



KALANI & COMPANY

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
CARREMAN FABRICS INDIA LIMITED, BANSWARA

Report on the Financial Statements

We have audited the accompanying financial statements of CARREMAN FABRICS INDIA LIMITED, ("the Company") which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Audit involves performing procedure to obtain audit evidence about the amounts and disclosure in the financial statements. The procedure selected depends upon auditor's judgment, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

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accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

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

Opinion

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the order") issued by Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the Act , we report that:
 - a. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statements dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of section 211 of the Companies Act,1956;

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- e. On the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **KALANI & COMPANY**
Chartered Accountants
FRN- 000722C

S.P. JHANWAR
Partner
M. No. 074414

Place of Signature: Bhiwara
Date: 12/06/2013

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Statement referred to in our audit report of even date to the members of the **CARREMAN FABRICS INDIA LIMITED** on the accounts for the year ended 31st March, 2013.

- (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 loan of Rs. 400 Lacs (Outstanding is Rs.300 Lacs as on 31.03.2013) loan to the Company 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.
- (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. Accordingly clause 4(iii)(f) and (g) is not applicable

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- (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 *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 generally 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,

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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, 2013 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.
- (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

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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

Place of Signature: Bhilwara
Date: 18/06/2013

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CARREMAN FABRICS INDIA LIMITED, BANSWARA

BALANCE SHEET AS AT 31ST MARCH 2013

(Rs. In Lacs)

Particulars		Note No.	As at 31st March 2013	As at 31st March 2012
I EQUITY AND LIABILITIES				
(1) Shareholders' funds				
(a)	Share capital	2.01	1,430.00	1,430.00
(b)	Reserves and surplus	2.02	51.46	80.81
(2) Non-current liabilities				
(a)	Long-term borrowings	2.03	450.01	797.88
(b)	Deferred tax liabilities (Net)	2.04	73.50	73.95
(c)	Long-term provisions	2.05	14.66	12.09
(3) Current liabilities				
(a)	Short-term borrowings	2.06	19.27	4.45
(b)	Trade payables	2.07	8.94	20.53
(c)	Other current liabilities	2.08	372.53	385.51
(d)	Short-term provisions	2.05	6.97	6.89
TOTAL			2,427.32	2,812.11
II ASSETS				
Non-current assets				
(1) (a) Fixed assets				
(i)	Tangible assets	2.09	1,789.16	1,948.53
(ii)	Capital work-in-progress	2.09	10.73	163.63
(b)	Long-term loans and advances	2.10	200.00	201.20
(c)	Other non-current assets	2.11	54.58	54.58
(2) Current assets				
(a)	Inventories	2.12	7.20	4.07
(b)	Trade receivables	2.13	31.10	92.99
(c)	Cash and cash equivalents	2.14	138.17	61.13
(d)	Short-term loans and advances	2.15	118.41	209.47
(e)	Other current assets	2.16	77.97	76.51
TOTAL			2,427.32	2,812.11

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 Report of even date:

For **KALANI & COMPANY**

Chartered Accountants

FRN/00722C



S. P. JHANWAR

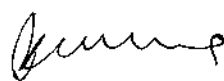
Partner

M.No.74414

KALANI & COMPANY

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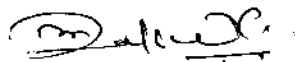
DATE: 6th June, 2013

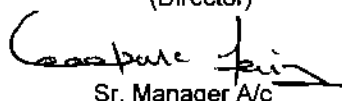
R.L. Toshniwal
(Director)



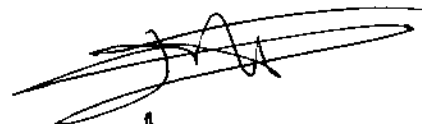
Ravi Toshniwal
(Director)



Manish Rakundla
(Director)



Sr. Manager A/c




CARREMAN FABRICS INDIA LIMITED, BANSWARA

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31st MARCH 2013

(Rs. In Lacs)

Particulars		Note No.	For the Year ended 31st March 2013	For the Year ended 31st March 2012
I	Revenue from Operations	2.18	827.78	970.81
II	Other Income	2.19	65.89	41.71
III	Total Revenue (I + II)		893.67	1,012.52
IV	Expenses:			
	Direct Manufacturing Expenses	2.20	215.41	272.12
	Employee benefits expense	2.21	192.90	175.75
	Finance cost	2.22	79.07	135.50
	Depreciation and amortization expense	2.09	367.08	357.27
	Other expenses (Administrative & Selling Expenses)	2.23	62.33	16.82
	Total expenses		916.79	957.46
V	Profit before exceptional and extraordinary items and tax (III-IV)		(23.12)	55.06
VI	Exceptional items		-	-
VII	Profit before extraordinary items and tax (V - VI)		(23.12)	55.06
VIII	Extraordinary Items		-	-
IX	Profit before Prior period items and tax (VII-VIII)		(23.12)	55.06
X	Prior Period Items		-	-
XI	Profit/(Loss) before tax		(23.12)	55.06
XII	Tax expense:			
	(1) Current Year Tax		-	8.50
	(2) Deferred Tax Assets / (Liability)		0.45	(17.35)
XIII	Profit (Loss) for the period from continuing operations (XI-XII)		(22.67)	29.21
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)		(22.67)	29.21
XVIII	EARNINGS PER EQUITY SHARE			
	Equity shares of par value `10/- each			
	(1) Basic	2.23	(0.24)	0.18
	(2) Diluted	2.23	(0.24)	0.18

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 Report of even date:

For **KALANI & COMPANY**

Chartered Accountants

FRN - 00722C



S. P. JHANWAR

Partner

M.No.074414

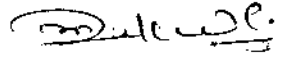
PLACE: BANSWARA

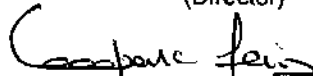
DATED: 6th June, 2013





R.L. Toshniwal
(Director)


Ravi Toshniwal
(Director)


Manish Rakundla
(Director)


Sr. Manager A/c



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.

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 Liabilities 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, 2013

SHAREHOLDERS' FUNDS

Note No. 2.01:- Share Capital

(Rs. In Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
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 31.03.2013

Particulars	Preference Shares	Equity Shares
	As at 31st March 2013	As at 31st March 2013
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

Name of Shareholder	As at 31st March 2013	
	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 2013	As at 31st March 2012
Surplus		
Opening balance	80.81	58.20
Add: profit for the year	(22.67)	29.21
Amount available for appropriations	58.14	87.41
Less: Allocation and Appropriations		
Proposed Dividend on 3% Preference Shares	5.70	5.70
Tax on Proposed Dividend	0.97	0.90
Closing Balance	51.46	80.81
Total	51.46	80.81



NON- CURRENT LIABILITIES

Note No. 2.03:- Long-Term Borrowings

(Rs. In Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
Secured		
(A) Term loans		
From Banks		
Punjab National Bank	489.38	720.30
Bank of Baroda	254.74	371.70
	744.13	1,092.00
Less : Current Maturities		
Punjab National Bank	195.00	195.00
Bank of Baroda	99.12	99.12
	294.12	294.12
Total	450.01	797.88

(A) 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 2013	As at 31st March 2012
Deferred Tax Liability		
Difference in WDV as per books and tax	99.80	143.49
Less : Deferred Tax Assets		
Carried forward depreciation	26.30	69.54
Net Deferred Tax Liability	73.50	73.95

Net Deferred Tax Assets / (Expenditure) of Rs. 0.46 Lacs (Rs.-17.35 Lacs Previous Year) has been charged to Statement of Profit and Loss.

Note No. 2.05:- Provisions

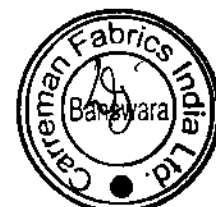
(Rs. In Lacs)

Particulars	As at 31st March 2013	As at 31st March 2012
A) Long Term Provision		
Provision for Employee Benefits		
Gratuity	10.95	8.95
Leave Encashment	3.71	3.14
Total (A)	14.66	12.09
B) Short Term Provision		
Provision for Employee Benefits		
Gratuity	0.22	0.20
Leave Encashment	0.08	0.06
Provision For Taxation	0.17	-
Less: Advance Tax and Tax deducted at Source (as per contra)	0.17	-
Proposed Dividend on Preference Shares	5.70	5.70
Tax on Dividend	0.97	0.93
Total (B)	6.97	6.89
Total (A+B)	21.62	18.98

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

(Rs. In Lacs)

Particulars	Opening balance as on 31.3.2012	Provision made during the year	Utilised during the year	Amount Shown as Provision on 31.03.13
Gratuity	9.15	4.88	2.86	11.17
Leave encashment	3.21	1.28	0.70	3.78
Proposed Dividend	5.70	5.70	5.70	5.70
Tax on Proposed Dividend	0.92	0.97	0.92	0.97
Income Tax	10.66	-	10.49	0.17



CURRENT LIABILITIES**Note No. 2.06:- Short Term Borrowing****(Rs. In Lacs)**

Particulars	As at 31st March 2013	As at 31st March 2012
Secured		
Loans repayable on demand		
From Banks		
Bank overdraft from Punjab National Bank (Secured against FDR's)	19.27	4.45
Total	19.27	4.45

Note No. 2.07:- Trade Payable**(Rs. In Lacs)**

Particulars	As at 31st March 2013	As at 31st March 2012
For Goods		
- Micro Small & Medium Enterprises	-	-
- Others	5.20	18.05
For Services		
- Micro Small & Medium Enterprises	-	-
- Others	3.74	2.49
Total	8.94	20.53

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 2013	As at 31st March 2012
Current maturities of long-term debt	294.12	294.12
Statutory Liability	3.72	3.85
Outstanding Liability	74.69	87.54
Total	372.53	385.51



CARREMAN FABRICS INDIA LIMITED, BANSWARA
ACCOUNTING YEAR 2012-2013 ASSESSMENT YEAR 2013-2014

Note No. 2.09:- Fixed Assets

(Rs. In Lacs)

DESCRIPTION OF ASSETS	RATE	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 01.04.2012	Additions	Deductions	As at 31.03.2013	As at 01.04.2012	For the Year	Deductions	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
(i) Tangible Assets											
Leasehold Land		51.06	0.00	0.00	51.06	5.97	0.65	0.00	6.62	44.44	45.09
Building	3.34%	508.26	197.03	0.00	705.29	94.57	22.68	0.00	117.25	588.04	413.70
Plant & Machineries											
Plant & Machinery	10.34%	3206.82	2.96	2.34	3207.45	1848.01	331.82	1.47	2178.36	1029.08	1358.81
Electric & Water Supply Installation	4.75%	101.96	6.78	0.00	108.74	25.76	5.14	0.00	30.90	77.84	76.20
Furniture & Fixtures	6.33%	58.99	0.75	0.54	59.21	16.90	3.74	0.19	20.45	38.75	42.10
Vehicles	9.50%	9.94	0.53	0.00	10.47	5.00	0.99	0.00	5.99	4.48	4.94
Office Equipments	4.75%	7.64	0.41	0.00	8.05	1.68	0.37	0.00	2.04	6.01	5.97
Others											
Computers	16.21%	10.01	0.44	0.00	10.45	8.27	1.66	0.00	9.93	0.53	1.74
<u>Assets less than Rs. 5,000/- each</u>											
Plant & Machineries	100.00%	0.04	0.00	0.00	0.04	0.04	0.00	0.00	0.04	0.00	0.00
Furniture & Fixtures	100.00%	0.77	0.03	0.00	0.80	0.77	0.03	0.00	0.80	0.00	0.00
Office Equipments	100.00%	0.40	0.00	0.00	0.40	0.40	0.00	0.00	0.40	0.00	0.00
Computers	100.00%	0.24	0.00	0.00	0.24	0.24	0.00	0.00	0.24	0.00	0.00
Total(i)		3956.14	208.93	2.88	4162.20	2007.61	367.08	1.66	2373.03	1789.16	1948.53
Previous Year		3957.39	42.63	43.88	3956.14	1650.79	357.27	0.45	2007.61	1948.53	
(ii) Capital Work In Progress											
Road & Building Work In Progress		163.63	10.73	163.63	10.73	0.00	0.00	0.00	0.00	10.73	163.63
Total(ii)		163.63	10.73	163.63	10.73	0.00	0.00	0.00	0.00	10.73	163.63
Grand Total(i+ii)		4119.77	219.66	166.50	4172.93	2007.61	367.08	1.66	2373.03	1799.90	2112.16



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

Particulars	As at 31st March 2013	As at 31st March 2012
Unsecured, Considered Good		
Loans and advances to Related Parties	200.00	200.00
Capital Advances	-	1.20
Security Deposits	-	-
Total	200.00	201.20

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

Particulars	As at 31st March 2013	As at 31st March 2012
CENVAT Receivable	54.58	54.58
Total	54.58	54.58

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

Particulars	As at 31st March 2013	As at 31st March 2012
Valued at lower of cost and Net Realisable Value		
Stores & Spares	7.20	4.07
Total	7.20	4.07

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

Particulars	As at 31st March 2013	As at 31st March 2012
Unsecured, Considered Good		
Debts due for a period exceeding six months	-	-
Other Debts	31.10	92.99
Total	31.10	92.99

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

Particulars	As at 31st March 2013	As at 31st March 2012
Balance with banks		
in Current Account	101.30	21.40
Fixed Deposits having Maturities more than 12 months (Including Accrued Interest there on) (Pledged with Bank)	36.75	38.86
Cash on hand	0.12	0.87
Total	138.17	61.13



Note No. 2.15:- Short Term Loans & Advances**(Rs. In Lacs)**

Particulars	As at 31st March 2013	As at 31st March 2012
Unsecured, Considered Good		
Loans and advances to Related Parties	100.00	200.00
Prepaid Expenses	0.88	0.69
Security Deposits	0.13	0.13
Other Loans & Advances	7.06	1.24
Advance to Staff	0.61	0.59
Advance to Suppliers	9.73	6.83
Total	118.41	209.47

Note No. 2.16:- Other Current Assets**(Rs. In Lacs)**

Particulars	As at 31st March 2013	As at 31st March 2012
Accrued Job Weaving Charges	3.54	5.88
Accrued Rent	0.00	0.88
Accrued Income	12.75	0.00
Interest Receivable Under TUF Scheme	17.86	31.85
FBT Refundable	2.00	2.00
Income Tax Refundable	19.91	19.79
DEPB Receivable	0.00	1.00
Advance Income Tax & Tax deducted at Source	22.09	
Less provision for Income Tax (As per Contra)	0.17	
Total	77.97	76.51

Note No. 2.17 Contingent Liabilities

Contingent Liability of Rs. 29.66 Lacs in respect of Service Tax matters not provided as on 31.03.2013 .

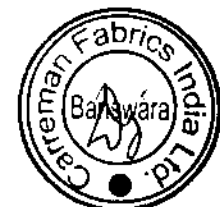
Note No. 2.18:- Revenue from Operation**(Rs. In Lacs)**

Particulars	For the year ended 2012-13	For the year ended 2011-12
Sale of Services		
Job Weaving	827.78	970.81
Total	827.78	970.81

Job weaving income is net off by Rs 243.33 (Rs.233.98 Lacs Previous Year) 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 2012-13	For the year ended 2011-12
Interest Income	53.04	27.57
Profit on sale of Land	-	11.54
Rent Income	9.60	0.88
Sundry Balance W/off	-	0.28
Others	3.25	1.46
Total	65.89	41.71



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 2012-13	For the year ended 2011-12
Power & Fuels	-	-
Stores & Spare Parts Consumed	86.41	135.81
Loading, Unloading & Cartage Exps	12.41	11.44
Mending and Checking Expenses	61.85	69.46
Drawing & Knotting Charges	26.12	24.12
Factory Maintenance Expenses	13.60	10.82
Repairs to:		
- Plant & Machinery	10.69	16.03
- Building	2.32	3.05
- Others	2.02	1.39
Total	215.41	272.12

*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 2012-13	For the year ended 2011-12
Salaries and wages	167.90	150.83
Contributions to -		
Provident fund	14.39	13.57
ESIC	4.30	5.74
Staff welfare expenses	6.31	5.61
Total	192.90	175.75

Accounting Standard: 15 "Employee Benefits"

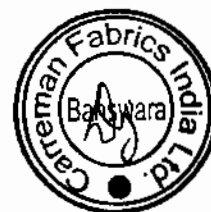
The disclosures of Employee benefits as defined in the accounting standard are given below:

1. Defined Contribution Plan

Employer's contribution to provident fund paid Rs. 5.71 Lacs (Previous year Rs. 5.21 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
	31.03.2013	31.03.2013
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	9.15	3.21
Interest Cost	0.66	0.24
Current Service Cost	0.79	2.39
Benefits paid	(2.86)	(0.70)
Actuarial (gain)/loss on obligation	3.43	(1.35)
PVO at end of period	11.17	3.78
III. Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss account		
PVO at end of period	11.17	3.78339
Fair Value of Plan Assets at end of period		
Funded Status	(11.17)	(3.78)
Unrecognized Actuarial Gain/(Loss)		
Net Asset/(Liability) recognized in the balance sheet	(11.17)	(3.78)
IV. Expense recognized in the statement of P&L A/C		
Current Service Cost	0.79	2.39
Interest Cost	0.66	0.24
Expected Return on Plan Assets		
Net Actuarial (Gain)/Loss recognized for the period	3.43	(1.35)
Expense recognized in the statement of P&L A/C	4.88	1.28
V. Movements in the liability recognized in Balance Sheet		
Opening Net Liability	9.15	3.21
Adjustment to Opening Fair Value of Plan Assets		
Expenses as above	4.88	1.28
Benefits paid	(2.86)	(0.70)
Closing Net Liability	11.17	3.78
VI. Schedule VI Detail		
Current Liability	0.22	0.08
Non Current Liability	10.95	3.71
Total	11.17	3.78

Note No. 2.22 Finance Cost

(Rs. In Lacs)

Particulars	For the year ended 2012-13	For the year ended 2011-12
Interest Expenses	77.13	111.62
Other Borrowing Costs	1.94	23.88
Total	79.07	135.50



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

Particulars	For the year ended 2012-13	For the year ended 2011-12
Insurance Charges	1.83	1.32
Payment to Auditors		
As Auditors		
Statutory Audit Fees	1.38	1.25
Tax Audit Fees	0.28	0.25
Service Tax	0.23	0.15
In other capacity		
Taxation Matters	0.24	0.22
Rates & Taxes	0.93	0.44
Penalty on Service Tax	41.94	-
Miscellaneous Expenses		
Administrative Expenses	15.51	13.19
Total	62.33	16.82

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

Particulars	For the year ended 2012-13	For the year ended 2011-12
Net profit after tax	(22.67)	29.21
Less: Dividend (including tax thereon)	6.67	6.61
Profit available to equity shareholders	(29.34)	22.60
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	(0.24)	0.18

Dividend on Preference shares and tax thereon is provided for financial year 2012-13 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 Rakundia 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	0.41
		Stores & Spares Purchase	9.89
		Mending of Fabrics	1.65
		Job Weaving	830.12
		Term Loan given	400.00
		Interest on Loan received.	51.93
		Outstanding Amt (Including Loan)	331.10
B	Carreman France	Amount	4.36
C	Treves Banswara Private Ltd	Rent Received	9.60
D	Sh. Manish Rakundala	Director's Remuneration	
		Salary	8.16
		PF Contribution	0.98
		Others	2.66

Note No. 2.27 Value of Stores & Spares consumed

(Rs. In lacs)

Particulars	2012-2013		2011-2012	
	Amount	Percentage	Amount	Percentage
i) Imported	58.54	67.74%	97.71	71.94%
ii) Indigenous	27.87	32.26%	38.1	28.06%
	86.41	100.00%	135.81	100.00%

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

(Rs. In lacs)

Particular	2012-2013	2011-2012
i) On Revenue Account	58.54	69.41
ii) On Capital Account	-	24.08

in terms of our Report of even date:

For **KALANI & COMPANY**

Chartered Accountants

FRN/00722C

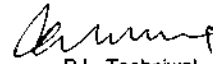
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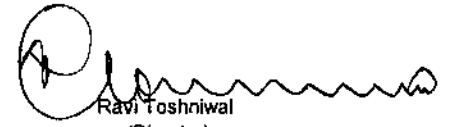
Partner

M.No.012214

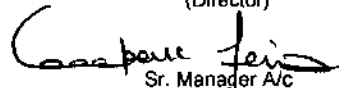
PLACE: BANSWARA
DATE: 27th July, 2013

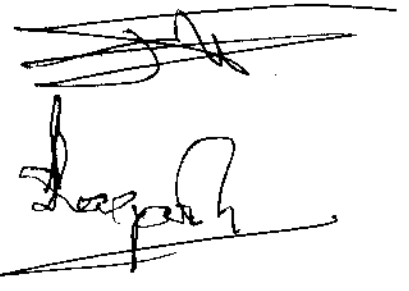



R.L. Toshniwal
(Director)


Ravi Toshniwal
(Director)


Manish Rakundla
(Director)


Sr. Manager A/C



CARREMAN FABRICS INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Figures in INR)

PARTICULARS	For the Year 2012-2013		For the Year 2011-2012	
	Detail Amount	Amount	Detail Amount	Amount
Cash Flow from Operating Activities				
Net Profit after tax as per Profit & Loss Account		(22.67)		29.21
Adjustment for:				
Provision for Tax		(0.45)		25.85
Net Profit before tax and extra ordinary items		(23.12)		55.06
Adjusted for :				
Depreciation	367.08		357.27	
Interest on term Loan	77.13		111.62	
Unrealised Foreign exchange (Gain)/Loss	-		-	
Interest on FDR & Others	(53.04)		(27.57)	
Profit on sale of Fixed Assets	-		(11.54)	
		391.17		429.77
Operating Profit before working capital changes		368.05		484.8
Adjusted for :				
Increase in trade and other receivables	161.19		(41.77)	
Decrease in Inventories	(3.13)		1.35	
Increase in trade payable	(15.86)	142.41	49.38	8.97
Cash Flow from Operating Activities before Tax		510.46		493.80
Less: Fringe Benefit Tax Paid		-		-
Less: Prior-year Item		-		-
Net cash flow from Operating Activities (A)		510.46		493.80
Cash Flow from Investing Activities				
Purchase of Fixed Assets	(57.69)		(192.12)	
Sale of Fixed Assets	2.88		55.42	
Interest on FDR & Others	53.04		27.57	
Net cash flow from Investing Activities (B)		(1.78)		(109.13)
Cash Flow from Financing Activities				
Proceeds from issue of share capital	-		-	
Payment against long-term borrowings	(347.88)		(254.81)	
Payment against Preference Dividend	(5.70)		(5.70)	
Dividend Distribution Tax	(0.92)		(0.93)	
Interest on term Loan	(77.13)		(111.62)	
Preliminary & Share Capital Issue Expenses		(431.64)		(373.06)
Net cash flow from Financing Activities (C)		(431.64)		(373.06)
Net Increase/ (decrease) in cash and cash equivalents (A+B+C)		77.05		11.61
Opening Balance of cash and cash equivalents		61.14		49.53
Closing Balance of cash and cash equivalents		138.19		61.14
Notes: (1) The Above Cash Flow Statement has been prepared under the "Indirect Method" as set out in 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. JHANSIYAR
Partner
M.No.074414

PLAZA BANSHWARA
DATE: 6th June 2013



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

Ravi Toshniwal
Ravi Toshniwal
(Director)

Menish Rakundla
Menish Rakundla
(Director)

Carreman Fab
Sr. Manager A/c

[Signature]