



Bipinchandra J. Modi & Co.

Chartered Accountants

B.No. 18/A, Prakash Co-Op. Hsg. Society

B/h Intelligent Guidance Classes

Athwalines, Surat 395 001

Phone :- 2665349, Mobile : 9376822354

Email : bjmodi@gmail.com

PAN : AAHFB2203M

STC No.: AAHFB2203MST001

Bipin Modi

B. Com. FCA, DISA (CAAT)

Alok Gandhi

M.Com., ACA

~~Auditors Report~~

To the Members,


BIJLEE TEXTILES LIMITED

1. We have audited the attached Balance sheet of **BIJLEE TEXTILES LIMITED** as at 31st March, 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company 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.
2. We conducted our audit in accordance with the 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.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government 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 paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, We report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of the books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2010 and taken on record by the Board of Directors. We report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts read along with Significant Accounting Policies and notes thereon, 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:
 - i) in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2010;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Bipinchandra J. Modi & Co.**

Chartered Accountants




(Bipin J. Modi)

Partner

Membership No. 31687

Surat, dated: August 11, 2010



Bipin Modi

B. Com. FCA, DISA (CAAT)

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**Annexure referred to in paragraph 3 of our report of even date on the accounts
for the year ended 31st March, 2010**

- i. The Company has no fixed assets, hence paragraphs (i)(a), (b) and (c) of the Order are not applicable.
- ii. (a) As explained to us, inventories were 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 were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. (a) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii)(b), (c), (d), (e), (f), (g) of the Order are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory 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 weaknesses in internal control.
- v. (a) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered in to the register maintained under Section 301 of the Companies Act, 1956, paragraph (v)(b) of the Order is not applicable.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the products of the Company.
- ix. (a) According to information and explanations given to us, the Company is generally been regular in depositing undisputed statutory dues as applicable with the appropriate authorities during the year.

(b) According to information and explanation given to us, there are no statutory dues as applicable which have not been deposited on account of any dispute.
- x. The Company does not have accumulated losses as at 31st March, 2010 and has not incurred cash losses during the financial year ended on that date or in the immediately preceding financial year.
- xi. The Company has not taken any loans from financial institutions or banks or debenture holders and hence the question of default in repayment of dues and the period and amount does not arise.
- xii. In our opinion, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and any other securities.





Bipinchandra J. Modi & Co.

Chartered Accountants
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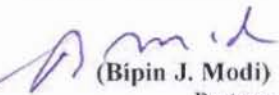
Bipin Modi
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-- 2 --

- xiii. The provisions of any special statute as specified under paragraph (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion and according to information and explanation given to us, the Company is not a dealer or a trader in shares, securities, debentures and other investments.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. The Company has not taken any term loan during the current year.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investment, and vice versa.
- 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 Companies Act, 1956 during the year.
- xix. The Company has not issued any debentures during the year.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **Bipinchandra J. Modi & Co.**
Chartered Accountants




(Bipin J. Modi)
Partner
Membership No. 31687

Surat, dated: August 11, 2010

BALANCE SHEET as at 31st March, 2010

	Schedule	31-3-2010 Rs.	31-3-2009 Rs.
I. SOURCES OF FUNDS :			
Shareholders' Funds:			
Share Capital	1	1,15,00,000	1,15,00,000
Reserve and Surplus	2	4,06,93,209	3,97,18,855
Total		<u>5,21,93,209</u>	<u>5,12,18,855</u>
II. APPLICATION OF FUNDS :			
Investments	3	5,21,87,326	5,11,15,555
Current Assets, Loans & Advances :	4		
Cash and Bank balances		1,47,127	2,57,468
Loans and Advances		2,85,805	2,84,450
		<u>4,32,932</u>	<u>5,41,918</u>
Less : Current Liabilities and Provisions :	5		
Current Liabilities		10,648	25,708
Provisions		4,16,402	4,16,850
		<u>4,27,050</u>	<u>4,42,558</u>
Net current asset		5,883	99,360
Deferred tax asset		--	3,940
Total		<u>5,21,93,209</u>	<u>5,12,18,855</u>
Notes forming part of the accounts	9		

As per our report of even date

For and on behalf of the Board



Directors

Place : Surat

Date : 11-08-2010

For Bipinchandra J. Modi & Co.
Chartered Accountants

(Bipin J. Modi)

Partner

Membership No. 31687

Place : Surat

Date : 11-08-2010

PROFIT AND LOSS ACCOUNT for the year ended 31st March, 2010

INCOME :	Schedule	2009-10 Rs.	2008-09 Rs.
Sales		--	22,33,228
Other Income	6	13,28,714	18,31,972
Total		<u>13,28,714</u>	<u>40,65,200</u>
EXPENDITURE :			
Purchases		--	21,00,297
(Increase)/Decrease in stock in trade	7	--	99,603
Administrative and other expenses	8	2,16,319	2,04,601
Total		<u>2,16,319</u>	<u>24,04,501</u>
Profit before tax		11,12,395	16,60,699)
Less : Taxation - Current tax		-	1,00,600
- Deferred tax		3,940	48,483
Profit after tax		<u>11,08,455</u>	<u>15,11,616)</u>
Add : Balance brought forward		1,79,38,961	1,65,61,895
Balance available for Appropriation		<u>1,90,47,416</u>	<u>1,80,73,511</u>
APPROPRIATION :			
Proposed dividend on equity shares		50,000	50,000
Dividend on preference shares		65,000	65,000
Tax on dividend		19,102	19,550
Balance carried to Balance Sheet		1,89,13,315	1,79,38,961
		<u>1,90,47,416</u>	<u>1,80,73,511</u>
Basic & diluted earning per share (Face value of Rs.10)		2.06	2.87)

Notes forming part of the accounts

9

For and on behalf of the Board




Directors

Place : Surat

Date : 11-08-2010



As per our report of even date

For Bipinchandra J. Modi & Co.
Chartered Accountants

(Bipin J. Modi)
 Partner
 Membership No- 31687

Place : Surat

Date : 11-08-2010

Schedules annexed to and forming part of the Accounts**Schedule 1 : Share Capital**

	31-3-2010 Rs.	31-3-2009 Rs.
Authorised:		
500,000 Equity shares of Rs.10 each.	50,00,000	50,00,000
650,000 1% Redeemable Cumulative Preference shares of Rs.10 each.	65,00,000	65,00,000
	<u>1,15,00,000</u>	<u>1,15,00,000</u>
Issued, subscribed and paid up:		
500,000 Equity shares of Rs.10 each.	50,00,000	50,00,000
650,000 1% Redeemable Cumulative Preference shares of Rs.10 each.	65,00,000	65,00,000
	<u>1,15,00,000</u>	<u>1,15,00,000</u>

Note : 1% Redeemable Cumulative Preference shares of Rs.10 each is redeemable at par on or before 10 years from the date of allotment i.e.24th March, 2010.

Schedule 2 : Reserve & Surplus

General Reserve :		
As per last Balance Sheet	52,71,205	52,29,202
Add : Deferred tax assets	-	42,003
	<u>52,71,205</u>	<u>52,71,205</u>
Capital Reserve		
As per last Balance Sheet	1,65,08,689	1,65,08,689
Balance in Profit and Loss account	1,89,13,315	1,79,38,961
	<u>4,06,93,209</u>	<u>3,97,18,855</u>

Schedule 3 : Investments**Long Term Investments :****Quoted Shares :**

448,988 (424,040) Equity shares of Garden Silk Mills Ltd. of Rs.10 each fully paid.	1,15,72,365	2,61,06,988	2,39,33,928
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Un quoted shares :

500,000 (500,000) 1% Redeemable cumulative Preference Shares of Amichand Textiles Ltd. of Rs.10 each fully paid.	50,00,000	50,00,000	50,00,000
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Investment in Partnership Firm :

In Capital Account	2,10,80,338	2,10,80,338	2,21,81,627
		<u>5,21,87,326</u>	<u>5,11,15,555</u>

Aggregate Value of Investments :

	Rs.	Rs.
Quoted : Cost	1,15,72,365	93,99,305
Quoted : Market Value	3,09,35,273	1,68,34,388
Unquoted : Cost	2,60,80,338	2,71,81,627



Schedules annexed to and forming part of the Accounts

	31-3-2010 Rs.	31-3-2009 Rs.
Schedule 4 : Current Assets, Loans & Advances		
A. Current Assets :		
<u>Cash and Bank balances :</u>		
- Cash on hand	11,229	11,592
- Balance with Scheduled Banks in Current account	1,35,898	2,45,876
	<u>1,47,127</u>	<u>2,57,468</u>
B. Loans and Advances :		
Income tax paid in advance	2,85,805	2,84,450
	<u>2,85,805</u>	<u>2,84,450</u>
	<u>4,32,932</u>	<u>5,41,918</u>

Schedule 5 : Current Liabilities & Provisions

A. Current Liabilities:		
Sundry creditors	6,618	21,773
Unclaimed dividend	4,030	3,935
	<u>10,648</u>	<u>25,708</u>
B. Provisions:		
Proposed dividend on equity shares	50,000	50,000
Dividend on preference shares	65,000	65,000
Tax on dividend	19,102	19,550
Provision for Income tax	2,82,300	2,82,300
	<u>4,16,402</u>	<u>4,16,850</u>
	<u>4,27,050</u>	<u>4,42,558</u>

	2009-10 Rs.	2008-09 Rs.
Schedule 6 : Other income		
Dividend Income	7,23,482	6,86,060
Interest Income	296	2,83,742
Profit on sale of Investments	--	7,52,637
Share of profit in partnership firm	6,04,936	82,410
Miscellaneous income	--	27,123
	<u>13,28,714</u>	<u>18,31,972</u>



Schedules annexed to and forming part of the Accounts

	2009-10 Rs.	2008-09 Rs.
Schedule 7 : (Increase) / Decrease in stock in trade		
Opening stock	--	99,603
Less : Closing stock	--	--
	<u> -</u>	<u> 99,603</u>

Schedule 8 : Administrative and other expenses

Advertisement expenses	1,01,575	73,720
Audit fees	6,618	8,273
Bank charges	885	1,159
Director sitting fees	19,500	13,500
Filing fees	4,618	3,112
General charges	64,550	68,067
Insurance	222	222
Professional & legal charges	13,247	23,598
Professional tax	2,400	2,400
Securities transaction tax	2,704	10,550
	<u> 2,16,319</u>	<u> 2,04,601</u>

Schedule 9 : Notes forming part of the Accounts :**1 SIGNIFICANT ACCOUNTING POLICIES :****A. SYSTEM OF ACCOUNTING :**

The Company follows the mercantile system of accounting and recognises income & expenditure on the accrual basis.

B. INVESTMENTS :

- i) Long Term investments of the company are stated at their cost of acquisition. However long term investments acquired upto 31st March, 1996 were revalued at the estimated realisable value as on 31st March, 1996 and are stated at the same value on the Balance sheet date. The difference on account of such revaluation had been taken to capital reserve account. Necessary adjustments are made in the Capital Reserve account whenever any of the revalued investments are sold.
- ii) Provision for diminution in the value of long term investments is made only if, such a decline is other than temporary in the opinion of the management.

C. SALES & PURCHASES :

Sales & Purchases are recognised at net of returns.

D. TAXATION :

- i) Current tax has been determined and provided as the amount of tax payable in respect of taxable income for the year.
- ii) Deferred tax has been recognised, subject to the consideration of prudence, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

2 Income from Investments :

	2009-10	2008-09
a) From Trade investments	7,23,778	9,69,802
b) From other investments	--	--

3 Profit / (Loss) on Investments :

a) Long Term Investments	--	7,52,637
b) On account of membership of partnership firm	6,04,936	82,410



Schedules annexed to and forming part of the Accounts**Schedule 9 : Notes forming part of the Accounts (Contd.) :**

- 4 The Company has invested in the capital of the following partnership firm :

Name of the Partnership Firm : RAYBAN INVESTMENTS

Total Capital of the Firm : Rs.18,81,67,192/-

	Name of the partners	Share of Profit/Loss
1	Amichand Textiles Ltd.	14.00%
2	Bijlee Textiles Ltd.	2.00%
3	Jarigold Textiles Ltd.	7.00%
4	Pashah Textiles Ltd.	14.00%
5	Prabhat Silk Mills Limited	3.50%
6	Rosekamal Textiles Ltd.	14.00%
7	SPS Silk Ltd.	28.00%
8	Vareli Fabrics Pvt. Ltd.	3.50%
9	Wheel & Axle Textiles Ltd.	14.00%

- 5 Deferred Taxation :

As per Accounting Standard-22 issued by the Institute of Chartered Accountants of India on Accounting for taxes on Income, the company has recorded, on the basis of prudence, deferred tax assets amounting to Rs.Nil (Pre. Year Rs.42,003/-), on account of brought forward losses till 31st March,2009 and the same has been credited to the General Reserve account. Deferred tax liability for the year ended 31st March, 2010 amounting to Rs.3,943/- (Pre.year Rs.48,483/-) has been recognised in the Profit & Loss account.

	As on 31-3-2009	Current year charge	As on 31-3-2010
Break up of Deferred tax assets :			
Deferred revenue expenditure	3,940	3,940	--
	<u>3,940</u>	<u>3,940</u>	<u>--</u>

- 6 Provision for Current tax has been made as per the provisions of Minimum Alternate Tax.

- 7 Payment to Auditors : (including service tax)

a) For Statutory audit	6,618	6,618
b) For Tax Audit	1,655	1,655
c) For Other services	5,619	5,619

- 8 The Company has no information as to whether any of its supplier constitutes small scale Industrial undertaking & therefore the amount due to such supplier has not been identified.

- 9 Quantitative details :

Cloth :	2009-10		2008-09	
	Meters	Amount	Meters	Amount
Sales	---	---	64,540.10	22,33,228
Purchases	---	---	61,383.80	21,00,297
Opening Stock	---	---	3,156.30	99,603
Closing Stock	---	---	---	---

- 10 The Company is principally engaged in the business of Textiles. Accordingly there are no reportable segments as per Accounting Standard No.17 issued by the Institute of Chartered Accountants of India on 'Segment Reporting'.

- 11 Earning per share :

	2009-10	2008-09
a) Weighted average number of equity shares outstanding	5,00,000	5,00,000
b) Net Profit after tax available for equity shareholders	10,32,405	14,35,566
c) Basic and diluted earning per share (On Face value per share of Rs.10 each)	2.06	2.87



Schedules annexed to and forming part of the Accounts**Schedule 9 : Notes forming part of the Accounts (Contd.) :**

12 Related party disclosures as required by Accounting Standard No.18 issued by the Institute of Chartered Accountants of India are as follows :

(a) Relationships :i) Joint Ventures / Partnerships :

Alliance Investments

Rayban Investments

ii) Related enterprises where transactions have taken place :

Amichand Textiles Ltd.

Vareli Fabrics Pvt. Ltd.

Garden Silk Mills Ltd.

(b) The following transactions were carried out with related parties :

	Related Parties	
	Referred in 11(a)(i)above	Referred in 11(a)(ii)above
i) <u>Transactions during the year :</u>		
Given (net) towards capital accounts	-- (50,25,000)	-- (-)
Withdrawn (net) towards capital accounts	17,06,519 (-)	-- (-)
Interest received	296 (2,83,742)	-- (-)
Income by way of dividend	-- (-)	7,23,482 (6,86,060)
Share of Profit/(Loss) earned	6,04,936 (82,410)	-- (-)
Office administration & accounting charges	-- (-)	18,000 (25,000)
ii) <u>Outstanding balance at the end of the year :</u>		
Debit balance	2,10,80,338 (2,21,81,627)	-- (-)

Note : Figures in brackets represent previous year's amount.

13 The equity shares of the Company are listed on the following stock exchanges and the Company has duly paid the requisite amount of annual listing fees for the year 2009-10 to both the stock exchanges.

a) Ahmedabad Stock Exchange Limited.

Kamdhenu Complex, Panjarapole, Ahmedabad-380 015.

b) Bombay Stock Exchange Limited.

Phiroz Jeejeebhoy Tower, Dalal Street, Mumbai- 400 001.

14 Previous year's figures have been regrouped and / or recast wherever found necessary to make them comparable with current year figures.

15 Additional information pursuant to Part IV Schedule VI to the Companies Act, 1956 is as per Annexure " A ".

Signatures to schedules 1 to 9

For and on behalf of the Board



Directors

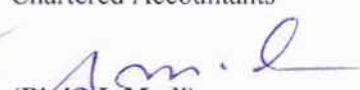
Place : Surat

Date : 11-08-2010



As per our report of even date

For Bipinchandra J. Modi & Co.
Chartered Accountants


(Bipin J. Modi)

Partner (Membership No.31687)

Place : Surat

Date : 11-08-2010

Annexure " A "

Additional information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

a) Registration details :-

Registration No.		1	3	2	5	2
State Code					0	4
Balance sheet Date	3	1	0	3	1	0

b) Capital raised during the year :-

Public Issue	N	I	L
Right Issue	N	I	L
Bonus Issue	N	I	L
Preferential Allotment	N	I	L

c) Position of mobilisation and deployment of funds (Amt. in Rs. Thousand) :-

Total Liabilities	5	2	6	2	0
Total Assets	5	2	6	2	0

Sources of funds -

Paidup Capital	1	1	5	0	0
Reserves & Surplus	4	0	6	9	3
Secured Loans			N	I	L
Unsecured Loans			N	I	L

Application of funds-

Net Fixed Assets			N	I	L
Investments	5	2	1	8	7
Net Current Assets					5
Deferred Tax Assets			N	I	L
Misc. Expenditures			N	I	L
Accumulated Losses			N	I	L

d) Performance of the company -

Total Turnover		1	3	2	9
Total Expenditures			2	1	6
+/- Profit / Loss before Tax		1	1	1	2
+/- Profit / Loss after Tax		1	1	0	8
Earning per Share in Rs.		2	.	0	6
Dividend rate in %		1	.	0	0

e) General names of three principal products/services of the company -

Item Code No. (ITC Code)	5	4	0	7
Product description	Woven fabrics of synthetic filament yarn			



CASH FLOW STATEMENT
for the year ended 31st March, 2010

(Rupees in Lacs)

	Current Year	Previous Year
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extra ordinary Items	11.12	16.61
Adjustments for -		
(Profit)/Loss on sale of Investments	--	-7.53
Dividend (received)	-7.23	-6.86
Interest (received)	-0.00	-2.84
Share of (Profit) / Loss in partnership firm	-6.05	-0.82
Operating Profit before working Capital Changes	-2.16	-1.44
Adjustments for :		
(Increase) / Decrease in Stock in trade	--	1.00
(Increase) / Decrease in Debtors	--	10.78
(Increase) / Decrease in other current Assets	--	--
Increase / (Decrease) in Current Liabilities	-0.15	-7.67
Cash generated from operations	-2.31	2.67
Direct Taxes (paid)	-0.01	-1.01
Net Cash Flow from operating Activities	-2.33	1.66
B. CASH FLOW FROM INVESTING ACTIVITIES :		
(Purchase) of Investments	-21.73	-92.35
Sale of Investments	17.07	85.66
Dividend received	7.23	6.86
(Increase) / Decrease in Loans & Advances	--	--
Net Cash from Investing Activities	2.57	0.17
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend (Paid)	-1.15	-1.15
Tax on Dividend (Paid)	-0.20	-0.20
Net Cash from Financing Activities	-1.35	-1.35
Net increase in Cash & Cash equivalents (A+B+C)	-1.10	0.49
Cash and Cash equivalent as at 01/04/2009	2.57	2.09
Cash and Cash equivalent as at 31/03/2010	1.47	2.57

For **BIJLEE TEXTILES LIMITED**

Directors

Place : Surat

Date : 11-08-2010

AUDITOR'S CERTIFICATE

I have verified the above Cash Flow Statement of Bijlee Textiles Limited from the audited ar financial statements for the years ended March 31, 2010 and found the same in accordance therev and also with the requirements of Clause 32 of the Listing agreement with the Stock Exchanges.

For **Bipinchandra J. Modi & Co.**

Chartered Accountants

(Bipin J. Modi)

Partner

Membership No 31687



Date : 11-08-2010