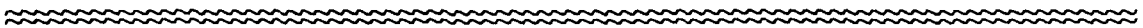


CHHATTISGARH INDUSTRIES LIMITED

**ANNUAL REPORT
AND
ACCOUNTS 2008-2009**

COMPANY INFORMATION

BOARD OF DIRECTORS	:	Sri M.K. Ganguly Smt. Rama Garg Sri A.K. Bubna
AUDITORS	:	C.S. Sarda & Co. Chartered Accountants.
BANKERS	:	ING Vysya Bank Ltd Central Bank of India.
REGISTERED OFFICE	:	Village Chaple, Tehsil Kharsia District Raigarh, Chhattisgarh.
SECURITY CODE	:	INE 473C01017.



NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of Chhattisgarh Industries Ltd, (Formerly Raigarh Paper & Board Mills Ltd) will be held on 17th August 2009, at 10.30 A.M. at the Registered Office of the Company at Village: Chaple, Tehsil: Kharsia, Dist Raigarh, Chhattisgarh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended 31st March 2009 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Ashok Kumar Bubna, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s C.S.Sarda & Co, Chartered Accountants as Auditors and to fix their remuneration.
4. To confirm the appointment of Shri Manoj Kumar Ganguly as Chairman cum Whole Time Director and the appointment of Smt. Rama Garg as Non-executive/Independent Director who was appointed as such at the meeting of the Board of Directors of the Company held on 5th June, 2009.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as special resolution:

RESOLVED THAT pursuant to the provisions of section 17 of the Companies Act, 1956 Clause 3 being the objects clause of the Memorandum of Association of the Company be altered as follows:

To substitute the following Clause in place of the existing Clause (A) 3:

(3)(a) To carry on the business of traders, dealers, whole sellers, retailers and manufacturers of yarns and fabrics of wool, cotton, silk and other natural materials and to deal in ready made Garments, sarees and other similar products.

(3)(b) To invest the moneys of the Company in Shares, Stock, bonds, debentures and other securities of any Company or association or in Government Securities or deposit with banks or to invest in real estate or in any other manner as may from time to time be determined.

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as special resolution :

RESOLVED THAT pursuant to section 17(1) and other applicable provisions, if any, of the Companies Act, 1956 and subject to confirmation by the Company Law Board, as prescribed in Sub-section(2) of the said section, the Memorandum of Association of the Company be altered so



as to change the place of the Company's registered office from its present situation at Village Chaple, Tehsil : Kharsia, District : Raigarh, Chhattisgarh in the state of Madhya Pradesh to 4/1 Middleton street, Kolkata- 700 071, a place in the state of West Bengal, by substituting the words "in he state of Madhyapradesh for the words "in the state of West Bengal" in clause II of the Memorandum of Association of the Company.

Place: Chaple
Date: 29.06.2009

BY ORDER OF THE BOARD

M.K.Ganguly
(Whole time Director)

NOTES:

1. The relative Explanatory statement pursuant to section 173 of the Companies Act,1956, in respect of the business under Item No. 5 above, is annexed hereto.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The instrument appointing a proxy should however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 12th August, 2009 to 17th August, 2009 (both days inclusive).
4. Details of the Directors seeking appointment/re-appointment in forthcoming Annual General Meeting (in pursuance of clause 49 of the Listing Agreement)

Name of Director	Shri Ashok Kumar Bubna
Date of Birth	30.01.60
Date of Appointment	19.5.03
Expertise in Specific functional Area	He has wide experience in commercial and financial matters.
Qualification	B.COM
Listing of outside Directorships held	2
Chairman/ Member of the Committee of the Board of Directors of the Company	-
No of shares held in the Company	NIL

5. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Registrar & Transfer Agents quoting reference of their folio numbers or their Client ID number with DPID number, as the case may be.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.5

Your Company has to consider from time to time proposals for diversification into areas which would be profitable for the Company as part of diversification plans. For the purpose the object clause of the Company which is presently very restricted in scope, required to be so made out as to cover a wide range activities considered to be convenient, advantageous and feasible for the Company's business. Your Directors recommend that the Special Resolution be passed.

None of the Directors of the Company is interested or concerned in the said resolution except as members of the Company.

ITEM NO.6

When the Company was incorporated it was decided that the registered office of the company would be located in the state of Madhya Pradesh and in the Memorandum of Association it was stated that the registered office of the Company would be situated in that State.

Subsequently it was found that to carry on its business more economically and efficiently the location of the registered office in the state of West Bengal would be more advantageous to the Company. No useful purpose would be served by continuing to keep the company's registered office in the State of Madhya Pradesh. The Directors, therefore, consider that the Memorandum of Association of the Company would be altered so as to change the place of its registered office from its present situation at Village Chaple, Tehsil : Kharsia, District : Raigarh, Chhattisgarh in the State of Madhya Pradesh to 4/1 Middleton Street, Kolkata-700 071, a place situated in the State of West Bengal.

After the proposal is approved by the Shareholders, a petition is required to be made, u/s 17(2) of the Companies Act, 1956, to the Company Law Board for confirmation of the alteration to the Memorandum of Association of the Company so as to shift the Company's registered office from the state of Madhya Pradesh to the state of West bengal. Therefore, the proposed resolution also seek authority to the Director to make the said petition to the Company Law Board on behalf of the Company.

The Board commends the resolution to the members for their consideration and approval.

None of the Directors of the Company is concerned or interested in the proposed resolution.

Place: Chaple

Date: 29.06.2009

BY ORDER OF THE BOARD

M.K.Ganguly
(Whole time Director)

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Fifth Annual Report and the Audited Accounts for the year ended 31st March 2009.

FINANCIAL RESULTS	For the year ended 2008-2009 (Rs in lacs)	For the year ended 2007-2008 (Rs in lacs)
Sales and other Income	66.55	74.06
Increase/ Decrease in Stock	(2.47)	(18.13)
Total Expenditure	57.96	48.94
Profit (Loss) for the year	5.50	6.27
Balance brought forward	(419.48)	(425.75)
Balance carried to Balance Sheet	(413.98)	(419.48)

REVIEW OF OPERATIONS

During the year under review the Company has recorded a turnover of Rs 54.04 lacs as compared to Rs 60.78 lacs in the previous year.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

During the period under review the Company has not carried out any manufacturing activities, hence the disclosures under the provisions of Section 217(1) (e) of the Companies.

Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 with regard to energy, technology absorption and foreign exchange earnings outgo are not applicable to your Company.



PARTICULARS OF EMPLOYEE

Section 217(2A) of the Companies Act, 1956 is not applicable as no employee of the Company is in receipt or entitled remuneration in excess of the limits specified therein.

CORPORATE GOVERNANCE

In terms of Clause 49 of the Listing Agreement, a report on Corporate Governance together with the Auditor's Report certificate regarding the compliance of conditions of corporate Governance are annexed to the report.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- 1) In preparation of the Annual Accounts, for the year ended 31st March, 2009 the applicable Accounting Standards have been followed.
- 2) The Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March 2009 and of the Profit and Loss for the financial year ended 31st March 2009.
- 3) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for the safeguarding the assets of the company and for detecting fraud and irregularities.
- 4) The Directors have prepared the Annual Accounts on Going Concern Basis.



DIRECTOR

Pursuant to the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Ashok Kumar Bubna, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. Appointment of Shri Manoj Kumar Ganguly as the Whole Time Director of the Company and Smt. Rama Garg as non executive/independent director shall be confirmed at the ensuing Annual General Meeting.

AUDITORS AND AUDITOR'S REPORT

M/s C.S. Sarda & Co. Chartered Accountants, the retiring auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore do not calls for any further comment.

STOCK EXCHANGE

The Company's securities are listed at Calcutta Stock Exchange Association Limited, and Bombay Stock Exchange Limited.

APPRECIATION

Your Directors place on record their deep appreciation for the continued, support and co-operation extended to the Company by the Banks, Government departments and other agencies.

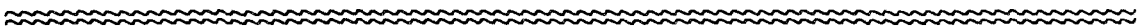
Your Directors thank our esteemed shareholders for your continued support.

Your Directors place on record their appreciation of the dedication and commitment of your Company's employees and look forward to their support in the future as well.

Place: Kolkata
Date: 29.06.2009

FOR AND ON BEHALF OF THE BOARD

M.K.GANGULY
(Chairman)



REPORT ON CORPORATE GOVERNANCE**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company firmly believes in and has consistently endeavoured to practice good corporate governance even before the code became mandatory. Sound governance process consists of a combination of business practices which result in enhanced shareholder value and enable the company to fulfill its obligations to customers, employees and to the society in general. The Company further believes that such practices are founded upon the core values of transparency, empowerment, accountability, independent monitoring and environment consciousness. The Company makes its best endeavour to uphold and nurture these core values across all aspects of its operations to the possible extent.

2. BOARD OF DIRECTORS**(A) Composition of the Board**

The Board is headed by the Executive Chairman Shri M.K.Ganguly and comprises of persons with considerable experience in their respective fields. The composition of the Board of Directors and also the number of other Boards on which he is a Director or Board Committees of which he is a member or chairperson are as under:

Name of the Director	Executive/ Non Executive Independent	No of outside Directorship(s)		No of outside Committee positions held	
		Public	Private	Member	Chairman
Shri Manoj Kumar Ganguly	Executive	1	6	—	—
Shri Ashok Kr Bubna	Non-Executive Independent	1	2	—	—
Smt. Rama Garg	Non-Executive Independent	1	NIL	—	—

(B) Details of Board Meetings and Attendance

The Board met 5 times during the year under review on 22.04.2008, 29.07.2008, 27.08.2008, 27.10.2008, 28.01.2009. The Company placed before the Board, the working of the organization and statements containing the status of various matters pursuant to Corporate Governance practices as required by Clause 49 of the Stock Exchange Listing Agreement.

The attendance of each of the Directors at the meeting during the year and at the last Annual General Meeting is as follows:

Name of Director	No. of Board Meetings attended	Attendance at last AGM
Shri S. K. Bakshi	5	Yes
Shri Pankaj Garg	4	Yes
Shri Ashok Kr. Bubna	2	Yes
Shri M. K. Ganguly	5	Yes

3. AUDIT COMMITTEE

(A) Terms of reference

The audit committee oversees the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their remuneration, to review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliance with accounting standards and Listing Agreements and other legal requirements concerning financial statements and related party transactions, if any, and to review the financial statements before they are submitted to the Board of Directors.

(B) Composition of the Committee, Meetings and attendance

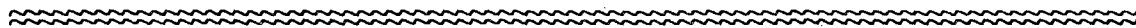
The audit Committee comprises of three Directors, of which one is executive and the other two are non-executive Directors.

- (1) Shri Ashok Kr. Bubna Chairman, Independent Director.
- (2) Shri M.K. Ganguly Member, Executive Director.
- (3) Smt. Rama Garg Member, Independent Director.

The Committee met on, 22.04.2008, 29.07.2008, 27.08.2008, 27.10.2008, 28.01.2009, and was attended by all the members of the Committee.

4. REMUNERATION COMMITTEE

The Company has not yet formed a remuneration committee which is a part of non-mandatory requirement of the Code. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practices and the requirements of law. The Company does



not have stock option plan or performance linked incentives for its Directors. The details of Directors remuneration is as follows:

Name of the Director	Salary	Benefits	Sitting Fees	Total
Shri S. K. Baksi	–	–	1250	1250
Shri Pankaj Garg	–	–	1000	1000
Shri Ashok Kr. Bubna	–	–	500	500
Shri M. K. Ganguly	–	–	1250	1250

5) SHARE TRANSFERS AND SHARE HOLDERS/ INVESTORS GRIEVANCE COMMITTEE.

A) Terms of reference

The Committee looks into issues relating to share, including transfer/ transmission of shares, issue of duplicate share certificates, non-receipt of dividend, annual reports etc. The Committee meets to review status of investor grievances, ratify transfers, approve transmission of shares and issue duplicate share certificates from time to time. Besides, officers of the Company have been authorized to approve issue of share certificates, approve transfer/ transmission of shares, consolidation, sub-division, split of share certificates.

B) Composition, Meetings and Attendance

The Committee consists of the following members;

- | | | |
|---------------------|---|---------------------------------|
| 1. Shri A.K.Bubna | : | Chairman, Independent Director. |
| 2. Shri M.K.Ganguly | : | Executive Director. |
| 3. Smt. Rama Garg | : | Independent Director. |

There are no outstanding complaints as on 31st March, 2009. No shares were pending for transfer as on 31st March 2009.

(C) Compliance Officer :

The Board has designated Shri M.K.Ganguly, the Director of the company as the Compliance Officer.



6) GENERAL BODY MEETINGS :

Financial Year	Date	Location of the Meeting	Time
2005-2006	26 th September, 2006	Chaple, Tehsil, Kharsia, Raigarh, Dist. : Chhattisgarh	10.00 A.M.
2006-2007	29 th June, 2007	Chaple, Tehsil, Kharsia, Raigarh, Dist.: Chhattisgarh	10.00 A.M.
2007-2008	26 th September, 2008	Chaple, Tehsil, Kharsia, Raigarh, Dist.: Chhattisgarh	10.30 A.M.

There were no resolutions which were passed through postal ballot last year and there are no special resolution which is proposed to be conducted through postal ballot.

7) DISCLOSURES

The Company does not have any related party transactions, which may have potential conflict with the interests of the Company at large.

There has been no instance of non-compliance on any matter related to the capital markets during the last three years.

Pursuant to the provisions of sub-clause V of the revised Clause -49 of the Listing Agreement with the Stock Exchanges, the Managing Director and the Executive Director have issued a certificate to the Board, for the Financial Year ended 31st March, 2009.

The Board has taken cognizance of the non-mandatory requirements of Clause 49 of the Listing Agreement and shall consider adopting the same as and when necessary.

The Company has in place a procedure for identification and mitigation of business and commercial risk. The Audit Committee reviews the risk management and mitigation plan from time to time.

8). MEANS OF COMMUNICATION

- 1) Quarterly results are published in leading newspapers.
- 2) Management Discussion and Analysis Report forms part of the Director's Report.



9. GENERAL SHAREHOLDER INFORMATION.**(A) Annual General Meeting**

Date & Time : 17th August, 2009 at 10.30 am
 Venue : Village : Chapple, Tehsil : Kharsia, Dist. Raigarh, Chhattisgarh.

(B) Financial Calender & Publication of Results (Tentative) :

The Financial Year of the Company is April to March.

Results for the quarter ending 30 th June, 2009.	Fourth week of July, 2009
Results for the quarter ending 30 th September, 2009	Fourth week of October, 2009
Results for the quarter ending 31 st December, 2009	Fourth week of January, 2010
Results for the quarter ending 31 st March, 2010	Fourth week of April, 2010

(C) Book Closure Date

The Register of Members and Share Transfer Books of the Company will remain closed from 12th August, 2009 to 17th August, 2009(both days inclusive)

(D) Dividend payment Date.

The Board of Directors of the Company has not recommended any Dividend for this year.

(E) Listing of Stock Exchanges

The Company's securities are listed at:

- (i) Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street
25th Floor, Mumbai- 400001
- (ii) Calcutta Stock Exchange Association Limited. 7, Lyons Range, Kolkata-700 001

(F) Stock Code

Bombay Stock Exchange Limited. 530495
 ISIN NO. INE 473C01017.

(G) Stock Price Data.

Volume of trading of Equity shares of the Company at Stock Exchanges were very thin. However the closing value as on 31st March 2009 at Calcutta Stock Exchange was Rs 1.55 per share.

H) Registrar & Transfer Agent.

The Company's Registrar & Transfer Agent is
ABS Consultant (P) Ltd.

9, 'Stephen House', 6th Floor, 4, B.B.D Bag (E), Kolkata- 700 001.

Ph:- 91-33-22430153/22201043., Fax: - 91-33-22430153

I) Share Transfer System

Share transfers are normally effected within a maximum period of 30 days from the date of receipt and demat requests are confirmed within a maximum period of 14 days.

J) Distribution of Shareholding as on 31.03.09

No of shares	No of shareholders	% of total holders	No of shares	% of total holding
Upto-500	421	44.55	159195	2.13
501-1000	258	27.3	212900	2.84
1001-2000	115	12.17	167600	2.24
2001-3000	32	3.39	84800	1.13
3001-4000	17	1.8	64800	0.87
4001-5000	22	2.33	106100	1.42
5001-10000	24	2.54	200395	2.68
10001-50000	28	2.96	655800	8.76
50001-100000	12	1.27	975600	13.03
100001-ABOVE	16	1.69	4862210	64.92
TOTAL	945	100.00	7489400	100.00

K) Categories of Share holders as on 31.3.09

Category	No. of shares held	Percentage of shareholding
Promoters	2587770	34.55
Mutual Funds and UTI	44400	0.59
Private Corporate Bodies	2295480	30.65
Indian Public	2561750	34.21
Total	7489400	100.00

L) Dematerialisation of Shares

55.26 % of the shares aggregating to 41, 38,710 shares have been dematerialized up to 31st March 2009.

M) There are no outstanding GDR, Warrants and Convertible Bonds.

N) Plant Locations

Chaple, Tehsil, Kharsia, Raigarh, Dist. Chhattisgarh.

O) Investor Correspondence

ABS Consultant(P) Ltd.,

99, "Stephen House", 6TH Floor,

4, B.B.D Bag (E), Kolkata- 700 001.

Tel:- 91-33-22430153/22201043. Fax:- 91-33-22430153.

P) Pan Requirement

SEBI has vide its circular no. MRD/Dop/Cir-05/2009 dated 20-05-2009 made the requirement of PAN Card of all Transferee(s) compulsory in case of all Physical Transfer of Shares.

DECLARATION BY THE WHOLE-TIME DIRECTOR UNDER CLAUSE 49 OF LISTING AGREEMENT REGARDING ADHERENCE TO CODE OF CONDUCT.

The Company has adopted a code of conduct for its Directors, senior management and employees of the Company.

In accordance with sub-clause I (D) of Clause 49 of the Listing Agreement with the stock exchanges. I hereby confirm that all the Directors and Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the Financial Year ended 31st March, 2009.



Management Discussion and Analysis Report

Business Outlook

The Company is currently engaged in trading activity and is looking for new avenues of Business in various areas like real estate development and investment in diversified portfolio of shares and securities. The Company is taking steps to amend the Memorandum of Association so as to include the object related to the real estate development and its allied objects.

Risks and Concerns

The Company is exposed to risks from market fluctuations of interest rate and stock market fluctuations of the share prices.

Internal Control Systems and their adequacy

Your Company has appropriate internal control systems relating to its areas of operations. The internal control systems lay emphasis in financial reporting and compliance with applicable rules and regulations.

Discussion on Financial Performance with respect to Operational performance

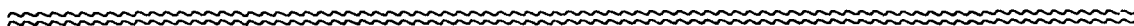
The main source of income is derived from income from sale of Sarees and income from investment in Shares.

Material Developments in Human Resources

Since the Company is currently engaged in trading activity therefore minimum staff and workers have been retained in the Company to oversee the day to day operations. The Company cares for its personnel and considers them as their assets.

For CHHATTISGARH INDUSTRIES LTD

M.K.GANGULY
(Whole-Time Director)



C.S. Sarda & Co
Chartered Accountant

Phone: 033-40061279/80
Fax: 033-40061271
E-mail: csskol@yahoo.com

412, Shantiniketan Building, 4th Floor, 8, Camac Street, Kol- 700071

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
**The Members of
Chhattisgarh Industries Limited**

We have examined the compliance of the conditions of Corporate Governance by Chhattisgarh Industries Ltd for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/ investor Grievances Committee.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: 29.06.09

FOR C.S.SARDA & CO
Chartered Accountants

(C.S. SARDA)
Membership No 56406



C.S. Sarda & Co
Chartered Accountant

Phone: 033-40061279/80

Fax: 033-40061271

E-mail: csskol@yahoo.com

412, Shantiniketan Building, 4th Floor, 8, Camac Street, Kol-700071

AUDITORS REPORT TO THE MEMBERS

1. We have audited the attached Balance Sheet of Chhattisgarh Industries Ltd as at 31st March, 2009, the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. The 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 auditing standards generally accepted in India. Those standards required 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) (Amendment) Order, 2004 issued by Central Government of India in terms of section 227(4A) of the Companies Act, 1956 (hereinafter referred to as the 'Act') we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of said order.

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

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.



ii. 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 those books.

iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of those accounts

iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in section 211(3c) of the companies Act, 1956.

v. On the basis of the written representation received from the Directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2009 from being appointed as Director in terms of section 274(1)(g).

vi. In our opinion and to the best of our information and according to the explanations given to us, the said read together with Significant Accounting Policies and Notes on Accounts in Schedule '10' and those appearing elsewhere in the accounts 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 the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.

(b) in the case Profit & Loss Account, of the Profit for the year ended on that date and

(c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR C.S. SARDA & CO

Chartered Accountants

Place: Kolkata

Date: 29.06.2009

C.S.SARDA

(Partner)

(Membership No 56406)



ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- (i) The Company is maintaining proper records of inventory.
 - (ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (iii) There are no Fixed Assets.
 - (iv) As informed to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties, covered in the register maintained under section 301 of the Act.
 - (v) 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, for the purpose of inventory and fixed assets and for the sale of goods.
 - (vi) Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no transaction that needs to be entered into the register maintained under section 301 of the Act.
 - (vii) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public during the year.
 - (viii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
 - (ix) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records.
 - (x) According to the information and explanations given to us, no undisputed amount of tax and duty were outstanding as on 31st March, 2009 for a period for more than six months from the date they become payable.
 - (xi) According to the information and explanations given to us, the Company has not defaulted
-

in repayment of dues to a financial institution, bank or debenture holder.

- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the Company is maintaining proper records of transaction and contracts of and holding share and instruments in its own name.
- (xiv) In our opinion and according to the information and explanations given to us, the provisions of para 4(xv) of the Companies(Auditors' Report)(Amendment) Order 2004 are not applicable to the Company, as the Company has not given any guarantee for loans taken by others from bank or financial institutions
- (xv) The Company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditors Report) (Amendment) Order 2004 are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company has not raised any term loan during the financial year 2008-2009.
- (xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long-term investment. No long term funds have been used to finance short-term assets except working capital.
- (xviii) The Company has not made preferential allotment of share to parties and companies covered in register maintained under section 301 of the Act.
- (xix) The Company has not raised any money through a public issue during the year.



- (xx) Based upon the audit procedures performed and information and explanations given to us. We report that no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xxi) The Company has accumulated losses to the tune of Rs 41,398,723 at the end of this financial year and there is a cash profit of Rs 612,592 during the year.

FOR C.S. SARDA & CO
Chartered Accountants

Place: Kolkata
Date: 29.06.2009

C.S.SARDA
(Partner)
(Membership No 56406)



BALANCE SHEET AS AT 31ST MARCH 2009

Particulars	Sch No	Amount(Rs) 31.03.2009	Amount(Rs) 31.03.2008
SOURCES OF FUNDS			
Shareholders Fund			
Share Capital	1	74894000	74894000
Reserve & Surplus	2	1200000	1200000
		<u>76094000</u>	<u>76094000</u>
<u>APPLICATION OF FUNDS</u>			
Investments	3	7821900	4342000
Current Assets, Loans & Advances	4		
Inventories		6500000	6746795
Loans & Advances		17602613	21681252
Sundry Debtors		3314505	5958860
Cash & Bank Balances		1186385	1000854
		<u>28603503</u>	<u>35387761</u>
Less: Current Liabilities & Provisions	5		
Liabilities		992792	4846645
Deferred Tax Liability		737334	737334
		<u>26873377</u>	<u>29803782</u>
Net Current Assets			
Profit & Loss A/C		(41398723)	(41948218)
TOTAL		<u>76094000</u>	<u>76094000</u>

NOTES ON ACCOUNT 10

As per our attached report of even date

For C.S. SARDA & CO.
Chartered Accountants
(C.S.Sarda- Partner)
(Membership No- 56406)

M.K.GANGULY
Director

A.K.BUBNA
Director

RAMA GARG
Director

Place: Kolkata

Date: 29.06.2009

Profit & Loss Account for the Year ended 31.03.2009

Particulars	Sch No	Amount(Rs) As On 31.03.2009	Amount(Rs) As On 31.03.2008
INCOME			
Sales		5403855	6078300
Other Income	6	1251170	1328572
Increase/ (Decrease) in stock	7	(246795)	(1813205)
		<u>6408230</u>	<u>5593667</u>
EXPENDITURE			
Purchase of Sarees		5122790	4223030
Purchase of Share		—	—
Personnel Expenses	8	344500	165955
Other Expenses	9	327870	399860
Bad debts written off		—	103059
Loss on Sale of Fixed Assets		—	—
Provision for FBT		478	2704
		<u>5795638</u>	<u>4894608</u>
Profit/(Loss) for the year		612592	699059
Less : Provision for Tax		63097	(72003)
Profit after Tax		549495	627056
Balance B/F (from Previous Year)		(41948218)	(42575274)
Balance Transferred to Balance Sheet		<u>(41398723)</u>	<u>(41948218)</u>

NOTES ON ACCOUNTS

10

As per our attached report of even date

For C.S. SARDA & CO.
Chartered Accountants
(C.S.Sarda- Partner)
(Membership No- 56406)

M.K. GANGULY
Director

A.K.BUBNA
Director

RAMA GARG
Director

Place: Kolkata

Date: 29.06.2009

**SCHEDULE ANNEXED TO AND FORMING PART OF THE STATEMENT OF
ACCOUNTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2009**

Particulars	Amount(Rs) As On 31.03.2009	Amount(Rs) As On 31.03.2008
-------------	--------------------------------	--------------------------------

SCHEDULE-I**SHARE CAPITAL****Authorized Share Capital**

79,00,000 Equity Shares of Rs 10/- each

79000000

79000000

Cumulative Preference Shares of Rs 100/- each

1000000

1000000

8000000080000000**Issued, Subscribed & Paid-Up**

74,89,400 Equity Shares of Rs 10/- each

74894000

74894000

7489400074894000**SCHEDULE-2****RESERVE & SURPLUS**

Central Government Subsidy

1000000

1000000

State Investment Subsidy

200000

200000

12000001200000**SCHEDULE-3****INVESTMENTS**

55,000 Equity shares of Kanchan Dairies Ltd

550000

550000

70,400 Equity shares of Hooghly Alloy & Steels Ltd

352000

352000

380,000 Equity shares of Asian Capital Market Ltd

1140000

1140000

46,000 shares of Asian Housing & Infrastructure Pvt Ltd

2300000

2300000

25400 shares of Prachi Mittal Creations Pvt Ltd

979900

—

250000 shares of Kesavatsapur Tea Company Pvt Ltd

2500000

—

78219004342000

SCHEDULE-4

CURRENT ASSETS, LOANS & ADVANCES

(A) Inventories:

Stock of Saree	---	246795
Stock of Shares	6500000	6500000
Sub-Total (A)	6500000	6746795

(B) Loans & Advances

Unsecured Loans	15118871	15757381
Advances	1020000	4700000
Tax Deducted at Source	963742	723871
Deposits	500000	500000
Sub-Total (B)	17602613	21681252

(C) Sundry Debtors:

Debts Outstanding exceeding six months	1640560	5958860
Other Debts	1673945	---
Sub-Total (C)	3314505	5958860

(D) Cash & Bank Balances:

Cash in Hand	80628	51215
Balance with Schedule Banks in Current Account	1105757	949639
Sub-Total (D)	1186385	1000854

SCHEDULE-5

Current Liabilities & Provisions

(A) Current Liabilities:

Sundry Creditors	839502	4223030
Advance from Customers	---	500000
Liabilities for Expenses	15008	48908
Provision for FBT	3182	2704
Provision for Taxation	135100	72003
	992792	4846645

SCHEDULE-6

OTHER INCOME

Interest on Unsecured Loans	1251170	1328352
Misc. Receipts	---	220
	1251170	1328572

SCHEDULE-7**INCREASE/DECREASE IN STOCK**

Closing Stock	650000	6746795
Less: Opening Stock	6746795	8560000
	<u>(246795)</u>	<u>(1813205)</u>

SCHEDULE-8**PERSONNEL EXPENSES**

Salaries, Wages & Bonus	344500	165955
	<u>344500</u>	<u>165955</u>

SCHEDULE-9**OTHER EXPENSES**

Bank Charges	6570	2487
Director's Sitting Fees	4000	4500
General Charges	400	5250
Postage & Telegram	4770	7995
Printing & Stationery	15675	4048
Professional Fess	18650	2500
Listing & Filing Fees	67047	42122
Office Rent	36000	144000
Auditors Remuneration	10000	10000
Internal Audit Fees	2100	2100
Advertisement Expenses	38615	29616
Travelling Expenses	30950	39780
Security Expenses	---	9600
Misc. Expenses	22500	29190
Registrar Service Charges	38703	31382
Maintenance Charges	23040	23040
Rates & Taxes	8850	12250
Total Other Expenses	<u>327870</u>	<u>399860</u>

**SCHEDULE-10
NOTES ON ACCOUNTS**

1. Significant Accounting Policies

a) The Company prepares its accounts on the basis of historical cost convention and incomes and expenditure are recognized on accrual basis.

b) No provision for gratuity and other retirement benefits have been made in the accounts on accrual basis.

c) Inventories are taken, valued and certified by the management. However, as informed valuation are done on the following basis:-

a) Quoted Securities has been valued at cost or market price whichever is lower and unquoted at cost.

(b) The quantitative details of inventories are as follows:

Details of Inventories	Opening Stock	Purchase	Sale	Closing Stock
Universal Corporation Ltd	65000	—	—	65000
Saree	71	1176	1247	—

2. No manufacturing activity was carried out during the year.

3. Sundry debtors' and creditors' balance outstanding as on 31.03.2009 are subject to the confirmation by the parties.

4. Directors' Remuneration:-

	Current Year (Rs)	Previous Year (Rs)
Salary	Nil	Nil
Sitting Fees	4000	4500
Card Member Fees	Nil	Nil

5. There was no Foreign Currency Transaction during the year
6. Contingent Liabilities- Nil (Previous Year Nil)
7. Provision for taxation has been made using the applicable Tax rules and Tax laws
8. Previous year figures have been regrouped and rearranged, wherever found necessary.
8. No separate reportable segment in the Company.

As per our attached report of even date

For C.S. SARDA & CO.
Chartered Accountants
(C.S.Sarda- Partner)
(Membership No- 56406)

Place: Kolkata
Date: 29.06.2009

M.K.GANGULY
Director

A.K. BUBNA
Director

RAMA GARG
Director



CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	FOR THE YEAR ENDED 31ST MARCH, 2009 (Rs)	FOR THE YEAR ENDED 31ST MARCH, 2008 (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	612592	699059
Adjustments for:		
Depreciation		
Foreign Exchange		
Interest/ Dividend Paid		
Provision for deferred Tax Liability		
Operating profit before working capital changes		
Adjustments for:		
Trade and other Receivables	6722994	-2892137
Inventories	246795	1813205
Trade and other Payable	-3916950	3052839
Cash generated from operations		4756411
Interest paid		3677479
Cash flow before extraordinary items	3665431	4376538
Net Cash from operating activities (A)	3665431	4376538
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Sale of Fixed Assets		
Purchase of Investments	-3479900	-3792000
Interest Received		
Sale of Investments		
Net cash used in Investing Activities (B)	-3479900	-3792000
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from issue of share capital		
Proceeds from Long term Borrowings including Unsecured Loans (Net)		
Miscellaneous Expenditure written off		
Rounded off differences		
Net Cash used in Financial Activities (C)		
Net Increase/ (Decrease) in cash and cash equivalent (A+B+C)	185531	584538

Opening Cash & Cash Equivalents	1000854	416316
Closing Cash & Cash Equivalents	1186385	1000854

As per our attached report of even date

For C.S. SARDA & CO.
Chartered Accountants
(C.S.Sarda- Partner)
(Membership No- 56406)

M.K.GANGULY
Director

A.K.BUBNA
Director

RAMA GARG
Director

Place: Kolkata

Date: 29.06.2009



**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS AT 31.03.2009**

Information pursuant to Part IV of Schedule VI of the Companies Act 1956.

I. REGISTRATION DETAILS

CIN NO	L21015M01984PLC002416	State Code	10
Balance Sheet Date	31.03.2009		

II. CAPITAL RAISED DURING THE YEAR (Amounts in Rs)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUND (Amount in Rs)

Total Liabilities	76094000	Total Assets	76094000
SOURCES OF FUNDS			
Paid-Up Capital	74894000	Reserve & Surplus	1200000
Secured loan	NIL	Unsecured Loan	NIL
APPLICATION OF FUNDS			
Net fixed Assets	NIL	Investment	7821900
Net Current Assets	26873377	Misc Expenditure	NIL
Accumulated Losses	41398723		

IV. PERFORMANCE OF THE COMPANY (Amount in Rs)

Turnover	5403855	Total Expenditure	5795638
Profit/Loss before Tax	612592	Profit/Loss after Tax	549495
Earning per share	NIL	Dividend	NIL

V. GENERIC NAMES OF THE PRINCIPAL PRODUCT/SERVICES OF COMPANY

Trading & Investment			
Item Code No (ITC Code)	_____ Not Applicable	Product Description	N.A.

For & on behalf of the Board

Place: Kolkata

Date: 29.06.2009.

MLK.Ganguly
DirectorA.K.BUBNA
DirectorRAMA GARG
Director

