



Bipin Modi

B. Com. FCA, DISA (CAAT)

Alok Gandhi

M.Com., ACA

Auditors' Report

To the Members,

JARIGOLD TEXTILES LIMITED

1. We have audited the attached Balance sheet of **JARIGOLD TEXTILES LIMITED** as at 31st March, 2010 and also the Profit and Loss Account and the 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.
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, I 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)
Alok Gandhi
M.Com., ACA

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

**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. The paragraphs (ii)(a), (b) and (c) of the Order are not applicable during the year.
- 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) are not applicable.
- 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 nature of its business for the purchase of inventory, fixed assets and with regard to the sale of goods. 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.





Bipin Modi
B. Com. FCA, DISA (CAAT)
Alok Gandhi
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Bipinchandra J. Modi & Co.

Chartered Accountants
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STC No.: AAHFB2203MST001

-- 2 --

- 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.
- 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.

Surat, dated: August 11, 2010

For Bipinchandra J. Modi & Co.
Chartered Accountants



(Bipin J. Modi)

Partner

Membership No. 31687

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	1,00,00,000	1,00,00,000
Reserve & Surplus	2	4,56,25,787	4,34,17,349
Total		<u>5,56,25,787</u>	<u>5,34,17,349</u>
II. APPLICATION OF FUNDS :			
Investments	3	5,53,77,881	5,30,38,735
Current Assets, Loans & Advances:	4		
Cash and Bank Balances		1,33,293	2,79,416
Loans and Advances		4,79,632	4,79,632
		<u>6,12,925</u>	<u>7,59,048</u>
Less : Current Liabilities and Provisions :	5		
Current Liabilities		10,509	25,534
Provisions		3,54,510	3,54,900
		<u>3,65,019</u>	<u>3,80,434</u>
Net Current Assets		2,47,906	3,78,614
Total		<u>5,56,25,787</u>	<u>5,34,17,349</u>
Notes forming part of the accounts	8		

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

(Bipinchandra J. Modi)

Partner

Membership No.31687

Place : Surat

Date : 11-08-2010

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

		2009-10 Rs.	2008-09 Rs.
INCOME :			
Sales		--	25,88,274
Other income	6	25,87,260	21,00,182
Total		<u>25,87,260</u>	<u>46,88,456</u>
EXPENDITURE :			
Purchases		--	25,55,059
Operating, Administrative and other expenses	7	2,62,212	3,23,993
Total		<u>2,62,212</u>	<u>28,79,052</u>
Profit before tax		23,25,048	18,09,404
Less : Taxation - Current tax		--	1,13,500
- Deferred tax		--	--
Profit after tax		<u>23,25,048</u>	<u>16,95,904</u>
Add : Balance Brought forward		4,14,26,633	3,98,47,729
Balance available for Appropriation		<u>4,37,51,681</u>	<u>4,15,43,633</u>
APPROPRIATION :			
Proposed dividend		1,00,000	1,00,000
Tax on proposed dividend		16,610	17,000
Balance Carried to Balance Sheet		4,36,35,071	4,14,26,633
		<u>4,37,51,681</u>	<u>4,15,43,633</u>

Basic & diluted earning per share (Face value of Rs.10)

2.33

1.70

Notes forming part of the accounts

8

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

(Bipinchandra J. Modi)

Partner

Membership No.31687

Place : Surat

Date : 11-08-2010

Schedules annexed to and forming part of the Accounts

	31-3-2010 Rs.	31-3-2009 Rs.
<u>Schedule 1: Share Capital</u>		
Authorised:		
1,000,000 equity shares of Rs.10 each.	<u>1,00,00,000</u>	<u>1,00,00,000</u>
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued, subscribed and paid up:		
1,000,000 equity shares of Rs.10 each.	<u>1,00,00,000</u>	<u>1,00,00,000</u>
	<u>1,00,00,000</u>	<u>1,00,00,000</u>
<u>Schedule 2: Reserve & Surplus</u>		
General Reserve :		
As per last Balance sheet	19,90,716	19,90,716
Balance in Profit & Loss account	<u>4,36,35,071</u>	<u>4,14,26,633</u>
	<u>4,56,25,787</u>	<u>4,34,17,349</u>
<u>Schedule 3 : Investments</u>		
<i><u>Long Term Investments (At Cost)</u></i>		
Trade Investments		
<u>Quoted Shares :</u>		
294,811 (294,811) Equity shares of Garden Silk Mills Limited Rs.10 each fully paid.	1,55,83,208	1,55,83,208
275,000 (275,000) 1% Redeemable Cumulative Preference shares of Vareli Fabrics Pvt. Ltd. of Rs.10 each	27,50,000	27,50,000
10,00,000 (10,00,000) 1% Non-Cumulative Optionally Convertible Preference shares Vareli Trading Co. Ltd. of Rs.10 each	1,00,00,000	1,00,00,000
Investment in Partnership Firms :		
In Capital Account	<u>67,83,672</u>	<u>44,44,526</u>
	<u>3,51,16,880</u>	<u>3,27,77,734</u>
Non Trade Investments :		
<u>Art pieces :</u>		
Paintings	<u>2,02,61,001</u>	<u>2,02,61,001</u>
	<u>2,02,61,001</u>	<u>2,02,61,001</u>
	<u>5,53,77,881</u>	<u>5,30,38,735</u>
Aggregate Value of Investments :		
Quoted : Cost	1,55,83,208	1,55,83,208
Quoted : Market Value	2,03,12,478	1,17,03,997
Unquoted : Cost	3,97,94,673	3,74,55,527



Schedules annexed to and forming part of the Accounts

	31-3-2010 Rs.	31-3-2009 Rs.
<u>Schedule 4 : Current Assets, Loans & Advances</u>		
A. Current Assets :		
<u>Cash and Bank balances :</u>		
- Cash on hand	10,774	11,140
- Balance with Scheduled Banks in current account	1,22,519	2,68,276
	<u>1,33,293</u>	<u>2,79,416</u>
B. Loans and Advances :		
(unsecured, considered good)		
Income tax paid in advance	4,79,632	4,79,632
	<u>4,79,632</u>	<u>4,79,632</u>
	<u>6,12,925</u>	<u>7,59,048</u>

Schedule 5 : Current Liabilities & Provisions

A. Current Liabilities :		
Sundry creditors	6,618	21,773
Unclaimed dividend	3,891	3,761
	<u>10,509</u>	<u>25,534</u>
B. Provisions :		
Proposed dividend	1,00,000	1,00,000
Tax on proposed dividend	16,610	17,000
Provision for Income tax	2,37,900	2,37,900
	<u>3,54,510</u>	<u>3,54,900</u>
	<u>3,65,019</u>	<u>3,80,434</u>

Schedule 6 : Other Income

	2009-10 Rs.	2008-09 Rs.
Dividend Income	4,69,717	4,69,717
Interest Income	266	21,832
Profit on sale of Investments (Net)	--	12,79,902
Share of profit in partnership firm	21,17,277	2,88,435
Miscellaneous income	--	40,296
	<u>25,87,260</u>	<u>21,00,181</u>



Schedules annexed to and forming part of the Accounts

	2009-10 Rs.	2008-09 Rs.
<u>Schedule 7 : Operating, Administrative and other expenses</u>		
Advertisement expenses	1,01,575	73,720
Audit fees	6,618	8,273
Bank charges	773	1,045
Director sitting fees	19,000	13,500
Filing fees	3,131	3,112
General charges	64,339	68,600
Insurance	222	222
Insurance - Paintings	53,207	52,823
Professional & legal fees	10,947	1,02,198
Professional tax	2,400	500
	<u>2,62,212</u>	<u>3,23,993</u>

Schedule 8 : 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 and expenditure on the accrual basis.

B. SALES & PURCHASES :

Sales and purchases are recognised at net of returns.

C. INVESTMENTS :

- Long Term investments of the company are stated at their cost of acquisition.
- Provision for diminution in the value of long term investments is made in case such a decline is other than temporary in the opinion of the management.

D. TAXATION :

- Current tax has been determined and provided as the amount of tax payable in respect of taxable income for the year.
- Deferred tax has been recognised, subject to the consideration of prudence, on timing differences, 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 The Company has invested in the capital of the following partnership firms :

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 Ltd.	3.50%
6	Rosekamal Textiles Ltd.	14.00%
7	SPS Holdings Ltd.	28.00%
8	Vareli Fabrics Pvt. Ltd.	3.50%
9	Wheel & Axle Textiles Ltd.	14.00%



Schedules annexed to and forming part of the Accounts**Schedule 8 : Notes forming part of the Accounts :**

	2009-10	2008-09
3 Income from Investments :	Rs.	Rs.
a) From Trade Investments	4,69,983	4,91,549
b) From Other Investments	--	--
4 Profit / (Loss) on Investments :		
a) Long Term Investments	--	12,79,902
b) On account of membership of partnership firm	21,17,277	2,88,435
5 Payment to Auditors : (including service tax)		
a) For Statutory audit	6,618	6,618
b) For Tax audit	-	1,655
c) For Other services	5,619	5,619

6 Quantitative details :	2009-10		2008-09	
Fabrics	Meters	Amount	Meters	Amount
Sales	---	---	74,698	25,88,274
Purchases	---	---	74,698	25,55,059
Opening Stock	---	---	---	---
Closing Stock	---	---	---	---

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

8 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 :

Vareli Fabrics Pvt. Ltd.

Garden Silk Mills Ltd.

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

	Related Parties	
	Referred in 9(a)(i)above	Referred in 9(a)(ii)above
i) Transactions during the year :		
Given (net) towards capital accounts	2,21,603 (22,50,000)	-- (-)
Interest received	266 (21,832)	-- (-)
Income from Dividend	-- (-)	4,69,717 (4,69,717)
Share from partnership firm	21,17,277 (2,88,435)	-- (-)
Office administration & accounting charges	-- (-)	18,000 (25,000)
ii) Outstanding balance at the end of the year :		
Debit balance	67,83,672 (44,44,526)	-- (-)

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



Schedules annexed to and forming part of the AccountsSchedule 8 : Notes forming part of the Accounts :

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

	2009-10	2008-09
	Rs.	Rs.
10 Earning per share :		
a) Weighted average number of shares outstanding	10,00,000	10,00,000
b) Net Profit after tax available for equity shareholders	23,25,048	16,95,904
c) Basic and diluted Earning per share	2.33	1.70
(On Face value per share of Rs.10 each)		

- 11 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.
- Ahmedabad Stock Exchange Limited.
Kamdhenu Complex, Opp. Sahjanand College, Ahmedabad - 380 015.
 - Bombay Stock Exchange Limited.
Phiroz Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001.
- 12 No Provision for tax has been made in the absence of taxable income as per the provisions of Income Tax Act, 1961.
- 13 Previous year's figures have been regrouped and / or recast wherever found necessary to make them comparable with current year figures.
- 14 Additional information pursuant to Part IV Schedule VI to the Companies Act, 1956 is as per Annexure " A ".

Signatures to schedules 1 to 8

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



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	4	
---	---	---	---	---	--

State Code

0	4				
---	---	--	--	--	--

Balance sheet Date

3	1	0	3	1	0
---	---	---	---	---	---

b) Capital raised during the year :-

Public Issue

N	1	L
---	---	---

Right Issue

N	1	L
---	---	---

Bonus Issue

N	1	L
---	---	---

Preferential Allotment

N	1	L
---	---	---

c) Position of mobilisation and deployment of funds (Amt. in Rs. '000s) :-

Total Liabilities

5	5	9	9	1
---	---	---	---	---

Total Assets

5	5	9	9	1
---	---	---	---	---

Sources of funds -

Paid up Capital

1	0	0	0	0
---	---	---	---	---

Reserves & Surplus

4	5	6	2	6
---	---	---	---	---

Secured Loans

		N	1	L
--	--	---	---	---

Unsecured Loans

		N	1	L
--	--	---	---	---

Application of funds-

Net Fixed Assets

		N	1	L
--	--	---	---	---

Investments

5	5	3	7	8
---	---	---	---	---

Net Current Assets

		2	4	8
--	--	---	---	---

Deferred tax liability

		N	1	L
--	--	---	---	---

Misc. Expenditures

		N	1	L
--	--	---	---	---

Accumulated Losses

		N	1	L
--	--	---	---	---

d) Performance of the company -

Total Turnover

	2	5	8	7
--	---	---	---	---

Total Expenditures

		2	6	2
--	--	---	---	---

+ / - Profit / Loss before Tax

	2	3	2	5
--	---	---	---	---

+ / - Profit / Loss after Tax

	2	3	2	5
--	---	---	---	---

Earning per Share in Rs.

	2	.	3	3
--	---	---	---	---

Dividend rate in %

	1	.	0	0
--	---	---	---	---

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

Item Code No. (ITC Code)

N	A		
---	---	--	--

Product description

N	A		
---	---	--	--



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

	Rupees in Lacs	
	Current Year	Current Year
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extra ordinary Items	23.25	18.09
Adjustments for -		
(Profit)/Loss on sale of Investments	--	-12.80
Dividend (received)	-4.70	-4.70
Interest (received)	-0.00	-0.22
Share in (Profit) of partnership firm	-21.17	-2.88
Operating Profit before working Capital Changes	-2.62	-2.50
Adjustments for :		
(Increase) / Decrease in Debtors	--	6.65
(Increase) / Decrease in Stock in trade	--	--
(Increase) / Decrease in other current Assets	--	--
Increase / (Decrease) in Current Liabilities	-0.15	-6.41
Cash generated from operations	-2.77	-2.27
Direct Taxes (paid)/received	--	-1.33
Net Cash Flow from operating Activities	-2.77	-3.60
B. CASH FLOW FROM INVESTING ACTIVITIES :		
(Purchase) of Investments	-2.22	-103.47
Sale of Investments	--	80.78
Dividend received	4.70	4.70
(Increase) / Decrease in Loans & Advances	--	20.00
Net Cash Flow from Investing Activities	2.48	2.01
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	-1.00	-1.00
Tax on dividend paid	-0.17	-0.17
Net Cash Flow from Financing Activities	-1.17	-1.17
Net increase in Cash & Cash equivalents (A+B+C)	-1.46	-2.75
Cash and Cash equivalent as at 01/04/2009	2.79	5.54
Cash and Cash equivalent as at 31/03/2010	1.33	2.79

For **JARIGOLD TEXTILES LIMITED**

Directors

Place : Surat

Date : 11-08-2010

AUDITOR'S CERTIFICATE

We have verified the above Cash Flow Statement of Jarigold Textiles Limited from the audited annual financial statements for the year ended March 31, 2010 and found the same in accordance therewith and also with the requirements of Clause 32 of the Listing agreement with stock exchanges.

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

(Bipinchandra J. Modi)
Partner
Membership No.31687

Place : Surat

Date : 11-08-2010

