



AUDITOR'S REPORT

**TO THE MEMBERS,
CARREMAN FABRICS INDIA LIMITED**

We have audited the attached Balance Sheet of **CARREMAN FABRICS INDIA LIMITED** as at 31-03-2012 and also the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Company (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
2. In our opinion, proper books of account as required by the law have been kept by the company so far as appears from our examination of those books.
3. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
4. In our opinion, Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in Sub-Section (3C) of Section 211 of Companies Act, 1956.

'Shankar Ratan Chambers', S-23A, Mangal Marg, Bapu Nagar, Jaipur-302015

☎: 2709001-2-3, 2707004, ☎: 0141-2703507

✉: jaipureast@kalanico.com, ☐: www.kalanico.com





KALANI & COMPANY
CHARTERED ACCOUNTANTS

5. Based on the representations made by all the Directors of the company as on 31st March, 2012 and taken on record by the Board of Directors of the company and in accordance with the information and explanations as made available to us, the Directors of the company do not have, prima facie, any disqualification as referred in clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies, notes on accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2012 and;
 - In the case of Statement of Profit and Loss, of the profit of the company for the year ended on that date;
 - In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

FOR KALANI & COMPANY
CHARTERED ACCOUNTANTS
FRN - 000722C

[S.P. JHANWAR]
PARTNER
M. NO. 074414



'Shankar Ratan Chambers', S-23A, Mangal Marg, Bapu Nagar, Jaipur-302015

☎: 2709001-2-3, 2707004, ☎: 0141-2703507

✉: jaipureast@kalanico.com, 🌐: www.kalanico.com



ANNEXURE TO THE AUDITOR'S REPORT

Statement referred to in paragraph (3) of our audit report of even date to the shareholders of the **CARREMAN FABRICS INDIA LIMITED** on the accounts for the year ended 31st March, 2012.

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets of the company have been physically verified by the management during the year and there is also a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year.
- (ii) (a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) 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) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The company has granted a short term loan of Rs. 200 Lacs @ 13.00% of interest per annum and a long term loan of Rs. 200 Lacs @ 13.00% of interest per annum to Banswara Syntex Ltd. during the year. Apart from this, company has not granted any loan to the companies, firm and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the interest of the company.
- (c) Principal and interest receipt on above loan is regular and as per the loan agreement.

'Shankar Ratan Chambers', S-23A, Mangal Marg, Bapu Nagar, Jaipur-302015

☎: 2709001-2-3, 2707004, ☎: 0141-2703507

✉: jaipureast@kalanico.com, ☐: www.kalanico.com





KALANI & COMPANY

CHARTERED ACCOUNTANTS

- (d) There is no overdue more than Rs.1 Lac of principal and interest.
- (e) No unsecured loan taken from any party covered in the register maintained under 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls system.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time, but few transactions could not be compared as the material supplied / services rendered by such parties are either in short supply or not supplied / services rendered by any other party.
- (vi) The company has not accepted any deposits from the public during the period under consideration and as such, the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules framed thereunder have no application on the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) According to information and explanations given to us, the Central Government has prescribed under Section 209(1)(d) of the Companies Act, 1956, the maintenance of cost records in respect of its products in which the company is engaged. We have broadly reviewed the books of account maintained and in our opinion the prescribed accounts and records have

'Shankar Ratan Chambers', S-23A, Mangal Marg, Bapu Nagar, Jaipur-302015

☎: 2709001-2-3, 2707004, ☎: 0141-2703507

✉: jaipureast@kalanico.com, ☑: www.kalanico.com





KALANI & COMPANY

CHARTERED ACCOUNTANTS

prima facie been made and maintained by the company. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, cess, excise duty and other material statutory dues applicable to it.
- According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, cess, custom duty and excise duty were in arrears, as at 31st March, 2012 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 are no dues of sales tax, income tax, service tax, cess, customs duty, wealth tax and excise duty which have not been deposited on account of any dispute.
- (x) There are no losses at the end of financial year. The company has not incurred cash losses during the financial year covered by our audit and preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
- (xii) According to information and explanations given to us, the company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) According to information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.

'Shankar Ratan Chambers', S-23A, Mangal Marg, Bapu Nagar, Jaipur-302015

☎: 2709001-2-3, 2707004, ☎: 0141-2703507

✉: jaipureast@kalanico.com, ☐: www.kalanico.com



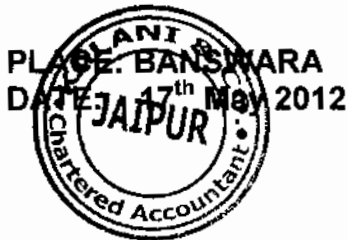


KALANI & COMPANY
CHARTERED ACCOUNTANTS

- (xvi) No any term loans have been raised during the year by the company.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not issued debentures during the year.
- (xx) The company has not raised any money through public issue during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

FOR KALANI & COMPANY
CHARTERED ACCOUNTANTS
FRN - 000722C

(S.P. JHANWAR)
PARTNER
M. NO. 074414



'Shankar Ratan Chambers', S-23A, Mangal Marg, Bapu Nagar, Jaipur-302015

☎: 2709001-2-3, 2707004, ☎: 0141-2703507

✉: jaipureast@kalanico.com, ☐: www.kalanico.com

CARREMAN FABRICS INDIA LIMITED, BANSWARA

BALANCE SHEET AS AT 31ST MARCH 2012

(Rs. In Lacs)

Particulars		Note No.	As at 31st March 2012	As at 31st March 2011
I EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a)	Share capital	2.01	1,430.00	1,430.00
(b)	Reserves and surplus	2.02	80.81	58.20
(2) Non-current liabilities				
(a)	Long-term borrowings	2.03	797.88	1,105.11
(b)	Deferred tax liabilities (Net)	2.04	73.95	56.60
(c)	Long-term provisions	2.05	12.09	9.30
(3) Current liabilities				
(a)	Short-term borrowings	2.06	4.45	27.00
(b)	Trade payables	2.07	20.53	15.87
(c)	Other current liabilities	2.08	385.51	268.05
(d)	Short-term provisions	2.05	6.89	7.48
TOTAL			2,812.11	2,977.61
II ASSETS				
Non-current assets				
(1) (a) Fixed assets				
	(i) Tangible assets	2.09	1,948.53	2,306.60
	(ii) Capital work-in-progress	2.09	163.63	14.58
(b)	Long-term loans and advances	2.10	201.20	34.91
(c)	Other non-current assets	2.11	54.58	12.64
(2) Current assets				
(a)	Inventories	2.12	4.07	5.42
(b)	Trade receivables	2.13	92.99	126.47
(c)	Cash and cash equivalents	2.14	61.13	49.53
(d)	Short-term loans and advances	2.15	209.47	311.29
(e)	Other current assets	2.16	76.51	116.17
TOTAL			2,812.11	2,977.61

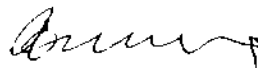
Significant Accounting Policies, Notes on Accounts and other disclosures from Note no. 1 to 2.28 forming part of these financial statements

In terms of our Examination Report of even date:

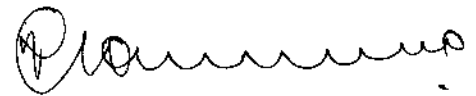
For **KALANI & COMPANY**

Chartered Accountants

FRN - 00722C



R.L. Toshniwal
(Director)

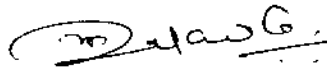


Ravi Toshniwal
(Director)

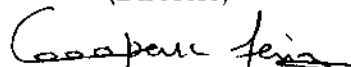
S P JHANWAR

Partner

M.No.74414



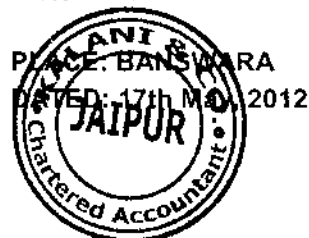
Manish Rakundla
(Director)

Sr. Manager A/c



Asst.Co. Secretary



CARREMAN FABRICS INDIA LIMITED, BANSWARA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31st MARCH 2012

(Rs. In Lacs)

Particulars		Note No.	For the Year ended 31st March 2012	For the Year ended 31st March 2011
I	Revenue from Operations	2.18	970.81	1,083.58
II	Other Income	2.19	41.71	39.73
III	Total Revenue (I + II)		1,012.52	1,123.31
IV	Expenses:			
	Purchase of Machinery for Sale		-	126.52
	Direct Manufacturing Expenses	2.20	272.12	327.72
	Employee benefits expense	2.21	175.75	153.38
	Finance cost	2.22	135.50	94.71
	Depreciation and amortization expense	2.09	357.27	354.75
	Other expenses (Administrative & Selling Expenses)	2.23	16.82	18.52
	Total expenses		957.46	1,075.60
V	Profit before exceptional and extraordinary items and tax (III-IV)		55.06	47.71
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		55.06	47.71
VIII	Extraordinary Items		-	-
IX	Profit before Prior period items and tax (VII-VIII)		55.06	47.71
X	Prior Period Items		-	-
XI	Profit before tax		55.06	47.71
XII	Tax expense:			
	(1) Current Year Tax		8.50	7.85
	(2) Deferred tax		17.35	15.73
XIII	Profit (Loss) for the period from continuing operations (XI-XII)		29.21	24.13
XIV	Profit(loss) from Discontinuing operations		-	-
XV	Tax expense of discontinuing operations		-	-
XVI	Profit(loss) from Discontinuing operations (after tax) (XIV- XV)		-	-
XVII	PROFIT FOR THE YEAR (XIII+XVI)		29.21	24.13
XVIII	EARNINGS PER EQUITY SHARE			
	Equity shares of par value `10/- each			
	(1) Basic	2.23	0.18	0.14
	(2) Diluted	2.23	0.18	0.14

Significant Accounting Policies, Notes on Accounts and other disclosures from Note no. 1 to 2.28 forming part of these financial statements

In terms of our Examination Report of even date:

For **KALANI & COMPANY**
Chartered Accountants
FRN - 00722C

S P JHANWAR
Partner
M.No.074414

PLAZA BANSWARA
DADED: 17th May 2012



R.L. Toshniwal
R.L. Toshniwal
(Director)

Ravi Toshniwal
Ravi Toshniwal
(Director)

Manish Rakundla
Manish Rakundla
(Director)

Coopare Feiz
Sr. Manager A/c

Asst. Co. Secretary
Asst. Co. Secretary

SIGNIFICANT ACCOUNTING AND POLICIES, NOTES ON ACCOUNTS

Company Overview: Carreman Fabrics India Ltd. was incorporated in 17 Feb,2006. The company has state of art weaving plant having 60 brand new Picanol Rapier Looms. The company is being managed by the French technicians. It is a profit making company.

Note No. 1 Significant Accounting Policies

1.01 Basis Of Accounting & Use of Estimates (AS-1)

The Company follows the mercantile system of accounting by following accrual concept in the preparation of accounts. 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.

1.02 Valuation of Inventory (AS-2)

Inventories are valued at Lower of Cost or Net Realisable Value. Cost is measured on First in First Out (FIFO) basis.

1.03 Depreciation (AS-6)

Depreciation on fixed assets is provided for on straight-line method in accordance with the provisions of section 205(2) (b) of the Companies Act, 1956. Depreciation on additions/disposals during the year is provided on pro-rata basis. Value of leasehold land is amortised over the period of its lease.

1.04 Revenue Recognition (AS-9)

Turnover : Job Income is accounted for on completion of work and net of goods and services provided by customers.

Benefits receivable against Export and its obligation: Unutilized credits, entitlements under Duty Entitlements Pass Book (DEPB) scheme are accounted for in the year of export at market value/realisable value.

1.05 Fixed Assets (AS-10)

Value of Gross Block of fixed assets represent cost of acquisition, including non-refundable taxes & duties, expenditure on installations, attributable pre-operative expenses including borrowing cost and other identifiable direct expenses incurred upto the date of commencement of commercial use of the assets.

1.06 Foreign Currency Transaction (As-11)

Transaction denominated in foreign currencies is normally recorded at the exchange rate prevailing on the day of transaction.

Monetary items denominated in foreign currency at the year-end and not covered by the foreign exchange contract are translated at year end rates.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account.

1.07 Employee Benefits (As – 15)

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement profit and loss for the year in which the related service is rendered. Retirement and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of retirement and other long term benefits are charged to the statement profit and loss.



1.08 Taxes On Income (As-22)

Current tax is determined as the amount of tax payable to the Taxation Authorities in respect of taxable income for the year

Deferred tax is recognized, subject to consideration of prudence, in respect of deferred tax assets, on timing differences being difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years.

In respect of unabsorbed depreciation / carry forward of losses under the tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty that future taxable income will be available against which such deferred tax assets can be realized

1.09 Provision,Contingent Liabilites And Contingent Assets (As-29)

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in financial statements.

1.10 Determination of Current and non current

For purpose of determination of current & Non current Assets and Liabilities, a period of twelve month has been taken.

1.11 Others

Except where stated, accounting policies are consistent with the accounting principles generally accepted in India and have been consistently applied.

2. Notes on Accounts for the Year Ended 31st March, 2012

SHAREHOLDERS' FUNDS

Note No. 2.01:- Share Capital

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
Authorised Share Capital		
15,000,000 Equity Shares of Rs 10 each	1,500.00	1,500.00
300,000 3% Redeemable Cumulative Preference Shares of Rs. 100 each	300.00	300.00
Issued, Subscribed & Paid up		
12,400,000 Equity Shares of Rs 10 each fully paid up	1,240.00	1,240.00
190,000 3% Redeemable cumulative Preference Shares of Rs. 100 each	190.00	190.00
Total	1,430.00	1,430.00

The Company has only two class of shares referred to as Equity Shares having a par value of Rs.10/- and Preference Shares having par value of Rs 100/- . Each holder of Equity Share is entitled to one vote per share and dividend as and when declared by the Company.

3% Redeemable Preference Shares are redeemable on 22nd September, 2013 and having right of dividend on cumulative basis if not declared/paid.



Reconciliation of the number of shares outstanding as at 31.03.2012

Particulars	Preference Shares	Equity Shares
	As at 31st March 2012	
Number of Shares outstanding at the beginning of the year	190,000	12,400,000
Add: Shares Issued during the year	-	-
Number of Shares outstanding at the end of the year	190,000	12,400,000

Shareholder holding more than 5 percent shares specifying the number of shares held

Name of Shareholder	As at 31st March 2012	
	No. of Shares held	% of Holding
Equity Shares		
Carreman, France	6,200,000	50.00%
Banswara Syntex Limited, Banswara	6,199,700	49.99%
3% Redeemable Cumulative Preference Shares		
Carreman, France	190,000	100.00%

Note No. 2.02:- Reserves & Surplus

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
Surplus		
Opening balance	58.20	40.72
Add: profit for the year	29.21	24.13
Amount available for appropriations	87.41	64.85
Less: Allocation and Appropriations		
Proposed Dividend on Preference Shares	5.70	5.70
Tax on Proposed Dividend	0.90	0.95
Closing Balance	80.81	58.20
Total	80.81	58.20

NON- CURRENT LIABILITIES

Note No. 2.03:- Long-Term Borrowings

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
Secured		
Term loans		
From Banks		
Punjab National Bank (Repayable in 32 variable quaterly installments)	720.30	890.93
Bank of Baroda (Repayable in 32 variable quaterly installments)	371.70	455.88
	1,092.00	1,346.81
Less : Current Maturities		
Punjab National Bank	195.00	162.50
Bank of Baroda	99.12	79.20
	294.12	241.70
Total	797.88	1,105.11

Term Loans are secured by Joint Equitable Mortgage and / or Hypothecation charges ranking Pari passu with each other bank on immovable/movable properties, both present & future, it is further secured by corporate guarantees by joint venturers Banswara Syntex Limited and Carreman, France, also;

(i) Term Loan from Punjab National Bank is secured by Hypothecation of Plant & Machinery, equipment / accessories, looms, spares etc. and movable property of the company; and,

(ii) Term Loan from Bank of Baroda is secured by way of hypothecation of Plant and Machinery viz. Picanol Looms, Benninger warping machines, Knotting machines etc. and it is further secured by present and future stock of raw materials, work-in-progress, semi-finished goods, finished goods, packing materials and stores etc.



Note No. 2.04:- Deferred Tax Liability

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
Deferred Tax Liability		
Difference in WDV as per book and tax	143.49	182.36
Less : Deferred Tax Assets		
Carried forward depreciation	69.54	125.76
Net Deferred Tax Liability	73.95	56.60

Net Deferred Tax Expenditure of Rs.17.35 Lacs has been charged to Statement of Profit & Loss.

Note No. 2.05:- Provisions

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
A) Long Term Provision		
Provision for Employee Benefits		
Gratuity	8.95	6.73
Leave Encashment	3.14	2.57
Total (A)	12.09	9.30
B) Short Term Provision		
Provision for Employee Benefits		
Gratuity	0.20	0.26
Leave Encashment	0.06	0.57
Provision For Taxation	10.66	
Less: Advance Tax and Tax deducted at Source (as per contra)	10.66	
Proposed Dividend on Preference Shares	5.70	5.70
Tax on Dividend	0.93	0.95
Total (B)	6.89	7.48
Total (A+B)	18.98	16.78

***Movement of Provision in Compliance of AS-29**

(Rs. In Lacs)

Particulars	Opening balance as on 31.3.2011	Provision made during the year	Utilised during the year	Amount Shown as Provision on 31.03.12
Gratuity	6.99	2.42	0.26	9.15
Leave encashment	3.14	0.64	0.57	3.21
Proposed Dividend	5.70	5.70	5.70	5.70
Tax on Proposed Dividend	0.95	0.90	0.92	0.93
Income Tax	11.01	8.50	8.85	10.66



CURRENT LIABILITIES

Note No. 2.06:- Short Term Borrowing

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
Secured		
Loans repayable on demand		
From Banks		
Bank overdraft from Punjab National Bank (Secured against FDR's)	4.45	27.00
Total	4.45	27.00

Note No. 2.07:- Trade Payable

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
For Goods		
- Micro Small & Medium Enterprises	-	-
- Others	18.72	8.34
For Services		
- Micro Small & Medium Enterprises	-	-
- Others	1.81	7.53
Total	20.53	15.87

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.

Note No. 2.08:- Other Current Liabilities

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
Current maturities of long-term debt	294.12	241.70
Statutory Liability	3.85	2.78
Outstanding Liability	87.54	23.57
Total	385.51	268.05



CARREMAN FABRICS INDIA LIMITED, BANSWARA

Note No. 2.09:- Fixed Assets

(Rs. In Lacs)

DESCRIPTION OF ASSETS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK
		As at 01.04.2011	Additions	Deductions	As at 31.03.2012	As at 01.04.2011	For the Year	Deductions	As at 31.03.2012	As at 31.03.2012
(i)Tangible Assets										
Leasehold Land		93.41	0.00	42.35	51.06	5.32	0.65	0.00	5.97	45.09
Building	3.34%	507.90	0.36	0.00	508.26	77.59	16.97	0.00	94.56	413.70
Plant & Machineries										
Plant & Machinery	10.34%	3168.14	38.68	0.00	3206.82	1519.87	328.14	0.00	1848.01	1358.81
Electric & Water Supply Installation	4.75%	101.58	0.38	0.00	101.96	20.93	4.84	0.00	25.77	76.19
Furniture & Fixtures	6.33%	56.94	2.12	0.07	58.99	13.24	3.67	0.01	16.90	42.09
Vehicles	9.50%	10.91	0.49	1.46	9.95	4.45	0.99	0.44	5.00	4.94
Office Equipments	4.75%	7.26	0.38	0.00	7.64	1.32	0.36	0.00	1.68	5.96
Others										
Computers	16.21%	9.85	0.17	0.00	10.02	6.67	1.60	0.00	8.27	1.75
Assets less than Rs. 5,000/- each										
Plant & Machineries	100.00%	0.04	0.00	0.00	0.04	0.04	0.00		0.04	0.00
Furniture & Fixtures	100.00%	0.72	0.05	0.00	0.77	0.72	0.05		0.77	0.00
Office Equipments	100.00%	0.40	0.00	0.00	0.40	0.40	0.00		0.40	0.00
Computers	100.00%	0.24	0.00	0.00	0.24	0.24	0.00	0.00	0.24	0.00
Total(i)		3957.39	42.63	43.88	3956.14	1650.79	357.27	0.45	2007.61	1948.53
Previous Year		3881.55	76.80	0.97	3957.39	1296.32	354.75	0.28	1650.79	2306.60
(ii)Capital Work In Progress										
Road & Building Work In Progress		14.58	149.04	0.00	163.63	0.00	0.00	0.00	0.00	163.63
Total(ii)		14.58	149.04	0.00	163.63	0.00	0.00	0.00	0.00	163.63
Grand Total(i+ii)		3971.97	191.68	43.88	4119.77	1650.79	357.27	0.45	2007.61	2112.16



NON- CURRENT ASSETS**Note No. 2.10:- Long term Loans & Advances****(Rs. In Lacs)**

Particulars	As at 31st March 2012	As at 31st March 2011
Unsecured, Considered Good		
Loans and advances to Related Parties	200.00	-
Capital Advances	1.20	34.78
Security Deposits	-	0.13
Total	201.20	34.91

Note No. 2.11:- Other Non Current Assets**(Rs. In Lacs)**

Particulars	As at 31st March 2012	As at 31st March 2011
CENVAT Receivable	54.58	12.64
Total	54.58	12.64

CURRENT ASSETS**Note No. 2.12:- Inventories****(Rs. In Lacs)**

Particulars	As at 31st March 2012	As at 31st March 2011
Valued at lower of cost and Net Realisable Value		
Stores & Spares	4.07	5.42
Total	4.07	5.42

Note No. 2.13:- Trade Receivables**(Rs. In Lacs)**

Particulars	As at 31st March 2012	As at 31st March 2011
Unsecured, Considered Good		
Debts due for a period exceeding six months	-	-
Other Debts	92.99	126.47
Total	92.99	126.47

Note No. 2.14:- Cash and Cash Equivalents**(Rs. In Lacs)**

Particulars	As at 31st March 2012	As at 31st March 2011
Balance with banks		
In Current Account	21.40	13.14
Fixed Deposits having Maturities more than 12 months (Including Accrued Interest there on) (Pledged with Bank)	38.86	35.60
Cash on hand	0.87	0.79
Total	61.13	49.53



Note No. 2.15:- Short Term Loans & Advances

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
Unsecured, Considered Good		
Loans and advances to Related Parties	200.00	300.00
Prepaid Expenses	0.69	0.26
Security Deposits	0.13	4.70
Other Loans & Advances	0.91	0.07
Advance to Staff	-	0.05
Advance to Suppliers	6.83	6.19
Advance against Expenses	0.91	0.02
Total	209.47	311.29

Note No. 2.16:- Other Current Assets

(Rs. In Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
Accrued Job Weaving Charges	5.88	6.99
Accrued Rent	0.88	0.00
Interest Receivable Uner TUF Scheme	31.85	64.07
FBT Refundable	2.00	2.00
Income Tax Refundable	19.79	29.12
DEPB Receivable	1.00	1.00
Advance Income Tax & Tax deducted at Source	25.77	
Less provision for Income Tax (As per Contra)	10.66	12.99
Total	76.51	116.17

Note No. 2.17 Contingent Liabilities

Contingent Liabilities not provided for in respect of claims against the company not acknowledged as debt under Service Tax Laws, Penalty is Rs. 71.55 Lacs.

There is no reimbursement possible on account of Contingent Liabilities

Note No. 2.18:- Revenue from Operation

(Rs. In Lacs)

Particulars	For the year ended 2011-12	For the year ended 2010-11
Sale of Services	970.81	957.06
Job Weaving		
Sale of Products	-	126.52
Machinery		
Total	970.81	1,083.58

Job weaving income is net off by Rs.192.85 Lacs (Previous year Rs.145.49 Lacs) for the cost of power and other resources provided by customer.

Note No. 2.19:- Other Income

(Rs. In Lacs)

Particulars	For the year ended 2011-12	For the year ended 2010-11
Interest Income	27.57	22.56
Exchange Rate Fluctuation	-	7.34
Remission in Liabilities	-	6.26
Profit on sale of Land	11.54	-
Rent Income	0.88	-
Sundry Balance W/off	0.26	-
Others	1.46	3.57
Total	41.71	39.73



Accounting Standard -11 "The Effects of Changes in Foreign Exchange Rates

The exchange difference on Deferred Payment Credit has been recognised as income and credited to statement of Profit & Loss.

Note No. 2.20:- Direct Manufacturing Expenses*

(Rs. In Lacs)

Particulars	For the year ended 2011-12	For the year ended 2010-11
Power & Fuels	-	78.07
Stores & Spare Parts Consumed	135.81	116.03
Loading, Unloading & Cartage Exps	11.44	9.27
Mending and Checking Expenses	69.46	71.55
Drawing & Knotting Charges	24.12	24.32
Factory Maintenance Expenses	10.82	9.91
Repairs to:		
- Plant & Machinery	16.03	16.35
- Building	3.05	0.96
- Others	1.39	1.26
Total	272.12	327.72

*This line item is added for better understanding of company's financial position/performance.

Note No. 2.21:- Employee Benefits Expense

(Rs. In Lacs)

Particulars	For the year ended 2011-12	For the year ended 2010-11
Salaries and wages	150.83	131.57
Contributions to -		
Provident fund	13.57	11.71
ESIC	5.74	3.46
Staff welfare expenses	5.61	6.64
Total	175.75	153.38

Accounting Standard: 15 "Employee Benefits"

The disclosures of Employee benefits as defined in the accounting standard are given below:

1. Defined Contribution Plan

Employer's contribution to provident fund paid Rs. 5.43 Lacs (Previous year Rs. 4.60 Lacs) has been recognized as expense for the year.

2. Defined Benefit Plan

Present value of gratuity and earned leave obligation is determined based on actuarial valuation using the projected unit credit method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each units separately to built up the final obligation. Short term earned leave encashed during the year charged to Statement of Profit & Loss.



i) Changes in present value of obligations

Particulars	Gratuity	Leave Encashment
	31.03 2012	31.03.2012
1. Assumptions		
Mortality	LIC(1994-96) Ult	LIC(1994-96) Ult
Discount Rate	8.50%	8.50%
Rate of increase in compensation	4.00%	4.00%
Rate of return (expected) on plan assets withdrawal rates	0.80%	0.80%
II. Changes in Present Value of Obligations (PVO)		
PVO at beginning of period	6.99	3.15
Interest Cost	0.57	0.24
Current Service Cost	2.45	0.89
Benefits paid	(0.26)	(0.58)
Actuarial (gain)/loss on obligation	(0.60)	(0.49)
PVO at end of period	9.15	3.21
III. Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss account		
PVO at end of period	9.15	3.21
Fair Value of Plan Assets at end of period	-	-
Funded Status	(9.15)	(3.21)
Unrecognized Actuarial Gain/(Loss)	-	-
Net Asset/(Liability) recognized in the balance sheet	(9.15)	(3.21)
IV. Expense recognized in the statement of P&L A/C		
Current Service Cost	2.45	0.89
Interest Cost	0.57	0.24
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss recognized for the period	(0.60)	(0.49)
Expense recognized in the statement of P&L A/C	2.42	0.64
V. Movements in the liability recognized in Balance Sheet		
Opening Net Liability	6.99	3.15
Adjustment to Opening Fair Value of Plan Assets	-	-
Expenses as above	2.42	0.64
Benefits paid	(0.26)	(0.58)
Closing Net Liability	9.15	3.21
VI. Schedule VI Detail		
Current Liability	0.20	0.06
Non Current Liability	8.95	3.14
Total	9.15	3.21

Note No. 2.22 Finance Cost

(Rs. In Lacs)

Particulars	For the year ended 2011-12	For the year ended 2010-11
Interest Expenses	111.62	93.10
Interest on Service Tax Demand	22.28	-
Other Borrowing Costs	1.60	1.61
Total	135.50	94.71



Note No. 2.23:-Other Expenses (Administrative Expenses & Selling Expenses)**(Rs. In Lacs)**

Particulars	For the year ended 2011-12	For the year ended 2010-11
Insurance Charges	1.32	1.57
Payment to Auditors As Auditors		
Statutory Audit Fees	1.25	1.13
Tax Audit Fees	0.25	0.23
Service Tax In other capacity	0.15	0.16
Taxation Matters	0.22	0.22
Rates & Taxes	0.44	0.73
Miscellaneous Expenses		
Administrative Expenses	13.19	14.48
Total	16.82	18.52

Note No. 2.24:-Earning Per Share**(Rs. In Lacs)**

Particulars	For the year ended 2011-12	For the year ended 2010-11
Net profit after tax	29.21	24.13
Less: Dividend (including tax thereon)	6.61	6.65
Profit available to equity shareholders	22.60	17.48
Weighted average no. of equity shares	124.00	124.00
Nominal value of equity shares	10.00	10.00
Basic /Diluted earnings per equity share	0.18	0.14

Dividend on Preference shares and tax thereon is provided for financial year 2011-12 amounting to Rs. 6.61 Lacs for distribution.

Note No. 2.25 Accounting Standard -17 "Segment Reporting"

Company is engaged in production of Textile Product having integrated working. For management purposes, company is organized into one major operating activity of the textile products. Accordingly company is of view that it has only single business segment.

Note No. 2.26 Accounting Standard -18 "Related Party Disclosure"

The disclosure of related parties as defined in the accounting standard and details of transactions with them are given below:

i) Relationship: -**a) Joint Venturer & Associate Concerns:**

Banswara Syntex Ltd., Banswara
Carreman, France

b) Key Managerial Person

Sh. Manish Rakundla Whole Time Director



ii) Transactions with related parties are as follows: -

S. No.	Name of Party	Particulars of Transaction	Amount (Rs. In lacs)
A	M/s. Banswara Syntex Ltd	Finish Cloth Purchased	0.37
		Stores & Spares Purchase	0.46
		Stores & Spares Sale	0.31
		Sales of Land	53.88
		Mending of Fabrics	0.52
		Job Weaving done	971.92
		Term Loan given	400.00
		Interest on Term Loan received.	21.36
		Outstanding Amt. (Including Loan)	492.98
B	Sh. Manish Rakundala	Director's Remuneration	
		Salary	7.20
		PF Contribution	0.86
		Others	3.16

Note No. 2.27 Value of Stores & Spares consumed

(Rs. In lacs)

	Particulars	2011-2012		2010-2011	
		Amount	Percentage	Amount	Percentage
i)	Imported	97.71	71.94%	78.81	67.91%
ii)	Indigenous	38.10	28.06%	37.22	32.08%
		135.81	100.00%	116.03	100.00%

Note No. 2.28 Expenditure in foreign currency in respect of:

(Rs. In lacs)

	Particular	2011-2012	2010-2011
i)	On Revenue Account	69.41	61.44
ii)	On Capital Account	24.08	284.71

In terms of our Examination Report of even date:

For **KALANI & COMPANY**

Chartered Accountants

FRN - 00722C

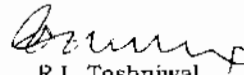
S P JHANWAR

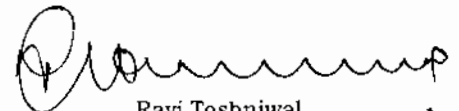
Partner

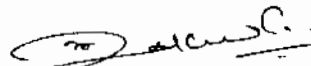
M.No.074414

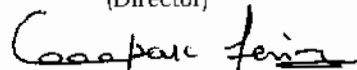
PLAZA BANSWARA
JAIPUR
DATED: 17th May 2012




R.L. Toshniwal
(Director)


Ravi Toshniwal
(Director)


Manish Rakundla
(Director)


Sr. Manager A/c


Asst. Co. Secretary

CARREMAN FABRICS INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Figures In INR)

PARTICULARS	For the Year 2011-2012		For the Year 2010-2011	
	Detail Amount	Amount	Detail Amount	Amount
Cash Flow from Operating Activities				
Net Profit after tax as per Profit & Loss Account		29.21		24.13
Adjustment for:				
Provision for Tax		25.85		23.58
Net Profit before tax and extra ordinary items		55.06		47.71
Adjusted for :				
Depreciation	357.27		354.75	
Interest on term Loan	111.62		93.10	
Unrealised Foreign exchange (Gain)/Loss	-		(7.34)	
Interest on FDR & Others	(27.57)		(22.56)	
Profit on sale of Fixed Assets	(11.54)			
		429.77		417.94
Operating Profit before working capital changes		484.83		465.65
Adjusted for :				
Increase in trade and other receivables	(41.77)		(67.06)	
Decrease in Inventories	1.35		(1.44)	
Increase in trade payable	49.38	8.97	40.40	(28.09)
Cash Flow from Operating Activities before Tax		493.80		437.56
Less: Fringe Benefit Tax Paid				
Less: Prior-year Item				
Net cash flow from Operating Activities (A)		493.80		437.56
Cash Flow from Investing Activities				
Purchase of Fixed Assets	(192.12)		(90.71)	
Sale of Fixed Assets	55.42			
Interest on FDR & Others	27.57		22.56	
Net cash flow from Investing Activities (B)		(109.13)		(68.15)
Cash Flow from Financing Activities				
Proceeds from issue of share capital	-		-	
Payment against long-term borrowings	(254.81)		(245.48)	
Payment against Preference Dividend	(5.70)		(5.70)	
Dividend Distribution Tax	(0.92)		(0.95)	
Payment against Deferred Payment Credit			(164.31)	
Interest on term Loan	(111.62)		(93.10)	
Preliminary & Share Capital Issue Expenses		(373.05)		(509.53)
Net cash flow from Financing Activities (C)		(373.05)		(509.53)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		11.62		(140.12)
Opening Balance of cash and cash equivalents		49.53		189.64
Closing Balance of cash and cash equivalents		61.15		49.53

Notes: (1) The Above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by the The Institute of Chartered Accountants of India.

(2) Cash and Cash equivalents as at the end includes Bank Balances & Deposits.

(3) Previous year's figures have been regrouped wherever necessary.

In terms of our Report of even date:
For **KALANI & COMPANY**
Chartered Accountants
FRN - 00722C

S.P.J. ANWAR
Partner
M.No.074414



R.L. Toshniwal
R.L. Toshniwal
(Director)

Ravi Toshniwal
Ravi Toshniwal
(Director)

Manish Rakundla
Manish Rakundla
(Director)

Sr. Manager A/c
Sr. Manager A/c

Asst.Co. Secretary
Asst.Co. Secretary