CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sri Krishna Naik	Chairman & Managing Director
Mrs. Meena Bhushan Kerur	Director
* Mr. Pramod Hariharrao Puradupadhye	Independent Director (Upto 17th January, 2017)
Mr. Suryanarayana Murthy Krovi	Independent Director (w.e.f 12th April, 2017)
Mr. Ramana Naik Bhukya Peda	Independent Director

CHIEF FINANCIAL OFFICER
Mr. Janardhan Mandala

STATUTORY AUDITORS
M/s. L. S. Reddy & Associates
Chartered Accountants
Secunderabad – 500 061

REGISTERED OFFICE
8-2-596/5/B/1/A, Road No.10
Banjara Hills, Hyderabad-500 034, T.S.
040-66771111, Fax No. 040-23351576
Email: goldencarpets@vsnl.net
Website: www.goldencarpets.com
CIN: L17220TG1993PLC016672

FACTORY
Sy.No. 36 & 37 Jeedipally Village,
Toopran Mandal
Medak District, Telangana, INDIA

CONSULTANTS
Company Secretary
Appointed R&A Associates,
Company Secretary Firm, Hyderabad
as Secretarial, Listing & other
related Compliances

AUDIT COMMITTEE
Mr. Ramana Naik Bhukya Peda
Mrs. Meena Bhushan Kerur
* Mr. Pramod Hariharrao Puradupadhye
(Upto 17th January, 2017)

NOMINATION & REMUNERATION COMMITTEE
Mr. Ramana Naik Bhukya Peda
Mrs. Meena Bhushan Kerur
* Mr. Pramod Hariharrao Puradupadhye
(Upto 17th January, 2017)

STAKEHOLDERS RELATIONSHIP COMMITTEE
Mr. Srikrishna Naik
Mrs. Meena Bhushan Kerur
*Mr. Pramod Hariharrao Puradupadhye
(Upto 17th January, 2017)

LISTING
Listed on BSE Limited
ISIN: INE595D01015
Script Code: 531928

REGISTRAR AND SHARE TRANSFER AGENTS
M/s. XL Softech Systems Limited
3, Sagar Society, Road No.2
Banjara Hills, Hyderabad - 500034
e-mail: xlfield@gmail.com
Website: www.xlsoftech.com

***The office of Mr. Pramod Hariharrao Puradupadhye as a Director ceased to exist due to his demise on 17th January, 2017.**

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GREEN INITIATIVE

The Ministry of Corporate Affairs (MCA) has taken a "**Green Initiative in the Corporate Governance**" by allowing paperless compliance by the Companies. As per the Section 101 read with Rule 18 of Companies (Management and Administration) Rules, 2014 of Companies Act, 2013. A member of Company can receive notice in electronic mode via e-mail. Your Company has decided to join the MCA in its environmental friendly initiative. Henceforth, the Company proposes to send documents such as Notice of the General Meetings, Annual Report and other communication to its shareholders via electronic mode to the registered e-mail addresses of shareholders. To support this green initiative of the Government in full measure, shareholders are requested to register/update their latest e-mail addresses with their Depository Participant (D. P.) with whom they are having De-mat a/c or send the same to the Company via e-mail at: goldencarpets@vsnl.net. We solicit your valuable co-operation and support in our endeavors to contribute our bit to the environment.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD (23RD) ANNUAL GENERAL MEETING OF THE MEMBERS OF GOLDEN CARPETS LTD WILL BE HELD ON FRIDAY, THE 29TH DAY OF SEPTEMBER 2017 AT 9.00 AM AT HOTEL MARRIOTT, TANK BUND ROAD, OPPOSITE HUSSAIN SAGAR LAKE, HYDERABAD - 500080 TELANGANA, INDIA TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017 and along with the Auditors' Report and Directors' Report thereon.

2. To appoint a Director in place of Mrs. Meena Bhushan Kerur who retires by rotation and being eligible offers herself for re-appointment.

3. To ratify the appointment of Statutory Auditors and fix their remuneration and in this regard, 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder, M/s. L S Reddy & Associates, Chartered Accountants (bearing Firm Registration No.- **012848S**) who were appointed as Statutory Auditor of the Company for a period of 5 years from 21st Annual General Meeting held on 30th September 2015 until the conclusion of 26th Annual General Meeting, be and is hereby ratified and that the Board of Directors be and hereby authorized to fix such remuneration including manner of payment as may be determined by in consultation with the Auditor."

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of sections 196, 197, 203 and all other applicable provisions if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded to approve and ratify the re-appointment of **MR. SRIKRISHNA NAIK (DIN: 01730236)** as Managing Director of the Company for a further period of three years with effect from 10th August, 2017 to 09th August, 2020.

RESOLVED FURTHER THATMR. SRIKRISHNA NAIK, Managing Director shall be eligible to the following remuneration:

1.	Salary	:	1,00,000 per month
2.	Commission	:	0
3.	Perquisites	:	0
4.	Other Allowances	:	0

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as it may deem necessary, desirable or expedient and to do all acts, deeds and things in connection therewith and incidental in order to give effect to this resolution."

5. To consider and if though fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution.**

Appointment of Mr. Suryanarayana Murthy Krovi (DIN: 02008285) as an Independent Director

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), and SEBI (Listing obligations and disclosure requirements) Regulation, 2015 Mr. Suryanarayana Murthy Krovi (DIN: 02008285), who was appointed as an Additional Director on 12th April, 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the rules made there under and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(five) consecutive years.

RESOLVED FURTHER THAT Mr. Suryanarayana Murthy Krovi (DIN: 02008285) as an Independent Director shall not be liable for retirement by rotation during the tenure of his office**."**

By order of the Board of Directors
ForGolden Carpets Ltd

Place: Hyderabad
Date: 10.08.2017

Sd/-
SRIKRISHNA NAIK
Chairman& Managing Director
DIN: 01730236
Add: 8-2-596/5/B/1/A, Road No 10, Banjara Hills,
Hyderabad, 500034, Telangana, India

NOTES:

1. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto in respect of business set out under item no's 2 ,4 & 5.
2. The register of members and share transfer books of the Company will remain closed from Saturday, **22nd September, 2017 to Friday, 29th September, 2017** (both days inclusive) for the purpose of Annual General Meeting.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself / herself and such proxy need not be a member. The instrument appointing a proxy should however be deposited at the registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
5. Members are requested to kindly bring their copy of the annual report with them at the AGM, as no extra copy of annual report would be made available at the AGM. Members/Proxies/ Authorized Representative should bring the Attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.

   In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Pursuant to Section 113 of the Companies Act, 2013, Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. Members may note that the Notice of the Twenty Third (23rd) Annual General Meeting and the Annual Report for Financial Year 2016-17, copies of audited financial statements, Directors' report, Auditors Report etc., will also be available on the website of the Company, www.goldencarpets.com. Members holding shares in electronic mode are therefore requested to keep their e-mail addresses updated with the Depository participants. Members holding shares in physical mode are also requested to update their e-mail addresses by writing to the Registrar and Transfer Agent of the company at the address mentioned in (Point No: 8 below) quoting their folio no (s).
8. Members holding shares in electronic mode are requested to keep their email address updated with the Depository Participants. Members holding shares in physical mode are also requested to update their email addresses, name, residential address by writing to the Registrar and Transfer

Agent of the Company at the address M/s. XL Softech Systems Limited, 3, Sagar Society,Road No.2, Banjara Hills,Hyderabad – 500034, Telangana, India e-mail: xlfield@gmail.com.

9. The Company's Equity shares are listed at Bombay Stock Exchange Ltd., Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai - 400 001 and the company has paid the Listing Fees to the said Stock Exchange.

10. In terms of Circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a Copy of PAN Card to the Company or its RTA in the following cases viz. Transfer of Shares, Deletion of Name, Transmission of Shares and Transposition of Shares. Shareholders are requested to furnish copy of PAN card for all the above-mentioned transactions.

11. A Statement giving the details of the Director (s) seeking re-appointment in the accompanying notice, as required under Regulation 36 of SEBI (Listing Obligations and disclosure requirements), Regulations, 2015 and Secretarial Standard – 2, is annexed thereto.

VOTING THROUGH ELECTRONIC MEANS:

- Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and in pursuance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company is pleased to provide its members' the facility of 'remote e- voting (e-voting from a place other than venue of AGM) to exercise their right to vote at the 23rd Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-voting services provided by CDSL on all resolutions set forth in this Notice. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting **('remote e-voting').**

- In order to enable its Members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in the Notice of Annual General Meeting, the Company has also enclosed a ballot form with the Annual Report for the financial year 2016-17.

- The facility for voting through polling paper shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting/ ballot form shall be able to vote at the Meeting through polling paper.

- A member can opt for only single mode of voting i.e. either through e-voting or by Ballot Form. If a Member casts votes by both modes, e-voting shall prevail and vote by Ballot shall be treated as invalid. The members who have cast their vote by remote e-voting/ballot form may also attend the meeting but shall not be entitled to cast their vote again.

- The Board of Directors of the Company has appointed Ms.Srivani Tyarla, Practicing Company Secretary (PCS No: 21086) , R & A Associates, Hyderabad as Scrutinizer to voting process (e-voting, ballot and poll) in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for same purpose.

- The Voting rights of the Members shall be in proportion to the paid up value of their shares in the Equity Capital of the Company as on cut-off date (i.e. Record date) 22nd September, 2017.
- A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the **cut-off date, i.e. 22nd September, 2017** only shall be entitled to avail the facility of remote e-voting, ballot form as well as voting at AGM through polling paper.
- Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the **cut-off date i.e. 22nd September 2017,** may obtain the User ID and password by writing to CDSL at helpdesk.evoting@cdslindia.com or **contact 040 30722562** or **Toll-Free No.1800-200-5533.** However, if the person is already registered with CDSL for remote e-voting then the existing user ID and password can be used for casting vote.
- The e-voting facility will be available at the link www.evotingindia.com during the following period:

  COMMENCEMENT OF REMOTE E-VOTING: FROM 9.00 A.M. (IST) ON 26TH SEPTEMBER, 2017 TO END OF REMOTE E-VOTING: UP TO 5.00 P.M. (IST) ON 28TH SEPTEMBER, 2017
- E-voting shall not be allowed beyond **5.00 pm on 28th September, 2017** and the remote e-voting shall be blocked forthwith. During the e-voting period, Shareholders of the Company holding shares either in physical form or in dematerialized form, as on **22nd September, 2017** may cast their vote electronically.
- In Case of For any queries/grievances relating to voting by postal ballot or by electronic means, Members are requested to Contact by writing to CDSL at helpdesk.evoting@cdslindia.com or **contact 040-30422562** or **Toll-Free No. 1800-200-5533.**
- The Scrutinizer, after scrutinizing the vote cast at the meeting and through remote e-voting, will, not later than 48 hours of conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.goldencarpets.com and on the website of CDSL. The results shall simultaneously be communicated to BSE Limited.
- The instructions for shareholders to vote electronically are as under:

  1. The voting period begins **on 26th September, 2017from 9.00 a.m. (IST)** and ends on **28th September, 2017 at 5.00 p.m. (IST).** During this period, shareholders of the Company holding shares either in physical or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  2. The shareholders should log on to the e-voting website www.evotingindia.com.
  3. Click on Shareholders
  4. Now Enter your User ID
     a. For CDSL: 16 digits beneficiary ID,
     b. Members holding shares in Physical Form should enter Folio Number registered with the Company.

5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
7. If you are a first-time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) ·
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. · • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. · 1 Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

8. After entering these details appropriately, click on **"SUBMIT"** tab.
9. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach **'Password Creation'** menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for the relevant <Golden Carpets Ltd> on which you choose to vote.
12. On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option **YES** or **NO** as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

13. Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.
14. After selecting the resolution you have decided to vote on, click on **"SUBMIT"**. A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK",** else to change your vote, click on **"CANCEL"** and accordingly modify your vote.
15. Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on **"CLICK HERE TO PRINT"** option on the Voting page.
17. If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18. Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
19. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
20. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29th September, 2017.
21. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to gclscrutinizer@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
22. In case of members receiving notice through post/courier:

(i) Initial password, as below, will be sent separately

EVEN (E Voting Event Number)	User ID	Password

Instructions and other information relating to Ballot Form:

(i) A Member desiring to exercise voting by using Ballot Form shall complete the enclosed Ballot Form with assent (**FOR**) or dissent (**AGAINST**) and send it to the Scrutinizer, **Ms. Srivani Tyarla,** Practising Company Secretary, R & A Associates, Hyderabad, duly appointed by the Board of Directors of the Company, in the enclosed postage prepaid self-addressed envelope. Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted at the Registered Office of the Company.

(ii) Please convey your assent in Column "**FOR**" or dissent in the column "**AGAINST**" by placing a tick **(✓)** mark in the appropriate column in the Ballot Form only. The assent / dissent received in any other form / manner will not be considered.

(iii) Duly completed and signed Ballot Forms shall reach the Scrutinizer on or before **28th September, 2017 (5.00 p.m. IST)**. The Ballot Forms received after the said date / time shall be strictly treated as if the reply from the Member has not been received.

(iv) Unsigned/ incomplete Ballot Forms will be rejected. Scrutinizer's decision on validity of the Ballot Form shall be final.

(v) A Member may request duplicate Ballot Form, if so required, by writing to the Company at its Registered Office or by sending an email on goldencarpets@vsnl.netby mentioning their Folio No. / DP ID and Client ID. However, the duly filled in duplicate Ballot Form should reach the scrutinizer not later than **28th September, 2017 (5.00 p.m. IST)**.

❖ Members are requested to notify immediately any change in their addresses to the Company.

By order of the Board of Directors
For **Golden Carpets Ltd**

Place: Hyderabad
Date: 10.08.2017

Sd/-
SRIKRISHNA NAIK
Chairman& Managing Director
DIN: 01730236
Add: 8-2-596/5/B/1/A, Road No 10, Banjara Hills,
Hyderabad, 500034, Telangana

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors at their meeting held on 10th August, 2017,re-appointed Mr. SriKrishna Naik (DIN: 01730236) as the Managing Director for a further period of 3 (three) years with effect from 10th August, 2017.

He is the Promoter,Director of the Company and has been responsible for all of the affairs and smooth functioning of the Company since inception as well as he has made the said Company totally debt free and self-reliant.

The Board was of the view that SriKrishna Naik has been solely responsible for the operations of the Company.Hence in order to avail his uninterrupted services for the functioning of the company and upon the recommendations made by the Nomination and Remuneration Committee, the board has proposed to reappoint him as the Managing Director of the Company on the same terms and conditions as mentioned in the resolution.

Pursuant to Sections 196 & 197 read with Schedule V of the Companies Act, 2013 the re-appointment of SriKrishna Naik as the Managing Director of the Company requires the approval of members in General Meeting by way of Special Resolution pursuant to Section 196 of the Companies Act, 2013.

Additional Disclosure about the appointee as per Schedule V Part II of the Companies Act, 2013:

I. GENERAL INFORMATION	
Nature of industry	**Manufacturing Carpets**
Date or expected date of commencement of commercial production	02/12/1993
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
Financial performance based on given indicators	The details of financial performance of the Company for the years 2015-16 and 2016-17 are provided in the AnnualReport 2016- 2017 which accompanies this Notice
Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly

	comprising NRIs, FIIs and Foreign Nationals are investors in the Company on account of past issuances of securities/ secondary market purchases.
II. INFORMATION ABOUT THE APPOINTEE:	
Background details	Mr. Srikrishna Naik is the Promoter & Managing Director of the Company
Past remuneration	Rs. 1,00,000/- per month
Recognition or awards	Nil
Job profile and his suitability	The information is provided under the Annexure 2.
Remuneration proposed	Rs. 1,00,000/- per month
Comparative remuneration profile with respect to industry, size of thecompany, profile of the position and person (in case of expatriates therelevant details would be with respect to the country of his origin)	Compared to the remuneration profile of position and person with respect to this Industry and size, he deserves the above remuneration.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	As on 31st March, 2017, Mr. Srikrishna Naik is holding 21,94,647 Equity Shares of Rs. 10/- each constituting 33.82% to the total equity capital of the Company.
III. OTHER INFORMATION:	
Reasons of loss or inadequate profits	The Company does not have any borrowings and is reliant for its operations on its internal accruals. Due to limitation of availability of funds it is not able to scale up its production and expand its marketing efforts by way of advertisement and other means. While the Company has been able to sustain itself, it is not able to generate profits due to the limitations as stated above.
Steps taken or proposed to be taken for improvement	In tune with the changing trends the Company is proposing to implement a marketing plan and set up to create more visibility for its products and also upgrade the technology to meet the growing demands for the Carpets.
Expected increase in productivity and profits in measurable terms	The aforesaid steps taken / to be taken by the Company are expected to improve the Company's performance and profitability in the future about 5 % year on year.

IV. DISCLOSURE:

As required, the information is provided under Corporate Governance Section of Annual Report 2017

Item No. 5

Mr. Suryanarayana Murthy Krovi (DIN: 02008285)was appointed by the Board of Directors as Additional Director (Independent Director), on the recommendation of Nomination & Remuneration Committee,in terms of Sections 161 and 149 of the Companies Act 2013, with effect from 12th April, 2017. In terms of the said section, Mr. Suryanarayana Murthy Krovi shall hold office upto the date of the ensuing Annual General Meeting of the Company or the last date on which the annual general meeting should have been held, whichever is earlier.

Notice in writing under Section 160 of the Act has been received form a member signifying his intention to propose Mr. Suryanarayana Murthy Krovi as Director of the Company along with the requisite amount of deposit as required under the provisions of Section 160 of the Companies Act 2013 which will be refunded to the member if Mr. Suryanarayana Murthy Krovi is elected as Director.

Mr. Suryanarayana Murthy Krovi is an Independent Director. In the opinion of the Board, his presence on the Board of the Company will add value to the management.

Mr. Suryanarayana Murthy Krovi has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, he fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Suryanarayana Murthy Krovi as Independent Director is now being placed before the members for their approval.

A copy of the terms and conditions of appointment of the above Director is available for inspection at the registered office of the company during the business hours on any working days.

The Board recommends the above resolution for the approval of members.

None of the Directors and Key Managerial Personnel as may be deemed to be concerned or interested in the resolution.

By order of the Board of Directors
For **Golden Carpets Ltd**

Place: Hyderabad
Date: 10.08.2017

Sd/-
SRIKRISHNA NAIK
Chairman& Managing Director
DIN: 01730236
Add: 8-2-596/5/B/1 A, Road No 10,
Banjara Hills, Hyderabad – 500 034, Telangana

ANNEXURE TO ITEMS 2 & 4 OF THE NOTICE

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting

(Pursuant to Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Sri krishna Naik	Meena Bhushan Kerur
DIN	07161593	02454919
Date of Birth	08/10/1964	08/10/1963
Nationality	Indian	Indian
Date of Appointment onthe Board	02/12/1993	16/02/1995
Qualifications	Bachelor in commerce	Graduate
Expertise in specific functional area	Experience of more than 25 years in the field of manufacturing of Carpets	10 years of experience in various fields of Business administration and marketing
Number of shares held inthe Company	21,94,647	10,24,764
List of the directorships heldin other companies	1. Golden Harvest International Private Limited 2.Golden Avenues Private Limited 3. Golden Amsusement Resorts Private Limited	1. Golden Harvest International Private Limited
Chairman/ Member in the Committees of the Boards of companies in which he is Director*	Nil	Nil
Relationship of Directors inter-se	Related with Ms. Meena Bhushan Kerur	Related with Sri Krishna Naik
Shareholding of Non executive Directors		

*Committee memberships/chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Companies (whether Listed or not).

Name of the Director	Suryanarayana Murthy Krovi
DIN	02008285
Date of Birth	11/08/1942
Nationality	Indian
Date of Appointment onthe Board	12th April, 2017
Qualifications	Retired General Manager from State Bank of Hyderabad
Expertise in specificfunctional area	Expertise in Finance
Number of shares held inthe Company	Nil
List of the directorships held in other companies	1. Organization for skill and entrepreneurial development for agriculture and allied sectors
	2. Ekrafts Online Private Limited
	3. Metropolitan Avenues Private Limited
	4. Metropolitan Leisure Homes Private Limited
	5. Efresh Healthy Food Happy Life Private limited
Chairman/ Member in theCommittees of the Boardsof companies in which heis Director*	Nil
Relationship of Directors inter-se	Nil
***Committee memberships/Chairmanships includes only Audit Committee and Stake holders' Relationship Committee of other Public Limited Companies (whether Listed or not)**	

DIRECTORS' REPORT

Dear Members,

We have pleasure in presenting the Twenty Third (23rd) Annual Report on the business and operations of the Company and Financial Results for the year ended 31st March, 2017.

FINANCIAL RESULTS:

The financial performance of the Company for the financial year ended 31st March, 2017 is summarized below:-

Rs. In Lakhs.

S.No	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
1	Sales	67.8	65.76
2	Other Income	13.61	28.79
3	Total Income (1+2)	**81.41**	**94.55**
4	Total Expenses other than interest	**105.90**	**137.41**
5	Interest	0	0
6	Total Expenses other than Depreciation	105.90	83.85
7	Depreciation	19.76	53.56
8	Miscellaneous Expenditure Written off	0	0
9	Profit/ (Loss) before tax	-44.24	-42.86
10	Provision for tax: MAT	0	0
11	Deferred Tax(Liability)/Asset	13.67	95.46
12	Profit/(Loss) for the year after tax	30.57	52.60

PERFORMANCE:

During the financial year ended as on 31stMarch, 2017, the Company recorded a total revenue of Rs. 81.41 (Previous financial year Rs. 94.55) and earned Net Loss after taxes of Rs. 30.57 (Previous Year Net Loss after tax of Rs. 52.60).

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENT:

There were no significant material changes and commitments affecting financial position of the company between 31st March, 2017 and the date of Board's Report.

CHANGE IN THE NATURE OF BUSINESS IF ANY:

There was no change in the nature of business of the Company during the financial year.

SHARE CAPITAL:

The Authorized Share Capital of the Company as on 31st March, 2017 was Rs. 10,50,00,000/- divided into 1,05,00,000 equity shares of Rs. 10/- each.

The Paid up Capital of the Company is Rs. 6,49,01,590 divided into 64,90,159 Equity Shares of Rs. 10/- each.

RESERVES:

Your Directors does not propose to carry any amount to General Reserve Account in view of insufficient profits.

DIVIDEND:

In view of insufficient profits for the year under review, the Board is unable to recommend dividend.

CORPORATE GOVERNANCE REPORT:

A separate report on Corporate Governance is enclosed as a part of this Annual Report. A certificate from the Auditors of the Company regarding compliance with Corporate Governance norms stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015is annexed to the Report on Corporate Governance.***(Annexure I)***

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015is presented in a separate section forming part of the Annual Report.***(Annexure II)***

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. RETIREMENT BY ROTATION:

Pursuant to provisions of the Companies Act, 2013, Mrs. Meena Bhushan **(DIN: 02454919),** Director will retire at thisAnnual General Meeting and being eligible, offers herself for re-appointment. The Board recommends her re -appointment.

B. APPOINTMENT:

i. In accordance with the provisions of the Companies Act, 2013 and in terms of Articles of Association of the Company, Mr. Srikrishna Naik, was re-appointed as the Managing Director of the Company at the Board meeting held on 10th August, 2017 subject to the approval of members at the ensuing Annual General Meeting.

Board of Directors recommends the above re-appointment and brief profile of Mr. Srikrishna Naik is given in the Corporate Governance report attached to this report.

ii. Mr. Suryanarayana Murthy Krovi (DIN 02008285) was appointed as an Additional Director who shall hold office till the date of this Annual General Meeting. A member proposed his candidature for appointment at the ensuing Annual General Meeting.

In terms of the Companies Act, 2013, Mr. Suryanarayana Murthy Krovi is proposed to be appointed as independent Director for a term of 5 years, not liable for retirement by rotation.

C. CESSATION:

The Directorship of Mr. Pramod Hariharrao Puradupadhye becomes vacant due his demise on 17th January, 2017

D. EVALUATION OF THE BOARD'S PERFORMANCE:

During the year, the Board adopted a formal performance evaluation policy for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board's functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board, Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment etc. The evaluation of the Independent Directors and that of the Chairman was carried out by the entire Board excluding the Director being evaluated and the evaluation of Non-Independent Directors was carried out by the Independent Directors. A separate meeting of Independent Directors was also held during the year wherein the performance of Chairman, Board and Executive Directors was evaluated.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

E. DECLARATION BY INDEPENDENT DIRECTORS:

All the Independent Directors of the Company have given declaration stating that they meet the criteria of independence as provided under Companies Act, 2013 and Regulation 16(1)(b) of theSEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

F. FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS:

As required under Regulation 25(7) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, each newly appointed Independent Director is taken through a formal induction program including the presentation from the Managing Director on the Company's manufacturing, marketing, finance and other important aspects.The induction for Independent Directors include interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site etc.

POLICIES:

A. REMUNERATION POLICY

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration

as required under Sec 178 of the Companies Act, 2013 and Regulation 19(4) read with Schedule II of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Remuneration Policy is attached to this report ***(Annexure III).***

B. VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Company has formulated a Whistle blower policy and has established vigil mechanism for employees including Directors of the Company to report genuine Concerns. The provisions of this Policy are in line with the provisions of the Section 177(9) of the Act.

C. POLICY ON BOARD DIVERSITY:

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy on Board Diversity as required Regulation 19(4) read with Part D of Schedule IIof the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

D. RISK MANAGEMENT POLICY:

The Board of Directors has adopted an Enterprise Risk Management Policy framed by the Company, whichidentifies the risk and lays down the risk minimization procedures. These procedures are periodically reviewedto ensure that executive management controls risk through means of a properly defined framework.

E. PRESERVATION OF DOCUMENTS AND ARCHIVAL POLICY:

The Company has formulated a Policy pursuant to Regulation 9 and 30(4) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 on Preservation of the Documents to ensure safekeeping of the records and safeguard the Documents f rom getting manhandled, while at the same time avoiding superfluous inventory of Documents.

F. POLICY ON DISCLOSURE OF MATERIAL EVENTS/INFORMATION:

The Policy is framed in accordance with the requirements of the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

G. POLICY ON RELATED PARTY TRANSACTIONS:

The Board of Directors has adopted a Policy on materiality of and dealing with related party transactions. No material contract or arrangements with related parties were entered into during the year under review.

Your Company's Policy on Related Party Transactions as adopted by your Board can be accessed on the Company's website.

H. INSIDER TRADING POLICY:

The Board of Director has adopted the Insider Trading Policy in accordance with the requirement of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Insider Trading policy of the Company lays down guidelines & procedures to be followed, and

disclosures to be made while dealing with the shares of the Company, as well as the consequences of the violations. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain highest ethical standards of dealing in Companies shares.

The Insider Trading Policy of the company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for preventing of insider trading, same is available on our website.

I. AUDITORS & AUDITORS' REPORT:

A. STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder, M/s L S Reddy & Associates, Chartered Accountants, who were appointed as Statutory auditor of the company for a period of five years from the conclusion of 21st Annual General Meeting till the conclusion of 26th Annual General Meeting, be and is hereby ratified and the remuneration payable shall be as may be agreed upon between the Board of Directors and Auditors in addition to the reimbursement of service tax and actual out of pocket expenses incurred in relation with the audit of accounts of the Company.

The Auditors' Report does not contain any reservation, qualification or adverse remarks.

B. **SECRETARIAL AUDITOR:**

During the year, the Company has appointed Mr. Mahesh N. Company Secretary, (Membership No. A38360, C P No. 17252) as Secretarial Auditor. The Secretarial Audit report for the financial year 2016-17 is annexed herewith to this Report. ***(Annexure IV)***

Qualifications/Remarks	*Replies*
1. *The Company has not appointed Whole Time Company Secretary as required under Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.*	Since your company operations are limited and the company is running into losses, the company has not appointed a whole-time company secretary and an Internal Auditor.
2. *The Company has not appointed Internal Auditor as required under the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014.*	However, Company has appointed R & A Associates, Company Secretaries Firm as consultants to advice on thesecretarial compliances and the listing compliances

DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NAMES OF THE SUBSIDIARIES/ASSOCIATES/JOINT VENTURES:

No companies have become or ceased to be as its Subsidiaries, joint ventures or associate companies during the financial year.

CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on Corporate Social Responsibility.

RELATED PARTY TRANSACTIONS:

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, is annexed and marked and forms part of this Report. ***(Annexure V)***

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given any loan, given guarantee or provided security or made any investments pursuant to the provisions of Section 186 of Companies Act, 2013.

DISCLOSURE PERTAINING TO SEXUAL HARRASMENT OF WOMEN AT WORKPLACE:

Your Company has always believed in providing a safe and harassment free workplace for every individual working in premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

Also, there were no complaints reported under the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DISCLOSURES:

A. EXTRACT OF ANNUAL RETURN:

Extract of Annual Return of the Company is annexed herewith to this Report. ***(Annexure VI)***

B. COMMITTEES OF THE BOARD:

Currently the Board has three Committees**:**

1. **The Audit Committee**
2. **The Nomination and Remuneration Committee**
3. **Stakeholders relationship committee**

1. COMPOSITION OF AUDIT COMMITTEE:

Currently, the Audit Committee consists of the following members:

a. Mrs. Meena Kerur
b. Mr. Ramana Naik
c. Mr. Pramod Hariharrao Puradupadhye (Upto 17th January, 2017)

The above composition of the Audit Committee consists of independent Directors viz., Mr. Pramod Hariharrao Puradupadhye and Mr. Ramana Naik who form the majority.

2. COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE:

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure III and is attached to this report.

Currently, the Nomination and Remuneration Committee consists of the following members-

a. Mrs. Meena Kerur
b. Mr. Ramana Naik
c. Mr. Pramod Hariharrao Puradupadhye (Upto 17th January, 2017)

3. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

Currently, the Stakeholders Relationship Committee consists of the following members-

a. Mrs. Meena Kerur
b. Mr. Ramana Naik
c. Mr. Pramod Hariharrao Puradupadhye (Upto 17th January, 2017)

C. VIGIL MECHANISM:

The Company has implemented a vigil mechanism policy to deal with instance of fraud and mismanagement, if any. It provides for the directors and employees to report genuine concerns and provides adequate safeguards against victimization of persons who use such mechanism. The Policy on vigil mechanism may be accessed on the Company's website at the link: http://www.goldencarpets.com/whistle-blower-policy.html. There were no complaints received during the year 2016-17.

D. NUMBER OF BOARD MEETINGS:

The Board of Directors of the Company met Seven (7) times during the financial year. For further details like attendance of Directors, please refer report on Corporate Governance.

E. LISTING FEES:

The Company confirms that it has paid listing fees for the year to BSE Limited where its shares are listed.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information relating to remuneration of Directors and details of the ratio of the remuneration of each Director to the median employee's remuneration and other details as required pursuant to section 197(12) of the Act read along with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed.***(Annexure- VII)***

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration Managerial Personnel) Rule, 2014, there are no employees who are in receipt of remuneration of Rs. 1,02,00,000/- or more per annum or Rs. 8,50,000/- or more per month or where employed for a part of the year.

DETAILS OF DEPOSITS:

Your Company has not accepted any deposits from the public during the financial year.

THE DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

During the year, there were no significant and material orders that were passed by the regulators or courts or tribunals impacting the going concern status and the Company operations in future.

DECLARATION WITH THE COMPLIANCE WITH THE CODE OF CONDUCT BY MEMBERS OF THE BOARD AND SENIOR MANAGEMENT PERSONNEL:

The Company has complied with the requirements about code of conduct for Board members and Sr. Management Personnel.

The said policy is available on the website of the Company.

GENERAL DISCLOSURES:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the financial year under review:

a. Details relating to deposits covered under Chapter V of the Companies Act, 2013.

b. The Company has no subsidiaries, joint ventures or associate companies.

c. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

APPRECIATION:

The Board of Directors is pleased to place on record their appreciation of the co-operation and support extended by the Financial Institutions, Banks and various State and Central Government Agencies.

The Board would also like to thank the Company's shareholders, customers, suppliers for the support and the confidence which they have reposed in the management. The Board place on record its appreciation of the contribution made by the employees at all levels for their hard work, solidarity, co-operation and support.

By order of the Board of Directors
For **Golden Carpets Ltd**

Place: Hyderabad
Date: 10.08.2017

Sd/-
SRIKRISHNA NAIK
Chairman& Managing
Director
DIN: 01730236
Add: 8-2-596/5/B/1/A, Road No 10,
Banjara Hills, Hyderabad – 500 034 Telangana

ANNEXURE - I

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

These are articulated through Company's Code of Conduct, Corporate Governance Guidelines and charters of various sub-committees of the Board. The Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance.

2. BOARD OF DIRECTORS:

(i) As on 31st March, 2017, the Company has four Directors. Out of the four Directors, two (i.e. 50%) are Independent and Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

(ii) Details of Board Meetings held:
Seven (7) Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows: 8th April, 2016; 30th May, 2016; 12th August, 2016, 20th August, 2016, 1st September, 2016, 10th November, 2016, 7th February, 2017.

(iii) The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and committee chairmanships / memberships held by them in other public companies as on 31st March, 2017 are given herein below:

Name of Director	Category	Number of Board Meetings during the year 2016-17		Whether attended last AGM held on September 30, 2016	Number of Directorships in other public companies $	Number of Comittee position held in other Public Companies #	
		Entitled to Attend	Attended			Chairman	Member
Mr. Srikrishna Naik DIN: 01730236	Promoter, Executive	7	7	Yes	Nil	Nil	Nil
Ms. Meena Bhushan Kerur DIN: 02454919	Non Executive (Promoter)	7	7	No	Nil	Nil	Nil
^ Mr. Pramod Hariharrao Puradupadhye DIN: 07161593	Independent, Non-Executive	7	6	No	Nil	Nil	Nil
* Mr. Ramana Naik Bhukya Peda DIN: 01396345	Independent, Non-Executive	7	7	No	Nil	Nil	Nil

* Appointed at the Annual General Meeting held on 30th September, 2016.

^ Cessation of Directorship due to demise on 17th January, 2017.

$ Other Directorships do not include Directorships of Private Limited Companies, Section 8 companies and of companies incorporated outside India.

Chairmanships / Memberships of Board committees shall include only Audit Committee and Stakeholders' Relationship Committee.

(iv) During the year, the meeting of Independent Directors of the Company was held on 30th January 2017. The Independent Directors, inter-alia, reviewed the performance of non-independent Directors, Chairman of the Company and the Board as a whole.

(v) Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. The maximum tenure of the Independent Directors is in

compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company. Details of familiarizationprogramme of Independent Directors are available on the website of the Company at the linkwww.goldencarpets.com.

(vi) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company and there are no inter-se relationships between any of the Directors.

(vii) None of the Non- Executive Directors are holding any shares or convertible debentures of the Company.

3. AUDIT COMMITTEE:

COMPOSITION, NAME OF MEMBERS, CHAIRPERSON AND DATE OF MEETINGS:

DATES OF MEETINGS:

The Audit Committee met four times during the year 30thMay, 2016; 12th August, 2016; 10thNovember, 2016 and 7th February, 2017. The gap between two meetings did not exceed 120 days and the necessary quorum was present for all the meetings.

The composition of the Audit committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2016-17	
		Entitled to Attend	Attended
^ Mr. Pramod Hariharrao Puradupadhye	Independent, Non-Executive - Chairman	4	3
Mrs. Meena Bhushan Kerur	Independent, Non-Executive	4	4
Mr. Ramana Naik Bhukya Peda*	Independent, Non- Executive	4	4

* Appointed at the Annual General Meeting held on 30th September, 2016

^ Cessation of Directorship due to demise on 17th January, 2017.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the financial reporting process, to ensure accurate and timely disclosures with the highest level of transparency, integrity and quality.

All the Audit Committee members are financially literate and bring in expertise in the fields of finance, economics and management. Also, the Chief Financial Officer and the Statutory Auditors attend the Committee meetings as invitees.

BRIEF DESCRIPTION OF TERMS OF REFERENCE;

The Audit Committee shall carry out role and review of information as stipulated in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The scope of activity of the Committee is also in consonance with the provisions of Section 177of the Act. The role of the Audit Committee is broadly as under:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by them;
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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;
16. 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;
17. 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;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE:

COMPOSITION, NAME OF MEMBERS, CHAIRPERSON AND DATE OF MEETINGS;

The composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the financial year 2016-17	
		Entitled to Attend	Attended
^ Mr. Pramod Hariharrao Puradupadhye	Independent, Non-Executive - Chairman	1	1
Mrs. Meena Bhushan Kerur	Independent, Non-Executive	1	1
Mr. Ramana Naik Bhukya Peda*	Independent, Non-Executive	1	1

* Appointed at the Annual General Meeting held on 30th September, 2016

^ Cessation of Directorship due to demise on 17th January, 2017.

BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The Nomination and Remuneration Committee has been empowered with the role and functions as per the provisions specified under Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the appointment and finalizing the remuneration of senior level employees of our Company. The purpose of the Committee is to monitor the Company's nomination process of the senior level management and to identity and review the individuals capable of serving in the Board level or senior management team of the Company.

1. Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

Performance evaluation criteria for Independent Directors:

The Nomination & Remuneration Committee and the Board evaluated the performance of Independent Directors in terms of the provisions of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015and the policy adopted by the Company for performance evaluation. The criteria for evaluation included attendance, level of participation, commitment, effective management of relationship with stakeholders, independence of judgement, integrity and maintenance of confidentiality by Independent Directors.

5. Details of Remuneration to Directors:

(i) Mr. Ramana Naik Bhukya Peda isentitled for sitting fees of Rs. 10,000/- per annum for all the meetings, including committee meetings, attended by them.

(ii) The criteria for making payment to Non-Executive Directors are contained in Nomination & Remuneration policy of the Company, which forms part of the Board's report as **Annexure III.**

(iii) The details of the salary paid to the executive/non-executive Directors of the Company are as follows:

(a) Remuneration to Whole-time/ Executive/ Managing Director of the Company:

Name of the Director	Salary and allowances (Rs.)	Other perquisites (Rs.)	Commission	Total (Rs.)
Mr. Srikrishna Naik	12,00,000/-			12,00,000/-

(b) Remuneration paid to non-whole time Directors of the Company:

Name of the Director	Sitting fees (Rs.)	Professional fees (Rs.)	Total (Rs.)
Mr. Pramod Hariharrao Puradupadhye		-	
Mrs. Meena Bhushan Kerur		-	
Mr. Ramana Naik Bhukya Peda	10000		10000
Total	**10000**		**10000**

Notes:

a) The Company has not issued any Stock options.

b) There were no service contracts/Agreements with Directors.

c) None of the Directors are eligible for severance pay.

d) The terms and conditions with regard to appointments of Managing Directors and Executive Directors are contained in the respective resolutions passed by the Board or Members in their respective meetings. There are no severance fees.

6. Stakeholders ' Relationship Committee:

The Committee is entrusted with the responsibility to resolve the grievances of stakeholders and strengthening of Investor relations. The Committee comprises:

(i) ^ Mr. Pramod Hariharrao Puradupadhye - Chairman(Non-Executive Director)

(ii) Mrs. Meena Bhushan Kerur - Member

(iii) * Mr. RamanaNaik - Member

* Appointed as the Director on Annual General Meeting held on 30th September, 2016.

^ Cessation of Directorship due to demise on 17th January, 2017.

The Committee performs inter alia the role/functions as set out in Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and includes:

(i) Investor relations and redressal of shareholders grievances in general and relating to non-receipt of dividends, interest, non- receipt of balance sheet etc.;

(ii) Oversee the performance of Registrar and Transfer Agents; and

(iii) Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended by such committee.

Name and designation of Compliance Officer:

- Mr. Srikrishna Naik - Managing Director

Details of investor complaints received and resolved from 1st April, 2016 to 31st March, 2017 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	Nil	Nil	0

7. General Body Meetings:

I. Location and time where last three Annual General Meetings held:

Year	Date	Venue	Time	Special Resolution(s) passed
2015-16	30.09.2016	Hotel Marriott Tank Bund Road, Opposite Hussain Sagar Lake, Hyderabad - 500 080 Telangana	11.00 A.M.	Adoption of Mr. Ramana Naik as an Independent Director
2014-15	30.09.2015	Hotel Marriott Tank Bund Road, Opposite Hussain Sagar Lake, Hyderabad - 500 080 Telangana	11.00 A.M.	1. Adoption of New set Articles of Association 2. Appointment of Mr. Pramod Hariharrao Puradupadhye as an Independent Director
2013-14	30.09.2014	Hotel Marriot, Tankbund, Hyderabad	11.00 AM	Nil

II. Postal Ballot: No resolution was passed through postal ballot during the year.

III. No resolution is proposed to be conducted through postal ballot at the ensuing AGM.

8. Means of Communication:

The quarterly, annual results and other statutory reports of the company are communicated by disseminating the same to BSE. The Company also publishes its financial results in the Financial Express (national dailies) and in Nava Telangana (vernacular (Telugu) daily) newspapers as prescribed under regulation 47 of Listing Obligation and Disclosure Requirement s) Regulations 2015.

The Annual Report and the financial results are also displayed on the Company's website **www.goldencarpets.com**.

The official press releases of the Company are sent to the stock exchange where the shares of the Company are listed through e-mail for information of the public at large and are also posted on the Company's website.

1. General Shareholder information:

a) Annual General Meeting:

Date: Friday, 29th September, 2017
Time: 9.00 AM
Venue: Hotel Marriott Tank Bund Road, Opposite Hussain Sagar Lake,
Hyderabad - 500 080 Telangana, India

b) The financial year of the Company is ranging from 01st April 2016 to 31st March 2017.

c) Dividend Payment date: Not Applicable

d) Listed at:

BSE Limited, Floor 25, P. J. Towers, Dalal Street, Mumbai- 400 001.

Listing fees for the financial year 2015-16 has been paid to the Stock Exchange, where the shares of the Company are listed.

e) Stock Codes/Symbol at BSE Limited: 531928

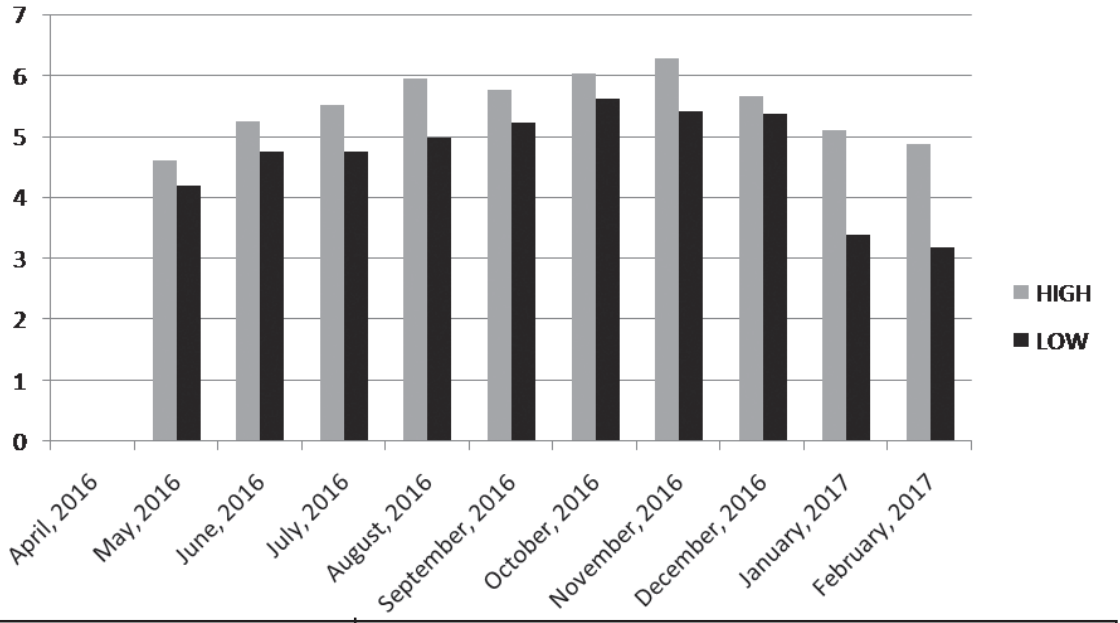
f) Date of Book Closure: 23rd day of September 2017 to 29th day of September 2017.

g) Date fixed for dispatch of Annual report: 5th September, 2017

h) Market price data & performance in comparison to broad-base indices i.e.,

SENSEX:

MONTH	HIGH	LOW
April, 2016	-	-
May, 2016	4.60	4.20
June, 2016	5.25	4.75
July, 2016	5.51	4.75
August, 2016	5.95	4.98
September, 2016	5.77	5.23
October, 2016	6.03	5.61
November, 2016	6.27	5.42
December, 2016	5.65	5.37
January, 2017	5.11	3.39
February, 2017	4.88	3.17
March, 2017	6.79	5.12



Month	BSE Limited			
	Share Price		SENSEX	
	High	Low	High	Low
April, 2016	-	-	26,100.5	24,523.20
May, 2016	4.60	4.20	26,837.20	25,057.93
June, 2016	5.25	4.75	27,105.41	25,911.33
July, 2016	5.51	4.75	28,240.20	27,034.14
August, 2016	5.95	4.98	28,532.25	27,627.97
September, 2016	5.77	5.23	29,077.28	27,716.78
October, 2016	6.03	5.61	28,477.65	27,488.30
November, 2016	6.27	5.42	28,029.80	25,717.93
December, 2016	5.65	5.37	26,803.76	25,753.74
January, 2017	5.11	3.39	27,980.39	26,447.06
February, 2017	4.88	3.17	29,065.31	27,590.10
March, 2017	6.79	5.12	29,824.62	28,716.21

i) Registrar and Transfer Agents & Place for Acceptance of Documents:

XL Softech Systems Ltd.,
3, Sagar Society, Road No.2, Banjara Hills,
Hyderabad - 500 034.
Tel No; 040 23545913/14/15, Fax No. 040 23553214
e-mailxlfield@gmail.com
Website: www.xlsoftech.com

j) Share Transfer System:

The Board of Directors has delegated the power of approving transfer of shares to the Managing Director of the Company and the details regarding the transfers are placed before the Board of Directors at the subsequent meeting for their approval. The Company's Registers and Share Transfer Agent is XL Softech, Hyderabad, who look after shares transfers and other related works.

The Company ensures that all transfers are affected within a prescribed period from the date of their lodgment with the Company.

In terms of SEBI circular No. D&CC/FITTC/CR-16 dated 31-12.2002, Secretarial Audit is conducted on a quarterly basis by a practicing Company secretary for the purpose of, inter alia, reconciliation of the total submitted equity share capital with the depositories and in the physical form with the total issued/paid up equity capital of the Company. Certificates are placed before the Board of Directors and are also forwarded to Bombay Stock Exchange Limited, where the shares of the Company are listed.

Transfer of shares in physical form is normally processed within fifteen days from the date of receipt, if the documents are complete in all respects.

k) Shareholding Pattern of the Company & Distribution of shareholding as on 31st March 2017:

Shareholding pattern as on 31st March, 2017:

Cate gory code	Category of shareholder	No. of shareholders	Total No. of shares	As a percentage of (A+B+C)
(A)	**Promoter And Promoter Group**			
(1)	Indian	6	2740087	42.22
(2)	Foreign	1	1024764	15.79
	Total shareholding of promoter and promoter group	**7**	**3764851**	**58.01**
(B)	**Public Shareholding:**			
	Non-Institutions:			
(1)	Bodies Corporate	31	468351	7.22
(2)	Individuals	779	1577573	24.31

(3)	Others	41	679384	10.47
	Total public shareholding	**851**	**2725308**	**41.99**
(C)	Shares held by custodians, against which			
	Depository Receipts have been issued			
(1)	Promoter and Promoter Group	-	-	-
(2)	Public	-	-	-
	GRAND TOTAL (A+B+C) :	**858**	**6490159**	**100**

l) Dematerialization of shares & liquidity:

As on March 31, 2017, 50,03,377 equity shares amounting to 77.09% of the paid-up equity capital of the Company are held in dematerialized form. The Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE595D01015.

m) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on 31st March, 2017, the Company did not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments.

n) Location of offices/production centers:

Plant Location

Sy No. 36 & 37 , Jeedipally Village, Toopran Mandal, Medak District – 500001, Telangana, India

o) Address for correspondence:

For transfer/dematerialization of share, change of address of members and other queries relating to the shares of the Company:

XL Softech Systems Ltd.,
3, Sagar Society, Road No.2, Banjara Hills,
Hyderabad - 500 034
Tel No. 040 23545913/14/15, Fax No. 040 23553214
E-mail: xlfield@gmail.com
Website: www.xlsoftech.com

For other queries;

Golden Carpets Ltd,
8-2-596/5/B/1/A, Road No.10, Banjara Hills
Hyderabad – 500034, Telangana, India
Phone No(S): 040 - 66771111
Fax No: 040 - 23351576
Email ID: goldencarpets@vsnl.net

10. Other Disclosures:

a) During the period under review, the Company had not entered into any material transaction with any of its related parties. Attention of members is drawn to the disclosure of transactions with related parties as set out in Notes of Audited Financial Statements, forming part of the Annual Report.

b) There were no instances of non-compliance of any matter relating to the capital markets during the year under review. Hence, there have been no penalties, strictures imposed by SEBI / Stock Exchanges or any other statutory authorities on matters related to capital market during the last three years.

c) The Company has formulated a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns. We affirm that no personnel have been denied access to the Audit Committee during the year under review.

d) THE DISCLOSURES OF THE COMPLIANCE WITH MANDATORY REQUIREMENTS AND COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:

Regulation	Particulars of Regulation	Compliance Status(Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination & Remuneration Committee	Yes
20	Stakeholder Relationship Committee	Yes
21	Risk Management Committee	Not applicable
22	Vigil Mechanism	Yes
23	Related Party Transaction	Yes
24	Corporate Governance Requirements with respect to subsidiary of listed entity	Not applicable
25	Obligation with respect to independent Directors	Yes
26	Obligations with respect to Directors and senior management	Yes
27	Other Corporate Governance Requirements	Yes
46(2) (b) to (i)	Website	Yes

e) Weblink where policy on material subsidiaries – Not Applicable

f) Weblink where policy on dealing with Related Party Transactions – www.goldencarpets.com.

g) DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS:

The Company has complied with all the mandatory requirements of Corporate Governance prescribed under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

h) Disclosure of commodity price risks and commodity hedging activities – Not Applicable

i) Code of Conduct

The Board has approved a code of conduct for Board Members and Senior Management Personnel of the Company. The code of conduct has been posted on the website of the company. All Directors and senior management personnel have affirmed compliance with the code of conduct for the year ended 31st March, 2017. A declaration to the effect signed by the Managing Director is given below:

***Note*:** Disclosures with respect to demat suspense account/unclaimed suspense account are not applicable as there are no shares in demat suspense account/unclaimed suspense account.

DECLARATION:

As provided under Regulation 34(3) read with in Part D of Schedule V of SEBI (LODR), 2015, all Board members and Senior Management Personnel have affirmed compliance with Golden Carpets Ltd Code of Conduct for the year ended 31st March, 2017.

By order of the Board
For Golden Carpets Ltd

Sd/-
Srikrishna Naik
Chairman & Managing Director

Place: Hyderabad
Date: 10.08.2017

Auditors Certificate on compliance of Corporate Governance

[Pursuant to Regulation 34(3) read with in Part E of Schedule V of SEBI (LODR), 2015]

To
The members of Golden Carpets Ltd
Hyderabad

We have examined the compliance of conditions of Corporate Governance by Golden Carpets Ltd, for the year ended 31st March, 2017, as stipulated in Regulation 34(3) read with Part E of Schedule V of SEBI (LODR) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing Regulation.

We state that in respect of investor grievances received during the year ended 31st March, 2017, no investor grievances are pending against the Company, as per the records maintained by the Company and presented to the Investors/ Shareholders Grievance Committee. 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 L S Reddy & Associates
Chartered Accountants

Sd/-
L S Reddy
Proprietor
(Membership No. 218221)

Place: Hyderabad
Date : 10-08-2017

CERTIFICATION BY MD & CFO OF THE COMPANY

(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations, 2015 read with PART B of Schedule II)

To

The Board of Directors

Golden Carpets Ltd

A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. 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. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:

   1. significant changes in internal control over financial reporting during the year;

   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. 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 over financial reporting.

For Golden Carpets Ltd

	Sd/-	**Sd/-**
Place: Hyderabad	**Mr. Srikrishna Naik**	**Janardhan Mandala**
Date: 10-08-2017	Managing Director	CFO

ANNEXURE-II

MANAGEMENT DISCUSSION ANALYSIS REPORT

(Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)

Industry Structure and Development:

This present carpet industry in India took birth because of the Mughal Dynasty. They introduced Persian and Turkish weavers in the country for the production of carpets for their palaces. On the downfall of this dynasty, the practice of carpet weaving shook badly. However, it picked up the momentum in the form of independent units during post-British period. Now the industry is glowing with its utmost glory from the states of Rajasthan, Kashmir, Punjab, Uttar Pradesh, Andhra Pradesh, and Himachal Pradesh.

India is the world leader in carpet exports with 36 per cent of the global market share. Indian carpets are famous and known worldwide for its magnificent designs and heart-winning workmanship. Hand-knotted woolen carpets, tufted woolen carpets, chain stitch rugs, pure silk carpets, staple/synthetic carpets, handmade woolen durries are some of the floor covering types for which there is a huge market demand in the European and American market.

The Indian carpet industry is very vibrant and has considerable potential for growth. However, lesser innovation techniques, outdated technology, labor law issues and lack of infrastructural facilities are major barriers that make this industry less competent as compared to other carpet supplying countries.

Opportunities and Threats:

- **Opportunities**

Increased consumer expenditure on interiors of houses, hotels and offices and luxury vehicles as well as cars is expected to contribute significantly to the growth in the demand for carpets. Development of innovative designed light weight carpets and floorings is expected to open opportunities for the growth of the market in the near future.

- **Threats**

Alternative flooring materials such as Ceramics, marble, granite and other innovative and decorative flooring materials are replacing carpets as they are easy on maintenance and is a major threat for the carpet industry. Further due to increase in raw material prices the Indian manufacturers are not able to compete with other carpet producing countries and this has had an impact on the exports of the carpets from India.

Segment Wise Performance:

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

Outlook:

Given the capacity and the current available technology, the company will continue to perform on existing lines and will continue to strive to improve the performance going forward.

Risk and concerns:

The Company derives revenue from domestic market as well as overseas market. Any change of taste in consumers of both adversely affects the demand of the products and indirectly revenue and growth of the Company.

Non-availability of raw materials, lack of manpower, technologies up-gradation in the peer group and non-availability of timely working capital needs affects a lot in this business. Further fluctuation in rupee value affects the business of overseas market.

Company is taking appropriate steps in order to tackle the aforementioned risks by adopting in time suitable strategies, so as to positively modify the risk profile of the Company by eliminating key risk factors and minimizing the risk areas.

Internal Control Systems and their Adequacy:

The company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The company is maintaining various manuals which contain various controls and checklists that are to be carried out before execution of any activity. Internal checks are exercised so that the various procedures are laid at the time of delegation of authorities and other procedures are strictly followed.

Financial Performance with respect to Operational Performance:

Company's turnover for the current period is Rs. 67,80,748 as against Rs. 65,75,962 during the previous year.This shows that Company's operating revenue is positively contributing to the assets of the Company. Further Net Loss is Rs. 30,57,493 as compared to Net Profit of Rs.52,60,383 of the previous year. This clearly indicates the impact of difference on treatment of depreciation as per Companies Act, 2013 and Income Tax Act, 1961.

Material Development in Human Resources/Industrial Relations:

The Company recognizes the importance and contribution made by its employees to the growthand 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'sobjective, projections, estimates, expectations or predictions may be considered to be forward lookingstatements 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 adifference to the Company's operations include Indian demand and supply conditions, availabilityof working capital, raw material prices, changes in government regulations, tax regime, economicdevelopments within India and globally.

ANNEXURE - III

REMUNERATION POLICY

1. INTRODUCTION:

Golden Carpets Ltd (GCL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its Directors, Key Managerial Personnel and other employees keeping in view the following objectives:

a) Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.

b) Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

c) Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

2. SCOPE AND EXCLUSION:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

3.TERMS AND REFERENCES:

In this Policy, the following terms shall have the following meanings:

"Director" means a Director appointed to the Board of the Company.

"Key Managerial Personnel" means

(i) the Chief Executive Officer or the Managing Director or the manager;

(ii) the Company secretary;

(iii) the Whole-time director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the Companies Act, 2013

"Nomination and Remuneration Committee" means the committeeconstituted by the Company Board in accordance with the provisions of Section 178 of the Companies Act, 2013.

4. POLICY:

A. Criteria for Appointment of Non-Executive Directors & Independent Directors:

a) The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of marketing, finance, taxation, law, governance and general management.

b) In case of appointment of Independent Directors, the Nomination & Remuneration (N&R) Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.

c) The N&R committee shall ensure that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Companies Act, 2013.

d) In case of re-appointment of Non-Executive Directors & Independent Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration of Non-Executive Directors & Independent Directors

i. A Non-Executive Director & Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any amendment or modification thereto as may be in force;

ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

B. Criteria for Appointment of Executive Directors and Key Managerial Personnel (KMP):

For the purpose of appointment of any Executive Director and Key Managerial Personnel (KMP), the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position. The Committee shall also ensure that the incumbent fulfils such other criteria as laid down under the Companies Act, 2013 read with Rules made there under or other applicable laws.

Remuneration of Executive Directors & KMP:

i. The Board, on the recommendation of the Nomination and Remuneration (N&R) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits prescribed under Companies Act, 2013 including any statutory modification or amendment thereto as may be in force, subject to approval by the shareholders in General Meeting.

ii. The Board, on the recommendation of the N&R Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

iii. The remuneration of the Executive Directors and KMP may be broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits. The variable component comprises performance bonus.

C. Remuneration to Other Employees:

i. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

ii. The remuneration maybe divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus.

ANNEXURE - IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleno.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
GOLDEN CARPETS LTD
8-2-596/5/B/1/A, Road No.10
Banjara Hills, Hyderabad –500034
Telangana, India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Golden Carpets LTD (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the M/s. Golden Carpets LTD books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions, listing Regulations and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 -**Not applicable to the Company during the Audit Period.**

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014-**Not applicable to the Company during the Audit Period.**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable to the Company during the Audit Period.**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **Not applicable to the Company during the Audit Period;**and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **- Not applicable to the Company during the Audit Period.**

vi. There are no other laws specifically applicable to the Company in view of the management.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of Indiawith respect to Board andGeneral Meetings.

ii. The Listing Regulations.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company has not appointed Whole Time Company Secretary as required under Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

2. The Company has not appointed Internal Auditor as required under the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

Relying on the representation given by the Company and its officers with regard to adequate systems and processes in the Company to monitor and to ensure the compliance with applicable laws, rules, etc., and based on the review done by us, we report that there are systems and processes to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and there is need for its improvement for its adequacy.

Place: Banglore
Date: 10.08.2017

Sd/-
Mahesh N.
Company Secretary in Practice
ACS No- A38360
CP No- 17252

This report is to be read with our letter of even date, which is annexed as "Annexure – A" and forms an integral part of this report.

"Annexure – A"

To,
The Members
GOLDEN CARPETS LTD
8-2-596/5/B/1/A, Road No.10, Banjara Hills
Hyderabad–500034
Telangana, India

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of M/s. Golden Carpets LTD ("the Company"). Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Banglore
Date: 10.08.2017

Sd/-
Mahesh N.
Company Secretary in Practice
ACS No- A38360
CP No- 17252

ANNEXURE - V

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY

i)	The steps taken or impact on conservation of energy	The necessary steps were undertaken by a Company to improve upon the energy conservation measures.
ii)	The steps taken by the Company for utilizing alternate sources of energy	Nil
iii)	The capital investment on energy conservation equipments	Nil

B.	**TECHNOLOGY ABSORPTION**	
i)	The efforts made towards technology absorption	NA
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	NA
iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NA
	a. The details of technology imported	NA
	b. The year of import	NA
	c. Whether the technology been fully absorbed	NA
	d. If not fully absorbed, areas where absorption has not taken place and the reasons thereof and	NA
iv)	The expenditure incurred on Research and Development	NA

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings & Outgo:		
	2016-17	2015-16
Earnings	Nil	Nil
Outgo	Nil	24,31,029

ANNEXURE - VI

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN

as on the financial year ended 31.03.2017

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L17220TG1993PLC016672
ii)	Registration Date	02/12/1993
iii)	Name of the Company	Golden Carpets Ltd
iv)	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v)	Address of the Registered Office and contact details	8-2-596/5/B/1, Road No.10,Banjara Hills, Hyderabad, Telangana - 500034 Contact Number 040-66771111, 09666573311
vi)	Whether listed company Yes / No	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any	M/s. XL Softech Systems Limited#3,Sagar Society, Road No.2,Banjara Hills, Hyderabad, Telangana – 500 034 Phone: 040 23545913/14/15, Fax: 040 23553214

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacturing Carpets	1393	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES–

S. No.	Name and address of the Company	CIN/GLN	Holding / subsidiary / Associate	% of shares held	Applicable section
			Nil		

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical shares	Total total	% of	Demat shares	Physical total	Total	% of	
A. Promoters									
(1) Indian									
a) Individual / HUF	1981740	540940	2522680	38.87	2199147	540940	2740087	42.22	3.35
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	**1981740**	**540940**	**2522680**	**38.87**	**2199147**	**540940**	**2740087**	**42.22**	**3.35**
(2) Foreign									
a) NRIs - Individuals	1024764	-	1024764	15.79	1024764	-	1024764	15.79	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	**1024764**	**-**	**1024764**	**15.79**	**1024764**	**-**	**1024764**	**15.79**	**-**
Total Share holding of Promoters (A) = (A)(1)+ (A)(2)	**3006504**	**540940**	**3547444**	**54.66**	**3223911**	**540940**	**3764851**	**58.11**	**3.35**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds / UTI	-	-	-	-	-	-	-	-	-

b) Banks / FI	-	185185	185185	2.85	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign VentureCapital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	**-**	**185185**	**185185**	**2.85**	**-**	**-**	**-**	**-**	**-**
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	189777	100000	289777	4.46	368351	100000	468351	7.22	2.76
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual Shareholders Holding nominal share capital upto Rs.2 lakh	827666	82802	910468	14.08	813393	82802	896195	13.81	-0.27
ii) Individual Shareholders holding nominal share capital in excess of Rs. 2 lakh	739245	140000	879245	13.55	541378	140000	681378	10.50	-3.05
c) Others									
i) NRI	55000	623040	678040	10.44	56355	623029	679384	10.92	-16.47
ii) Clearing Members / Clearing House	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2):	**1811688**	**945842**	**2757530**	**42.49**	**1779466**	**945842**	**2725308**	**41.99**	**0.5**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1811688**	**1131027**	**2942715**	**45.34**	**1779466**	**945842**	**2725308**	**41.99**	**-3.35**
C. Shares held byCustodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**4818192**	**1671967**	**6490159**	**100**	**5003377**	**1486782**	**6490159**	**100**	**-**

ii) SHARE HOLDING OF PROMOTERS

S. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share	
1	Mr. Srikrishna Naik	19,77,240	30.47	-	21,94,647	33.815	-	3.345
2	Meena Bhushan Kerur	10,24,764	15.79	-	10,24,764	15.79	-	-
3	G K Naik	2,33,700	3.60	-	2,33,700	3.60	-	-
4	Malini GovindNaik	3,09,240	4.76	-	3,13,700	4.764	-	0.004
5	S B Kerur	2,500	0.04	-	2,500	0.40	-	-
	Total	**35,47,444**	**54.66**	**-**	**3764851**	**58.01**	**-**	**3.345**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Promoter's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	Mr. Srikrishna Naik	**No. of shares**	**% of total shares of the company**	**No. of shares**	**% of total shares of the company**
	At the beginning of the year	**19,77,240**	**30.47**	**19,77,240**	**30.47**
	By virtue of transfer/ purchase of share	**217407**	**3.345**	**217407**	**33.815**
	At the end of the year	**21,94,647**	**33.815**	**21,94,647**	**33.815**

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Stressed Assets Stabilished Fund**	0	0	-	-
	Increase/decrease in shares	1,85,185	2.85	1,85,185	2.85
	At the end of the year	1,85,185	2.85	1,85,185	2.85
2.	**C H Kiron**	1,40,000	2.16	-	-
	Increase/decrease in shares	-	-	-	-
	At the end of the year	-	-	1,40,000	2.16
3.	**Suresh Keerthi**	1,35,000	2.08	1,13,440	1.75
	Increase/decrease in shares	-	-	1,13,440	1.75
	At the end of the year	-	-	1,35,000	2.08
4.	**Meera Keerthi**	1,13,440	1.75	1,13,440	1.75
	Increase/decrease in shares	-	-	1,13,440	1.75
	At the end of the year	1,13,440	1.75	1,13,440	1.75
5.	**Ramachandra Rao K**	1,05,000	1.62	1,05,000	1.62
	Increase/decrease in shares	-	-	1,05,000	1.62
	At the end of the year	1,05,000	1.62	1,05,000	1.62
6.	**Prudential Capital Markets Limited**	1,00,000	1.54	1,00,000	1.54
	Increase/decrease in shares	-	-	1,00,000	1.54
	At the end of the year	1,00,000	1.54	1,00,000	1.54
7.	**Hemendra Ratilal Mehta**	92800	1.43	92800	1.43
	Increase/decrease in shares	-	-	92800	1.43
	At the end of the year	92800	1.43	92800	1.43
8.	**N Parameswari**	71,500	1.10	71,500	1.10
	Increase/decrease in shares	-	-	71,500	1.10
	At the end of the year	71,500	1.10	71,500	1.10
9.	**Dattani Ceramics Pvt Ltd**	71,500	1.10	71,500	1.10
	Increase/decrease in shares	1020	(0.02)	71,500	1.10
	At the end of the year	70,480	1.086	70,480	1.086
10.	**Dilip Dadlani**	51,800	0.80	51,800	0.80
	Increase/decrease in shares	-	-	51,800	0.80
	At the end of the year	51,800	0.80	51,800	0.80

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Sri Krishna Naik				
1	**At the beginning of the year**	19,77,240	30.47	19,77,240	30.47
	By virtue of transfer/purchase of share	217407	3.345	21,94,647	33.815
	At the end of the year	21,94,647	33.815	21,94,647	33.815
2	**Meena Bhushan Kerur**	-	-	-	-
	At the beginning of the year	10,24,764	15.79	10,24,764	15.79
	By virtue of transfer/purchase of share	-	-	10,24,764	15.79
	At the end of the year	10,24,764	15.79	10,24,764	15.79

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	**Unsecured Loans**	**Deposits**
Indebtedness at the beginning of the financial year			
i) Principal Amount	-	44,994,579	-
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	**-**	**44,994,579**	**-**
Changes in Indebtedness during the year			
Addition	**-**	1,00,000	**-**
Reduction	-	-	-
Net Change	**-**	**-**	**-**
Indebtedness at the end of the financial year			
i) Principal Amount	-	4,50,94,579	-
ii) Interest due but not paid	**-**	**-**	**-**
iii) Interest accrued but not due	**-**	**-**	**-**
Total (i+ii+iii)	**-**	**4,50,94,579**	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Sri Krishna Naik, Managing Director	
1.	Gross salary	1,00,000 (per month)	12,00,000 (per annum)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		-
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission		
	- as % of profit		-
	- others, specify...		-
5.	Others, please specify Contribution to Provident fund		-
	Total (A)		

B. Remuneration to other Directors:

(Amount in Rs.)

S.No.	Particulars of Remuneration	TotalAmount	
1.	Independent Directors	Mr. Pramod Hariharrao Puradupadhye	Mr. Ramna Naik Bhukya Peda
	• Fee for attending board / committee meetings		10,000/- per Annum
	• Commission	-	-
		-	-
	Total (1)	**-**	**-**

2.	Other Non-Executive Directors	Ms. Meena Bhushan Kerur (Director)	
	• Fee for attending board / committee meetings	-	-
	• Commission	-	-
	• Others, please specify	-	-
	Total (2)	-	-
	Total (B)=(1+2)		
	Total Managerial Remuneration A+B)		
	Overall Ceiling as per the Act (for Independent directors)		

C. Remuneration to Key Managerial Personnel other than MD/ Manager/WTD:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
		Mr. Janardhan Mandala, CFO	
1.	Gross salary	30,000	3,60,000/- (per annum)
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5.	Others, please specify Contribution to Provident fund		
	Total	**30,000**	**3,60,000/- (per annum)**

VII. PENALTIES / PUNISHMENT / COMPUNDING OF OFFENCES:

Type	Section of theCompanies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any(give Details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C.OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					

By Order of the board
for Golden Carpets Ltd.

Sd/-
Srikrishna Naik
Chairman & Managing Director

Place: Hyderabad
Date: 10.08.2017

ANNEXURE - VII

Details of Ratio of Remuneration of Directors

[Pursuant to Section 197(12), read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

1. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

S. No.	Name of the Director	Ratio
1.	Srikrishna Naik	19.085:1
2.	Ramna Naik Bhukya Peda	0.1590:1

During the year, Mr. Pramod Hariharrao Puradupadhye and Ms. Meena Bhushan Kerur were not in receipt of remuneration.

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:**

During the year there was no increment in the remuneration of any Director or Chief Financial Officer of the Company.

3. **The percentage increase in the median remuneration of employees in the financial year:**

During the year there is no increment in the remuneration of employees of the Company.

4. **The number of permanent employees on the rolls of the Company:**

There are 9 (Nine) employees on the rolls of the Company.

5. **Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the year there were no such events.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

Company hereby affirms that remuneration paid is as per the remuneration policy of the Company.

By Order of the board
for Golden Carpets Ltd.

Sd/-
Srikrishna Naik
Chairman & Managing Director

Place: Hyderabad
Date: 10.08.2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF M/s. GOLDEN CARPETS LIMITED

Report on the Financial Statements

We have audited the financial statements of **M/s. Golden Carpets Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 Standalone Financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, of the state of affairs of the Company as at 31st March, 2017, and its profit/loss for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the accounts of the branches.

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Hyderabad
Date: 30.05.2017

For L S Reddy & Associates
Chartered Accountants

Sd/-
L.S. Reddy
Proprietor
M.No. 218221

The Annexure referred to in Our Report of even date to the members of M/s. Golden Carpets Limited on the standalone financial statements for the year ended 31st March, 2017, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

   (b) The fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

   (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

   (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Therefore, requirements of clauses (a), (b) of paragraph 3(iii) of the order are not applicable.

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. In our opinion and according to the explanations given to us The Company has not accepted any deposits from the public.

6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act 2013.

7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no

outstanding statutory dues as on 31st of March, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

8. The Company has accumulated loss as at the end of the financial year and its accumulated losses are not less than fifty percent of its net worth and the Company has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

9. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

10. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

11. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.

12. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Place : Hyderabad
Date : 30.05.2017

For L S Reddy & Associates
Chartered Accountants

Sd/-
L.S. Reddy
Proprietor
M.No. 218221

Balance Sheet as at 31st March, 2017

Particulars	Notes	As on 31.03.2017	As on 31.03.2016
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	84,411,590	84,411,590
Reserves and Surplus	2	(76,726,561)	(73,634,201)
Non-Current Liabilities			
Long Term Borrowings	3	45,284,949	45,184,949
Deferred Tax liability(Net)	20	-	
Current Liabilites			
Trade payables	4	584,404	380,225
Other Current Liabilities	5	510,799	226,817
		54,065,181	**56,569,380**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	6	20,001,150	21,835,818
Long Term Loans and Adavances	7	483,410	483,410
Deferred Tax Asset	20	2,520,491	1,153,247
Current Assets			
Inventories	8	23,975,891	25,901,239
Trade Receivbles	9	227,667	1,018,412
Cash and Bank Balances	10	6,168,486	5,886,053
Short Term Loans and Adavances	11	-	8,000
Other Current Assets	12	688,086	283,201
		54,065,181	**56,569,380**

As per Report of even date attached

For L.S.Reddy & Associates
Chartered Accountants
FRN No.012848S

For and On Behalf of Board Of Directors

Sd/-	**Sd/-**	**Sd/-**
L.S.Reddy	**Sri Krishna Naik**	**Meena Kerur**
Proprietor	Managing Director	Director
M.No.218221		

Place : Hyderabad
Date : 30-05-2017

Statement of Profit and Loss for the period ended 31st March 2017

Particulars	Notes	As at 31 March2017	As at 31 March2016
Revenue			
Revenue from operations	13	6,780,748	6,575,962
Other Income	14	1,361,213	2,879,361
Total Revenue		**8,141,961**	**9,455,323**
Expenses:			
Cost of raw material and components Consumed	15	3,000,000	2,244,468
(Increase)/decrease in invetories of finished goods and work-in -progress	16	83,612	469,606
Employee benefit expense	17	2,161,068	2,126,041
Financial costs	18	985	9,173
Depreciation and amortization expense	6	1,976,194	5,356,480
Other expenses	19	5,344,839	3,535,165
Total Expenses		**12,566,698**	**13,740,933**
Profit before tax		**(4,424,737)**	**(4,285,610)**
Tax expense:			
Current tax		-	-
Deferred tax expense/(saving)	20	(1,367,244)	(9,545,993)
Profit(Loss) from the perid from continuing operations		(3,057,493)	5,260,383
Profit/(Loss) for the period		**(3,057,493)**	**5,260,383**
Earning per equity share:			
Basic & Diluted		(0.47)	0.81

As per Report of even date attached

For L.S.Reddy & Associates
Chartered Accountants
FRN No.012848S

For and On Behalf of Board Of Directors

Sd/-	**Sd/-**	**Sd/-**
L.S.Reddy	**Sri Krishna Naik**	**Meena Kerur**
Proprietor	Managing Director	Director
M.No.218221		

Place : Hyderabad
Date : 30-05-2017

SCHEDULES FORMING PART OF BALANCE SHEET

1	Share Capital	31-Mar-17	31-Mar-16
	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-17		31-Mar-16	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	6,490,159	64,901,590		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**		**64,901,590**

2 Reserves & Surplus

Securities Premium account	22,407,396	22,407,396
	22,407,396	22,407,396
Surplus/(Deficit) in the statement of profit and loss		
Opening Balance	(96,041,597)	(101,301,980)
Add:Profit/(Loss) for the year	(3,057,493)	5,260,383
Less: Depreciation charged to retained Earnings	(34,867)	-
Net surplus in the Statement of profit and loss	(99,133,957)	(96,041,597)
Total	**(76,726,561)**	**(73,634,201)**

3	**Long term Borrowings**		
	Deferred Sales tax loan (Interest free)	190,370	190,370
		190,370	**190,370**
	Unsecured Loans from Related Parties		
	S.K.Naik	6,859,307	6,759,307
	Other Loans and Advances	38,235,272	38,235,272
		45,094,579	**44,994,579**

4	**Trade payables**		
	Audit Fees Payable	50,000	25,000
	Electricity charges payable	3,395	2,790
	Rent payable	-	244,719
	Salaries Payable	84,219	80,387
	Directors Remunaration Payable	445,000	-
	Telephone & Internet Charges Payable	555	2,329
	Courier Charges Payable	1,235	-
		584,404	**380,225**

5	**Other Current liabilities**		
	Other libilities		
	CST Payable	124,918	-
	Vat Payable	34,989	150,155
	TDS Payable	173,000	24,800
	Calls Unpaid payable on allotment money	2,500	2,500
	Sundry Creditors (R & A Associates & XL Softech Systems Ltd)	72,352	49,362
	Advances from Customers	103,040	-
		510,799	**226,817**

7	**Long Term Loans and Adavances**		
	Electricity Deposit	148,410	148,410
	Deposit With FAPCCI	5,000	5,000
	Sales tax Deposit	3,000	3,000
	Rent Deposit	312,000	312,000
	Telephone Deposit	15,000	15,000
		483,410	**483,410**

DEPRECIATION AS PER COMPANIES ACT (F. YEAR 2016-2017)

Schedule: 6

6. Tangible Assets

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.16	Addition During the period	Deletion	As at 31.03.17	As on 31.03.16	FOR THE PERIOD		Total as at 31.03.17	WDV as at	
						Charged to retained earnings	Current depreciation year		31.03.17	31.03.16
Building others	2,062,860	-	-	2,062,860	720,243	-	107,617	827,860	1,235,000	1,342,618
Building factory	17,686,462	-	-	17,686,462	9,259,690	-	573,601	9,833,291	7,853,171	8,426,773
Computers & Cameras	2,132,934	110,575	-	2,243,509	2,035,144	1,379	50,259	2,086,782	156,727	97,789
Electrical	4,269,150	65,818	-	4,334,968	3,600,173	28,688.00	87,252	3,716,113	618,855	668,975
Furniture & fixtures	1,534,872	-	-	1,534,872	1,417,182	-	14,689	1,431,871	103,001	117,689
Land & site development	2,655,433	-	-	2,655,433	-	-	-	-	2,655,433	2,655,433
Misc Fixed Assets - Plant & Machinery	4,882,747	-	-	4,882,747	4,174,802	4,800.00	204,875	4,384,477	498,270	707,946
Plant & machinery	134,752,320	-	-	134,752,320	127,075,834	-	882,637	127,958,471	6,793,849	7,676,486
Vehicles	351,686	-	-	351,686	209,578	-	55,264	264,842	86,844	142,109
TOTAL	**170,328,464**	**176,393**	**-**	**170,504,857**	**148,492,646**	**34,867**	**1,976,194**	**150,503,707**	**20,001,150**	**21,835,818**

8	**Inventories**		
	Raw materials	20,869,909	22,711,645
	Finished goods	3,105,982	3,189,594
		23,975,891	**25,901,239**
9	**Trade Receivables and other asstes**		
	Unsecured and considered good		
	Outstanding for a period		
	Less than 6 months from the date they are due for payment	115,695	915,900
	Exceeding 6 months from the date they are due for payment	111,972	102,512
		227,667	**1,018,412**
10	**Cash and Bank Balances**		
	Cash and Cash equivelents		
	Cash on hand	9,068	49,195
	Balances with Banks		
	In Current accounts	106,792	17,677
		115,861	66,872
	Other bank balances		
	Fixed Deposits & Intrest on Fixed Deposits	6,052,625	5,819,181
			-
		6,168,486	**5,886,053**
11	**Short Term Loans and Adavances**		
	Advances to Employees	-	8,000
		-	**8,000**
12	**Other Current Assets**		
	Advances given to Creditors	67,835	2,978
	TDS Receivables	268,651	280,223
	Rent paid in Advnce	351,600	-
		688,086	**283,201**
13	**Revenue from Operations**		
	Sale of Finished goods	6,780,748	6,575,962
		6,780,748	**6,575,962**

No.	Particulars	31-Mar-17	31-Mar-16
14	**Other Income**		
	Interest Income		
	Intrest on Fixed Deposit - Axis Bank	475,881	445,321
	Intrest on Sweep term Deposit - Axis Bank	35,584	22,678
	Non-operating Income (Foreign Exchange Fluctation)	-	
	Other Income	849,748	2,411,362
		1,361,213	**2,879,361**
15	**Cost of Raw material and components consumed**		
	Inventory at the beginning of the year	22,711,645	20,228,191
	Add : Purchases	1,158,264	4,727,922
		23,869,909	24,956,113
	Less : Inventory at the end of the year	20,869,909	22,711,645
	Consumption	**3,000,000**	**2,244,468**
16	**(Increase)/decrease in Inventories**		
	Inventories at the beginning of the year **(April,16)**		
	Finished goods	3,189,594	3,659,200
	Inventories at the end of the year **(Mar,2017)**		
	Finished goods	3,105,982	3,189,594
	Change in inventory	**83,612**	**469,606**
17	**Employee benfit Expenses**		
	Salaries and Wages	961,068	926,041
	Directors Remunaration	1,200,000	1,200,000
		2,161,068	**2,126,041**
18	**Finance Cost**		
	Bank Charges	985	9,173
		985	**9,173**
19	**Other Expenses**		
	Advertisment Expenses	39,870	52,774
	Annual Custodial Fees	289,435	267,515
	Board Meeting Expenses	25,875	22,800
	Business Promotion Expenses	180,929	-

	Customs Duty & Other Expenses	26,881	-
	Directors Sitting Fees	10,000	12,000
	Discount allowed	-	107
	E-Voting Charges	8,050	7,980
	Factory Maintainence	88,467	317,496
	Interest on TDS		15,476
	Laying Material & Underlay Expenses	36,125	31,280
	Rates & Muncipal Taxes	717,513	46,008
	Office & Building Maintenance expenses	255,000	12,980
	Postage & Courier charges	9,581	16,931
	Power & Diesel	214,599	408,588
	Printing & Stationery	19,500	19,140
	Professional Charges	284,525	284,238
	Rent	2,194,450	1,199,880
	Repair & Maintanance	478,977	534,761
	ROC filing fee Expenses	3,220	10,620
	Sales Tax Arears	26,090	-
	Share Transfer Processing fees	40,758	34,776
	Telephone & Internet Expenses	187,811	139,605
	Transport Charges	51,000	55,210
	Travelling Expenses	131,183	-
	Web Hosting Charges	-	20,000
	Payment to Auditor		
	Audit fee	25,000	25,000
		5,344,839	**3,535,165**

SCHEDULE - 20
Defferred Tax Liability/ (Asset)

	2016-17	2015-16
WDV as per Companies Act (As per Deprication Sechedule - 6)	20,036,017	21,835,818
WDV as per Income Tax Act	7,228,525	8,136,730
(As per Deprication Sechedule - 21) Timing Difference 2,00,36,071 (-) 72,28,525	12,807,492	13,699,088
Deferred Tax Liability (Timing Diff (1,28,07,492 @ **30.9%**)	3,957,515	4,233,018
DEFFERED TAX ON ACCOUNT OF LOSSES : Accumulated Lossess -31.03.2016 Accumulated Lossess and unabsorbed depreciation - Current year (As Per Computation Sheet attached)	 (17431280) (3,533,140)	 (17327512) (103,767)
Timing difference (Accumulated Losses) (1,74,31,280) **+** (35,33,140)	(20,964,420)	(17,431,279)
Deferred tax (Asset) on Losses (2,09,64,420 @ **30.9%**)	(6,478,006)	(5,386,265)
Net Defereed tax (Asset) as on 31.03.2017 39,57,515 **(+)** (64,78,006)	(2,520,491)	(1,153,247)
Opening Deferred Tax liability Deferred Tax Expense/(credit) for the year (25,20,491) (-) (11,53,247) P & L a/c Balancesheet	(1,153,247) (1,367,244) (1,367,244) (2,520,491)	8,392,746 (9,545,993) (9,545,993) (1,153,247)

Note :
Due to amendment in Schedule II of the Companies Act, 2013, the basis of charging depreciation was changed from Written down value method(WDV) to useful life of the Assets. Due to the said change, the useful life of an asset (Plant & Machinery) amounting to Rs.35,52,259/- was completed in financial year 2015-16 and thus the WDV of such asset becomes Nil. Accordingly, there is a decrease in depreciation value which appears in the Statement of Profit and Loss and Schedule Number 06 & 20 for the financial year 2016-17 as compared to the financial year 2015-16.

Consequent to said amendment and the said decrease in depreciation as compared to last financial year 2015-16, there is a difference between WDV as per Companies Act, 2013 and Income Tax Act, 1961 for the current financial year 2016-17. Accordingly, there is an increase in the value of deferred tax asset by Rs. 13,67,244.

MEASUREMENT AND DISCLOSURES AS PER ACCOUNTING STANDARDS

1. Significant Accounting Policies: –

I. Basis of Preparation of Financial Statements:

The Financial statements have been prepared under the historical cost convention on accrual basis. The mandatory applicable accounting standards in India and the provisions of the companies Act, 2013 have been followed in preparation of these financial statements.

All assets and liabilities have been classified as current or non-current as per the operating cycle criteria set out in the Revised Schedule III to the Companies Act, 2013.

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 recognized at cost of acquisition and installation less accumulated depreciation. The cost comprises purchase price, fright, duties, levies, borrowing cost and directly attributable cost of bringing the assets to their working condition for intended use. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extend its estimated useful life.

V. Depreciation:

Depreciation on fixed assets is provided on straight-line method using the lives of assets given in Schedule II of the Companies Act, 2013.

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 deferred tax as per the applicable provisions of Income Tax Act, 1961.

2. Other Notes to Accounts and Disclosures

I Related party disclosures (AS-18): NIL

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 31-03-2017	As on 31-03-2016
1	Managing Director	Mr Sri krishna Naik	Remuneration	12,00,000	12,00,000

II. Remuneration to Auditors:-

Particulars	As on 31-03-2017	As on 31-03-2016
Audit Fee	25,000	25,000

III. Earnings Per Share:-

Particulars	As on 31-03-2017	As on 31-03-2016
Net Profit/(Loss) attributable to Equity Share Holders	(30,57,493)	52,60,383
Weighted Average No of Equity Shares	64,90,159	64,90,159
Basic and Diluted Earnings per Share	**(0.47)**	**0.81**

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

i) Guarantees and letters of credit: Nii

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 01.04.2016	Purchases During the year 2015-17	Consumption During the year 2015-17	Closing 31.03.2017
Raw Materials	103157	3366	14950	91573

(ii) Raw- Materials in Value (In Rs) for the year 2016-17:-

Particulars	Opening	Purchases	Consumption	Closing
Raw Material	22711645	1158264	3000000	20869909

(iii) Finished Goods:

Particulars	Opening (in SQMT)	Produced (in SQMT	Sales (SQMT)	Closing Stock (in SQMT)	Closing stock in Value
Finished Goods	5696	5582	5750	5528	3105982

(iv) Goods Purchased: - (In Rs)

Particulars	2016-17	20115-16
Raw Material Purchased	1158264	4727922

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

Particulars	2016-117	2015-16
Raw material consumed	3000000	2244468

b) Sales (in Rs)

Particulars	2016-17	2015-16
Sale of Goods	6780748	6575962

VI.	**Foreign Exchange Details:**	**As at 31.03.2017**	**As at 31.03.2016**
	Foreign Exchange Outgo**:**	-	24,31,029.00
VII.	**Deferred Tax Liability/(Asset)**		
	Opening Value of deferred tax Liability		(11,53,247)
	Deferred tax on account Depreciation and Accumulated Losses		(13,67,244)
	Closing Value of deferred tax Liability as on 31.03.2017		(25,20,491)

VIII. 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 L.S. Reddy & Associates
Chartered Accountants
Firm Reg. No.012848S

For and on behalf of the Board

Sd/-	**Sd/-**	**Sd/-**
L.S.Reddy	**Sri Krishna Naik**	**Meena Kerur**
Proprietor	Managing Director	Director
M.No.218221		

Place : Hyderabad
Date : 30-05-2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2017

(Pursuant to Clause 32 of the Listing Agreement)

PARTICULARS	Year eneded 31st March 2017	Year ended 31st March 2016
	Rs.	**Rs.**
A.Cash flow from Operating activities		
Profit Before Tax	**(4,424,737)**	**(4,285,610)**
Adjustment for		
Depreciation and amortisation	1,976,194	5,356,480
Operating Profit before working capital changes	**(2,448,543)**	**1,070,870**
Movement in Working capital		
Increase/(Decrease) in Inventories	1,925,348	(2,013,848)
Increase/(Decrease) in Trade Receivables	790,745	882,801
Increase/(Decrease) in Short Term Loans and Adv.	8,000	12,000
Increase/(Decrease) in Other current assets	(404,885)	461,808
(Increase)/Decrease in Current Liabilities	488,161	83,935
Cash Generated from operations	**358,826**	**497,566**
Direct tax paid		
Net Cash flow from Operating activities (A)	**358,826**	**497,566**
B. Cash flow from Investing activities		
Puchases of Fixed Assets	(176,393)	
Net Cash flow used in Investing Activities (B)	**(176,393)**	**-**
C.Cash flow from financing activities		
Proceeds from Share Capital	-	-
Payments Towards Long Term Borrowings	100,000	-
Net Cash flow used in Financing Activities (C)	100,000	-
Net increase/(Decrease) in Cash & Cash Equialents (A+B+C)	282,433	497,566
Cash & Cash Equialents at the beginning of the year	5,886,055	5,388,489
Cash & Cash Equialents at the end of the year	**6,168,488**	**5,886,055**

As per Report of even date attached

For L.S.Reddy & Associates
Chartered Accountants
FRN No.012848S

Sd/-
L.S.Reddy
Proprietor
M.No.218221

For and On Behalf of Board Of Directors

Sd/-
Sri Krishna Naik
Managing Director

Sd/-
Meena Kerur
Director

Place : Hyderabad
Date : 30-05-2017

23rd Annual General Meeting
GOLDEN CARPETS LTD
Registered Office: 8-2-596/5/B/1, ROAD NO.10, BANJARA HILLS,
Hyderabad – 500 034
Phone: 040-66771111; Fax: 040-23351576
Website: www.goldencarpets.com, Email: goldencarpets@vsnl.net

CIN: L17220TG1993PLC016672

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL.

ATTENDANCE SLIP

I / We hereby record my / our presence at the 23rd Annual General Meeting of the Golden Carpets Ltd held on 29th September, 2017 at 9.00 A.M. at **Hotel Marriott Tank Bund Road Opposite Hussain Sagar Lake , Hyderabad, 500080 Telangana, India.**

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
Folio No.	DP ID	CLIENT ID	
NAME OF THE MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):			

Signature of the member/ Joint member(s) / proxy

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 member(s)	
Registered Address	
Email ID	
Folio No./ Client ID	
DP ID	

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name :
   Address:
   Email ID
2. Name :
   Address :
   Email ID :
   Signature : or failing him
3. Name :
   Address :
   Email ID :
   Signature :

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the Annual General Meeting of the company, to be held on 29th September, 2017 at 9.00 A.M. at **Hotel Marriott, Tank Bund Road, Opposite Hussain Sagar Lake, Hyderabad-500080 Telangana, India** at any adjournment thereof in respect of such resolutions asare indicated below:

S. No.	Particulars	FOR	AGAINST
	Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017 and the Reports of the Directors and Auditors thereon.		
2.	To appoint a director in place of Ms. Meena Bhushan Kerur, who retires by rotation and, being eligible offers herself for re-appointment.		
3.	To ratify the appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.		
	Special Business		
4.	Tore- appoint Mr. SriKrishna Naik(DIN: 0001730236) as Managing Director of the Company.		
5.	Appointment of Mr. Suryanarayana Murthy Krovi as Director (Independent)		

Signed this _____ day of _____ 2017

Affix Revenue stamp

Signature of Shareholder

Signature of Proxy holder(s)

Affix Revenue stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

GOLDEN CARPETS LTD
CIN: L17220TG1993PLC016672

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

Phone: 040-66771111; Fax: 040-23351576

Website: www.goldencarpets.com, Email: goldencarpets@vsnl.net

FORM No. MGT-12: POLLING PAPER

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014)

BALLOT PAPER

Name of the first named shareholder (in Block letters)	
Postal Address	
Registered Folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
Class of shares	Equity

I hereby exercise my vote in respect of the ordinary / special resolutions for the business enumerated below and as stated in the Notice of 23rd Annual General Meeting of the Company to be held on Friday, September 29th, 2017 at 9.00 A.M. by recording my/ assent or dissent to the said resolution by placing tick (✓) at the appropriate box below:

S. No.	Particulars	No. of shares	I/we assent to the resolution) (FOR	I/we dissent to the resolution (AGAINST)
	Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2017 and the Reports of the Directors and Auditors thereon.			
2	To appoint a director in place of Ms. Meena Bhushan Kerur who retires by rotation and, being eligible offers herself for re-appointment.			

3	To ratify the appointment of Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.			
	Special Business			
4	Appointment of Mr. Srikrishna Naik as Managing Director of the Company for the term of 3 years who was appointed by the Board of Directors w.e.f. 10th August, 2017			
5.	Appointment of Mr. Suryanarayana Murthy Krovi as Director (Independent)			

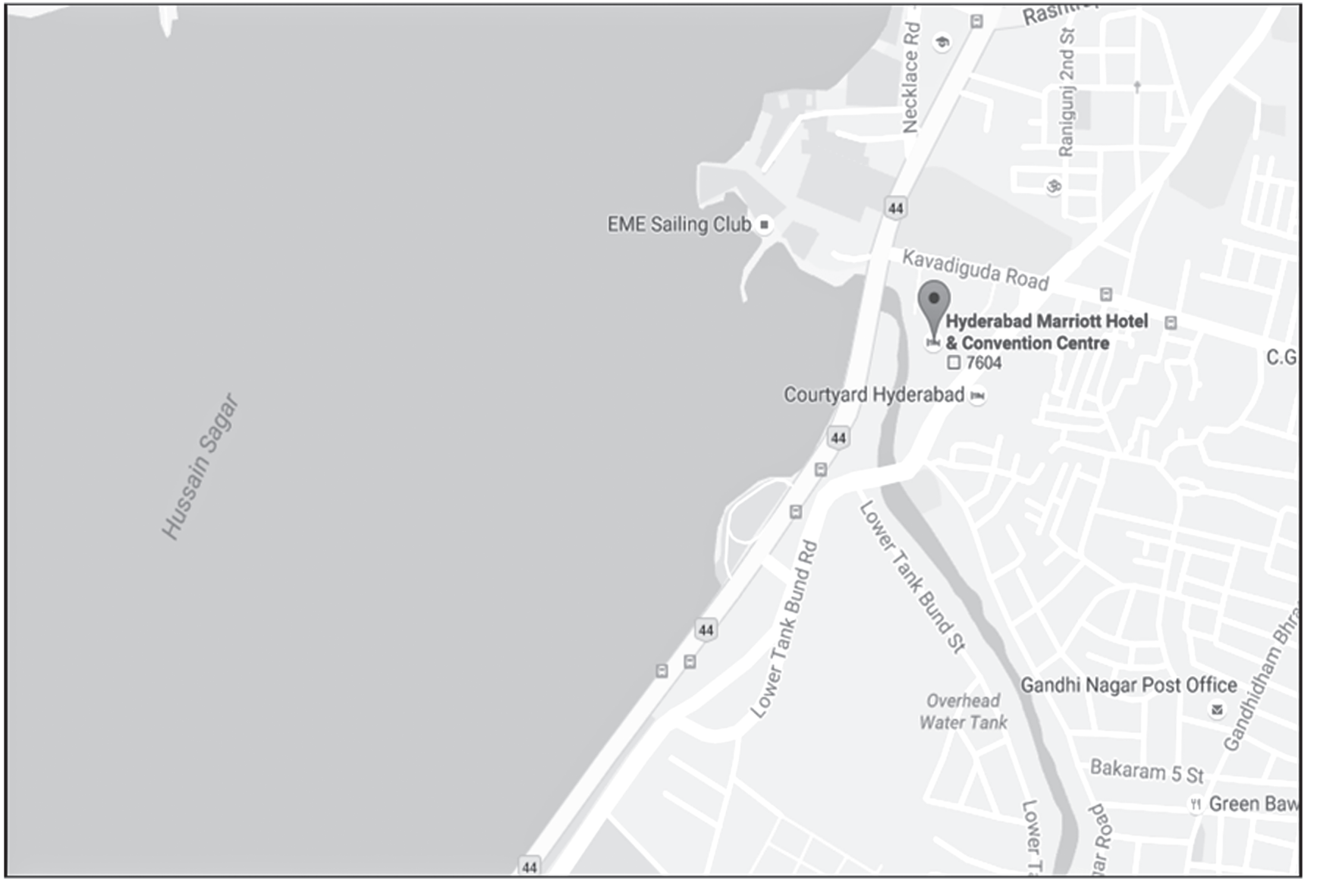
Place:
Date: Signature of the member

23rd Annual Report

2016-2017

Golden Carpets Limited

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


Necklace Rd
Raniguni 2nd St
EME Sailing Club
44
Kavadiguda Road
Hyderabad Marriott Hotel
& Convention Centre
7604
C.G
Courtyard Hyderabad
Hussain Sagar
44
Lower Tank Bund Rd
Lower Tank Bund St
44
Gandhi Nagar Post Office
Overhead
Water Tank
Gandhidham Bhra
Bakaram 5 St
Green Baw
44

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