

CHHATTISGARH INDUSTRIES LIMITED

**ANNUAL REPORT
AND
ACCOUNTS 2009-2010**

COMPANY INFORMATION

BOARD OF DIRECTORS	:	Shri M.K. Ganguly
	:	Smt. Rama Garg
	:	Shri 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 Sixth Annual General Meeting of Chhattisgarh Industries Ltd, (Formerly Raigarh Paper & Board Mills Ltd) will be held on 7th of September, 2010, 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, 2010 and the Profit & Loss Account for the year ended 31st March 2010 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. Rama Garg who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s C.S.Sarda & Co, Chartered Accountants as Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

“RESOLVED THAT Shri Sumit Kumar Agarwal who was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 23rd July,2010 and who ceases to hold office under section 260 of the Companies Act,1956 and in respect of whom the Company has received a notice under section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER THAT Shri Akash Singhvi who was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 23rd July,2010 and who ceases to hold office under section 260 of the Companies Act,1956 and in respect of whom the Company has received a notice under section 257 of the Act from a member proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company.”

Place: Chaple
Date : 14.08.2010

BY THE 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.4 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 2nd September, 2010 to 7th September, 2010 (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	Rama Garg
Date of Birth	03/10/1967
Date of Appointment	05/06/2009
Expertise in Specific functional Area	Expertise in General Administration
Qualification	B.A.
Listing of outside Directorships held	1
Chairman/ Member of the Committee of the Board of Directors of the Company	
No of shares held in the Company	10

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 DP ID number, as the case may be.
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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956**ITEM NO.4**

Shri Sumit Kumar Agarwal & Shri Akash Singhvi was appointed as Additional Directors on 23rd of July,2010 by the Board of Directors of the Company. According to the provisions of Section 260 of the Companies Act,1956 they hold office as Directors only upto the date of the ensuing Annual General Meeting. As required by Section 257 of the Act, a notice has been received from a member signifying his intention to propose their appointment as Director along with a deposit of Rupees Five Hundred for each Director. The Board considers it desirable that the company should continue to avail itself of their services.

Place: Chaple

BY THE ORDER OF THE BOARD

Date : 14.08.2010

M.K.GANGULY

(Whole time Director)

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Sixth Annual Report and the Audited Accounts for the year ended 31st March 2010.

FINANCIAL RESULTS	For the year ended 2009-2010 (Rs in lacs)	For the year ended 2008-2009 (Rs in lacs)
Sales and other Income	75.39	66.55
Increase/ Decrease in Stock	(58.86)	(2.47)
Total Expenditure	66.68	57.96
Profit (Loss) for the year	(50.15)	5.50
Balance brought forward	(413.98)	(419.48)
Balance carried to Balance Sheet	(464.13)	(413.98)

REVIEW OF OPERATIONS

During the year under review the Company has recorded a turnover of Rs 61.67 lacs as compared to Rs 54.04 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, 2010 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 2010 and of the Profit and Loss for the financial year ended 31st March 2010.
- 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, Smt. Rama Garg, Director of the Company retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting.

Appointment of Shri Sumit Kumar Agarwal and Shri Akash Singhvi as Additional Directors of the Company 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 call 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.

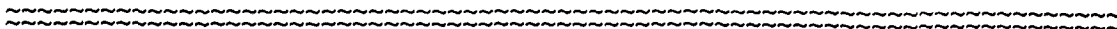
Place: Kolkata

FOR AND ON BEHALF OF THE BOARD

Date: 05.08.2010

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) held		No of outside Committee positions	
		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 8 times during the year under review on 28.04.2009, 05.06.2009, 29.06.2009, 09.07.2009 31.07.2009, 30.10.2009, 13.01.2010, 15.01.2010. 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 Ashok Kr Bubna	7	YES
Shri M.K.Ganguly	8	YES
Smt.Rama Garg	7	YES
Pankaj Garg	1	NO

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 Kumar Bubna | Chairman, Independent Director |
| (2) Shri M.K.Ganguly | Member, Executive Director |
| (3) Smt. Rama Garg | Member, Independent Director |

The Committee met on 28.04.2009, 31.07.2009, 30.10.2009, 15.01.2010 and was attended by all the members of the Committee.

1. 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 Ashok Kr Bubna	----	----	1750	1750
Smt Rama Garg	----	----	1750	1750
Shri Pankaj Garg	----	----	250	250

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, 2010. No shares were pending for transfer as on 31st March 2010.

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
2006-2007	29th June, 2007	Chaple, Tehsil, Kharsia, Raigarh, Dist: Chhattisgarh	10.00 A.M.
2007-2008	26th September, 2008	Chaple, Tehsil, Kharsia, Raigarh, Dist: Chhattisgarh	10.30 A.M.
2008-2009	17th August, 2009	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, 2010.

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 : 7th September, 2010 at 10.30 A.M.
Venue : Village: Chaple, Tehsil: Kharsia, Dist Raigarh, Chhattisgarh.

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

The financial Year of the Company is April to March.

Results for the quarter ending 30th June, 2010	Second week of August, 2010
Results for the quarter ending 30th September, 2010	Second week of November, 2010
Results for the quarter ending 31st December, 2010	Second week of February, 2011
Results for the quarter ending 31st March, 2011	Second week of May, 2011

C) Book Closure Date

The Register of Members and Share Transfer Books of the Company will remain closed from 2nd September, 2010 to 7th September, 2010 (both days inclusive).

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**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- 400 001
- (ii) Calcutta Stock Exchange Association Limited  
7, Lyons Range, Kolkata-700 001

**F) Stock Code**

Bombay Stock Exchange Limited  
ISIN No

530495  
INE 473C01017

**G) Stock Price Data**

The closing value as on 31st March 2010 at Bombay Stock Exchange was Rs 7.52 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 31.03.10**

| No of shares | No of shareholders | % of total holders | No of shares   | % of total holding |
|--------------|--------------------|--------------------|----------------|--------------------|
| Upto-500     | 634                | 52.05              | 197201         | 2.63               |
| 501-1000     | 295                | 24.22              | 243982         | 3.26               |
| 1001-2000    | 134                | 11.00              | 195243         | 2.61               |
| 2001-3000    | 32                 | 2.63               | 83066          | 1.11               |
| 3001-4000    | 19                 | 1.56               | 71346          | 0.95               |
| 4001-5000    | 22                 | 1.81               | 103413         | 1.38               |
| 5001-10000   | 27                 | 2.22               | 209788         | 2.80               |
| 10001-50000  | 32                 | 2.63               | 732475         | 9.78               |
| 50001-100000 | 9                  | 0.74               | 745077         | 9.95               |
| 100001-ABOVE | 14                 | 1.15               | 4907809        | 65.53              |
| <b>TOTAL</b> | <b>1218</b>        | <b>100.00</b>      | <b>7489400</b> | <b>100.00</b>      |

**K) CATEGORIES OF SHAREHOLDERS AS ON 31.03.2010**

| Category                 | No of shares held | Percentage of shareholding |
|--------------------------|-------------------|----------------------------|
| Promoters                | 2502770           | 33.42                      |
| Mutual Funds and UTI     | 44400             | 0.59                       |
| Private Corporate Bodies | 2290099           | 30.58                      |
| Indian Public            | 2652131           | 35.41                      |
| <b>Total</b>             | <b>7489400</b>    | <b>100</b>                 |

**L) Dematerialisation Of Shares**

62.87 % of the shares aggregating to 47,08,590 shares have been dematerialized up to 31st March 2010.

**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,  
9, "Stephen House", 6TH Floor,  
4, BBD Bag (E), Kolkata- 700 001  
Tel: 91-33-22430153/22201043. Fax: - 91-33-22430153  
E-mail:investorgcil@gmail.com

**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, 2010.

## 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.

### **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.

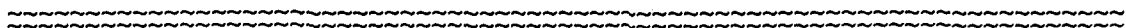
### **Material Developments in Human Resources**

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- 700 071

**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 2010 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: 05.08.2010

**FOR C.S.SARDA & CO**

Chartered Accountants

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

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**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- 700 071

**AUDITORS REPORT TO THE MEMBERS**

1. We have audited the attached Balance Sheet of Chhattisgarh Industries Ltd as at 31st March, 2010, 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, 2010 and taken on record by the Board of Directors. we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as Director in terms of section 274(1)(g).
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- 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, 2010.
  - (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.

Place: Kolkata

Date:05.08.2010

For C.S.SARDA & CO

Chartered Accountants

C.S.SARDA

(Partner)

**(Membership No. 56406)**

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**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- 700 071

**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, 2010 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.
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- (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 2009-2010.
- (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 4,64,13,206.58 at the end of this financial year and there is a loss of Rs 49,10,883.83 during the year.

Place: Kolkata

Date:05.08.2010

For C.S.SARDA & CO

Chartered Accountants

C.S.SARDA

(Partner)

(Membership No. 56406)

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## BALANCE SHEET AS AT 31ST MARCH 2010

| Particulars                                       | Sch No. | Amount(Rs)<br>31.03.2010 | Amount(Rs)<br>31.03.2009 |
|---------------------------------------------------|---------|--------------------------|--------------------------|
| <b>SOURCES OF FUNDS</b>                           |         |                          |                          |
| <b>Shareholders Fund</b>                          |         |                          |                          |
| Share Capital                                     | 1       | 7,48,94,000              | 7,48,94,000              |
| Reserve & Surplus                                 | 2       | 12,00,000                | 12,00,000                |
|                                                   |         | <b>7,60,94,000</b>       | <b>7,60,94,000</b>       |
| <b>APPLICATION OF FUNDS</b>                       |         |                          |                          |
| <b>Investments</b>                                | 3       | 55,00,200                | 78,21,900                |
| <b>Current Assets, Loans &amp; Advances</b>       | 4       |                          |                          |
| Inventories                                       |         | 6,13,935                 | 65,00,000                |
| Share Application                                 |         | 30,00,000                | 0                        |
| Loans & Advances                                  |         | 1,99,07,623              | 1,76,02,613              |
| Sundry Debtors                                    |         | 28,40,085                | 33,14,505                |
| Cash & Bank Balances                              |         | 5,43,381                 | 11,86,385                |
|                                                   |         | <b>2,69,05,024</b>       | <b>2,86,03,503</b>       |
| <b>Less: Current Liabilities &amp; Provisions</b> |         |                          |                          |
| Liabilities                                       | 5       | 19,87,096                | 9,92,792                 |
| Deferred Tax Liability                            |         | 7,37,334                 | 7,37,334                 |
| <b>Net Current Assets</b>                         |         | <b>2,41,80,594</b>       | <b>2,68,73,377</b>       |
| <b>Profit &amp; Loss A/C</b>                      |         | <b>4,64,13,206</b>       | <b>4,13,98,723</b>       |
| <b>TOTAL</b>                                      |         | <b>7,60,94,000</b>       | <b>7,60,94,000</b>       |

NOTES ON ACCOUNT

10

As per our attached report of even date

For C.S. SARDA & CO.  
Chartered Accountants

M.K.GANGULY  
Director

A.K.BUBNA  
Director

(C.S.Sarda- Partner)  
(Membership No- 56406)

RAMA GARG  
Director

Place: Kolkata  
Date: 05.08.2010

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010**

| Particulars                                 | Sch No. | Amount(Rs)<br>31.03.2010 | Amount(Rs)<br>31.03.2009 |
|---------------------------------------------|---------|--------------------------|--------------------------|
| <b>INCOME</b>                               |         |                          |                          |
| Sales                                       |         | 61,66,606                | 54,03,855                |
| Other Income                                | 6       | 13,72,787                | 12,51,170                |
| Increase/ (Decrease) in stock               | 7       | (58,86,065)              | (2,46,795)               |
|                                             |         | <b>16,53,328</b>         | <b>64,08,230</b>         |
| <b>EXPENDITURE</b>                          |         |                          |                          |
| Purchase of Sarees                          |         | 40,99,865                | 51,22,790                |
| Personnel Expenses                          | 8       | 2,65,500                 | 3,44,500                 |
| Other Expenses                              | 9       | 7,35,947                 | 3,27,870                 |
| Provision for FBT                           |         | 0                        | 478                      |
| Loss on Sale of Investment                  |         | 14,62,900                | 0                        |
|                                             |         | <b>65,64,211</b>         | <b>57,95,638</b>         |
| Profit/(Loss) for the year                  |         | (49,10,883)              | 6,12,592                 |
| Prior Period Expenses                       |         | 1,03,600                 | 0                        |
| <b>Less: Provision for Tax</b>              |         | <b>0</b>                 | <b>63,097</b>            |
| <b>Profit after Tax</b>                     |         | <b>(50,14,483)</b>       | <b>5,49,495</b>          |
| Balance B/F (From Previous Year)            |         | (4,13,98,723)            | (4,19,48,218)            |
| <b>Balance Transferred to Balance Sheet</b> |         | <b>(4,64,13,206)</b>     | <b>(4,13,98,723)</b>     |

**NOTES ON ACCOUNTS**

10

As per our attached report of even date

For C.S. SARDA & CO.  
Chartered Accountants

M.K.GANGULY  
Director

A.K.BUBNA  
Director

(C.S.Sarda- Partner)  
(Membership No- 56406)

RAMA GARG  
Director

Place: Kolkata  
Date: 05.08.2010

**SCHEDULE ANNEXED TO AND FORMING PART OF THE STATEMENT OF  
ACCOUNTS AS ON AND FOR THE YEAR ENDED 31ST MARCH, 2010**

| <b>Particulars</b>                                       | <b>Amount(Rs)</b>  | <b>Amount(Rs)</b>  |
|----------------------------------------------------------|--------------------|--------------------|
|                                                          | <b>31.03.2010</b>  | <b>31.03.2009</b>  |
| <b>SCHEDULE-I</b>                                        |                    |                    |
| <b>SHARE CAPITAL</b>                                     |                    |                    |
| Authorised Share Capital                                 |                    |                    |
| 79, 00,000 Equity Shares of Rs 10/- each                 | 7,90,00,000        | 7,90,00,000        |
| Cumulative Preference Shares of Rs 100/- each            | 10,00,000          | 10,00,000          |
|                                                          | <b>8,00,00,000</b> | <b>8,00,00,000</b> |
| Issued, Subscribed & Paid-Up                             |                    |                    |
| 74, 89,400 Equity Shares of Rs10/- each                  | 7,48,94,000        | 7,48,94,000        |
|                                                          | <b>7,48,94,000</b> | <b>7,48,94,000</b> |
| <b>SCHEDULE- 2</b>                                       |                    |                    |
| <b>RESERVE &amp; SURPLUS</b>                             |                    |                    |
| Central Government Subsidy                               | 10,00,000          | 10,00,000          |
| State Investment Subsidy                                 | 2,00,000           | 2,00,000           |
|                                                          | <b>12,00,000</b>   | <b>12,00,000</b>   |
| <b>SCHEDULE-3</b>                                        |                    |                    |
| <b>INVESTMENTS</b>                                       |                    |                    |
| 55,000 Equity shares of Kanchan Dairies Ltd              | 0                  | 5,50,000           |
| 70,400 Equity shares of Hooghly Alloy & Steels Co. P.Ltd | 0                  | 3,52,000           |
| 380,000 Equity shares of Asian Capital Market Ltd        | 0                  | 11,40,000          |
| 92,000 shares of Asian Housing & Infrastructure Pvt Ltd  | 0                  | 23,00,000          |
| 25400 Shares of Prachi Mittal Creations Pvt Ltd.         | 0                  | 9,79,900           |
| 250,000 Shares of Kesavatsapur Tea Company Pvt Ltd.      | 0                  | 25,00,000          |
| 2500 Equity Shares of Caravan Vinimay Pvt.Ltd.           | 5,00,000           | 0                  |
| 2500 Equity Shares of Purbasa Agency Pvt.Ltd             | 5,00,000           | 0                  |
| 5000 Equity Shares of Alpha Indecors Pvt.Ltd.            | 10,00,000          | 0                  |
| 70000 Equity Shares of Asian Capital Market Ltd.         | 35,00,000          | 0                  |
| 10 Equity Shares of Mittal Texofab Pvt.Ltd.              | 200                | 0                  |
|                                                          | <b>55,00,200</b>   | <b>78,21,900</b>   |

**SCHEDULE-4****CURRENT ASSETS, LOANS & ADVANCES****(A) Inventories:**

|                 |                 |                  |
|-----------------|-----------------|------------------|
| Stock of Saree  | 6,13,935        | ----             |
| Stock of Shares | ---             | 65,00,000        |
| Sub-Total (A)   | <b>6,13,935</b> | <b>65,00,000</b> |

**(B) Loans & Advances**

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| Unsecured Loans        | 1,59,45,673        | 1,51,18,871        |
| Advances               | 30,00,000          | 10,20,000          |
| Tax Deducted at Source | 9,61,950           | 9,63,742           |
| Deposits               | 0                  | 5,00,000           |
| Sub-Total (B)          | <b>1,99,07,623</b> | <b>1,76,02,613</b> |

**(C) Sundry Debtors:**

|                                        |                  |                  |
|----------------------------------------|------------------|------------------|
| Debts Outstanding exceeding six months | 16,40,560        | 16,40,560        |
| Other Debts                            | 11,99,525        | 16,73,945        |
| Sub-Total(C)                           | <b>28,40,085</b> | <b>33,14,505</b> |

**(D) Cash & Bank Balances:**

|                                                |                 |                  |
|------------------------------------------------|-----------------|------------------|
| Cash in Hand                                   | 1,47,943        | 80,628           |
| Balance with Schedule Banks in Current Account | 3,95,438        | 11,05,757        |
| Sub-Total (D)                                  | <b>5,43,381</b> | <b>11,86,385</b> |

**SCHEDULE-5****Current Liabilities & Provisions****(A) Current Liabilities:**

|                          |                  |                 |
|--------------------------|------------------|-----------------|
| Sundry Creditors         | 18,33,806        | 8,39,502        |
| Liabilities for Expenses | 15,008           | 15,008          |
| Provision for FBT        | 3,182            | 3,182           |
| Provision for Taxation   | 1,35,100         | 1,35,100        |
|                          | <b>19,87,096</b> | <b>9,92,792</b> |

**SCHEDULE-6****OTHER INCOME**

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Interest on Unsecured Loans | 13,46,668        | 12,51,170        |
| Misc.Receipts               | 3,001            | 0                |
| Interest in I.T. Refund     | 23,118           | 0                |
|                             | <b>13,72,787</b> | <b>12,51,170</b> |



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

|                     |                    |                   |
|---------------------|--------------------|-------------------|
| Closing Stock       | 6,13,935           | 65,00,000         |
| Less: Opening Stock | 65,00,000          | 67,46,795         |
|                     | <b>(58,86,065)</b> | <b>(2,46,795)</b> |

**SCHEDULE-8****PERRSONNEL EXPENSES**

|                         |                 |                 |
|-------------------------|-----------------|-----------------|
| Salaries, Wages & Bonus | 2,65,500        | 3,44,500        |
|                         | <b>2,65,500</b> | <b>3,44,500</b> |

**SCHEDULE-9****OTHER EXPENSES**

|                             |                 |                 |
|-----------------------------|-----------------|-----------------|
| Bank Charges                | 9,594           | 6,570           |
| Director's Sitting Fees     | 3,750           | 4,000           |
| Postage & Telegram          | 8,672           | 4,770           |
| Printing & Stationery       | 16,060          | 15,675          |
| Professional Fess           | 11,600          | 18,650          |
| Listing & Filing Fees       | 4,78,163        | 67,047          |
| Office Rent                 | 36,000          | 36,000          |
| Auditors Remuneration       | 10,000          | 10,000          |
| Internal Audit Fees         | 2,100           | 2,100           |
| Advertisement Expenses      | 35,733          | 38,615          |
| Travelling Expenses         | 18,250          | 30,950          |
| Misc. Expenses              | 23,147          | 22,900          |
| Registrar Service Charges   | 68,857          | 38,703          |
| Maintenance Charges         | 11,520          | 23,040          |
| Rates & Taxes               | 2,500           | 8,850           |
| <b>Total Other Expenses</b> | <b>7,35,946</b> | <b>3,27,870</b> |

**SCHEDULE-10****NOTES ON ACCOUNTS****I. 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:-

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- 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 Stock	Opening Stock	Purchase	Sale	Closing
Universal Corporation Ltd	65000	---	65000	----
Saree	---	1900	1544	356

2. No manufacturing activity was carried out during the year.
3. Sundry debtors' and creditors' balance outstanding as on 31.03.2010 are subject to the confirmation by the parties.
4. Directors' Remuneration:-

	Current Year (Rs)	Previous Year (Rs)
Salary	Nil	Nil
Sitting Fees	3750	4000
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.
9. No separate reportable segment in the Company.

As per our attached report of even date

For C.S. SARDA & CO.
Chartered Accountants

M.K.GANGULY
Director

A.K.BUBNA
Director

(C.S.Sarda- Partner)
(Membership No- 56406)

RAMA GARG
Director

Place: Kolkata

Date: 05.08.2010

CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	FOR THE YEAR ENDED 31ST MARCH, 2010 (Rs)	FOR THE YEAR ENDED 31ST MARCH, 2009 (Rs)
A.CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items	- 49,10,884	6,12,592
Less: Prior Period Expense	1,03,600	
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	-48,30,590	67,22,994
Inventories	58,86,065	2,46,795
Trade and other Payable	9,94,304	-39,16,950
Cash generated from operations	20,49,779	30,52,839
Interest paid		
Cash flow before extraordinary items	-29,64,705	36,65,431
Net Cash from operating activities (A)	-29,64,705	36,65,431
B.CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Sale of Fixed Assets		
Purchase of Investments		-34,79,900
Interest Received		
Sale of Investments	23,21,700	
Net cash used in Investing Activities (B)	23,21,700	-34,79,900

C.CASHFLOW 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

-6,43,005

1,85,531

(A+B+C)

Opening Cash & Cash Equivalents

11,86,385

10,00,854

Closing Cash & Cash Equivalents

5,43,380

11,86,385

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: 05.08.2010**M.K.GANGULY**
Director**A.K.BUBNA**
Director**RAMA GARG**
Director

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
AS AT 31.03.2010**

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

1. REGISTRATION DETAILS

CIN NO	L21015M01984PLC002416	State Code	10
Balance Sheet Date	31.03.2010		

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	5500200
Net Current Assets	24180594	Misc Expenditure	NIL
Accumulated Losses	46413207		

IV. PERFORMANCE OF THE COMPANY (Amount in Rs)

Turnover	6166606	Total Expenditure	6564211
Profit/Loss before Tax	(4910883)	Profit/Loss after Tax	(5014483)
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: 05.08.2010****M.K.GANGULY****Director****A.K.BUBNA****Director****RAMA GARG****Director**