7548.93)	Profit After Tax	:	(4158.86)
Earning per Share in Rs.	:	(0.64)	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 Hindustan Unilever 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 1st 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.

GOLDEN CARPETS LIMITED

Registered office: 8-2-596/B/1/A, Road No.10, Banjara Hills,
Hyderabad – 500 034, Telangana.

CIN: U17220TG1993PLC016672, Email goldencarpets@vsnl.net Tel: 040-66771111

I/We herby record my/our present at the 20th Annual General meeting of the Company being held on Tuesday, 30th September 2014 at 11.00 AM at Hotel Marriot, Tankbund, Hyderabad.

Member Folio/DP ID-Client ID No. _____

Member's/Proxy's name in Block Letters _____

Signature of Member / Proxy _____

Regd. Folio /*Client ID:

*Applicable for members holding shares in electronic form

Note: To be signed and handed over at the entrance of the Meeting venue.

GOLDEN CARPETS LIMITED

Registered office:8-2-596/B/1/A, Road No.10, Banjara Hills,
Hyderabad – 500 034, Telangana.

CIN: U17220TG1993PLC016672, Email goldencarpets@vsnl.net Tel: 040-66771111

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company	: Golden Carpets Limited
Registered Office	: '8-2-596/b/1/a, Road No.10, Banjara Hills, Hyderabad – 500 034

Name of the Member(s): _____	
Registered address: _____	

E-mail ID:	Folio No. / DP ID and Client ID:

I/We, being the Member(s) of _____ shares of the above named Company, hereby appoint

1. Name: _____ E-mail ID: _____
 Address: _____
 _____ Signature: _____, or failing him/her
2. Name: _____ E-mail ID: _____
 Address: _____
 _____ Signature: _____

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Tuesday, the 30th day of September, 2014 at 11.00 A.M. at Hotel Marriot, Tankbund, Hyderabad and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Reso. No. Description	For*	Against*
1. Adoption of Annual Accounts and Reports thereon for the financial year ended 31st March, 2014	<input type="checkbox"/>	<input type="checkbox"/>
2. To appoint a Director in place of Sri.Krishna Naik who retires by rotation and being eligible offers himself for re-appointment	<input type="checkbox"/>	<input type="checkbox"/>
3. To re- appoint statutory Auditors of the company and to fix their remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
4. Appointment of Sri.K Suresh as Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
5. Appointment of Sri. Maqsood Ahmed as Independent Director	<input type="checkbox"/>	<input type="checkbox"/>
6. Appointment of Sri. Sri Krishna Naik as Managing Director	<input type="checkbox"/>	<input type="checkbox"/>

Signed this _____ day of _____ 2014.

Affix
Revenue
Stamp

Signature.....

Notes:

- *1. Please put a 'X' in the Box in the appropriate column against the respective resolutions. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member
3. This form of Proxy, to be effective, should be deposited at the Registered Office of the Company 8-2-596/b/1/a, Road No.10, Banjara Hills, Hyderabad – 500 034 ,Telangana not later than FORTY-EIGHT HOURS before the commencement of the aforesaid meeting.

**20th
Annual Report
2013-2014**



GOLDEN CARPETS LIMITED

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

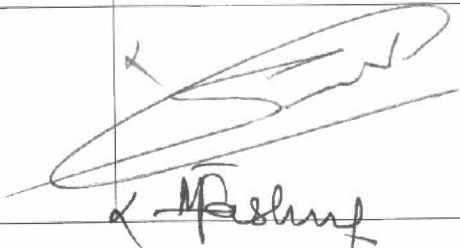
Book Post

If Undelivered please return to

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

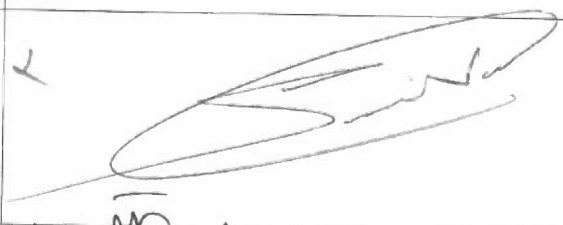
FORM - A

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 2014
2.	Type of Audit Observation	Nil
3.	Frequency of observation	Nil
4.	To be signed by * CEO /Managing Director * CFO * Auditor of the Company * Audit Committee Chairman	

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 2014
2.	Type of Audit Qualification	Nil
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	 A large, stylized handwritten signature in black ink is written over the signature line of row 6. The signature is cursive and appears to be 'M. Ashraf'.

Handwritten signature: M. Ashraf