

CHHATTISGARH INDUSTRIES LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

SHRI M. K. GANGULY
SHRI KESHAV GOYAL
SHRI ARIHANT JAIN
SHRI ASHISH GOYAL

(Whole Time Director)
(Non-Executive Director)
(Independent Director)
(Independent Director)

AUDITORS

M/s C.S. SARDA & CO.
CHARTERED ACCOUNTANTS
412, SHANTINIKETAN BUILDING,
8, CAMAC STREET,
KOLKATA - 700 071.

BANKERS

ALLAHABAD BANK.
ING VYSYA BANK LTD.

REGISTERED OFFICE

VILLAGE CHAPLE,
TEHSIL KHARSIA,
DISTRICT RAIGARH,
CHHATTISGARH.

CORPORATE OFFICE

7/A, 2ND FLOOR, 27/33,
BEAUMONCHAMBERS,
N.M. ROAD, FORT,
MUMBAI - 400 001.

EMAIL: - chhattisgarhltd@rediffmail.com

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NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of Chhattisgarh Industries Limited (Formerly Raigarh Paper & Board Mills Ltd) will be held on Monday, the August 1, 2011 at 3.30 P.M. at the Registered Office of the Company at Village Chaple, Teshil Kharsia District Raigarh, Chhattisgarh to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2011 and the Balance Sheet and cash flow statement as at that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Manoj Kumar Ganguly, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s C. S. Sarda & Co., Chartered Accountants, retiring Auditors is eligible for re-appointment.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Shri Arihant Jain, who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Shri Keshav Goyal, who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."
6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Shri Ashish Goyal, who was appointed as Additional Director of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member of the Company in terms of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 100 and other applicable provisions, if any, of the Companies Act, 1956 and Article 40 of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be required and subject to the sanction/ confirmation of the scheme of reconstruction (hereinafter referred to as the "Scheme") by the Hon'ble High Court of Judicature at Bilaspur/ National Company Law Tribunal (NCLT) (the "Court") and any other regulatory authority as may be prescribed under the Companies Act, 1956 and subject to any further direction from the Bombay Stock Exchange (BSE) and subject to such conditions, modifications, as may be prescribed or imposed by any of the aforementioned authorities, while granting such approvals, permissions, and sanctions, which may be agreed to by the Board of Directors of the Company, the subscribed, issued and paid up equity share capital of the company be reduced from Rs. 74,894,000/- (Rupees Seven Crores Forty Eight Lacs Ninety Four Thousand only) divided into 74,89,400 (Seventy Four Lacs Eighty Nine Thousand Four Hundred) equity shares of Rs. 10 each to Rs. 14,978,800/- (Rupees One Crore Forty Nine Lacs Seventy Eight Thousand and Eight Hundred only) divided into 74,89,400 (Seventy Four Lacs Eighty Nine Thousand Four Hundred) equity shares of Rs. 2 each and that such reduction be effected by cancelling the paid up value of equity shares to the extent of Rs. 8 (Eight) per equity shares amounting to Rs. 59,915,200/- (Rupees Five Crores Ninety Nine Lacs Fifteen Thousand and Two Hundred only)."

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"**RESOLVED FURTHER THAT** simultaneously with such reduction becoming effective the resulting 74,89,400 (Seventy Four Lacs Eighty Nine Thousand Four Hundred) fully paid up Equity Share of Rs. 2 each be consolidated into 14,97,880 (Fourteen Lacs Ninety Seven Thousand Eight Hundred Eighty) fully paid-up equity shares of Rs. 10 each by issue of 1 (One) new fully paid-up equity shares of Rs. 10 (Ten) each to the shareholders of the Company against 5 (Five) equity shares of Rs. 2 each, so reduced as aforesaid."

"**RESOLVED FURTHER THAT** the fractions arising due to the above Reduction shall be treated as under:

No fractional entitlements shall be issued by the Company in respect of the fractional entitlements, if any, to which the members of the company may be entitled on reduction and consolidation of the shares by the Company as aforesaid. The Directors of the Company shall instead consolidate all such fractional entitlements and allot shares in lieu thereof to a Director or an Authorised Officer of the Company with the express understanding that such Directors or the Officers shall sell the same at the best available prices in one or more lots and by private sale / placement or by auction as deemed fit (the decision of such directors of the officers as the case may be as to the timing and method of the sale and the prices at which such sale has been given effect to shall be final and binding on the members) and pay the sale proceeds to the Company. The net sale proceeds thereupon shall be distributed among the respective member of the Company in proportion of their fractional entitlements."

"**RESOLVED FURTHER THAT** the said reduction of the capital be adjusted against the accumulated losses of the Company to the tune of Rs. 59,915,200/- (Rupees Five Crores Ninety Nine Lacs Fifteen Thousand and Two Hundred only) as per the profit and loss account for the year ended on March 31, 2011."

"**RESOLVED FURTHER THAT** all consequential amendments, if any, be made in the capital clause of the Memorandum of Association of the company after such reduction and consolidation becoming operative and effective."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee or any person which the Board have nominated/ constituted or hereafter may constitute for exercising its powers, including the power conferred under this Resolution) be and is hereby authorized to do all such acts, deeds, matters and things including passing of such accounting entries and / or making such other adjustments in the books of accounts as considered necessary, and to execute all such documents, deeds and writings as may be required for all the aforesaid purpose as it may, in its absolute discretion, deem necessary, expedient, usual or proper to give effect to the above Resolution or to carry out such modifications/ directions as may be ordered by the Hon'ble High Court of Judicature at Bilaspur / NCLT and all other appropriate and/or relevant/concerned authorities but without requiring the approval or consent from the shareholders to implement the aforesaid Resolution."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"**RESOLVED THAT** subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed there under, Listing Agreement, Securities and Exchange Board of India (Delisting of Equity Share) Regulations, 2009 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and all other applicable laws, rules, regulations and guidelines and subject to all such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed with granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company, consent is hereby accorded to delist the Company's equity shares' from Calcutta Stock Exchange."

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorised jointly and severally to file the necessary application to the Calcutta Stock Exchange Ltd and to take all steps as may be necessary to give effect to the aforesaid resolution and to do all such acts deeds, matters and things as may be deemed necessary in this regard."

By Order of the Board

**Manoj Kumar Ganguly
Whole Time Director**

**Place : Mumbai
Dated: June 30, 2011**

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NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. M/s ABS Consultant(P) Limited, 9, Stephen House, 6th floor, 4, B.B.D Bag (E), Kolkata, -700 001 is the Registrar and Share Transfer Agent for physical shares of the Company. M/s ABS Consultant (P) Limited is also the depository interface of the Company with both NSDL and CDSL.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, July 26, 2011 to Saturday, July 30, 2011 (both days inclusive).
4. Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
5. Members, who are holding shares in the identical order of names in more than one folio, are requested to write to the Company to enable it to consolidate their holding in one folio.
6. As per the provisions of the Companies Act, 1956, facility for making nomination is available for Members of the Company in respect of shares held by them. The members, who wish to nominate a person, may furnish the required details to the Company in prescribed form.
7. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. **To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.** In respect of electronic holdings, with the Depository through their concerned Depository Participants and members who hold shares in physical form are requested to register the same with our RTA, ABS Consultant (P) Limited.
8. Information required to be furnished under clause 49 of the listing agreement for directors seeking appointment/reappointment in forthcoming annual general meeting:

(i)	Name of Director	Mr. Manoj Kumar Ganguly
	Date of Birth	01/04/1951
	Date of Appointment	02/08/2006
	Expertise	Having wide Experience in Marketing and financial Matters
	Qualification	B.Com
	Other directorship	Asian Capital Market Ltd. Greenex Chemicals Pvt Ltd Hurdeodass Co. Pvt Ltd Kanchan Wood Products Pvt Ltd Greenol Laboratories Pvt Ltd Adyamaa Tracom Pvt Ltd Sarita Nupur Vyappar Pvt Ltd Sanklap Vanijya Pvt Ltd HRG Healthcare Pvt Ltd THRS Vanijya Pvt Ltd
	Chairman/Members of the Committee in other Companies	NIL
	No of shares held in the Company	NIL

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ii)	Name of Director	Mr. Arihant Suresh Jain
	Date of Birth	20/09/1981
	Date of Appointment	01/03/2011
	Expertise	Having more than 2 years experience in Capital Market
	Qualification	Graduate
	Other directorship	Elan Stock Broking Private Limited Kotsin Ore Private Limited
	Chairman/Members of the Committee in other Companies	NIL
	No of shares held in the Company	NIL

iii)	Name of Director	Mr. Keshav Goyal
	Date of Birth	06/06/1989
	Date of Appointment	01/03/2011
	Expertise	Having more than 2 years in office administration
	Qualification	Graduate
	Other directorship	Powerful Builders Pvt. Ltd. Ample Commotrade Pvt. Ltd
	Chairman/Members of the Committee in other Companies	NIL
	No of shares held in the Company	NIL

iv)	Name of Director	Mr. Ashish Goyal
	Date of Birth	30/01/1982
	Date of Appointment	30/06/2011
	Expertise	Having more than 5 years in office administration
	Qualification	Graduate
	Other directorship	Simplex Mercantile Pvt. Ltd. Ample Commotrade Pvt. Ltd.
	Chairman/Members of the Committee in other Companies	NIL
	No of shares held in the Company	NIL

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

ITEM NO. 4:

Shri Arihant Jain was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, effective from March 01, 2011 and hold office as director only upto the date of ensuing AGM. The Company has received a notice from a Member in terms of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Arihant Jain as a Director of the Company.

None of the directors, except Shri Arihant Jain himself, is concerned or interested in the proposed resolution.

ITEM NO. 5

Shri Keshav Goyal was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, effective from March 01, 2011 and hold office as director only upto the date of ensuing AGM. The Company has received a notice from a Member in terms of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Keshav Goyal as a Director of the Company.

None of the directors, except Shri Keshav Goyal himself, is concerned or interested in the proposed resolution.

ITEM NO. 6

Shri Ashish Goyal was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956, effective from June 30, 2011 and hold office as director only upto the date of ensuing AGM. The Company has received a notice from a Member in terms of Section 257 of the Companies Act, 1956 proposing the candidature of Shri Keshav Goyal as a Director of the Company.

None of the directors, except Shri Ashish Goyal himself, is concerned or interested in the proposed resolution.

ITEM NO. 7

Owing to loses suffered continuously in the past years considerable portion of our net worth has been wiped out. Further, as per the financial statements we have incurred losses continuously in the past years till March 31, 2011 to the extent of Rs. 66,813,536 (Rs. Six Crores Sixty Eight Lacs Thirteen Thousand Five Hundred Thirty Six only).

The reduction of capital in the manner proposed would enable the Company to have a rational capital structure, which is commensurate with its remaining business and assets.

The proposed reduction will be for the benefit of the Company and its shareholders, creditors and all concerned as a whole.

Such reduction will also not cause any prejudice to the creditors of the Company. For the sake of clarity, it is specified that the reduction of capital does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid-up capital. The creditors of the Company are in no way affected by the proposed reduction of the share capital. Further, the proposed adjustment would not in any way adversely affect the ordinary operations of the Company or the ability of the Company to honor its commitments or to pay its debts in the ordinary course of business. In compliance of its obligation under the Listing Agreement, the Company would approach the Bombay Stock Exchange Limited for its no-objection/ approval to the Scheme.

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The shareholding pattern of the Company as on date (i.e., before reduction of capital) and after reduction of capital as contemplated under the Scheme is set out below:

Sl No	Categories of shareholders	No of Pre-reduction share Capital (as on June 30, 2011)	%	No of post- reduction share Capital reduction (Please see note below)	%
1	Promoters & promoters Group	1030040	13.75	206008	13.75
2	Public Shareholding:				
	Mutual Funds / UTI	43900	0.59	8780	0.59
	Financial Institutions / Banks				
	Foreign Institutional Investors				
	Foreign Banks				
	Bodies Corporate	2228387	29.75	445677	29.75
	Individuals	4187073	55.91	837415	55.91
	NRI's	-		-	
	Total	7489400	100	1497880	100.00

Note: Since the Company is a public listed company, the shareholding pattern post-reduction is not possible to predict at this time and hence the post-reduction shareholding pattern has been prepared on the basis of pre-capital reduction shareholding pattern.

The share capital structure of the Company as on date (i.e., before reduction of capital) and after reduction of capital as contemplated under the Scheme is set out below:

Amount in Rupees

Particulars	Before Reduction	After Reduction
Authorised Share Capital		
7,900,000 equity shares of Rs. 10/- each	79,000,000	79,000,000
1000 Cumulative Preference Share Capital of Rs. 100 each	10,00,000	10,00,000
Total	8,00,00,000	8,00,00,000
Issued, Subscribed and Paid-up Share Capital:		
7,489,400 equity shares of Rs. 10/- each fully paid up	7,48,94,000	1,49,78,800
Total	7,48,94,000	1,49,78,800

Article 40 of the Articles of Association of the Company provides for the reduction of the share capital of the Company.

The Resolution is subject to the confirmation of the Hon'ble High Court of Judicature at Bilaspur. After obtaining approval of the shareholders, the Company would approach the Hon'ble High Court of Judicature at Bilaspur for its confirmation.

The Directors recommend the passing of the Resolution at item No. 7 as a Special Resolution.

None of the Directors of the Company is concerned or interested in this matter except to the extent of their holding of shares.

ITEM NO. 8

THE Company's equity shares are presently listed on Bombay Stock Exchange, Calcutta Stock Exchange. Consequent to the recent rapid changes in the capital market and with the availability of nationwide trading facility coupled with wide and extensive networking of centers on BSE, investors have access to online dealings in the Company's security across the counter and substantial volume of trading is carried out through BSE. The Trading volumes at Calcutta Stock Exchange are nil/negligible and do not justify the payment of listing fees to them. The Company believes that no particular benefit is available to the shareholders of the Company by continuing the listing of equity shares at Calcutta Stock Exchange. The Company is therefore contemplating the delisting of equity shares from Calcutta Stock Exchange.

As per the recent Delisting of Equity Shares Regulations, 2009 issued by Securities and Exchange Board of India (SEBI), an exit opportunities need not to be provided to the shareholders of the Company on delisting of equity shares from Calcutta Stock Exchange, provided the equity shares continued to be listed at BSE.

The proposed voluntary delisting of the Company's equity shares Calcutta Stock Exchange will apart from saving resulting from the nonpayment of annual listing fees, also reduce a lot of administrative work. The delisting will not adversely affect any investors including the Shareholders located in the regions where the stock exchange situates. Pursuant to the Regulations issued by SEBI on voluntary delisting by companies of securities from the Stock Exchanges, it is now proposed to seek the Shareholders' approval by way of a SPECIAL RESOLUTION for voluntary delisting of the company's equity shares from Calcutta Stock Exchange as set out in the Resolution at Item No.8.

The Directors recommend the passing of the resolution at Item No. 8 as a Special Resolution.

None of the Directors of the Company is concerned or interested in this matter.

By Order of the Board

Place : Mumbai
Dated : June 30, 2011

(Manoj Kumar Ganguly)
Director

CHHATTISGARH INDUSTRIES LIMITED

DIRECTORS' REPORT

To

The Members of Chhattisgarh Industries Limited

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2011.

FINANCIAL RESULTS

The highlights of the Financial Results are as under:

(Rupees in Lakhs)

PARTICULARS	Year ended 2010-2011	Year ended 2009-2010
Sales and Other Income	613.65	75.39
Increase / Decrease in Stock	(6.14)	(58.86)
Total Expenditure	811.54	66.68
Profit (Loss) for the year	(204.03)	(50.15)
Balance brought forward	(464.13)	(413.98)
Balance Carried to Balance Sheet	(668.14)	(464.13)

OPERATIONS

During the year under review, the Gross Turnover of the Company increased to Rs. 607.51 lacs as compared to Rs. 75.39 lacs in the previous year. However, the Company has incurred loss of Rs. 204.03 lacs as compared to Rs. 50.15 lacs in the previous year.

The Company will continue to be responsive to changes in market dynamics and consumer behavior and other key factors influencing the business, and will formulate its strategies accordingly.

DIVIDEND

With a view to conserve resources for future needs and in the absent of profit of the Company, the Directors regret their inability to propose any dividend for the year under review.

DIRECTORS

Mr. Arihant Suresh Jain and Mr Keshav Goyal are appointed as additional directors in the board meeting held on 1st March 2011.

Mr. Ashish Goyal was appointed as additional director in the board meeting held on 30th June 2011.

Mr. Ashok Kumar Bubna and Smt. Rama Garg resigned from directorship with effect from 4th January, 2011.

Mr. Sumit Kumar Agarwal and Mr. Akash Singhvi who were appointed as additional director resigned from directorship with effect from 1st March, 2011.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Manoj Kumar Ganguly is liable to retire by rotation and is eligible for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards had been followed and no material departure have been made from the same;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- (iii) That 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 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That Directors have prepared the annual accounts for the financial year ended 31st March, 2011, on a 'going concern' basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars relating to conservation of energy and technology absorption are not applicable to the Company. However, efforts are being made to conserve and optimize the use of energy, wherever possible.

During the year under review, your Company has neither earned nor spent any foreign exchange.

DEMATERIALIZATION OF EQUITY SHARES

The Company's equity shares are available for trading in the Depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allotted by NSDL and CDSL to Chhattisgarh Industries Limited is INE473C01017 for the equity shares of your Company. The status of Equity Capital exists in Electronic Form and Physical Form as on March 31st, 2011 is as under:

Particulars	No of Shares	Percentage
Electronic Mode		
NSDL	27,52,921	36.76
CDSL	24,04,069	32.10
	51,56,990	68.86
Physical Mode	23,32,410	31.14
Total :	74,89,400	100.00

CORPORATE GOVERNANCE

Your Company has successfully implemented the mandatory provisions of Corporate Governance in accordance with the provisions of Clause 49 of the Listing Agreement of the Stock Exchanges. Separate Reports on Corporate Governance and Management Discussion & Analysis are included in the Annual Report and Certificate dated May 31, 2011 of the Auditors of your Company confirming the compliance of conditions of Corporate Governance is also annexed thereto.

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PARTICULARS OF EMPLOYEES

There was no employee in respect of whom information is required to be given pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended up-to-date.

AUDITORS

M/s C. S. Sarda & Co. Chartered Accountants, the Statutory Auditors, will retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS REPORT

In respect of observation made by the Auditors in their Report, your Directors wish to state that the respective notes to the accounts are self-explanatory, and do not call for any further comments.

INDUSTRIAL RELATIONS

During the year under review, your Company had cordial and harmonious industrial relations at all levels of the Organization.

STOCK EXCHANGE

Then Company's Securities are listed at Calcutta Stock Exchange Limited, and Bombay Stock Exchange Limited. Since trading in equity shares of the Company on the Calcutta Stock Exchange Ltd is negligible, Board considers it fit to delist shares from Calcutta Stock Exchange. Further, considering the expansion of the BSE and its extensive networking and terminals to other cities where investors have access to on-line dealings in the Company's equity shares on such terminals across the country, it is disproportionate to pay the listing fees to the other said stock exchanges. Besides, BSE having nation-wide terminals provide adequate opportunity to shareholders to trade in Company's shares. The delisting will take effect only after all approvals, sanctions and permission has been received.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

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 thanks 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.

For and on behalf of the Board

Place: Mumbai

Date: June 30, 2011

(Manoj Ganguly)
Director

(Arihant Jain)
Director

CORPORATE GOVERNANCE REPORT

1. The Company's Philosophy on Code of Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the Company and help the Company achieve its goal of maximizing value for all its stakeholders. The Company has a strong legacy of fair, transparent and ethical governance.

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders.

2. Board of Directors

Composition as on March 31, 2011

The Board of Directors as on 31st March, 2011 consist of 3 Directors out of whom 2 (Two) are Independent Directors. The Chairman of the Company is Executive Director. The composition of Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Name	Category	No of outside Directorship(s) held in Public Limited and Private Limited		No. of Board Committee position held in other Public Limited Companies	
		Private	Public	Chairman	Member
Shri Manoj Kumar Ganguly	Whole - time director	10	-	-	-
Shri Keshav Goyal	Independent Director	2	-	-	-
Shri Arihant Suresh Jain	Independent Director	2	-	-	-

Note: - Shri Ashok Bubna and Smt Rama Garg resigned w.e.f. from 4th January, 2011.

Shri Akash Singhvi and Shri Sumit Kumar Agarwal who were appointed on 23rd July, 2010 and resigned w.e.f. from 1st March, 2011.

Shri Keshv Goyal and Shri Arihant Jain were inducted in the board w.e.f. from 1st March, 2011.

3. Board Meetings

The Board held 8 (Eight) Meetings during the year 2010 - 2011 on 30.04.2010, 23.07.2010, 05.08.2010, 29.10.2010, 12.11.2010, 04.01.2011, 25.01.2011, and 01.03.2011.

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Attendance of Directors at Board Meetings and at the Annual General Meeting

Name of the Director	No. of Board Meetings Attended	Whether Attended the Last AGM
Shri Ashok Bubna	5	YES
Shri Manoj Kumar Ganguly	8	YES
Smt Rama Garg	5	YES
Shri Akash Singhvi	6	YES
Shri Sumit Kumar Agarwal	6	YES
Shri Keshav Goyal	1	NO
Shri Arihant Suresh Jain	1	NO

The Board ensures compliance of all laws applicable to the Company and takes steps to rectify non-compliances, if any.

4. Committees of the Board

(i) Audit Committee

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, 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.

Composition and Attendance

During the year 2010-2011, 4 (Four) Meetings of the Audit Committee were held on 30th April, 2010, 23rd July, 2010, 29th October, 2010 and 25th January, 2011.

Name of the Member	Category	No. of Meetings Attended
Shri Ashok Bubna	Independent Director	3
Shri Manoj Kumar Ganguly	Whole time Director	4
Smt Rama Garg	Independent Director	3
Shri Akash Singhvi	Independent Director	2
Shri Sumit Kumar Agarwal	Independent Director	2

The Members of the Audit Committee have requisite knowledge in the field of Finance, Accounts and Management. Minutes of each Meeting of Audit Committee are placed and discussed before the Board of Directors.

The Chief Financial Officer and representative of Statutory Auditors attended the meetings of Audit Committee.

(ii) Remuneration Committee

The Company has not formed a remuneration committee which is a part of non-mandatory 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 any stock option plan or performance linked incentives for its directors. The company has not paid any remuneration to the any of its directors.

5. Share Transfers and share holders/Investors Grievance Committee.

A) Terms of reference

The Committee 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, rectify 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, and split of share certificates.

B) Compliance Officer

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

(iii) Shareholders/Investors' Grievance Committee:

Composition of Shareholders/ Investors' Grievance Committee

Name of the Member	Category
Shri Ashok Bubna	Chairman
Shri Manoj Kumar Ganguly	Director
Smt Rama Garg	Director
Shri Keshav Goyal	Director
Shri Arihant Jain	Director

Note: - Shri Ashok Bubna and Smt Rama Garg resigned w.e.f.4th January; 2011,

Shri Keshv Goyal and Shri Arihant Jain were inducted w.e.f.1st March, 2011.

There are no outstanding complaints and no shares were pending for transfer as on March,2011

6. (a) General Body Meetings:

The Last three Annual General Meetings were held as per the details given below:

YEAR	DATE	TIME	VENUE
2007-2008	29.09.2008	10.30 A.M.	Chaple, Tehsil, Kharasia,Dist: Raigarh,Chhattisgarh
2008-2009	17.08.2009	10.30 A.M.	Chaple, Tehsil, Kharasia,Dist: Raigarh,Chhattisgarh
2009-2010	07.09.2010	10.30 A.M.	Chaple, Tehsil, Kharasia,Dist: Raigarh,Chhattisgarh

CHHATTISGARH INDUSTRIES LIMITED

(c) Postal Ballot

During the year ended 31st March, 2011, no resolution was passed by the Company's shareholders requiring voting by postal ballot. At the ensuing Annual General Meeting also, there is no resolution proposed to be passed through postal ballot.

6. Disclosures

(a) Disclosure on materially significant related party transactions, pecuniary or business relationship with the Company

There have been no materially significant related party transactions that may have potential conflict with the interests of the Company or its associates, with any of the directors or their relatives during the year 2010-11

(b) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority on any matters related to Capital Market:

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets during the last 3 years.

(c) Whistle Blower Policy:

The Company has formulated a policy known as 'Whistle Blower Policy' to allow and encourage our employees to bring to the Management's Notice (Audit Committee) directly, without necessarily informing their superiors about suspected unethical behavior, malpractice, wrongful conduct, fraud, violation of the Company's policies including code of conduct, violation of law or questionable accounting or auditing matters by any employee/director in the Company without fear of reprisal.

The Company further undertakes that it has not denied any personnel access to the Audit Committee of the Company in respect of matters involving alleged misconduct/malpractice/unethical behavior and that it has provided protection to 'Whistle Blowers' from unfair termination and other unfair or prejudicial employment practices.

(d) Details of compliance with the mandatory requirements and adoption of non-mandatory requirements of Clause 49:

The Company has complied with the mandatory requirements and is in process of adopting non-mandatory requirements of Clause 49, wherever feasible.

(e) Risk Management:

The Executive Management controls risk through means of a properly defined framework

(f) Code of Conduct:

The Board of Directors of your Company has laid down the Code of Conduct for all Board Members and Senior Management of the Company, which delineates the principles governing the conduct of employees including Directors, with all the stakeholders of the Company. The code covers transparency, legal compliances, concern of occupational health, safety and environment, a gender friendly work place and philosophy of leading by personal examples.

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All Board Members and Senior Management of your Company ensure the compliances with these principles. The Board is responsible for ensuring that these principles are communicated to, understood and observed by all employees. Compliance of the code is subject to the review by the Board supported by the Audit Committee of the Board.

(g) CEO/CFO Certification

A certificate from the Chief Financial Officer on the financial statements of the Company was placed before the Board.

(h) Meaning of Communication

(1) Quarterly results are published in leading news papers like Business Standard and Central Chronicle.

(2) Management Discussion and Analysis Report forms part of the Director's Report.

7. General Shareholder Information

(a) Date, Time and Venue of Annual General Meeting:

The Company will hold its Twenty Seventh Annual General Meeting on Monday, the August 1, 2011 at 3.30 P.M. at the Registered Office of the Company at Village Chaple, Tehsil, Dist Raigarh, Chhattisgarh.

(b) Financial Calendar (tentative and subject to change)

The Company expects to announce the unaudited quarterly results for the year 2011-2012, as per the following schedule:

Financial Reporting for the quarter ending June 30, 2011	Within 45 days from end of quarter ending June 30, 2011.
Financial Reporting for the quarter ending September 30, 2011	Within 45 days from end of quarter ending September 30, 2011
Financial Reporting for the quarter ending December 31, 2011	Within 45 days from end of quarter ending December 31, 2011.
Financial Reporting for the quarter ending March 31, 2012	Within 60 days from end of quarter ending March 31, 2012.

(c) Date of Book Closure

The Company's Register of Members and Share Transfer Book will remain closed from Tuesday, the 26th July, 2011 to Saturday 31st July, 2011 (both days inclusive).

(d) Dividend Payment Date

The Board of Directors has not recommended any dividend for the financial year 2010-2011.

(e) Listing on Stock Exchanges

(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.

CHHATTISGARH INDUSTRIES LIMITED

(f) Stock Code

The Stock Exchange, Mumbai : 530495
The Calcutta Stock Exchange Association Limited : 28050
ISIN : INE 473C01017

(g) Stock Market Data

Market Price Data- Monthly high/low of Company's Equity shares during the financial year 2010-2011 on the BSE along with performance in comparison to BSE Sensex is given as under:

MONTH	Chhattisgarh Industries Limited on BSE		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April, 2010	9.60	7.61	18,047.86	17,276.80
May, 2010	9.21	6.94	17,536.86	15,960.15
June, 2010	9.48	7.00	17,919.62	16,318.39
July, 2010	12.32	8.75	18,237.56	17,395.58
August, 2010	10.57	8.60	18,475.27	17,819.99
September, 2010	11.20	7.90	20,267.98	18,027.12
October, 2010	8.49	7.01	20,854.55	19,768.96
November, 2010	8.40	5.83	21,108.64	18,954.82
December, 2010	7.53	5.68	20,552.03	19,074.57
January, 2011	8.72	6.25	20,664.80	18,038.48
February, 2011	9.23	5.74	18,690.97	17,295.62
March, 2011	9.45	6.30	19,575.16	17,792.17

(h) Registrar and Transfer Agents for shares held in Physical as well as Depository mode:

ABS Consultant Pvt. Ltd.
Stephen House,
R.No - 99,5th Floor,
4 B B D Bag (East),
Kolkata - 700 001.
Ph -91-33-22430153/22201043
Fax - 91-33-22430153

(i) Share Transfer System

The Board has delegated the power of share transfer to Shareholders/Investors' Grievance Committee. The Committee holds meeting at regular interval to consider all matters concerning transfer and transmission of Shares.

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(j) Distribution and Shareholding Pattern

Distribution of shareholding of Company as on March 31, 2011:

Range of Equity Shares	No of Shareholders	% of total holders	No. of Shares	% to Total
Up to 500	818	50.03	251015	3.35
501 - 1000	352	21.53	303904	4.06
1001 - 2000	199	12.17	313978	4.19
2002 - 3000	72	4.40	192770	2.57
3001 - 4000	40	2.45	145655	1.94
4001 - 5000	34	2.08	164873	2.20
5001 - 10000	48	2.94	367619	4.91
10001 - 50000	51	3.12	1269372	16.95
50001 - 100000	13	0.80	1115818	14.90
100001 - Above	8	0.49	3364396	44.92
Total	1635	100.00	7489400	100.00

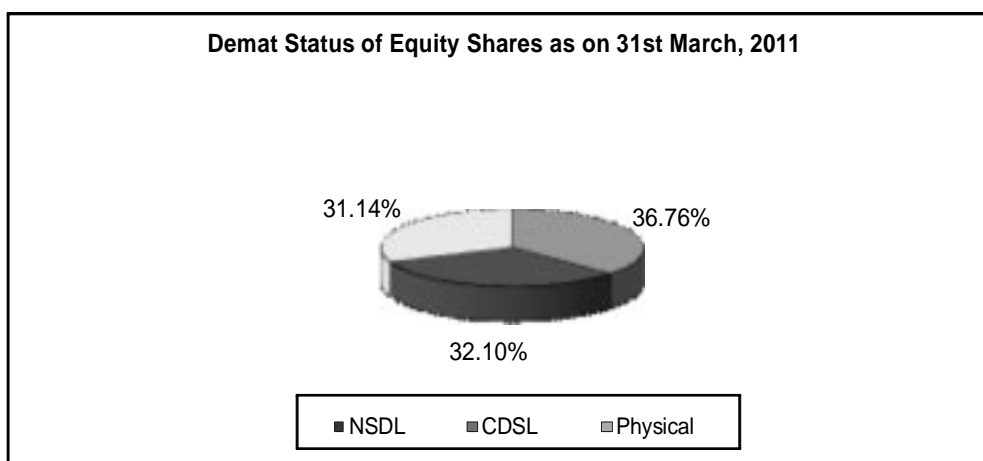
Shareholding Pattern of the Company as on March 31, 2011:

Category	Nos. of Shares held	Percentage of Holding
A Promoter and Promoter Group		
1. Indian Promoters	10,30,040	13.75
2. Foreign Promoters	-	-
Sub Total	10,30,040	13.75
B Public Shareholding		
1. Institutional Investors		
- Mutual Funds & UTI	43900	0.59
- Banks, Financial Institutions, Insurance Companies	-	-
- Central Government/State Government(s)	-	-
- Foreign Institutional Investors	-	-
2. Non-Institutional Investors		
- Bodies Corporate	2393617	31.96
- Individuals/ HUFs	4021843	53.70
- NRIs	-	-
Sub Total	64,59,360	86.25
Total	74,98,400	100.00

CHHATTISGARH INDUSTRIES LIMITED

(k) Dematerialization of Securities

The Company's Shares are available for trading in the Depository System both at National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Internet Security Identification Number (ISIN) allotted by NSDL and CDSL to CHHATTISGARH INDUSTRIES LIMITED is INE473C01017. Demat Status of Company as on March 31, 2011 is as under:



(l) PAN Requirement

SEBI had vide its circulation 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

(m) Outstanding GDRs/ADRs/Warrants or any other Convertible Instrument

Company has not issued any GDRs/ ADRs/ Warrants or any other convertible instruments or any issue (public issue, right issue, preferential issue etc.) which likely to have impact on Equity Share Capital of the Company

(n) Plant Location

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

(o) Address for Correspondence

The shareholders may address their communications/ suggestions/ grievances/ queries to:

CHHATTISGARH INDUSTRIES LIMITED

7/A, 2nd Floor
27/33, Beaumoon Chambers
N.M. Road, Fort
Mumbai - 400 001.

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 Manufacturing of coke, hard coke and other coal/coke related product.

Risk and Concerns

The Company is exposed to risks from market fluctuation of interest rate and stock market fluctuation 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 Company to oversee the day to day operations. The Company cares for its personnel and considers as their assets.

CHHATTISGARH INDUSTRIES LIMITED

**ANNEXURE TO THE REPORT OF THE DIRECTORS
CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

To,

The Shareholders of

CHHATTISGARH INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by CHHATTISGARH INDUSTRIES LIMITED, for the year ended on 31st March, 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company entered into 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, we certify that the Company has complied with the conditions of Corporate Governance stipulated in the abovementioned 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 as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **C.S. Sarda & Co.**
Chartered Accountants

(C.S. SARDA)

Membership No. 56406

Place: Kolkata

Date: 31/05/2011

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, 2011, 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.

CHHATTISGARH INDUSTRIES LIMITED

- 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, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011 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 '11' 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, 2011.
 - (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

(C.S. SARDA)
Membership No. 56406

Place: Kolkata
Date: 31/05/2011

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

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) The company has acquired fixed assets amounting to Rs. 2,23,66,900 in the current year.
- (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, 2011 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.

CHHATTISGARH INDUSTRIES LIMITED

- (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 2010-2011.
- (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 6,68,15,763.60 at the end of this financial year and there is a loss of Rs 2,04,02,557.02 during the year.

FOR C.S. SARDA & CO.
Chartered Accountants

(C.S. SARDA)
Membership No. 56406

Place: Kolkata
Date: 31/05/2011

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BALANCE SHEET AS ON 31/3/2011

PARTICULARS	SCHEDULE	AS AT 31/3/2010 Amount in Rs.	AS AT 31/3/2009 Amount in Rs.
SOURCES OF FUNDS			
<u>Share Holders Fund</u>			
Share Capital	1	74894000.00	74894000.00
Reserve & Surplus	2	1200000.00	1200000.00
Sub Total		<u>76094000.00</u>	<u>76094000.00</u>
APPLICATION OF FUNDS			
FIXED ASSETS	3	22366900.00	-
INVESTMENTS	4	-	5500200.00
CURRENT ASSETS, LOANS & ADVANCES	5		
Inventories		-	613935.00
Share Application		2500000.00	3000000.00
Loans & Advances		2276737.50	19907623.00
Sundry Debtors		214013.36	2840085.00
Cash & Bank Balance		311188.84	543381.00
		<u>5301939.70</u>	<u>26905024.00</u>
Less : Current Liabilities & Provisions			
Liabilities	6	17653269.30	1987096.00
Deferred Tax Liability		737334.00	737334.00
		<u>18390603.30</u>	<u>2724430.00</u>
NET CURRENT ASSET		-13088663.60	24180594.00
PROFIT AND LOSS A/C		66815763.60	46413206.00
TOTAL		<u>76094000.00</u>	<u>76094000.00</u>
NOTES ON ACCOUNT	11		

For and on behalf of the Board

For C.S.Sarda & Co.
Chartered Accountants

M.K.Ganguly
Director

Arihant Jain
Director

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

Date : 31st May 2011
Place : Kolkata

CHHATTISGARH INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED AS ON 31/03/2011

PARTICULARS	SCHEDULE	For the year ended on 31.03.2011 Figueres in Rs.	For the year ended on 31.03.2011 Figueres in Rs.
INCOME			
Sales		60751220.00	6166606.00
Other Income	7	613953.00	1372787.00
Increase/Decrease in Stock	8	-613935.00	-5886065.00
		<u>60751238.00</u>	<u>1653328.00</u>
EXPENDITURE			
Purchase of Sarees		77328054.00	4099865.00
Personnel Expenses	9	317000.00	265500.00
Other Expenses	10	558741.02	735947.00
Provision for FBT		-	-
Loss on Sale of Investment		2950000.00	1462900.00
		<u>81153795.02</u>	<u>6564211.00</u>
Profit /(Loss) for the year		-20402557.02	-4910883.00
Prior Period Expenses		-	103600.00
Less: Provision for Tax		-	-
Net Profit after Tax		<u>-20402557.02</u>	<u>-5014483.00</u>
Add : Balance B/f (From Previous Year)		-46413206.58	-41398723.00
Profit carried to Balance Sheet		<u>-66815763.60</u>	<u>-46413206.00</u>
NOTES ON ACCOUNT	11		
As per our attached report of even date			

For and on behalf of the Board

**For C.S.Sarda & Co.
Chartered Accountants**

**M.K.Ganguly
Director**

**Arihant Jain
Director**

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

**Date : 31st May 2011
Place : Kolkata**

27TH ANNUAL REPORT 2010-2011

**Schedules forming part of the Balance Sheet and Profit and Loss Account
As on 31/03/2011**

	AS AT 31.03.2011 Figures in Rs.	AS AT 31.03.2010 Figures in Rs.
SCHEDULE - '1' : SHARE CAPITAL		
Authorised Capital		
79,00,000 Equity Shares of Rs. 10/- each	79000000.00	79000000.00
Cumulative Preference Shares of Rs. 100/- each	1000000.00	1000000.00
	80000000.00	80000000.00
Issued, Subscribed & Paidup Capital		
74,89,400 Equity Shares of Rs. 10/- each	74894000.00	74894000.00
	74894000.00	74894000.00
SCHEDULE - '2' : RESERVE AND SURPLUS		
Central Government Subsidy	1000000.00	1000000.00
State Investment Subsidy	200000.00	200000.00
	1200000.00	1200000.00
SCHEDULE - '3' : FIXED ASSETS		
Stamp Duty on registration of Factory at Gandhidham	22366900.00	
	22366900.00	
SCHEDULE - '4' : INVESTMENTS		
2500 Equity Shares of Carvan Vinimay Pvt. Ltd.		500000.00
2500 Equity Shares of Purbasa Agency Pvt. Ltd.		500000.00
5000 Equity Shares of Alpha Indecors Pvt. Ltd.		1000000.00
70000 Equity Shares of of Asian Capital Market Ltd.		3500000.00
10 Equity Shares of Mittal Texofab Pvt. Ltd.		200.00
		5500200.00
SCHEDULE - '5' : CURRENT ASSETS		
INVENTORIES		
Stock of Sarees	---	613935.00
Stock of Shares	---	---
	---	613935.00
LOANS AND ADVANCES		
Unsecured Loans	1523480.00	15945673.00
Advances	---	3000000.00
Tax Deducted at Source	753257.50	961950.00
Deposits	---	---
	2276737.50	19907623.00

CHHATTISGARH INDUSTRIES LIMITED

SUNDRY DEBTORS :

Debts Outstanding exceeding six months	214013.36	1640560.00
Other Debts	---	1199525.00
	214013.36	2840085.00

CASH & BANK BALANCES

Cash In Hand	294560.81	147943.00
Balance with Schedule Banks in Current Account	16628.03	395438.00
	311188.84	543381.00

SCHEDULE - '6' : CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

Sundry Creditors	17500000.00	1833806.00
Bank Overdraft	74890.30	---
Liabilities for Expenses	12100.00	15008.00
Provision for FBT	3182.00	3182.00
Provision for Tax	63097.00	135100.00
	17653269.30	1987096.00

SCHEDULE - '7' : OTHER INCOME

Interest on Unsecured Loans	589306.00	1346668.00
Misc. Receipts	219.00	3001.00
Interest in I.T. Refund	21520.00	23118.00
Liability No Longer Required	2908.00	---
	613953.00	1372787.00

SCHEDULE - '8' : INCREASE / DECREASE IN STOCK:

Closing Stock	---	613935.00
Less : Opening Stock	613935.00	6500000.00
	-613935.00	-5886065.00

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SCHEDULE - '9' : PERSONNEL EXPENSES

Salaries, Wages & Bonus	317000.00	265500.00
	<u>317000.00</u>	<u>265500.00</u>

SCHEDULE - '10' : OTHER EXPENSES

Bank Charges	10882.52	9594.00
Director's Sitting Fees	---	3750.00
Postage & Telegram	6232.00	8672.00
Printing & Stationery	12300.00	16060.00
Professional Fees	25773.00	11600.00
Professional Tax	2500.00	---
Listing & Filing Fees	51635.00	478163.00
Office Rent	---	36000.00
Auditors Remuneration	10000.00	10000.00
Internal Audit Fees	---	2100.00
Advertisement Expenses	49949.00	35733.00
Travelling Expenses	---	18250.00
Misc. Expenses	---	23147.00
Registrar Service Charges	60271.00	68857.00
Maintanance Charges	---	11520.00
Rates & Taxes	---	2500.00
Loss on Assignment of Debtors	326547.00	---
Service Charges	551.50	---
	<u>558741.02</u>	<u>735946.00</u>

CHHATTISGARH INDUSTRIES LIMITED

SCHEDULE - 11 : 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 :-
- d) Quoted Securities has been valued at cost or market price whichever is lower and unquoted at cost.
- e) The quantitative details of inventories are as follows:

Details of

<u>Inventories</u>	<u>Opening Stick</u>	<u>Purchase</u>	<u>Sale</u>	<u>Closing Stock</u>
Saree	356	42,313	42,669	-
Denim	-	67,260	67,260	-
Shirting/Suiting	-	1,79,356	1,79,356	-
Cotton Clothes	-	1,70,540	1,70,540	-
Tusser	-	58,750	58,750	-

2. No manufacturing activity was carried out during the year.
3. Sundry debtors' and creditors' balance outstanding as on 31.03.2011 are subject to the confirmation by the parties.
4. Directors' by the parties.

	<u>Current Year</u>	<u>Previous Year</u>
	<u>(Rs)</u>	<u>(Rs)</u>
Salary	NIL	NIL
Sitting Fees	NIL	3750
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 Tax and Tex 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 and on behalf of the Board

**For C.S. SARDA & CO
Chartered Accountants**

**M.K. GANGULY
Director**

**ARIHANT JAIN
Director**

**(C.S. Sarda - Proprietor)
(Membership No. 56406)**

Place : Kolkata

Date : 31st May, 2011

27TH ANNUAL REPORT 2010-2011

CASH FLOW STATEMENT AS PER CLAUSE 32 OF THE LISTING AGREEMENT

	FOR THE YEAR ENDED 31ST MARCH 2011		FOR THE YEAR ENDED 31ST MARCH 2010	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax and extraordinary items :		(20402557)		(4910884)
Less : Prior Period Expense				103600
Adjustment for :				
Depreciation				
Foreign Exchange				
Interest/Dividend Paid				
Provision for deferred Tax Liability				
Operating profit before working capital changes		(20402557)		
Adjustment for :				
Trade and other Receivables	20756957		(4830590)	
Inventories	613935		5886065	
Trade and other Payables	15666173	37037065	994304	
Cash generated from operations		16634508		2049779
Interest Paid				
Cash flow before extraordinary items				(2964705)
Net Cash from operating activities (A)		16634508		(2964705)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(22366900)			
Sale of Fixed Assets				
Purchase of Investments				
Interest Received				
Sale of Investments	5500200		2321700	
Net cash used in Investing Activities (B)		(16866700)		2321700
C. CASH FLOW FROM FINANCIAL ACTIVITIES				
Proceeds from issue of share capital				
Proceeds from Long Term Borrowing 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 equivalents (A+B+C)		(232192)		(643005)
Opening Cash and Cash Equivalents		543380		1186385
Closing Cash and Cash Equivalents		311188		543380

As per our attached report of even date

For and on behalf of the Board

For C.S. SARDA & CO
Chartered Accountants

M.K. GANGULY
Director

ARIHANT JAIN
Director

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

Place : Kolkata

Date : 31st May, 2011

CHHATTISGARH INDUSTRIES LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS AT 31.03.2011

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

I. Registration details

CIN L21015CT1984PLC002416 State Code 10

Balance Sheet Date 31st March, 2011

II. Capital raised during the year (In Rs.)

Public Issue	Nil	Bonus Issue	Nil
Private Placement	Nil	Right Issue	Nil

III. Position of Mobilisation and Deployment of Funds (In Rs.)

Total Liabilities	76,094,000	Total Assets	76,094,000
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Sources of Funds

Paid up Capital	74,894,000	Reserve & Surplus	1,200,000
Secured Loan	Nil	Unsecured Loan	Nil

Application of Funds

Net Fixed Assets	22,366,900	Investment	-
Net Current Assets	(13,088,664)	Misc. Expenditure	Nil
Accumulated Losses	66,815,764		

IV. Performance of the company (In Rs.)

Total Turnover	60,751,238
Total Expenditure	81,153,795
Profit before Tax	(20,402,557)
Profit after Tax	(20,402,557)
Earning per share (Rs.)	-
Dividend Rate	Nil

V. Generic Names of The Principal Products/Services of the Company

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

For & on behalf of the Board

Place: Kolkatta
Date: 31st May ,2011

M.K. GANGULY
Director

ARIHANT JAIN
Director

CHHATTISGARH INDUSTRIES LIMITED

Regd. Office: Village Chaple, Teshil Kharsia, Raigarh, Chhattisgarh

PROXY FORM

Regd. Folio No. / DPID - Client ID No. _____

I/We _____ of _____ in the district of _____ being a member / members of Chhattigarh Industries Limited hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____

_____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Monday, August 1, 2011 at Village Chaple, Teshil Kharsia, Raigarh, Chhattisgarh at 03:30 P.M.

Signed this _____ day of _____ 2011.

Affix
1 Rupee
Revenue
Stamp

Signature of Shareholder/s

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

CHHATTISGARH INDUSTRIES LIMITED

Regd. Office: Village Chaple, Teshil Kharsia, Raigarh, Chhattisgarh

(To be handed over at entrance of the Meeting Venue)

ATTENDANCE SLIP

Regd. Folio No. / DPID - Client ID No. _____

SHAREHOLDER'S NAME: _____

(in Block Capitals)

In case of Proxy

NAME OF PROXY: _____

(in Block Capitals)

No. of Shares held _____

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company.

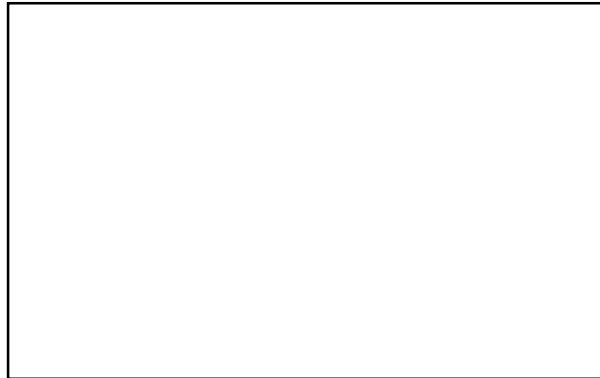
I hereby record my presence at the Annual General Meeting of the Company held on Monday, August 1, 2011 at Village Chaple, Teshil, Kharsia, Raigarh, Chhattisgarh at 03:30 P.M.

Signature of Shareholder/s / Proxy

Note: Please bring this Attendance Slip when coming to the Meeting.

**BOOK-POST
(Printed Matter)**

To,



If undelivered, please return to :

CHHATTIGARH INDUSTRIES LIMITED

7/A, 2ND FLOOR, 27/33, BEAUMOON CHAMBERS,
N.M. ROAD, FORT, MUMBAI - 400 001.

CHHATTISGARH INDUSTRIES LIMITED

**27TH ANNUAL REPORT FOR THE YEAR
ENDED 2010 - 2011**

REGISTERED OFFICE:-
Village Chaple, Tehsil Kharsia,
District Raigarh,
Chhattisgarh.