

SHAMKEN

**SHAMKEN
COTSYN
LIMITED**

**22nd
ANNUAL REPORT
2009-2010**

BOARD OF DIRECTORS

Mr. H.B. Chaturvedi (Chairman)
Mr. Amit Chaturvedi (Whole Time Director)
Mr. Sanjay Chaturvedi (Director)
Mr. K.P. Saxena (Director)
Mr. S.K. Rishi (Director)
Mr. Amresh Jha (Director)

AUDITORS

M/s J P Chaturvedi & Company
73, Mulji Jetha Buiding, 3rd Floor,
178 Princess Street,
Mumbai – 400002

COST AUDITORS

M/S M K Kulshreshtha & Associates
41, Kalpna Apartment, Sector-5
Vaishali, Ghaziabad- 201010

BANKERS

UTI Bank Ltd., New Delhi
Federal Bank, New Delhi
ING Vysya Bank, New Delhi
Karnataka Bank, New Delhi

REGISTERED OFFICE

94KM Stone,
Khasra No. 316 & 318, Village Kotwan,
Distt. Mathura (U.P.), Delhi-Mathura Road,

CORPORATE OFFICE

Shamken House, B-1/A-20,
Mohan Co-operative Industrial Estate,
Mathura Road, New Delhi-110044

**REGISTRAR & TRANSFER
AGENT**

Beetal Financial & Computer Services (P) Ltd.
Beetal House, 3rd Floor, 99, Madangir,
BH-Local Shopping Central, Near Dada Harsukhdas Mandir,
New Delhi-110062

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Notice

Notice is hereby given that the 22nd Annual General Meeting of the members of M/s. Shamken Cotsyn Limited will be held on Thursday, 30th day of September, 2010 at 12.00 afternoon at B-7&8 UPSiDC Industrial Area, Kosi Kalan, District - Mathura (U.P) to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet of the Company as on 31st March, 2010 and Profit and Loss Account for the year ended 31st March, 2010 together with the Reports of Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. H B Chaturvedi who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint a Director in place of Mr. K.P.Saxena who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Statutory Auditors **M/s J.P. Chaturvedi & Company**, Chartered Accountants, New Delhi, who was appointed as a Statutory Auditor in Extra-Ordinary General Meeting held on 24th July 2010, to hold office from the conclusion of this Meeting, till the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to being fix their remuneration. **M/s J.P. Chaturvedi & Company**, Chartered Accountants, the retiring auditors being eligible offer himself for re-appointment.

SPECIAL BUSINESS

- 5) To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
Appointment of Mr. Amresh Jha as Director:

"RESOLVED THAT Mr. Amresh Jha who was appointed as Additional Director on 31-10-2009 and who by virtue of Section 260 of the Companies Act, 1956 holds office upto the date of Annual General Meeting, being eligible, offers himself for reappointment and for whose appointment as Director a notice u/s 257 has been received from a member, be and is hereby appointed as Director of the Company whose office shall be liable to determination by retirement of Directors by rotation.

**By Order of the Board of Directors
For SHAMKEN COTSYN LIMITED**

Place: New Delhi
Date: 21/08/2010

**Sd/-
Amit Chaturvedi
Director**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY COMPLETED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULE TIME OF THE ANNUAL GENERAL MEETING, BLANK PROXY FORM IS ENCLOSED.
2. A Proxy shall not vote except on a poll.
3. The Register of Members and Share Transfer Books of the company shall remain closed from 28th September 2010 to 30th September 2010.
4. Members are requested to notify immediately any change of address to the Company at its registered office or Share Transfer Agent.
5. The proxy forms should be lodged at the registered office of the Company at least 48 hours before the meeting.

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

ITEM NO. 5:

Mr. Amresh Jha who was appointed as Additional Director on 31-10-2009 and who by virtue of Section 260 of the Companies Act, 1956 holds office upto the date of Annual General Meeting, being eligible, offers himself for re-appointment and for whose appointment as Director a notice u/s 257 has been received from a member, be and is hereby appointed as Director of the Company whose office shall be liable to determination by retirement of Directors by rotation. The Directors recommend his appointment in the best interest of the Company

None of the directors of the company is interested in the passing of this resolution.

**By Order of the Board of Directors
For SHAMKEN COTSYN LIMITED**

Place: New Delhi
Date: 21/08/2010

**Sd/-
Amit Chaturvedi
Director**

DIRECTOR'S REPORT

Your Directors present the Annual Report together with audited accounts of the Company for the year ended 31st March, 2010.

Your Company's scheme of restructuring u/s 391-394 under Allahabad High Court has been voted favorably by majority of lenders. Company has filed application u/s 391(2) of Companies Act, 1956 for notification of scheme. Subsequent to approval of the scheme it is expected that financial health of Company will be put on track again.

Further your Company is continuously negotiating with Financial Institutions, Banks, State Government to support the restructuring program formulated by the Company so that the financial health of the company be put on track.

FINANCIAL RESULTS

<u>Particulars</u>	<u>Year ended</u> <u>31.03.2010</u>	<u>In Rupees</u> <u>Year ended</u> <u>31.03.2009</u>
Sales & Other Income	14,562,207	19,058,649
Profit / Loss After Tax	(59,658,139)	(62,160,938)
Profit/Loss B/F from previous year	(569,645,585)	(503,088,296)
Profit/Loss available for appropriation	(627,987,260)	(569,645,585)

DIVIDEND

In view of the accumulated losses your Board is unable to declare any dividend for the year under review

DIRECTORS

Mr. H B Chaturvedi and K.P. Saxena, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment. Your Board recommends their appointments as Directors.

AUDITOR'S REPORT

The observation of the auditors in their report read with the relevant notes to accounts are self explanatory and are disclosed to the Notes of Accounts attached as per schedule 20.

AUDITORS

The Auditors of the Company, M/s J.P. Chaturvedi & Company, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The Company has also received a Certificate from them under Section 224(1B) of the Companies Act, 1956.

COST AUDITORS

The Central Government's Cost Audit Order specifies audit of Cost Accounting Records for certain specified products every year. The Board of Directors, subject to the approval of the Central Government, has appointed M/s M K Kulshreshtha & Associates, Cost Accountants, to carry out the cost audit for the year under review at remuneration as decided by the Board of Directors.

AUDIT COMMITTEE

The company has an Audit Committee consisting of four Directors of the company, viz. Mr. Sanjay Chaturvedi, Mr. K P Saxena, Mr. Amresh Jha and Mr. SK Rishi. The accounts have been duly reviewed by the Audit Committee.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, the reports on Management Discussion and Analysis, Certificate from the Company Secretary in Practice regarding compliance of conditions of Corporate Governance and Corporate Governance Report, are annexed as annexure – II, III & IV respectively and form an integral part of this report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1) (e) of the Companies Act 1956 read with the Companies (Disclosures of particulars in the report of Board of Directors) Rule, 1988 is given in the Annexure-1, forming part of this report.

FIXED DEPOSITS

Your Company has not accepted any fixed Deposits in terms of Section-58A of the Companies Act, 1956 from the public during the year under review.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rule, 1975 as amended, there is no employee employed by the Company either for whole or part of the year drawing remuneration in excess of the limits laid down under the rules mentioned above.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, the Directors confirm that in preparation of Annual Accounts.

- a. That in the preparation of the accounts for the year ended on 31st March, 2010 the applicable Accounting Standards have been generally followed.
- b. That such Accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the Year Ended 31st March 2010
- c. That proper and sufficient care has been taken for 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.
- d. That the accounts for the year ended 31st March 2010 has been prepared on a going concern basis.
- e. That the Company has adequate internal system and control in place to ensure compliance of laws applicable to the Company.
- f. The Auditor's qualifications are self explanatory and are disclosed to the Notes of Accounts attached as per schedule 20. With respect to interest not provided on the term loans and working capital loans, your company is negotiating with bankers for One Time Settlement (OTS) Scheme, which is likely to get the substantial relief towards the liability. This is to submitted that since the Company is sick company, neither providing nor paying interest to the secured term lender and all the Accounts of the company has been classified as NPA in the Books of respective Bankers. This is also disclosed in the Notes to the Account and Auditors Report. Other remarks are not related to this year, they pertain to earlier years and the management has already given the explanation during the year the event was occurred.

APPRECIATION

Your Directors wish to convey their thankful appreciation for the constant and enthusiastic support of the Company's Customers, Distributors, Suppliers, Bankers and Financial Institutions, and the State and Central Governments, without which the Company would not have been able to accomplish whatever it has actually attained. Your Directors also take this opportunity to express their appreciation of the earnest efforts put in by the employees, at all levels, in achieving the corporate Objectives

**By Order of the Board of Directors
For SHAMKEN COTSYN LIMITED**

Place: New Delhi
Date: 21/08/2010

Sd/-
Amit Chaturvedi
Director

Sd/-
Sanjay Chaturvedi
Director

Information in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988:

Statement of particulars pursuant to Companies (Disclosure of Particulars in the report of Board of Directors') Rule, 1988

PARTICULARS	YEAR ENDED 31-03-2010	YEAR ENDED 31-03-2009
A. CONSERVATION OF ENERGY		
a) energy conservation measures taken	: All round efforts are being made	
b) additional investment and proposal, if any, being implemented for reduction of consumption of energy; and this resulted in lower input of	: Made for energy Conservation to reduce wastage. Energy conservation has been made a part of work culture	
c) impact of measures at (a) and (b) above of for reduction of consumption of energy	: Power for per Mtr. Of fabric	
d) Power & fuel Consumption	: As Per form "A" Attached	
B. TECHNOLOGY ABSORPTION		
a) efforts made in Technology absorption	: As Per form "B" Attached	
C. FOREIGN EXCHANGE EARNING AND OUTGO		
a) activities relating to exports, initiatives taken to increase exports, development of new export markets for product and services, and export plans;	: As mentioned in Directors' Report	
b) total foreign exchange used and earned		
i) Foreign Exchange used	: NIL	
ii) Foreign Exchange earned	: NIL	

FORM - A

PARTICULARS	Unit	For the year ended 31st March 2010	For the year ended 31st March 2009
A. Power and Fuel Consumption			
1. Electricity			
(a) Purchase Unit	KWH	295076	342888
Total Amount	Rs.	1724518	1881457
Rate/Unit	Rs.	5.84	5.49
(b) Own Generation			
(l) A. Through Diesel Generator			
Units Generated	KWH	42560	52504
Cost per Unit	Rs.	15.05	13.78
2. Other/Internal Generation Boiler :			
(a) Husk Fired Boiler :			
Quantity	Tonnes	809.95	995
Total Amount	Rs.	2376966	3102632
Average Rate	Rs./Tonnes	2935	3118
(b) Oil Fired Boiler :			
Quantity	Tonnes	NIL	NIL
Total Amount	Rs.	NIL	NIL
Average Rate	Rs./Tonnes	NIL	NIL
B. Consumption per Unit of Production :			
Production Mtrs :			
Electricity (includes Units for DGSet)	Units/Mtrs	0.28	0.22
Cost	Rs/Mtrs	1.98	1.47
Boiler (Husk Fired)	Tonnes/Mtrs	NIL	NIL
Cost	Rs/Mtrs	1.99	1.75
Production Pcs :			
Electricity (includes Units for DGSet)	Units/Mtrs	NIL	NIL
Cost	Rs/Mtrs	NIL	NIL
Boiler (Oil Fired)	Tonnes/Mtrs	NIL	NIL
Cost	Rs/Mtrs	NIL	NIL

FORM – B

(Form for Disclosure of Particulars with respect to absorption)

Research and Development (R&D)

- | | |
|---|---|
| 1. Specific areas in which R&D Carried by the Company | : Improvement in methods of manufacturing cost effectiveness and efficiencies |
| 2. Benefits derived as a result of the above R&D | : Newer & improved methods of processing cloths, cost reduction improvement in efficiencies |
| 3. Future plan of action | : To continues for development of better products and improvement in quality & efficiencies |
| 4. Expenditure on R&D | : It is an on-going process and |
| (a) Capital | : there is no specific allocation |
| (b) Recurring | : and identification of expenditure |
| (c) Total | : of R&D |
| (d) Total R&D expenditure as a percentage of total turnover | |

Technology Absorption, Adoption & Innovation

- | | |
|---|---|
| 1. Efforts, in brief, made towards technology absorption, adaption innovation | : The Company is regularly pursuing the up-gradation of technology for the development of new product |
| 2. Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product | : Improvement of quality of products, Improvement in manufacturing process resulting in cost reduction and wastages during the manufacturing process and acceptability of the product in the international market |
| 3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year)following information may be furnished | : Nil |

NOTE: Figures have been re-arranged and re-grouped wherever required in the Directors' Report and Management Discussion and Analysis along-with annexure thereon

MANAGEMENT DISCUSSION & ANALYSIS REPORT**OPERATION & OUTLOOK**

The Company Account for the current year has been prepared for the period of 12 months i.e. from 01-04-2009 to 31-03-2010. During the year under review your Company has clocked a turnover of Rs. 14,562,207. The company has incurred a net loss of Rs 59,658,139 after providing a depreciation of Rs 59,603,236. Your company has earned cash Loss of Rs 54903 against the cash losses of previous year of Rs 2557702. The Company has reduced the losses for the corresponding previous year. This depicts the overall improvement in the financials of the Company despite the Company being in red.

This is attributed to severe strict measures to revive the Company in order to put it on track as early as possible.

As the economy booming and the demands of the Company's product improving we expect to make a significant turnaround very soon.

Your Companies scheme of restructuring u/s 391-394 under Allahabad High Court has been voted favorably by majority of lenders. Company has filed application u/s 391(2) of Companies Act, 1956 for notification of scheme. Subsequent to approval of the scheme it is expected that financial health of Company will be put on track again.

Further your Company is continuously negotiating with financial institutions, Banks, State Government to support the restructuring program formulated by the company so that the financial health of the company be put on track.

SWOT ANALYSIS FOR THE COMPANY**Strengths**

Your company is in the business of Processing of grey Cloths for the exporters. The Company has low power and fuel cost, cheap labour and easy availability of water to carry out the process.

Weaknesses & Threats

Your company is heavily dependent on the easy availability of raw material and to ensure its genuine supply we remain in touch with its suppliers. We have been able to procure these materials in constant touch with the vendors.

Further, your company has approached Board of Industrial & Financial Reconstruction for the revival of the Company and expecting favorable response in the larger interest of the Company and its stakeholders.

Opportunities

The Indian textile is growing considerably, resulting increase in the export of garments from India. We are looking forward to avail these opportunities.

ENVIRONMENT SAFETY

Your Company has installed proper plants to fulfill its obligations towards environmental safety.

INTERNAL CONTROL SYSTEM & ADEQUACY

Your Company has a well defined internal Control system that is adequate and Commensurate with size and nature of business. Clear roles, responsibilities and authorities, coupled with internal Information Systems, and ensure appropriate information flow to facilitate effective monitoring.

RESEARCH & DEVELOPMENT

Expenditures on Research and Development is not separately allocated and identified. The constant endeavor to upgrade existing manufacturing facilities result in the improvement in the production.

DISCLAIMER:

Statements in this report describing the current industry, outlook, opportunities etc. reflect the estimation and opinion of the company. The same are based on certain assumptions and expectations of future events. The actual results may substantially diverge from the same as they depend upon the worldwide political, economic and social situation. Further, Government regulations, tax structure, demand & supply conditions, cost of raw materials & their availability and other related factors can also have a bearing on the above statements.

**By Order of the Board of Directors
For SHAMKEN COTSYN LIMITED**

**Sd/-
Amit Chaturvedi
Director**

**Sd/-
Sanjay Chaturvedi
Director**

**Place: New Delhi
Date: 21/08/2010**



**COMPANY SECRETARY REPORT ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Shareholders of Shamken Cotsyn Limited

We have examined the compliance of conditions of Corporate Governance of M/s. Shamken Cotsyn Limited for the year ended on 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges

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 statement 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 up to certain extent complied in all material aspects with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that barring few cases no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders 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

**For Garima Duggal & Associates
Company Secretary**

**Sd/-
(Garima Duggal)
Prop.
C.P.No. 8413**



**Place: NEW DELHI
Date: 21.08.2010**

CORPORATE GOVERNANCE REPORT AT SHAMKEN COTSYN LIMITED

A. MANDATORY DISCLOSURES

1. Company's philosophy on the code of Corporate Governance

Your Company constantly strives to create corporate excellence, in its pursuit to attain the highest standard of corporate values and ethics, in order to generate sustainable economic value for all its stakeholders.

2. BOARD OF DIRECTORS

I. Board Composition:

The Board of Directors of the Company consists of six Directors, headed by Executive Chairman. The day to day management of the company is conducted by the Managing Director subject to the supervision and control of the Board of Directors of the Company.

The Papers of the Board Meeting, along with all information relevant to the matters to be discussed at an upcoming Board Meeting were circulated to the Board a week in advance for each of these meetings together with issues, which are statutory in nature

The Agenda of the Board Meetings is always sent to the Directors at least one week prior to the date of Board Meeting.

II. Board Meetings:

The Board met five (05) times during the period as on 27th day of April 2009, 30th day of July 2009, 29th August, 2009, 31st day of October 2009 & 30th day of January 2010. All the Board Meetings were held at the Company's Corporate Office at Shamken House, B-1/A-20, M.C.I.E. Mathura Road, Delhi-110044.

The Composition of the Board of Directors, Attendance record and details of the Directorships of Directors are as follows:

Directors	Categories	Board Meeting Attended during the year	Attendance at the last AGM	Number of outside Directorship held (excluding Private Limited Companies)	
				Indian Companies	Other Companies
Shri.H.B. Chaturvedi	Chairman	5	YES	3	NIL
Mr. Amit Chaturvedi	Whole Time Director	5	YES	3	NIL
Mr. Sanjay Chaturvedi	Non-Executive Director	5	YES	3	NIL
Mr.K.P. Saxena	Independent Non executive	NIL	NO	1	NIL
Mr. S.K. Rishi	Independent Non-executive	5	NO	NIL	NIL
Mr Amresh Jha	Independent Non-executive	1	-	2	NIL

III. AUDIT COMMITTEE**COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee Comprises of Mr. Sanjay Chaturvedi, Mr. K.P. Saxena, Mr. Amresh Jha and Mr. S K Rishi.

TERMS OF REFERENCE

Brief descriptions of the Terms of reference of the Audit Committee are as follows:

The Audit Committee reviews, acts and reports to the Board of Directors with respect to:

- auditing and accounting matters, including the recommendation for appointment of our independent auditors;
- compliance with legal and statutory requirements;
- integrity of the Company's financial statements, the scope of the annual audits, and fees to be paid to the independent auditors;
- Performance of the Company's Internal Audit function, independent auditors and accounting practices.
- investigate any activity within its terms of reference.
- seek any information from any employee.
- obtain outside legal or other professional advise.
- secure attendance of outsiders with relevant expertise, if it considers necessary.

The Committee reviews the audited/unaudited quarterly, yearly financial results and then it is forwarded to Board for its approval. The Chairman of the Committee is always present at the Annual General Meeting of the Company.

The Committee met five times during the year.

SITTING FEES PAID TO DIRECTORS

The details of sitting fees paid to the Non-executive Directors during the year for attending the meetings of the Board of Directors and/or committees thereof are as follows:

Name of Director	Sitting Fee Paid (Rs.)				Total Sitting Fees paid
	Board of Director	Audit Committee	Share Transfer Committee	Investor Grievances Committee	
Mr. K.P.Saxena	10000	5000	NIL	NIL	15000
Mr. S K Rishi	10000	5000	NIL	NIL	15000
Mr. Amresh Jha	4000	4000	NIL	NIL	8000

IV. SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Shareholders / Investors Grievance Committee redresses the grievance received from shareholders. The main objective of the Committee is to redress the grievances of shareholders within the stipulated time.

The composition of the Shareholders / Investors Grievance Committee is;

- Mr. K.P. Saxena, Chairman
- Mr. Amit Chaturvedi,
- Mr. Sanjay Chaturvedi
- Mr. Amresh Jha

All the matters related to transfer, transmission and transpositions were effected within fifteen days, if the documents receive were in order.

The share transfer in physical form is normally effected within a maximum period of 15 days of receipt of the documents, if found in order.

The RTA transfer shares in the physical mode after getting signature from Authorized signatory.

V. GENERAL BODY MEETINGS

The details of the last three Annual General meetings of the Company are as under:

AGM	Location	Date/Time	No. of Special Resolution
21st	94,K.M.STONE,DELHI-MATHURA ROAD, KHASRA NO.316& 318, VILLAGE-KOTWAN,MATHURA, U.P.	30.09.2009 1.00 PM	1
20th	94,K.M.STONE,DELHI-MATHURA ROAD, KHASRA NO.316& 318, VILLAGE-KOTWAN,MATHURA, U.P.	30.09.2008 1.00 PM.	2
19th	94,K.M. STONE, DELHI-MATHURA ROAD, KHASRA NO. 316 & 318, VILLAGE - KOTWAN,MATHURA, U.P.	31.12.2007 1.00PM	1

- No special resolution was put through postal ballot during last year.

VI. DISCLOSURES

During the year ended 31st March 2010, there has been no materially significant transaction entered by the Company with any party, which is considered to have potential conflict with the interest of the Company at large.

There has been some non compliance of the Listing Agreement for last one year due to which trading has been suspended by the BSE, but no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any such other statutory authority, on any matter relating to the capital markets, during the last three years.

The Company is fully complied with the Mandatory Requirements of Clause 49 of the Listing Agreement, as revised/ amended by the BSE vide letter ref. No. CRD/GEN/2004/7 dated 06.11.2004 pursuant to SEBI circular no. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29.10.2004.

DISCLOSURES OF ACCOUNTING TREATMENT

While preparation of the Financial Statements, the Accounting Standards, issued by the Institute of Chartered Accountants of India(ICAI), have been strictly followed and there is no deviation in any respect.

VII. GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING:

Day, Date	Time	Venue
Thursday 30 th September 2010	12.00 afternoon	B-7, & 8, UPSIDC Industrial Area, Kosi Kalan, District- Mathura, (U.P)

FINANCIAL CALENDAR:

1st April 2009 to 31st March 2010

BOOK CLOSURE DATE:

28th September, 2010 to 30th September, 2010

LISTING OF EQUITY SHARES:

The equity shares of the Company are listed at Delhi Stock Exchange, Bombay Stock Exchange, Calcutta Stock Exchange and Ahmadabad Stock Exchanges.

STOCK CODE:

Bombay Stock Exchange, Mumbai – 514209

ISIN No.: INE 352DD01011

MARKET PRICE INFORMATION:

The monthly high and low closing prices of the shares traded during the year ended March 31st, 2010 on The Bombay Stock Exchange Limited, Mumbai are given below:

Month	High Price (Rs)	Low Price (Rs)
Apr-09	2.08	1.43
May-09	2.54	1.91
Jun-09	2.79	2.05
Jul-09	2.30	1.76
Aug-09	1.80	1.36
Sep-09	1.76	1.45
Oct-09	2.37	1.52
Nov-09	2.39	1.76
Dec-09	2.42	1.74
Jan-10	2.25	1.62
Feb-10	1.69	1.51
Mar-10	1.89	1.36

Source: BSE website

REGISTRAR AND TRANSFER AGENT:

M/s Beetal Financial & Computer Services (P) Limited
Beetal House, 3rd Floor, 99, Madangir,
BH-Local Shopping Centre, Near Harsukhdas Mandir
New Delhi - 110 062
Ph.No.91-011-29961282, 29961284

SHARE TRANSFER SYSTEM

M/S Beetal Financial & Computers (P) Limited handles the investor services of the Company.

As per the requirement of SEBI guidelines, the Company's shares are to be traded only in dematerialized form.

Physical share transfers are registered within a period of 30 days from the date of receipt, if the documents are found correct and valid in all respects. A letter is sent to the shareholders giving them an option to receive shares in the physical mode or in the dematerialized mode. A period of 30 days is given to shareholders for sending their confirmation. The shareholders then receive the shares in the mode, as per option exercised by them.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31,2010
(Nominal value of each share/unit Rs 10)

Share Holding of Nominal Value of Rs	No. of Share Holders	% of Shares Holders	No. of Shares Held	% of Share Holding
Up to 5000	12,595	94.01	15,93,141	12.4879
5001 to 10000	372	2.78	3,33,031	2.6105
10001 to 20000	161	1.20	2,67,816	2.0993
20001 to 30000	75	0.56	1,99,689	1.5653
30001 to 40000	29	0.22	1,07,445	0.8422
40001 to 50000	58	0.43	2,84,271	2.2283
50001 to 100000	41	0.31	3,03,137	2.3761
100001 and above	66	0.49	96,68,970	75.7905
TOTAL	13,397	100.00	1,27,57,500	100.0000

In addition to the above:

- 27, 50,000 Equity Shares with differential voting right are not listed anywhere.
- 15,22,566 Equity Shares are yet to be listed.

DEMATERIALIZATION OF SHARES AND LIQUIDITY

Only 5690499 of the Company's total shares representing 44.61% Shares that are held in Dematerialized Form and balance 7067001 representing 55.39% shares are in physical form.

OUTSTANDING GDR's/ADR's/ WARRANTS OR ANY CONVERTIBLE INSTRUMENT

Till date your Company has not issued any ADR/ GDR/ Warrant or any other convertible instruments.

PLANT LOCATION

The Company's Works and Sales Office is located at:

- 1) B-207 Noida Phase – II (U.P.)
- 2) B-15 & C-18, UPSIDC Industrial Area, Kosi- Kalan, Dist- Mathura(U.P)

ADDRESS FOR CORRESPONDANCE:

Members may contact us at the Company's Corporate Office;
Shamken House, B-1/A-20,
Mohan Co-operative, Industrial Estate
Mathura Road, Delhi-110044

B. ADOPTION OF NON MANDATORY REQUIREMENTS

1. The Company's Quarterly results are published in a daily English newspaper and a local language newspaper. Therefore, the half yearly results including summary of significant events are not separately sent to the shareholders of the Company.

Your company hasn't published the results and others in any of the newspaper during the year under review due to some unavoidable circumstances.

2. The Company has some qualifications from the Auditors on its Financial Statements for which representation has been made by the Directors of the Company which has been annexed with Director's Report.
3. There were no items for approval through Postal Ballot during the year and hence this item is not applicable.

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

I, Amit Chaturvedi, Whole Time Director of the Company, do hereby declare and confirm that all the board members and senior managerial personnel have affirmed to the Board of Directors the compliance of the code of conduct as laid down by the Board.

**By Order of the Board of Directors
For SHAMKEN COTSYN LIMITED**

Place: New Delhi
Date: 21/08/2010

Sd/-
Amit Chaturvedi
Director



AUDITOR'S REPORT

To,

The Members of

SHAMKEN COTSYN LIMITED

1. We have audited the attached Balance Sheet M/s SHAMKEN COTSYN LTD., As at 31st March 2010 and also the Profit and Loss Account of the Company for the year ended on that date, annexed there to. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used to significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the companies (Auditors' Report) amendment order 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us. We enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure -- (i) & (ii) referred to above, and we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account, as required by law, have been kept by the company, so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Account.
 - d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that three director namely Shri. H. B. Chaturvedi, Shri Amit Chaturvedi and Shri Sanjay Chaturvedi are disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Subject to the effect of the qualifications given in the preceding paragraphs, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010 and:
 - (ii) In the case of the Profit & Loss Account, of **LOSS** for the year ended on that date.
 - (iii) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For and on behalf of

For J. P. CHATURVEDI & COMPANY.

Chartered Accountants

Sd/-

(J. P. CHATURVEDI)**M. No. 31373**

Prop.

Place: New Delhi.

Date: 21-08-2010

ANNEXURE – (i) TO THE AUDITORS' REPORT

(Referred to in Paragraph (4) of the Auditors' Report of even date to the members of M/s SHAMKEN COTSYN LIMITED on the financial statements for the year ended 31st March 2010.

1. (a) The company has represented, to maintain proper record showing full particulars, including quantitative details and situation of fixed assets. However full particulars of the assets as required, are not maintained in the Fixed Assets Register. Therefore, we are constrained to comment on their compatibility with physical existence otherwise.
- (b) Fixed assets represented to have been physically verified by the management during the period in phased periodical manner however in the absence of accessibility of relevant documentation relating to fixed assets verification we are constrained to comment on the matter.
- (c) The Company has represented, to have made no sale/disposal of a substantial part of fixed assets during the period. Under review, as such reliance is placed in the absence of any such substantial sale / disposal of fixed assets, the status of the company, as going concern was not impaired.
2. (a) As per management, the stocks of the finished goods, stores and spare parts, represented, to have been physically verified by the management at reasonable intervals during the year.
- (b) In our opinion, the procedures of physical verification of stocks followed the management are reasonable and adequate relation to the size of the company and nature of its business.
- (c) The discrepancies noticed on verification between the physical stocks and the books and records were not materialized, in our the valuation of the above named stocks is fair and proper in accordance with normally accepted accounting principal and is on the same as in the earlier years.
3. (a) The rate of interest, wherever applicable and other terms and conditions are not prima facie prejudicial to interest of the company in view of reliance placed on the assurance of the management.
- (b) Reliance is placed on company's claim that there is no over due amount in respect of loans taken granted by the company.
- (c) The company has taken interest free secured/unsecured loans to the company's firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 297.13 Lacs and the year-end balances of loan given to such companies were Rs. 297.13 Lacs.
- (d) The company has granted interest free secured/unsecured loans to the company's firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 0.73 Lacs and the year-end balances of loan given to such companies were Rs. 0.73 Lacs.
4. In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company. We have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. Based on the representations made by the company and relied upon, we are of the opinion that the transactions that need to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been so entered. According to representations made, the transactions materialized in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of Rs.5 Lacs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. During the year under review, the Company has not accepted fresh public deposits within the meaning of Section 58A of the Companies Act, 1956.
7. In our opinion, the Company needs to have a review of its internal audit system commensurate with the size and the nature of its business.
8. The Company is not required to maintain cost records as prescribed under Section 209 (1) (d) of the Companies Act, 1956.

9. (a) According to the records of the company, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities though there has been a slight delay in a few cases.
- (b) The company represented that there was disputed demand on account of Custom Duty & Income Tax.
- (i) Rs. 199.57 Lacs demanded by DGFT on account of Custom Duty on fabrics imported against Advance Licenses & Export commitment not fulfilled for which company are responding their replies with respective authorities and shown as contingent liability.
- (ii) Rs. 7.50 Lacs approximately plus interest payable on account of Income Tax for the assessment year 2002 – 2003 pending adjudication at Income Tax appeal and shown as contingent liability.
10. The accumulated losses of the company have exceeded fifty percent of its Net worth as at 31st March 2010. The company has incurred a cash loss of Rs. 0.55 Lacs in the current reporting year and incurred a cash loss of Rs. 25.57 Lacs in the immediately preceding year.
11. The Company has defaulted in repayment of loans (either secured or unsecured) including term loans from Financial Institutions or Bank or Debenture holder. The banks/financial institutions have levied restraints and put moratorium in the operations of bank accounts of the company. However, one time settlement (OTS) under negotiation is being effected to be attained.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, in lieu of reliance placed on corroboration of the management.
13. The Company is not a Chit Fund, Nidhi or mutual benefit Society. Hence the requirements of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. The company is not a dealer or trader in shares, securities, debentures and other investments as pronounced by the management.
15. The Company has not during the year under review, given any guarantee for loans taken by others from Bank of Financial Institutions in lieu of reliance placed on corroborations of the management.
16. No fresh term loans have been reported to have been raised and received by the company during the period under review. Therefore our opinion could not be composed in respect of funds raised.
17. The company remained encountered with constraints on account of operations of Bank Accounts, lied under moratorium. Therefore, no opinion could be composed in respect of funds raised being used for short term / long inter-se.
18. The company has not made preferential allotment of shares to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 in lieu of reliance placed on assurance of the management.
19. The Company has not issued any debentures. Hence the requirements of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
20. The company has not raised any money by public issues during the reporting period.
21. No fraud committed by the company, related to the year under audit, was represented.
- The other matters, referred to in the order have not been reported upon, as they are not applicable to the Company.

For and behalf of
For J. P. CHATURVEDI & COMPANY.
Chartered Accountants

Sd/-
(J. P. CHATURVEDI)
M. No. 31373
Prop.
Place: New Delhi.
Date: 21-08-2010

ANNEXURE-(ii) TO THE AUDITORS' REPORT

(Referred to in Paragraph (4) of the Auditors' Report of even date to the members of M/s SHAMKEN COTSYN LIMITED on the financial statements for the year ended 31st March 2010.

Attention is specifically invited to the following clauses.

- a) The company has not provided the interest on working capital and term loans and so on during the previous year(s).
- b) Further persisting capitalization of expenditure on project discontinued in earlier period(s) has related in over statement of Gross Fixed Assets of the company by Rs. 4813.86 Lacs and under statement of accumulated losses by Rs. 4813.86 Lacs.
- c) According if both the above sectors are considered the accumulated losses should have been as under;

<u>Particular</u>	<u>Current Year Losses</u>	<u>Accumulated Losses</u>
Losses as per Profit & Loss Account	5,83,41,675	62,79,87,260
Interest not provided for Current Year	17,08,59,412*	17,08,59,412*
Accumulated Interest Upto Previous Year	---	93,97,40,266*
Capitalization of Expenditure	---	48,13,86,000
Total	22,92,01,087	221,99,72,938

(*Interest revised)

- d) The losses of the company exceed its net-worth and therefore the company is classified as a sick industrial company as per provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. Despite this, the company has prepared its accounts as a going concern.

The other matters, referred to in the order have not been reported upon, as they are not applicable to the Company.

For and behalf of
For J. P. CHATURVEDI & COMPANY.
 Chartered Accountants

Sd/-
(J. P. CHATURVEDI)
 M. No. 31373
 Prop.
 Place: New Delhi.
 Date: 21-08-2010

BALANCE SHEET AS AT 31st MARCH, 2010

(Amount in Rs.)

	PARTICULARS	SCHEDULE No.		As at 31st March, 2010		As at 31st March, 2009
I	SOURCE OF FUND					
	i) SHAREHOLDER'S FUND					
	a) Equity Share Capital	1		170,400,660		170,400,660
	ii) LOAN FUNDS					
	a) Secured Loans	3		1,209,622,608		1,209,622,608
	b) Unsecured Loans	4		44,586,665		76,858,815
	TOTAL			1,424,609,933		1,456,882,083
II.	APPLICATION OF FUNDS					
	i) FIXED ASSETS					
	a) Gross Block	5	1,296,660,712		1,296,660,712	
	b) Less Depreciation		516,002,870		456,399,635	
	d) Net Fixed Assets			780,657,842		840,261,077
	ii) investment	6		11,879,162		11,879,162
	iii) C, ASSETS LOANS & ADVANCES					
	a) Inventories	7	2,857,733		3,268,868	
	b) Sundry Debtors	8	11,005,686		42,482,778	
	c) Cash & Bank Balance	9	97,571		43,420	
	d) Loans & Advances	10	2,186,043		2,159,013	
			16,147,032		47,954,079	
	LESS:					
	C. LIABILITIES & PROVISIONS					
	a) Current Liabilities	11	12,061,363		12,857,820	
				4,085,670		35,096,259
	iv) Profit and Loss Amount	2		627,987,260		569,645,585
	TOTAL			1,424,609,933		1,456,882,083

Accounting Policies
Notes On Accounts

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19

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR J. P. CHATURVEDI & COMPANY
CHARTERED ACCOUNTANTS

Sd/-
J. P. CHATURVEDI
PROPRIETOR
M.No. 31373

Sd/-
MONIKA SRIVASTAVA
COMPANY SECRETARY

Sd/-
AMIT CHATURVEDI
DIRECTOR

Sd/-
SANJAY CHATURVEDI
DIRECTOR

PLACE : NEW DELHI
DATE : 21-08-2010

SHAMKEN COTSYN LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Amount in Rs.)

	PARTICULARS	SCHEDULE No.	As at 31st March, 2010	As at 31st March, 2009
I	INCOME			
	Sales	12	14,562,207	19,058,649
	Increase in Stock	13	(82,690)	(2,604,480)
	TOTAL		14,479,517	16,454,169
II.	EXPENDITURE			
	Material consumed	14	2,965,618	2,425,841
	Fuel Consumed	15	3,007,991	3,506,859
	Expenses	16	8,514,270	12,927,669
	Financial Expenses	17	46,542	110,944
	Depreciation	5	59,603,236	59,603,236
	TOTAL		74,137,656	78,574,548
III.	PROFIT/(LOSS) DURING THE YEAR		(59,658,139)	(62,120,380)
	Less : Fringe Benefit Tax		-	(40,558)
	PROFIT / (LOSS) AFTER TAX		(59,658,139)	(62,160,938)
	Add: Debit / Credit Balances Written-off		1,316,464	(4,396,351)
	Add: Balance brought forward from last B/Sheet		(569,645,585)	(503,088,296)
IV.	PROFIT / (LOSS) AVAILABE FOR APPROPRIATION		(627,987,260)	(569,645,585)
V.	BALANCE CARRIED TO BALANCE SHEET		(627,987,260)	(569,645,585)

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR J. P. CHATURVEDI & COMPANY
CHARTERED ACCOUNTANTS

Sd/-
J. P. CHATURVEDI
PROPRIETOR
M.No. 31373

Sd/-
MONIKA SRIVASTAVA
COMPANY SECRETARY

Sd/-
AMIT CHATURVEDI
DIRECTOR

Sd/-
SANJAY CHATURVEDI
DIRECTOR

PLACE : NEW DELHI
DATE : 21-08-2010

Schedule to Accounts

PARTICULARS	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED CAPITAL		
EQUITY SHARE CAPITAL		
2,00,00,000 Equity Shares of Rs. 10/- each	200,000,000	200,000,000
50,00,000 Equity Shares of Rs. 10/- each (With Differential Voting Rights)	50,000,000	50,000,000
1,00,00,000 Preference Shares of Rs. 10/- each	100,000,000	100,000,000
ISSUED, SUBSCRIBED & PAIDUP		
EQUITY SHARE CAPITAL		
1,42,90,066 Equity Shares of Rs. 10/- each (Previous year 1,34,94,106 Equity Shares of Rs. 10/- each)	142,900,660	142,900,660
27,50,000 Equity Shares of Rs. 10/- each (With Differential Voting Rights)	27,500,000	27,500,000
Share Application Money for Equity Shares	-	-
TOTAL	170,400,660	170,400,660
SCHEDULE 2 : PROFIT & LOSS ACCOUNT		
Reserves & Surplus		
Balance trf. From General Reserve	-	-
Profit & Loss Account		
Balance b/f from previous year	(565,249,235)	(503,088,297)
Add: Addition/(Deduction) during the year	(59,658,139)	(62,160,938)
TOTAL	(624,907,374)	(565,249,235)
SCHEDULE 3 : SECURED LOANS		
Term Loans from Financial Institutions/ Banks [Secured against the Fixed Assets of the Company and Personal Guarantee of Promoter rectors & further secured by second charge over Current Assets of the company)	552,200,000	552,200,000
From Banks/ Institutions [Secured against Hyp. Raw Material, Semi Finished Goods, Finished Goods, Stores & Spares & Company's Book Debts & further secured by Second Charge over immovable & movable properties of the Company & Personal Guarantee of Promoter Directors)	657,422,608	657,422,608
	1,209,622,608	1,209,622,608
SCHEDULE 4 : UNSECURED LOANS		
From Promoters, their Associates	29,712,944	29,749,963
From Others	2,558,008	33,605,488
Fixed deposit from Public	12,315,713	13,503,364
TOTAL	44,586,665	76,858,815

SCHEDULE 5 : FIXED ASSETS

PARTICULARS	RATE	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As At 1st April 2009	Additions During the Year	As at 31st March, 2010	Upto 31st March 2009	for the year	As At 31st March, 2010	As At 31st March, 2010	As At 31st March, 2009
LAND & SITE DEVELOPMENT	-	4,926,481	-	4,926,481	-	-	-	4,926,481	4,926,481
BUILDING	3.34%	83,263,223	-	83,263,223	31,146,528	2,780,992	33,927,520	49,335,703	52,116,695
PLANT & MACHINERY	4.75%	1,089,391,124	-	1,089,391,124	343,563,003	51,746,078	395,309,082	694,082,042	745,828,121
MISC. FIXED ASSETS	4.75%	75,867,913	-	75,867,913	48,381,348	3,603,726	51,985,074	23,882,839	27,486,565
ELECTRICAL INSTALLATIONS	4.75%	17,023,491	-	17,023,491	11,140,553	808,616	11,949,169	5,074,322	5,882,938
COMPUTERS	-	7,639,588	-	7,639,588	7,639,588	-	7,639,588	-	-
FURNITURE & FIXTURE	6.33%	10,486,949	-	10,486,949	6,713,051	663,824	7,376,875	3,110,074	3,773,898
VEHICLES	-	8,061,943	-	8,061,943	7,815,564	-	7,815,564	246,379	246,379
TOTAL		1,296,660,712	-	1,296,660,712	456,399,635	59,603,236	516,002,870	780,657,842	840,261,077
PREVIOUS YEAR		1,296,660,712	-	1,296,660,712	396,796,399	59,603,236	456,399,635	840,261,077	899,864,313

SHAMKEN COTSYN LIMITED



PARTICULARS	As at 31st March, 2010 (Rs.)	As at 31st March, 2009 (Rs.)
SCHEDULE 6 : INVESTMENTS		
Quoted at Cost		
1059080 Equity Shares face value of Rs 10/- each of M/s Shamken Spinners Ltd	10,564,067	10,564,067
84396 Equity Shares face value of Rs 10/- each of M/s Shamken Multifab Ltd	1,315,095	1,315,095
TOTAL	11,879,162	11,879,162
SCHEDULE 7 : INVENTORIES		
(At Cost or Relisable Value, whichever is less and as certified by mgt.)		
(a) Raw Material (Colour Chemical)	881,533	944,695
(b) Semi Finished Goods	14,525	97,215
(c) Finished Goods	-	-
(d) Fuel	35,160	27,982
(e) Stores & Packing Material	1,926,515	2,198,976
TOTAL	2,857,733	3,268,868
SCHEDULE 8 : SUNDRY DEBTORS		
(Unconfirmed and Considered Goods)		
(a) Debts Outstanding for a period exceeding 6 months	3,412,405	36,078,552
Less : Provision for Doubtful Debts	-	-
(b) Debts Outstanding for less than 6 Months	7,593,281	6,404,226
TOTAL	11,005,686	42,482,778
SCHEDULE 9: CASH & BANK BALANCES		
(a) Cash in Hand	44,068	1,664
(b) Balance with Scheduled Banks in Current A/c	53,503	41,756
TOTAL	97,571	43,420
SCHEDULE 10 : LOANS & ADVANCES		
(Unsecured - Considered Good Unless Otherwise Stated)		
(Unsecured considered good unless otherwise stated)		
I) Advances recoverable in cash or kind or for the value to be received	-	-
II) Misc. Including Staff	33,511	48,851
III) Tax Deducted at Source	2,079,532	2,079,532
IV) Fringe benefit tax paid	-	30,630
To Promoters, their Associates	73,000.0	-
TOTAL	2,186,043	2,159,013
SCHEDULE 11 : CURRENT LIABILITIES		
(a) Sundry Creditors	10,425,666	10,697,417
(b) Payable	938,632	1,490,194
(b) Provisions	697,065	670,209
TOTAL	12,061,363	12,857,820

SHAMKEN COTSYN LIMITED



PARTICULARS	For the year ended 31st March, 2010 (Rs.)	For the year ended 31st March, 2009 (Rs.)
SCHEDULE 12 : SALES (INCLUDING JOB WORK)		
(a) Processed & Grey Fabrics	14,562,207	18,907,959
(b) Fabrics	-	150,690
TOTAL	14,562,207	19,058,649
SCHEDULE 13 : INCREASE/(DECREASE) IN STOCK		
Closing Stock at the end of the year		
- Finished Goods	-	-
- Semi Finished Goods	14,525	97,215
	14,525	97,215
Opening Stock at the end of the year		
- Finished Goods	-	1,726,725
- Semi Finished Goods	97,215	974,970
	97,215	2,701,695
TOTAL	(82,690)	(2,604,480)
SCHEDULE 14 : RAW MATERIAL CONSUMED		
Opening Stock	944,695	1,565,535
Add : Purchases	2,902,456	1,805,001
	3,847,151	3,370,536
Less : Closing Stock	881,533	944,695
TOTAL	2,965,618	2,425,841
SCHEDULE 15 : FUEL CONSUMED		
Opening Stock	27,982	122,678
Add : Purchases	3,015,169	3,412,163
	3,043,151	3,534,841
Less : Closing Stock	35,160	27,982
TOTAL	3,007,991	3,506,859
SCHEDULE 16 : EXPENSES		
Advertisement & Publicity Expenses	33,469	83,371
Auditor's Remuneration	124,635	209,939
Fees, Rates & Taxes	22,149	19,595
Freight & Cartage	18,645	161,049
Insurance Premium	6,151	9,557
Legal & Professional Charges	877,242	655,294
Listing & Secretarial Expenses	82,994	160,851
Other Expenses	233,091	451,945
Packing & Consumables	519,790	1,533,115
Postage, Telegram & Telephone	59,591	146,898
Power & Water Charges	1,788,118	1,950,657
Printing & Stationery	18,697	108,151
Prior Period Expenses	-	-
Rebate & Discount on Sales & Business Promotion Expenses	-	11,984
Repairs & Maintenance	261,423	216,374
Salary, Wages & Amenities	4,205,500	6,569,887
Security Charges	133,047	274,633
Staff Welfare	26,171	47,190
Travelling & Conveyance Expenses	17,464	65,798
Vehicle Running & Maintenance	86,093	251,381
TOTAL	8,514,270	12,927,669



SHAMKEN COTSYN LIMITED



PARTICULARS	For the year ended 31st March, 2010 (Rs.)	For the year ended 31st March, 2009 (Rs.)
SCHEDULE 17 : FINANCIAL CHARGES		
Interest on Banks & Financial Institutions	-	-
Bank Charges & Other Financial Charges	46,542	110,944
TOTAL	46,542	110,944



SCHEDULE 18: SIGNIFICANT ACCOUNTING POLICIES

1) GENERAL

Except where otherwise stated, the Financial Statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956 and the same has been adopted consistently by the Company.

2) FIXED ASSETS

Fixed Assets are stated at cost of acquisition less accumulated depreciation. All direct costs including finance cost incurred in relation to acquisition of fixed assets are capitalized till assets are ready to be put to use. These cost include financing cost relating to specific borrowings attributable to fixed assets.

3) INVENTORIES

- a) Raw Materials, Fuel, Packing Material, Consumable Store and Spares are valued at cost.
- b) Finished Goods are valued at cost or net realisable value. Excise Duty where ever applicable is included in the cost of Finished Goods.
- c) Stock in process is valued at estimated cost.

4) DEPRECIATION

Depreciation on fixed assets is provided on straight line method, in accordance with the rate as specified in schedule XIV to the Company Act. 1956(as amended).

5) REVENUE RECOGNITION

Sales / Job Work is recognised on the basis of the dispatch of goods to customer. Sale comprise amounts invoiced for goods sold and are net of excise, sale tax and returns.

6) RETIREMENT BENEFITS

Gratuity / Leave Encashment benefits is charged to profit & loss account on actual payment basis.

7) IMPAIRMENT

"The company reference with BIFR under SICAAct is pending with AAIFR. The company has also negotiated with various FIs and banks towards the OTS scheme which is pending for final approval of Hon'ble Punjab & Haryana High Court. The management is expecting substantial remission and cessation of liabilities therefore the impairment loss shall be provided on final approval of the scheme by the respective court. "

8) INVESTMENTS

Investments are valued at cost of acquisition. Provision for decline in market value has not been made since in the opinion of management same is of temporary nature.

SCHEDULE 19 : NOTES ON ACCOUNTS

1. M/s SDR Capital Limited, consented to continue to make available finance temporarily for processing of fabric and helped in marketing the products, with an understanding of repayment of such loans from sales realisation. This was necessitated, owing to plight on account of lack of support from lending financing institutions/banks, no interest directly or indirectly would be payable on such temporary accommodation pursuant to the goodwill gesture and would be free from all encumbrances. Recompense for above would be entailed only after the company turns into profit making. Fund deployed by SDR Capital Limited, during the year in respect of obligation depicted a balance of Rs. 25.58 Lacs at the end of the year, as payable characterized and accounted as unsecured loans. This is However fated to be settled with the debts depicted with equitable amounts appearing in the accounts of associate entities.
2. In view of the substantial losses and no taxable income for the current year as also due to uncertainty of future taxable income, the company has not recorded commulative deferred tax assets for on account of timing difference as stipulated in Accounting standard 22 on Accounting for taxes on income issued by insititue of Chartered Accountant of India.
3. Remuneration paid to auditors is in accordance with their terms of appointment as approved in General meeting of shareholders of the company :-

	31-Mar-10 Rs.	31-Mar-09 Rs.
AUDITORS REMUNERATION		
Statutory & Tax Audit Fees	75,000	157,304
TOTAL	<u>75,000</u>	<u>157,304</u>
COST AUDITORS REMUNERATION		
Cost Audit Fee	49,635	52,635
TOTAL	<u>49,635</u>	<u>52,635</u>

4. Contingent Liabilities (inclusive of corporate guarantees) not provided for Rs. 967.07 Lacs (Previous Year Rs 767.50 Lacs).
5. The counter claims of the company against its creditors (Secured/Unsecured) have not been considered while preparing the accounts and the dues of the said creditors reflected in the Balance Sheet are subject to said claims.
6. Sales Turnover is net of Excise Duty and sales tax.
7. Details of Sales, Turnover and Stocks in respect of the Finished Goods:-

Class of Goods

	Sales Turnover		Opening Stock		Closing Stock	
	Qty.(Mtrs.)	Value (Rs.)	Qty.(Mtrs.)	Value (Rs.)	Qty.(Mtrs.)	Value (Rs.)
Processed and						
Grey Fabrics	1,227,056	14,562,207	7,280	97,215	1,252	14,525
	(1,940,626)	(19,058,649)	(176,235)	(974,970)	(7,280)	(97,215)
Garments	-	-	-	-	-	-
	-	-	(33,069)	(1,726,825)	-	-

8. Information in respect of Installed capacity and actual production of each class of Goods :-

Class of Goods

	Installed Capacity Per Annum (Qty. In Mtrs.)	Actual Production Per Annum (Qty. In Mtrs.)
PROCESSING UNIT :-		
Current Year	16,500,000	1,221,028
Previous Year	(16,500,000)	(1,771,671)
GARMENT UNIT :-		
	(Qty. In Pcs)	(Qty. In Pcs)
Current Year	1,485,000	-
Previous Year	(1,485,000)	-

9. RAW MATERIAL CONSUMED

CLASS OF GOODS

	UNIT IN QTY.	QTY.	VALUE (Rs.)
Grey Fabrics	Metres	26,777	2,536,525
		(-)	(-)
Colour & Chemicals	Kgs.	3,406	429093
		(20900)	(2425841)



10. Value of Imports Calculated on CIF basis
(Consumable Stores)

31-Mar-10

31-Mar-09

11. Earnings in Foreign Currency

-

-

12. Expenditure in Foreign Currency :-

-

-

 Foreign Travelling Expenses

-

-

 Interest Including forward Premium

-

-

13. There is no Small Scale Industrial undertakings to whom company owes outstanding for more than 30 days as at March 31, 2010.

14. Segment reporting as defined in Accounting Standards 17 of ICAI not reported as Garment Unit of the company is lying closed.

15. Related Party Transactions:

A) Disclosure as per Accounting Standard-18 relating to transactions with related Parties during the Year

a) **Associates Companies:** M/s Shamkn Multifab Limited, Shamken Spinners Ltd and Dwarikadhish spinners Ltd.

b) **Key Managerial Persons:** Mr. HB Chaturvedi, Mr. Amit Chaturvedi, Mr. Sanjay Chaturvedi.

B) Transactions with Related Parties

S. No.	Name of the Related Party	Nature of Relationship	Details of Transaction
1	Sh. H B Chaturvedi	Director	- Loan Outstanding as on 31st March, 2010 Rs. 82.25 Lacs"
2	Sh. Amit Chaturvedi	Director	- Loan Outstanding as on 31st March, 2010 Rs. 82.25 Lacs"
3	Sh. Sanjay Chaturvedi	Director	- Loan Outstanding as on 31st March, 2010 Rs. 120.88 Lacs"
4	Shamken Multifab Ltd.	Control of Key Management personnel	- Sales - Rs. 135.74 Lacs - Balance as on 31.03.2010 - 109.56 Lacs Dr. - Balance as on 31st March,2010 Rs. 11.75 Lacs Cr. (Loan A/c)"
5	Shamken Spinners Ltd.	Control of Key Management personnel	- Purchase & Sales during the year - Nil-Loan outstanding as on 31st March,2010 Rs. 0.73 Lacs Dr."

16. During the current accounting period, company has not provided any interest on secured loans/working capital loans as no confirmation of balances being received from respective banks/financial institutions. Moreover, the bank has declared the companies accounts as NPA and the company is in the process of availing OTS schemes.

17. Earning Per Share

Profit after taxation as per profit and loss account (Rs. In thousand)	(59658)
Weighted average number of Equity Shares outstanding	17040066
Basic and diluted earning per share in rupees (face value - Rs. 10 per share)	(3.50)

* For the purpose of earning per share the Equity Share Capital includes the Equity Shares issued on deferential voting rights.

18. Balances under Sundry Debtors, Creditors, Loans & Advances, etc. are subject to confirmation and necessary adjustments, if any.

19. Schedules 1 to 20 form an integral part of the Balance Sheet and the Profit & Loss Account.

20. The comparative figures for the previous year have been rearranged and regrouped wherever required to confirm to the revised presentation of accounts.

AS PER OUR REPORT OF EVEN DATE ATTACHED

**FOR J. P. CHATURVEDI & COMPANY
CHARTERED ACCOUNTANTS**

Sd/-
J. P. CHATURVEDI
PROPRIETOR
M.No. 31313

Sd/-
MONIKA SRIVASTAVA
COMPANY SECRETARY

Sd/-
AMIT CHATURVEDI
DIRECTOR

Sd/-
SANJAY CHATURVEDI
DIRECTOR

PLACE : NEW DELHI
DATE : 21-08-2010

SHAMKEN COTSYN LIMITED



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	For the year ended 31st March, 2010 Amount (Rs.)	For the year ended 31st March, 2009 Amount (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extra ordinary items	(59,658,139)	(62,120,380)
Add :		
Fringe Benefit Tax provided	-	(40,558)
Depreciation	59,603,236	59,603,236
Interest Expenses		
Preliminary Expenses written off		
Operating profit/(Loss) before working capital changes	(54,904)	(2,557,702)
Adjustments for working capital changes		
Decrease/(Increase) in Trade & Other receivables	31,450,062	20,178,776
Decrease/(Increase) in Inventories	411,135	3,810,091
Decrease/(Increase) in Trade Payables & Provisions	(796,457)	(12,436,655)
	31,064,740	11,552,211
Decrease/(Increase) in Bank Borrowings	-	-
Cash from Operating Activities	31,009,836	8,994,509
Less : Interest paid		
Net Cash from Operating Activities	31,009,836	8,994,509
CASH FLOW FROM INVESTING ACTIVITIES		
Sale/(Purchase) of Fixed Assets	-	-
Sale/(Purchase) of Investment	-	-
Net Cash from Investing Activities	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
- Decrease in Share Capital	-	-
- Net Increase/(Decrease) in Unsecured Loan	(32,272,150)	(24,674,340)
- Net Increase/(Decrease) in Long Term Borrowing	-	20,024,058
Net Cash from Financing Activities	(32,272,150)	(4,650,282)
Cash generated from extraordinary items	1,316,464	(4,396,351)
NET CASH & CASH EQUIVALENTS	54,150	(52,123)
- Cash & Cash Equivalents As at 31.03.2009	43,420	95,544
- Cash & Cash Equivalents As at 31.03.2010	97,571	43,420

AS PER OUR REPORT OF EVEN DATE ATTACHED
FOR J. P. CHATURVEDI & COMPANY
CHARTERED ACCOUNTANTS

Sd/-
J. P. CHATURVEDI
PROPRIETOR
M.No. 31373

Sd/-
MONIKA SRIVASTAVA
COMPANY SECRETARY

Sd/-
AMIT CHATURVEDI
DIRECTOR

Sd/-
SANJAY CHATURVEDI
DIRECTOR

PLACE : NEW DELHI
DATE : 21-08-2010

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of the Shamken Cotsyn Limited for the period ended 31.03.2010. The statement has been prepared by the Company in accordance with the requirements of listing agreement and is based on and in agreement with the corresponding Profit and Loss Account and Balance sheet of the Company covered by our report to the Members of the Company.

FOR J. P. CHATURVEDI & COMPANY
CHARTERED ACCOUNTANTS

Sd/-
J. P. CHATURVEDI
PROPRIETOR
M.No. 31373

PLACE : NEW DELHI
DATE : 21-08-2010

PART-IV

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details		
Registration No.		26885
State Code		20
Balance Sheet Date		31.03.10
II. Capital raised during the year (Amount in Rs. Thousands)		
Public Issue		NIL
Right Issue		NIL
Bonus Issue		NIL
Private Placement		NIL
Preferential Allotment of Shares		79596
III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)		
Total Liabilities		1,424,610
Total Assets		1,424,610
Source Of Funds		
Paid Up Capital		170,401
Reserves and Surplus		-
Secured Loans		1,209,623
Unsecured Loans		44,587
Deferred Tax		-
Application Of Funds		
Net Fixed Assets		780,658
Investments		11,879
Net Current Assets		4,086
Misc. Expenditur		-
Profit & Loss A/c		627,987
IV. Performance Of Company (Amount in Rs. Thousands)		
Turnover (Including Income)		
a. Sales		14,562
b. Increase In Stock		(83)
c. Other Income		-
TOTAL INCOME		14,480
Total Expenditure		74,138
Profit Before Tax		(59,658)
FBT		-
Profit After Tax		(59,658)
Earning Per Share in Rs.		(3.50)



V. Generic Names of Principal Products of Company

Item Code No.	Vide Notification No. 41/95 to 47/95 Dated 16.03.95 & 80/95 dated 6.04.95
Product Description	(i) Printing & Dyeing (ii) Garments

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR J. P. CHATURVEDI & COMPANY
CHARTERED ACCOUNTANTS

Sd/-
J. P. CHATURVEDI
PROPRIETOR
M.No. 31373

Sd/-
MONIKA SRIVASTAVA
COMPANY SECRETARY

Sd/-
AMIT CHATURVEDI
DIRECTOR

Sd/-
SANJAY CHATURVEDI
DIRECTOR

PLACE : NEW DELHI
DATE : 21-08-2010

SHAMKEN COTSYN LIMITED



Regd. Off. 94 KM Stone, Delhi Mathura Road, Khasra No. 316 & 318 Village Kotwan, Distt. Mathura (UP)

ATTENDANCE SLIP

Full Name of the Member / Proxy

Full Name of Joint Holder (if any)

Address

Folio No. Shera held

DPID No. Client ID No.

Please fill in your name, address and folio no, before handing over at the entrance of the hall.

I, hereby record my presence at the 22nd Annual general Meeting of the Company at 12.00 Afternoon on Thursday, 30th September, 2010 B-7 & 8, UPSIDC, Industrial Area, Kosi Kalan, Distt. Mathura (U.P)

SIGNATURE OF THE ATTENDING MEMBER / PROXY

NOTES :

1. A Shareholder / Proxy wishing to attend the meeting must bring the Attendance slip to the Meeting and handover at the entrance duly signed. Duplicate attendance slip will not be issued at AGM venue. The same shall be issued at the Corporate Office of the company upto a day preceding the day of Annual General Meeting.
2. Shareholder / Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference
3. No Gifts / gift coupon shall be distributed

SHAMKEN COTSYN LIMITED

Regd. Off. 94 KM Stone, Delhi Mathura Road, Khasra No. 316 & 318 Village Kotwan, Distt. Mathura (UP)

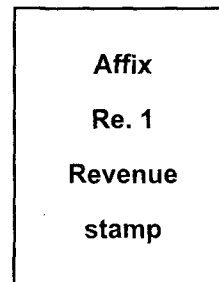
PROXY FORM

I/we of in
the district of being a member(s) of Shamken Cotsyn Limited here appoint him
..... of in the district. of or failin him as
my / our proxy to vote for me / us behalf at the 22nd Annual General Meeting of the company to be held on 30th Sept.
2010 at B-7 & 8, UPSIDC, Industrial Area, Kosi Kalan, Distt. Mathura (UP)

As witness my / our hand(s) this day of 2010.

Signature

NOTE : The proxy must be returned so as to reach the Registered Office / Corporate Office of the Company, not less than 48 hours before the commencement of the meeting.



**PRINTED MATTER
BOOK POST**



If not delivered, please return to :
SHAMKEN COTSYN LIMITED
Shamken House, B-1/A-20,
Mohan Co-op, Indl., Estate
Mathura Road, New Delhi-110 044

PULKIT SALES # 9810958504