

Sixteenth
Annual
Report
2009-10



Senbo Industries Ltd.

ANNUAL REPORT

2009 - 2010

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Corporate Profile

Board of Directors

Mr. Kajal Sengupta	Chairman & Managing Director
Mr. C. S. Choudhury	Vice Chairman
Dr. Shaibal Chakraborty	Director
Dr. Asish Kumar Sengupta	Director
Mr. Kingshuk Sengupta	Director
Mr. Pradip Kumar Chakravorty	Director

Management Team

Mr. Hirak Dasgupta <i>Chief Executive Officer</i>	Mr. Bhaskar Sengupta <i>Chief General Manager</i>
--	--

Mr. S. K. Chowdhury
General Manager (Materials)

General Manager (Finance) & Company Secretary
Mr. S. K. Mukhopadhyay

Registered Office

87, Lenin Sarani, Kolkata 700 013
Phone : (033) 2217 8915/16, Fax : 033 2285 9485
Email : senboind@gmail.com
Website: www.senboindustries.com

Works

Karbala, Sonarpur Station Road, Kolkata 700 103
Phone : 033 2434 7339, Fax : 033 2434 7341

Bankers

Axis Bank

Auditors

M/S. Rajesh Chaturvedi & Associates
Chartered Accountants
643 A, New Alipore, "O" Block, Kolkata 700 053

Registrar & Share Transfer Agent

Niche Technologies Pvt. Ltd.
D511, Bagri Market,
71, B. R. B. B. Road, Kolkata 700 001

NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of Senbo Industries Limited will be held at the premises at 251A/59A, Netaji Subhas Chandra Bose Road, Kolkata-700 047 on Wednesday, the 22nd day of September, 2010 at 11A.M. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date, together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri C S Choudhury, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Shaibal Chakraborty, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/S. Rajesh Chaturvedi & Associates, Chartered Accountants as Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Place : Kolkata,
Date : 28th May, 2010

By Order of the Board
S K Mukhopadhyay
General Manager (Finance) & Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Book of the Company will remain closed from 16th day of September, 2010 to 22nd day of September, 2010, both days inclusive.
3. Members who are holding Equity Shares in identical order of names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
4. Members holding shares in physical form can avail of the nomination facility by submitting Form No.2B of the Companies (Central Government's) General Rules and Forms, 1956 with the Company or its Registrar & Share Transfer Agents. Blank Forms will be made available on request. In case of shares held in demat form, the nomination has to be lodged with their Depository Participant.
5. Members are requested to intimate the Company's queries, if any, regarding Report and Annual Accounts at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting.

BRIEF PROFILE OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

As required under the Listing Agreement, the particulars of Directors proposed to be re-appointed are given below:

1. Shri C S Choudhury, aged 75 years is the Vice Chairman of the Board. Shri Choudhury is a graduate in the commerce stream and is also a Fellow member of The Institute of Cost & Works Accountants of India. He has experience of nearly five (5) decades in the Companies of Engineering, Construction, Steel, Tea, Timber as well as Hotel and Pharmaceuticals. He is also the Vice Charman of Senbo Engineering Limited.
2. Dr. Shaibal Chakraborty, aged 53 years is MBBS and a reputed Cardiologist. He has high experience in medical profession for over two (2) decades. He is also member and Chairman of the Audit Committee and also a member of the Remuneration Committee. But he is not holding Directorship of any other Company.

Place : Kolkata,
Date : 28th May, 2010

By Order of the Board
S K Mukhopadhyay
General Manager (Finance) & Company Secretary

DIRECTORS' REPORT

To
The Members

Your Directors present their Sixteenth Annual report on the business and operations of the Company together with the Financial results for the year ended 31st March, 2010.

FINANCIAL RESULTS

	Rs. Lacs	
	2009-10	2008-09
Operating Profit / (Loss) before Finance Charges, Depreciation & Items not related to operation	(165.08)	(120.32)
Finance Charges	(0.05)	(1.58)
Depreciation	(160.72)	(138.22)
Write Off	(6.42)	(0.07)
Net Operating Profit(Loss)	(332.27)	(260.19)
Other Non Operating Income	1.73	9.08
Net Profit / (Loss)	(330.54)	(251.11)
Adjustment relating to previous years	2.83	(0.90)
Accumulated (Loss) brought forward	(2383.84)	(2,131.83)
(Loss) carried forward to Balance Sheet	(2711.55)	(2,383.84)

In view of huge accumulated loss, your Directors do not recommend payment of Dividend for the year and for similar reason, no provision for Income Tax has been made.

OPERATING PERFORMANCE

During the financial year under review, balancing adjustments concerning automated production were made and production on Trial Run basis was started. Out of 1,57,634 Product Materials, only 24,244 materials could be sold in the market at much below the production cost. This demonstrated that manufacturing of IV Fluids on commercial basis was no longer viable and was leading to increase in losses.

RENOVATION OF MACHINES

The only producing machine -Bottel Pack 360, imported from Rommelag Ag., Germany in 1996 has been "Metal Fatigued" and stops frequently warranting heavy maintenance. Spares are not readily available and it takes 45 to 60 days time to get delivered from their country of origin.

PRODUCTION PLAN

After renovation of the machine, the Management took steps of either own manufacturing on commercial basis or contract manufacturing. Since own manufacturing and selling was not found viable, attempts were taken to establish relationship with some interested parties like, Fresenius, Baxter, B Brawn and others on contract Manufacturing. All negotiations failed because of non-matching of price together with firm commitments required for minimum quantity of production. Hence, there was no other alternative but to take a decision to sell the Intra-venous Fluid manufacturing machines.

SALE OF ASSETS

The Company being a loss making unit needs restructuring of its business. The Company has also huge amount of unsecured loan in its books.

Since the Board is contemplating new lines of business, it at its meeting held on 15th January, 2010, decided, subject to your approval, to sell, lease, transfer or otherwise dispose of the I V Fluid manufacturing machineries and other assets of the Company either in whole or in part. In the said meeting, the Board also decided to obtain your consent / approval under Section 293(1)(a) of the Companies Act, 1956 by way of Special resolution, empowering the Board of Directors of the Company for sale, lease, transfer or otherwise dispose of the whole or substantially the whole or part of the Company's assets more specifically situated at the Company's factory at Karbala, Sonarpur Station Road, Kolkata-700 103. Accordingly, consent / approval of the shareholders has been taken through postal ballot under Section 293(1)(a) read with Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001. Consequent to the consent / approval received from the shareholders on 17th March, 2010, the Board initiated sale of I V Fluid manufacturing machineries. The fund thus received have, amongst others, been used to pay off part of its unsecured loan.

FUTURE PLANS

In view of decision of bringing new lines of business, a number of alternatives are under consideration. It includes setting up hospitals, Medical Care Unit, health projects, Eye Care Unit, Cancer Research Unit & Hospital, etc. In addition, the Board was also interested to apply for suitable change in the Object Clause of the Memorandum of Association for any other profitable venture and if necessary any other decision to relieve the Company from its huge liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Once the Project is identified, it will be possible to discuss both structure and development of the Project.

2. OPPORTUNITIES AND THREATS

There are many opportunities available for going to new projects. Management is making a continuous study on such new projects. Selection of a Project is always subject to taking risk. A Project Report exposes some opportunities and threats. Similarly, implementation of the Project largely depends on a number of contingencies.

3. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

Your Company is in search of a suitable project keeping in mind of its past experience. Therefore, reporting under sector wise performance does not arise at this stage.

4. OUTLOOK

The prospects of the Company largely depends on selection of an appropriate project and its techno-commercial viability. However, it seems to be bright in view of probable selection of a profitable project.

5. RISKS & CONCERNS

The major concern of your Company relates to earning a fair margin of profit. Other aspects of concern of your Company include selection of an appropriate project, funding of the said project and selection of a financial partner for execution of the project.

6. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Maintenance of proper and adequate system of internal control ensures that all assets are safeguarded and protected against loss from unauthorized use and that all transactions are authorized and recorded and reported correctly.

An extensive program of internal and continuous Audit review supplements the internal control system as part and parcel of the Company's documented policies and procedures.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The Income from sale of trial products and sale of scrap aggregated to Rs.3.79 lacs during the year ended 31st March, 2010.

The Company suffered a net operating loss of Rs.332.27 Lacs against Rs. 260.19 Lacs of previous year.

8. HUMAN RESOURCE & INDUSTRIAL RELATIONS

At present, your Company has 92 employees on role. It recognizes the importance and contribution of its employees and is committed to uplift their welfare and to improve the quality of their living standard. Relations during the year

between the management and workers were cordial.

Your Company is committed to ensure the health and safety to every employee at its factory by providing 24 hours free medical check-up by doctor. Your Company is also committed to promoting amongst its employees proper sense of safety, conducting of training program regularly in order to accustom and update the quality of its employees as well as to ensure self-discipline and inculcate in them the need for efficient use of materials, utilities and other resources to maximize productivity. Your Company provides free canteen facilities for its employees at Sonarpur. The employees have all along accorded unflinching support to the management for effective revival of the Company. However, in view of discontinuance of present production activities, your Company may consider reducing its staff strength till implementation of new project.

Incidentally, the Management is, at present, feeling a sense of restlessness amongst Employees.

DIRECTORS' RESPONSIBILITY STATEMENT

- Your Directors have followed applicable Accounting Standards in the preparation of Annual Accounts.
- Your Directors had selected such accounting policies as mentioned in the 'Notes to Accounts' and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of 31st March, 2010 and of the loss of the Company for the year ending 31st March, 2010.
- Your 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.
- Your Directors have prepared the Annual Accounts on a going concern basis.

FIXED DEPOSIT

During the year under review, your Company has not accepted any deposit from Public.

PARTICULARS OF EMPLOYEES

Section 217(2A) of the Companies Act, 1956 was not applicable since there was no employee drawing salary during the year in excess of the specified amount.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & EXPENDITURE

A. CONSERVATION OF ENERGY

1. Power and Fuel Consumption		Current Year	Previous year
i. Electricity from WBSEDCL			
Unit	Kwh	194875	143,593
Total Amount	Rs.	2,320,553	1,757,578
Rate	Rs. / Kwh	11.91	12.24
ii. Furnace Oil			
Quantity	Ltr.	10871	7,800
Total amount	Rs.	243,670	172,581
Rate	Rs. / Ltr	22.41	22.13
2. Consumption per Unit of Production		Current Year	Previous Year
Electricity	Kwh / bottle	1.236	Negligible Production
Furnace Oil	Ltr. / bottle	0.0689	Negligible Production

The energy consumption has always been a priority area for the Company. Your directors are very much conscious of the need for conservation of energy as on going process and for that purpose, continuous efforts are being made for optimum usage of energy.

B. TECHNOLOGY ABSORPTION

The Company is waiting for new project to come in. The Company hereby undertakes that the technology of the new project will be fully absorbed during and immediately after the implementation of the project.

C. FOREIGN EXCHANGE EARNING AND EXPENDITURE

	(Amount in Rs.)	
	Current Year	Previous Year
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Expenditure		
Raw Materials	Nil	Nil
Spares & Components	1,121,678	Nil
Traveling	Nil	Nil
Foreign Delegation Fee	Nil	Nil

AUDITORS AND AUDIT REPORT

Messrs Rajesh Chaturvedi & Associates, Chartered Accountants, are the statutory auditors of the Company, who retire at the forthcoming Annual General Meeting and being eligible, have consented to act if re-appointed by the members at the Annual General Meeting.

The observations of the auditors in their report on the Company's accounts for 2009-10, in our opinion, have been sufficiently disclosed in the Notes on Accounts which form part of the Accounts and need no further explanation.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

A Certificate from the Auditors of the Company regarding compliance with the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

DIRECTORS

Sri C S Choudhury and Dr. Shaibal Chakraborty, Directors retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors place on record their sincere thanks and deep appreciation to the various Government Departments, Banks, Shareholders and employees of the Company for their continuous support to the Company.

For and on behalf of the Board

Place : Kolkata
Date : 28th May, 2010

Kajal Sengupta
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Senbo Industries Limited is committed to the objectives of the Company while ensuring accountability in the exercise of power and patronage conferred upon it. The Company is further committed to ensure compliance with the code of Corporate Governance to enhance and protect the interest of all the shareholders.

BOARD OF DIRECTORS

The composition of the Board of Directors is regulated by the Companies Act, 1956 and the Company's Articles of Association. The Board of Directors of the Company sets the strategic goals based on the objectives of the Company, defines its policies and oversees implementation of those policies to facilitate the taking of suitable actions for attainment of its goals.

At present, the composition of the Board of Directors consists of six (6) Directors. Sri Kajal Sengupta, the main promoter and the Chairman & Managing Director heads the Board. Sri Kajal Sengupta is B.Sc (Hons.) graduate and has 31 years of valuable experience in hi-tech construction and Pharmaceuticals industry. No remuneration is currently paid to him.

The Vice Chairman of the Board is Sri C S Choudhury. Sri Choudhury is a graduate in the Commerce stream and is also a Fellow member of the Institute of Cost & Works Accountants of India. He has experience of nearly five (5) decades in various Companies of Engineering, Construction, Steel, Tea, Timber, Hotel and Pharmaceuticals. He is due to retire by rotation and being eligible, offers himself for re-appointment in the forthcoming Annual General Meeting.

Sri Kingshuk Sengupta is a Bachelor of Commerce and has over 16 years experience in high-tech construction, pharmaceuticals and hotel industries.

Dr. Shaibal Chakraborty, MBBS is a reputed cardiologist and has experience in medical profession for over two (2) decades. He is due to retire by rotation and being eligible, offers himself for re-appointment in the forthcoming Annual General Meeting.

Sri Pradip Kumar Chakravorty, a representative of small shareholders of the Company, has nearly four (4) decades of business experience.

Dr. Asish Kumar Sengupta, MBBS, DGO (Cal) is a reputed medical practitioner having experience for 26 years.

All Directors other than Sri Kajal Sengupta, Chairman & Managing Director, Sri C S Choudhury, Vice Chairman and Sri Kingshuk Sengupta are independent Directors. The representation on the Board of Directors of executive vis-à-vis non-executive Directors is 3:3.

The Company has not entered into any material significant transaction with non-executive Directors of the Company.

BOARD MEETING

During the year under review five Board meetings were held on 3rd April, 15th May, 29th June, 27th July, 14th August, 30th October, 2009 and 15th January, 2010.

The last Annual General Meeting of the Company was held on 23rd September, 2009. The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the Annual General Meeting and the number of other Directorship and Board Committee Membership / Chairmanship are as follows :

Name of Directors	Category	Attendance		Number of other Directorship & Committee Membership/ Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Shri Kajal Sengupta	Promoter					
	Executive Director	7	No	4	-	-
Shri C. S. Chowdhury	Executive Director	7	Yes	1	-	-
	Independent Non-Executive Director	7	No	Nil	-	-
Shri Kingshuk Sengupta	Independent Non-Executive Director	7	No	3	-	-
	Independent Non-Executive Director	7	No	Nil	-	-
Shri Pradip Kumar Chakravorty	Independent Non-Executive Director	7	Yes	Nil	-	-

AUDIT COMMITTEE

The Audit Committee comprises of two (2) Non-Executive Directors and one Executive Director. The non-executive Directors being Dr. Shaibal Chakraborty, Chairman of Audit Committee, Dr. Asish Kumar Sengupta while Sri Kajal Sengupta, Chairman & Managing Director is the sole executive Director. During the year under review five Audit Committee meetings were held, the dates of those meetings being 3rd April, 15th May, 29th June, 27th July,

30th October, 2009 and 15th January, 2010. The composition of the Committee and the attendance at the meetings of the Committee are given below:

Name of Members	Designation	No. of Meetings attended	Remarks
Dr. Shaibal Chakraborty	Chairman	6	Nil
Sri. Kajal Sengupta	Member	6	Nil
Dr. Ashish Kumar Sengupta	Member	6	Nil

The terms of reference and the scope of surveillance of the Audit Committee include -

- Ensuring compliance and improving efficiency of internal control system as well as internal audit.
- Reviewing of Company's financial performance at regular intervals as well as overseeing of the Company's Financial reporting process and concurring Financial Statements before submission to the Board.
- Reviewing scope and adequacy of audit functions, both internal and statutory.
- Reviewing of critical findings with particular reference to elements of cost, economization in expenditure, improving productivity and profitability as well as related follow-up actions thereof.
- Complying of Accounting Standards and Disclosure norms prescribed under the Companies Act, 1956.
- Disclosing of financial information while ensuring its correctness, sufficiency, credibility and its compliance with Stock Exchange Regulations as well as other legal requirements.
- Recommending appointment / removal of external auditors, fixation of audit fees and approval for payment for other services rendered by the external auditors.
- Reviewing finding of audit observations and critical concerns like suspended fraud or irregularity, or failure of internal control systems and reporting such matters to the Board.
- Reviewing of matters relating to changes in accounting policies, major accounting entries based on exercise of judgement, transactions in which Directors are directly / indirectly interested.
- Reviewing of the Financial and Risk Management Policies of the Company.
- Reviewing from time to time the Company's statutory and contractual obligations as well as reasons for defaults therein, if any.

REMUNERATION COMMITTEE

Remuneration Committee comprising of two non-executive Directors, viz, Dr. Asish Kumar Sengupta, Dr. Shaibal Chakraborty and one executive Director, viz, Shri C S Choudhury, Vice Chairman was formed by the Board at its meeting held on 31st October, 2008. The Committee is headed by Dr. Asish Kumar Sengupta. The Committee has been vested with powers to determine the terms of appointment and remuneration of Executive Directors, policy on remuneration package of the Executive Directors and revision in sitting fees as paid to Directors for attending meetings of the Board or Committees thereof. During the financial year, one meeting was held on 15th January, 2010.

The composition of the Committee and the attendance of the meetings of the Committee are given below :

Name of Members	Designation	No. of Meetings attended
Dr. Asish Kumar Sengupta	Chairman	1
Dr. Shaibal Chakraborty	Member	1
Sri. C.S.Choudhury	Member	1

SHAREHOLDERS' COMMITTEE

Shareholders' Committee comprising of three independent Directors viz., Dr. Asish Kumar Sengupta, Dr. Shaibal Chakraborty and Shri C S Choudhury, Vice Chairman was formed by the Board at its meeting held on 31st October, 2008. The Committee is headed by Dr. Asish Kumar Sengupta. The terms of reference of the Committee are to look into redressal of investors' complaints like transfer of shares, non-receipt of annual report, etc and to oversee the performance of the Registrar and Share Transfer agents. The details of complaints received and attended to during the year are given below:

No. of Shareholders' complaints received so far	:	Nil
No. of complaints pending / unresolved	:	Nil

GENERAL BODY MEETING

The last three Annual General Meeting of the Company were held as indicated below:

YEAR	VENUE	DATE	TIME
2006-07	Company's Works at Sonarpur, Sonarpur Station Road, Karbala, Kolkata 700 103	25 th September, 2007	11-00 A.M.
2007-08	-do-	24 th September, 2008	11-00 A.M.
2008-09	-do-	23 rd September, 2009	11-00 A.M.

Special Resolutions passed at aforesaid Annual General Meetings.

YEAR	DATE OF MEETING	SPECIAL RESOLUTION PASSED
2006-07	25.09.2007	NIL
2007-08	24.09.2008	NIL
2008-09	23.09.2009	ONE (1)

One(1) Special Resolution was passed through postal ballot during the year under review.

No special resolution is proposed to be conducted through postal ballot for the time being.

Postal Ballot, as and when considered necessary, strictly conforms the provisions of Section 192A of the Companies Act, 1956 and Companies (Passing of the Resolution by Postal ballot) Rules, 2001 and each time Board of Directors appoints a scrutinizer for conducting such Postal ballot.

DISCLOSURE

- During the year, there was no significant transaction of material nature with the Promoters, Directors or the Management, their subsidiaries or relations that might have any potential conflict with the interest of the Company at large.
- There was no instance of non-compliance of any matter related to the capital markets during the last three years and no penalties or strictures were imposed on the Company by any Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets during the last three (3) years, save and except suspension in trading of Company's Shares by Stock Exchange of Mumbai for which requisite compliances and replies have been given in time. Your Company is hopeful of withdrawal of above suspension at an early date.
- The Audit Committee allows employees to complain about unethical behavior, actual or suspended fraud or malpractices in the Company without fear of reprisal.

The Management encourages employees to talk about problems with either immediate superior or the superior's superior and ultimately raise the issue at the Audit Committee if they find no redressal of their complaints. No employee has been denied access to the Audit Committee on such issues.

- d. The Mandatory Requirements on Corporate Governance have been fully complied Non-Mandatory Requirements, viz., Training of Board Members, Mechanism for evaluating Non-Executive Board Members.

MEANS OF COMMUNICATION

In compliance with Stock Exchange Regulations the Company's un-audited quarterly and half yearly financial results have been published within a month of the end of the respective quarter / half year of the financial year. Audited Financial Results have been published within three (3) months of the close of the financial year. The results are normally published in one leading English and also Bengali Newspaper, Viz., the Financial Express / Business Standard (English) and Kalantar / Pratidin / Aajkaal / some other suitable newspaper. The Company also issues news release on significant corporate decisions and activities. Such information had also been displayed from time to time in the Company's Website at www.senboindustries.com but no such presentation has been made to institutional investors or to the analysts.

RISK MANAGEMENT

The Board of Directors at its meeting held on 2nd May, 2007 has laid down the Risk Management Policy and procedures thereof for periodically informing the Board Members about the risk assessment and minimizing procedures. The Company has a well-set risk management framework in place. This frame involves identifying risk across each of the business process of the Company and classifying them as :

- a. **Strategic Risk**
These include all risks associated with the longer term interests of the Company.
- b. **Business Risk**
These include all risks associated with the regular functioning of each of the processes. These are more operational in nature.
- c. **Reporting Risk**
These include all risks associated with incorrect or untimely financial and non-financial reporting.

CODE OF CONDUCT

The Board of Directors at its meeting held on 2nd May, 2007 has adopted a Code of Conduct specially for the members of the Board of Directors and/or members of the Senior Management of the Company, which sets out as follows:

1. To act in the best interests of, and fulfill fiduciary obligations to the Company; act honestly, fairly, ethically and with integrity, conduct themselves with professional, courteous and respectful manner and not take improper advantage of the position of the Director or Senior Manager.
2. To comply with all applicable laws, rules and regulations;
3. To act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
4. To act in a manner to enhance and maintain the reputation of the Company;
5. To disclose any personal interest that they may have regarding any matters that may come before the audit committee and / or the Board and abstain from discussion, voting or otherwise influencing decision on any matter in which the concerned Director has or may have such interest.
6. To respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, while continuing as such a Director and even after ceasing to be such a Director, for two years, except when authorized or legally required to disclose such information.
7. Restrain from using the Company's property or position for personal gain.
8. Avoid using any information or opportunity received in the capacity as Directors for personal gain, or in a manner that would be detrimental to the Company's interest.

9. Not to use confidential information acquired in the course of their service as Directors for their personal advantage or for the advantage of any other entity in which they have a direct or indirect interest.
10. Help, create or maintain a culture of high ethical standards and commitment to compliance.

A Director who has concerns regarding compliance with this code should raise such concerns with the Chairman of the Board who will deal with the same. No waiver or suspension of any or all requirements of this policy, or any modifications of this policy, shall be valid unless approved by the Board and formally minuted with reasons for such action. Directors will annually sign confirmation that they have read and will comply with this code.

All Directors and Senior Management personnel affirmed compliance with the Code.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting

Date and time : On or before 30th September, 2011 and at 11 A.M.
 Venue : Company's Works at Karbala, Sonarpur Station Road, Kolkata- 700 103

Financial Year

The Company follows year from 1st April to 31st March. The Un-audited results for the first three quarters for 2010-11 and Audited Results for the 4th Quarter ending 31st March, 2011 will be considered as per Clause 41 of the Listing Agreement with the Stock Exchanges.

Date of Book Closure

The dates of book closure would be for a period of seven (7) days with the date of next Annual General Meeting.

Dividend Payment Date

In view of the continuous loss incurred by the Company, no dividend has been recommended for the year, 2009-10.

Listing on Stock Exchange

Shares of the Company are listed with the Stock Exchanges of Kolkata and Mumbai.

Stock Code

- | | | |
|---|---|--------------|
| a) Stock Code of Stock Exchange at Mumbai | : | 532021 |
| b) Stock Code of Stock Exchange at Kolkata | : | 10029214 |
| c) Demat/ ISIN Number | | |
| In NSDL and CDSL for Equity Shares of the Company | : | INE792C01010 |

Market Price Data

As there was no trading during the year under review, stock Market Price is not available and hence not furnished.

Registrar and Share Transfer Agent

Niche Technologies Private Ltd.
 D 511, Bagri Market, 71, BRBB Road, Kolkata - 700 001

Share Transfer System

The Share transfer requests, which are received in physical form, are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. However, in pursuance of SEBI guidelines, the Company has been offering the facility of Share Transfer-cum-Demat. Under the said system, after the share transfer is effected, an option letter is sent to the transferee, indicating the details of the transferred shares and requesting the owner of those shares whether he opts for demat shares. If he so desires to demat, he is to approach the Depository Participant (DP) with the option letter of the Company. The Depository Participant thereof generates a demat request, based on option letter, and sends the same to the Company along with its earlier issued option letter. On receipt of the same, the Company dematerializes those shares.

In case the transferee does not wish to dematerialize the shares, the Company despatches the shares immediately.

Distribution of Shareholding as on 31st March, 2010

Sl.	Number of Shares	No. of Holders	% of Total Shareholders	Total Shares	% of Total Shares
1	upto 50	59	1.75	663	0.31
2	51 to 100	55	1.63	5,500	0.55
3	101 to 500	2095	62.11	1,022,190	9.29
4	501 to 1,000	813	24.10	685,094	6.23
5	1,001 to 5000	290	8.60	611,655	5.56
6	5001 to 10,000	22	0.65	100,400	1.46
7	10,001 to 20,000	12	0.36	169,999	1.55
8	20,001 to 50,000	7	0.21	224,600	2.04
9	50,001 to 1,00,000	4	0.12	307,300	2.79
10	1,00,001 and above	16	0.47	7812,500	71.02
	Total	3,373	100.00	11,000,000	100.00

Shareholding Pattern of the Company as on 31st March, 2010

Category (No. of Shares)	Total Shares	% of Total Shares representing the Category
Promoters :		
Indian	6,192,100	56.29
Foreign	-	-
Total Promoters'	6,192,100	56.29
Persons Acting in Concert :	-	-
Institutional Investors :		
Mutual Funds	14,900	0.14
Banks, FIs, etc.	355,800	3.23
Foreign Institutional Investors	-	-
Others		
Private Corporate Bodies	8,31,552	7.56
Indian Public	3,394,849	30.86
NRIs/ OCBS	210,299	1.91
Any Other	500	0.01
Total Non-Promoters'	4,807,900	43.71
Grand Total	11,000,000	100.000

Dematerialization of Shares

The shares of the Company are compulsorily traded in dematerialized form with effect from 29th April, 2001. Accordingly, the Company entered into agreements with NSDL on 15th January, 2001 and CDSL on 4th January, 2001. Till 31st March, 2010, the Company processed dematerialization requests for 14,38,605 shares which represents 13.08 % of the shares issued.

OUTSTANDING GDR / ADR / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDR / ADR / Warrants / Convertible instruments and hence there is no impact on the Equity Shares of the Company due to conversion of above instruments.

PLANT LOCATION

Senbo Industries Limited, Karbala, Sonarpur Station Road, P.O. Sonarpur, Kolkata 700 103.

ADDRESS FOR CORRESPONDENCE

For transfer / dematerialization of shares and / or other query relating to share, and matters related / allied thereto:

Senbo Industries Limited

87, Lenin Sarani, Kolkata 700 013

Phone: 033 2217 8915 / 8916, Fax: 033 2265 9485 / 2217 8917

E-mail: senboind@gmail.com, Website : www.senboindustries.com

AUDITORS REPORT ON CORPORATE GOVERNANCE

To the Shareholders of Senbo Industries Limited

1. We have examined the compliance of conditions of corporate governance by Senbo Industries Limited for the year ending 31st March 2010, as stipulated in Clause 49 of the listing agreement of the Company with Stock Exchanges.
2. 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. 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 as stipulated in the above mentioned listing agreement.
4. We state that in respect of investor grievances, the Registrar & Share Transfer Agents of the Company has maintained the relevant records and certified that as on 31st March 2010 there was no investor grievance pending against the Company for a period exceeding one month.
5. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For RAJESH CHATURVEDI & ASSOCIATES

Chartered Accountants

R.Chaturvedi

Proprietor

Membership No.52809

Place : Kolkata

Dated : 28th May, 2010

AUDITORS' REPORT

TO THE MEMBERS OF SENBO INDUSTRIES LIMITED

We have audited the attached Balance Sheet of Senbo Industries Limited as at 31st March 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the period ended on that date. 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.

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 and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that:

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government under Section 227(4A) of the Companies Act, 1956 and as amended upto date, we enclose in the Annexure, a statement on the

matters specified in paragraphs 4 and 5 of the said Order.

2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 and Profit & Loss Account dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow comply with the Accounting Standards referred in Section 211(3C) of the Companies Act, 1956, in so far as the Standards are applicable to the Company;
 - (e) On the basis of written representations received from the Directors as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2010 from being appointed as Director within the meaning of Section 274 (1) (g) of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies and subject to :
 - Note 1.1.** regarding Non-provision of Bonus, Gratuity, Leave Encashment and interest received on Security Deposit with Central Medical Stores, the amount of which has not been determined.;
 - Note 4** regarding non-charging of interest on Inter-Corporate Borrowings from a Group Company.
 - Note 5** on Party confirmations on Sundry Debtors, Sundry Creditors and Loans and Advances;
 - Note 7** regarding Non-adjustment of final dues with M/s. Fresenius Kabi Pvt. Ltd. in the accounts.
 - Note 11** regarding non-adoption of Accounting Standard 15 Employees Benefits' in the Accounts.

All forming part of Schedule 22 read together with other notes therein, gives the information in the manner so required by the Companies Act, 1956 and give a true and fair view :

- (i) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2010;
- (ii) In the case of the Profit & Loss A/C, of the loss for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For RAJESH CHATURVEDI & ASSOCIATES

Chartered Accountants

R.Chaturvedi

Proprietor

Membership No.52809

Place : Kolkata

Dated : 28th May, 2010

ANNEXURE TO AUDITORS' REPORT
(Referred to in Paragraph 1 of our Report)

1. In respect of its fixed assets:
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets on the basis of information available.
 - b) According to the information and explanations given to us, the Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
 - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected;
2. In respect of Inventories:
 - a) As explained to us, the stocks of finished goods, stores, spare parts and raw materials except stocks with third parties and in transit, if any, are physically verified by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) As explained to us, the discrepancies noticed on verification between the Physical Stocks and the Book Records, wherever material, have been properly dealt with in the books of accounts.
3. In respect of loans:
 - a) The Company, during the year, has taken unsecured loans from Companies listed in the Register maintained under section 301 of the Companies Act, 1956, which is at call and interest-free.

- b) In respect of loans and advances in the nature of loans given by the Company to any parties/staff where stipulations have been made ; parties/staffs have generally repaid the amounts as stipulated other than those written off during the year.
4. 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 purchase of stores, raw materials including components, plant & machinery, equipment and other assets and for the sale of goods and services. The Company is regular in taking corrective measures whenever major weaknesses in internal control are controlled.
5. In our opinion and according to the information and explanations given to us, no transaction was made for purchase of goods and materials and sale of goods, materials and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000 or more in respect of each Party.
6. The Company has not accepted any deposits from the public in pursuance of Sections 58A, 58AA or any other relevant provisions of the Act.
7. In our opinion, the Company has an Internal Audit system commensurate with its size and the nature of its business.
8. According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956, for any product of the Company.
9. In respect of Statutory dues:
- a) According to the records of the Company, all outstanding dues in respect of Provident Fund, Employees State Insurance, West Bengal VAT, Central Sales Taxes, Income Taxes (TDS), Municipal Tax, Fees for Pollution Control, Trade License and fire License, etc. have been paid during 2009-10.
- b) According to the information and explanations given to us, no disputed or undisputed amounts payable in respect of income tax, sales tax, customs duty, excise duty or dues payable to any other Statutory and /or Local Authority were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
10. The accumulated losses of the Company at the end of the financial year are in excess of its net worth, it has incurred cash losses during the year and also in the previous financial year.
11. The Company has not defaulted in payment of dues to any financial institution or bank or debentures holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual fund/society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 and as amended upto-date, is not applicable to the Company.
14. In our opinion, the Company has not dealt or traded in shares, securities, debentures and investments. Therefore, clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 and as amended upto-date, is not applicable to the Company.
15. The Company has not given guarantees for loans taken by others from Banks or Financial institutions.
16. The Company has not raised any new term loans during the year. The Term Loans outstanding at the beginning of the year was nil.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no short term loans have been used for long term investments.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s. 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For RAJESH CHATURVEDI & ASSOCIATES

Chartered Accountants

R.Chaturvedi

Proprietor

Membership No.52809

Place : Kolkata

Dated : 28th May, 2010

Balance Sheet as at 31st March, 2010

	Sch. No.	As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	1	108,479,000	108,479,000
Reserve and Surplus	2	92,680,000	92,680,000
		201,159,000	201,159,000
LOANS			
Unsecured	3	194,272,245	217,343,388
		194,272,245	217,343,388
	TOTAL	395,431,245	418,502,388
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	4	321,969,041	321,720,574
Less Depreciation		173,862,672	157,790,608
Net Block		148,106,369	163,929,966
		148,106,369	163,929,966
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	5	8,616,355	8,439,530
Sundry Debtors	6	7,215,247	7,215,247
Cash and Bank Balance	7	346,667	907,371
Loans and Advances	8	8,718,610	11,273,709
		24,896,879	27,835,857
Less :			
CURRENT LIABILITIES AND PROVISIONS			
Current Liabilities	9	48,726,860	11,576,833
Provisions for Taxation		-	70,400
		48,726,860	11,647,233
NET CURRENT ASSETS		(23,829,981)	16,188,624
PROFIT & LOSS ACCOUNT		271,154,857	238,383,798
	TOTAL	395,431,245	418,502,388

NOTES TO THE ACCOUNTS

22

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report of even date attached
for **Rajesh Chaturvedi & Associates**
Chartered Accountants

R. Chaturvedi
Proprietor

Place : Kolkata

Dated : 28th May, 2010

For and on behalf of the Board

C. S. Choudhury
Vice Chairman

Kajal Sengupta
Chairman & Managing Director

S. K. Mukhopadhyay
General Manager (Finance) & Company Secretary

Profit & Loss Account for the year ended 31st March, 2010

	Sch. No.	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
INCOME			
Sale of Trial Products	10	206,557	-
Other Income	11	172,899	487,288
Non-Operating Income	12	-	420,882
Increase / (Decrease) in Stock		971,798	17,878
		1,351,254	926,048
EXPENDITURE			
Raw Materials	13	1,049,028	120,932
Other Materials Consumed	14	277,214	412,351
Utilities	15	2,647,454	1,945,538
Personnel Expenses	16	6,928,685	6,478,942
Other Expenses	17	5,861,892	2,929,847
Selling & Product Development	18	921,693	92,216
Depreciation	4	16,072,064	13,822,019
Finance Charges	19	5,458	158,038
Items written off during the year	20	642,009	6,776
		34,405,497	25,966,659
PROFIT / (LOSS)			
Profit / (Loss) before Taxation		(33,054,243)	(25,040,611)
Provision for Taxation - FBT		-	(70,400)
		(33,054,243)	(25,111,011)
Adjustment Relating to Previous Year/s	21	265,764	(89,786)
Excess Provision for FBT Written Back		17,420	-
Profit / (Loss) brought forward		(238,383,798)	(213,183,001)
Carried forward to Balance Sheet		(271,154,857)	(238,383,798)

NOTES TO THE ACCOUNTS

22

The Schedules referred to above form an integral part of the Balance Sheet

In terms of our report of even date attached for **Rajesh Chaturvedi & Associates**
Chartered Accountants
R. Chaturvedi
Proprietor

Place : Kolkata
Dated : 28th May, 2010

For and on behalf of the Board

C. S. Choudhury
Vice Chairman

Kajal Sengupta
Chairman & Managing Director

S. K. Mukhopadhyay
General Manager (Finance) & Company Secretary

Schedules Forming Part of Balance Sheet

Sch. No.		As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
1	SHARE CAPITAL		
	Authorised		
	1,20,00,000 Equity Shares of Rs. 10/- each	120,000,000	120,000,000
	Issued, Subscribed & Paid up		
	1,04,90,900 Equity Shares of Rs. 10/- each fully paid up issued for cash	104,909,000	104,909,000
	5,09,100 Equity Shares of Rs. 10/- each fully paid up issued for consideration other than cash	5,091,000	5,091,000
		110,000,000	110,000,000
	Less : Share allotment in Arrear	1,521,000	1,521,000
		108,479,000	108,479,000
2	RESERVE & SURPLUS		
	General Reserve	50,000	50,000
	Capital subsidy (Govt. of West Bengal)	1,500,000	1,500,000
	Capital Reserve	91,130,000	91,130,000
		92,680,000	92,680,000
3	UNSECURED LOANS		
	From Bodies Corporate	194,272,245	217,343,388
		194,272,245	217,343,388

4. FIXED ASSETS & DEPRECIATION

Figures in Rupees

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2009	Additions during this year	As at 31.03.2010	As at 01.04.2009	For the year 2009-10	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
	1	2	3	4	5	6	7	8
Land	6,382,560	-	6,382,560	-	-	-	6,382,560	6,382,560
Building	45,804,433	31,484	45,835,917	17,590,874	1,530,890	19,121,764	26,714,153	28,213,559
Plant & Machinery	250,573,764	216,983	250,790,747	126,305,016	13,237,818	139,542,834	111,247,913	124,268,748
Electrical Installation	9,420,146	-	9,420,146	7,317,949	666,004	7,983,953	1,436,193	2,102,197
Office Equipments	1,315,921	-	1,315,921	798,359	93,036	891,395	424,526	517,562
Furniture & Fittings	7,474,466	-	7,474,466	5,636,046	473,134	6,109,180	1,365,296	1,838,420
Motor Vehicle	749,284	-	749,284	142,364	71,182	213,546	535,738	606,920
Total	321,729,574	248,467	321,969,941	157,790,608	16,072,064	173,862,672	148,106,369	163,929,966
Previous year	278,874,368	42,846,216	321,720,574	143,968,589	13,822,019	157,790,608	163,929,966	-

Schedules Forming Part of Balance Sheet

Sch. No.		As at March 31, 2010 Rupees	As at March 31, 2009 Rupees
5	INVENTORIES (As taken valued & certified by the Management)		
	Raw Materials	1,601,554	2,621,168
	Packing Materials	342,902	145,547
	Stores & Spares	5,681,437	5,654,151
	Finished Goods	990,462	18,664
		8,616,355	8,439,530
6	SUNDRY DEBTORS (Unsecured)		
	Over Six Months Considered Good	-	494,741
	Over Six Months Considered Doubtful	11,994,763	11,500,022
		11,994,763	11,994,763
	Less : Provision For Doubtful Debts	4,779,516	4,779,516
		7,215,247	7,215,247
7	CASH & BANK BALANCES		
	Cash in hand (as verified & certified by the management)	1,606	3,260
	Current Account With Scheduled Banks	83,217	114,111
	Margin Money Deposit for Bank Guarantees (in Fixed Deposit Form)	261,844	790,000
		346,667	907,371
8	LOANS & ADVANCES (Unsecured Considered Good)		
	Advances Recoverable in Cash or in kind or for value to be received	4,564,848	6,913,206
	Advance For Expenses	2,200	-
	Advance To Staff	22,550	31,250
	Advance F.B.T. (F.Y.2008-09)	-	52,980
	Advance F.B.T. (F.Y.2009-10)	4,681	-
	Excise P. L. A	17,886	17,886
	Security Deposit	1,355,411	1,763,559
	Earnest Money	85,500	85,500
	Prepaid Insurance Premium	161,336	265,062
	Prepaid Membership Fees	217,503	298,010
	Prepaid Licence Fees PCB	30,000	60,000
	Prepaid Licence Fees	24,143	13,365
	Tax Deducted At Source	1,449,691	1,449,646
	Input VAT Receivable	342,922	323,245
	Accrued Interest	39,939	-
		8,718,610	11,273,709
9.	CURRENT LIABILITIES & PROVISIONS		
	A. CURRENT LIABILITIES		
	Creditors for Purchase :		
	S.S.I. Unit	740,901	665,381
	Others	5,790,751	6,352,254
	Creditors for Expenses	2,772,649	2,738,042
	Other Liabilities	1,577,273	1,475,870
	Security Deposit Received	310,000	310,000
	Advance From Customers	35,288	35,286
	Advance Received against sale of Plant & Machinery	37,500,000	-
		48,726,860	11,576,833
	B. PROVISION FOR TAXATION		
	Fringe Benefit Tax	-	70,400
		-	70,400

Schedules Forming Part of Profit & Loss Account

Sch. No.		Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
10 SALES			
	Domestic Sales	206,557	-
		206,557	-
11 OTHER INCOME			
	Interest Earned	64,164	29,839
	Sale of Scrap	108,735	457,449
		172,899	487,288
12 NON OPERATING INCOME			
	Liability Written Back	-	420,882
			420,882
13 RAW MATERIALS			
	Opening Stock of Raw Materials	2,621,168	1,447,323
	Add : Purchase During the year	196,691	1,294,777
		2,817,859	2,742,100
	Less : Damaged Stock Written off	167,277	-
		2,650,582	2,742,100
	Less : Closing Stock	1,801,554	2,621,168
	Consumptions	1,049,028	120,932
14 OTHER MATERIALS CONSUMED			
	Packing Materials	194,905	5,066
	Stores & Spares	82,309	407,285
		277,214	412,351
15 UTILITIES - Power & Fuel			
	Electricity	2,320,553	1,757,578
	Furnace Oil	243,670	172,581
	Diesel for Generator	83,231	15,379
		2,647,454	1,945,538
16 PERSONNEL EXPENSES			
	Salary, Wages, Bonus & Ex-Gratia and Allowances	6,010,070	5,482,292
	Co's Contribution to P. F. and E. S. I.	370,812	354,796
	P. F. Administrative Charges Etc.	26,927	17,412
	Staff Welfare	4,347	19,311
	Staff Tiffin Expenses	496,138	574,902
	Uniform & Liveries	20,391	30,229
		6,928,685	6,478,942
17 OTHER EXPENSES			
	Auditor's Remuneration	105,250	111,890
	Bank Charges	25,902	12,865
	Books & Periodicals	3,698	18,793
	Consultancy & Service Charges	430,895	279,864
	Conveyance	207,818	162,574
	Directors' Sitting Fees	40,000	28,000
	Donation & Subscription	752	2,253
	Entertainment Expenses	55,889	48,830

Schedules Forming Part of Profit & Loss Account

Sch. No.	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
Factory Maintenance	281,578	321,581
Forms, Fees, Registration & Others	293,647	271,850
Insurance Premium	298,989	269,279
Legal Expenses	79,927	31,210
Lab Expenses	2,013	31,326
Postage & Telegram	68,553	15,875
Printing & Stationery	67,374	58,390
Profession Tax	2,500	2,500
Rent Paid	11,880	21,880
Taxes & Duty	255,078	163,552
Telephone & Telex	281,026	278,567
Travelling Expenses :		
Inland	37,193	341,955
Vehicle Maintenance	311,401	323,783
Repairs :		
Building	-	860
Machinery	2,976,383	99,610
Others	24,246	32,560
	5,861,892	2,929,847
18 SELLING & PRODUCT DEVELOPMENT		
Business Promotion	883,604	58,495
Advertisement	27,794	33,721
Carriage Outward	9,500	-
Packing Expenses	795	-
	921,693	92,216
19 FINANCE CHARGES		
Interest on Cash Credit A/c	-	140,342
Other Interest		
- Interest on TDS	2,282	130
- Interest on ESI Dues	-	1,658
- Interest on Municipal Tax	505	15,908
- Miscellaneous Interest	2,671	-
	5,458	1,58,038
20 ITEMS WRITTEN OFF DURING THE YEAR		
Sundry Debit Balances no longer recoverable	642,009	6,776
	642,009	6,776
21 ADJUSTMENT RELATING TO PREVIOUS YEARS		
Expenses Relating To Previous Year	265,764	89,786
	265,764	89,786

22. NOTES TO ACCOUNTS

Schedules forming part of the Balance Sheet as at 31st March, 2010 and Profit & Loss Account for the financial year ended 31st March, 2010.

1. Significant Accounting Policies

1.1 BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, on accrual basis of accounting (save and except bonus, gratuity and interest receivable on security deposit with Central Medical Stores) to comply with the mandatory accounting standards as notified under the Companies (Accounting Standard) Rules 2006 pursuant to Section 211 (3C) of the Companies Act, 1956 and in conformity with the accounting principles as generally accepted in India (Indian GAAP) as applicable, and the relevant provisions of the Companies Act, 1956. The Accounting policies are consistently applied by the Company.

1.2 USE OF ESTIMATE

The preparation of financial statements in conformity with GAAP requires management to make estimated assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of policies during the reporting period. Although these estimates are based upon managements' best knowledge of current events and activities, actual results could differ from these estimates.

1.3 FIXED ASSETS

(a) Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

(b) The carrying value of fixed assets which are in excess of higher of its value in use or net realisable value is recognised as an impairment loss.

1.4 DEPRECIATION

(a) Depreciation of fixed assets is provided on straight line basis at the rates specified in Schedule XIV of the Companies Act 1956 as amended upto date.

(b) Depreciation on asset purchased/acquired/installed during the year is charged from the date of such event. Similarly depreciation on assets sold/discarded during the year is charged upto the date of the event.

1.5 IMPAIRMENT

Fixed assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of the assets either belonging to the Cash Generating Unit (CGU) or otherwise, exceeds recoverable amount. The recoverable amount is the greater of the assets net selling price or its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU are allocated to its assets on pro-rata basis.

1.6 INVENTORIES

(a) Inventories of raw materials, packaging materials, fuel, stores & spares are valued at lower of procurement cost and net realisable value. However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined at weighted average basis.

(b) Where applicable Inventories of work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost of inventories includes direct materials, labour and a portion of manufacturing overheads based on normal operating capacity.

1.7 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

1.8 REVENUE RECOGNITION

Revenue from the sale of goods (including Trial Production Bottles) is recognized upon passage of title to the customers, which generally coincides with their delivery. Adjustments, if any, arising out of price difference claims, etc. are accounted for as and when they are finally determined.

1.9 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

(b) Contingent liabilities are disclosed by way of notes to accounts.

(c) Contingent Assets are not recognised except for the purpose of settlement of dispute / claim.

1.10 LEASE

Since no assets has been acquired under lease so far, policy concurrent with type of lease will be determined in due course.

1.11 ACCOUNTING FOR TAXES ON INCOME

In view of the loss for the year under review, Taxes on Current and Deferred Income have not arisen.

1.12 SEGMENT-WISE REPORTING

The Company's exclusive business is manufacturing and selling of IV Fluids and as such in the opinion of the Management this is the only reportable business segment as per Accounting Standard 17, on 'Segment Reporting' issued by The Institute of Chartered Accountants of India. There is no reportable Geographical segment either.

1.13 EMPLOYEE BENEFITS

(a) Defined contribution to provident fund and employee state insurance are charged to profit & loss account of the year when the contributions to the respective funds are due. There are no other obligations to the employees other than contribution payable to the respective statutory authorities.

(b) Minimum bonus or bonus as negotiated from time to time, whichever is higher are accounted and paid on cash basis as a matter of consistency.

(c) No other benefits are given to the employees.

(d) As a matter of consistency, retirement benefit in the form of gratuity is being considered on cash basis.

1.14 POLICY ON EARNING PER SHARE

(a) Basic earning per share is calculated by dividing the net profit or loss after tax and include post tax effect of any extra-ordinary item for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period. The weighted average number of equity shares as outstanding during the period are adjusted for events including a bonus issue, bonus element in a right issue, split of shares or reverse split (i.e. consolidation of shares) etc. made during the year.

(b) For the purpose of calculating diluted earning per share, the net profit of the period attributable to equity shareholders and the weighted number of shares outstanding during the period are adjusted for the effects of all dilutive potential of equity shares.

1.15 PROVISION FOR TAXATION

(a) Tax expense for the year, comprising current tax & deferred tax is included in determining the net profit (loss) for the year.

(b) A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently or substantively enacted tax laws.

(c) Deferred tax assets are recognised only if there is reasonable certainty that they will be realized and are reviewed for the appropriations of their respective carrying values at each balance sheet date.

1.16 FOREIGN CURRENCY TRANSACTION

Where applicable Foreign currency transactions are accounted for at the exchange rate prevailing at the transaction date. Year and monetary assets and liabilities in foreign currency are translated at the applicable year end exchange rates and the resultant difference is recognised as gain / loss for the year.

2. In the opinion of the Management, the recoverable amount of the assets [either the entire Plant & Machinery relating to Intra-Venous Fluid Manufacturing Plant, the only CGU of the Company or the assets] being higher than those of respective carrying amount of such assets, no impairment loss has arisen on the Balance Sheet date.

3. Contingent Liabilities

Amount in Rupees

	Current Year	Previous Year
(a) Bank guarantees in favour of West Bengal State Electricity Distribution Company Ltd.	226,000	921,000
(b) Claim against the Company not acknowledged	3,171,849	3,171,849
(c) Claim of Central Excise duty under Appeal to Tribunal	770,818	Nil

4. As no interest has been charged on Inter-Corporate Borrowings, the same has not been estimated and provided in the accounts.
5. Party confirmations in respect of outstanding balances for Sundry Debtors, Sundry Creditors, Loans and Advances have been taken into consideration to the extent received.
6. The Contract with M/s. Base Engineering, the Contractor responsible for Renovation work of Factory, was terminated due to poor and sub-standard quality of work and materials. At present, the matter is under litigation.
7. On unilaterally suspension of contract of conversion of job by M/s. Fresenius Kabi Pvt. Ltd. (Fresenius) with effect from 21st August, 2006, the settlement of contentious issues with Fresenius relating to increase in conversion charge, Godown rent, Vat, TDS certificates and Scrap by the Company and counter-claim of Fresenius has remained unresolved till date and no adjustment has been made in the related accounts therefor.
8. **ADVANCE RECEIVED AGAINST SALE OF PLANT & MACHINERY**
As agreed by the Company, Scott-Edil Advanced Research Laboratories & Education Ltd. paid an advance amount of Rs. 3.75 crore only out of Rs. 6.12 crores during 2009 – 10 against sale of IV Fluids manufacturing machineries for which appropriate resolutions were passed by the Company's shareholders on 17th March, 2010. The aforesaid amount was used by the Company towards part repayment of unsecured loan received from associated companies.
9. Adjustment relating to previous year amounting to Rs. 2,65,764/- represents net of margin money for Bank Guarantee, released by Bank amounting to Rs. 7,74,012/- and partly offset by prior period salary Rs. 1,37,097/- interest and delayed payment charges, etc. Rs. 3,71,151/- of the same year.
10. **MICRO, SMALL & MEDIUM ENTERPRISES**
The Company has not received any memorandum as required to be filed with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006 claiming their status as on 31st March, 2010 (and also 31st March, 2009) as micro, small and medium enterprises. Consequently the amount paid / payable to these parties during the year (and also previous year) is nil.
11. The Company is yet to fully adopt Accounting Standard 15 "Employee Benefits" (Rules 2005) issued by the Institute of Chartered Accountants of India and detailed disclosures relating to 'Defined Benefit Plans' could not be made part of this Accounts and Report.
12. **RELATED PARTY DISCLOSURES**
Disclosures as required under Accounting Standard 18 are given below :

List of Related Parties :

Associated Companies	Key Management Personnel & their Relatives
Senbo Engineering Limited	Sri Kajal Sengupta
Embicon Engineering Pvt. Ltd.	Sri Kingshuk Sengupta
Eleena Holdings Pvt. Ltd.	Sri C. S. Choudhury
Senbo Exim & Impex Pvt. Ltd.	Dr. Shaibal Chakraborty
	Sri Pradip Kumar Chakraborty
	Dr. Asish Kumar Sengupta

Transactions with Related Parties during 2009-2010

Nature of Expenses		Associate Companies (Rs.)	Key Management Personnel & Relatives (Rs.)
Expenses			
Directors' Remuneration	Current Year	Nil	Nil
	Previous Year	Nil	Nil
Directors' Sitting Fees	Current Year	Nil	40,000
	Previous Year	Nil	28,000
Income			
Electricity & Diesel	Current Year	71,373	-
	Previous Year	54,358	-
Outstanding Balance as on 31st March 2010			
Unsecured Loan	Current Year	194,272,245	-
	Previous Year	217,343,388	-

13. EARNING PER SHARE

	Current Year (Rs.)	Previous Year (Rs.)
Net Profit / (Loss) after current and deferred tax Weighted Average	(33,054,243)	(25,111,011)
Number of Equity Shares of Rs. 10 each as on 31-03-2010	10,847,900	10,847,900
Earnings Per Share (Basic and Diluted)	Nil	Nil

14. Figures for the previous year have been re-arranged and re-grouped wherever necessary.

15. Information Pursuant to Notification under Schedule VI of the Companies Act, 1956 (As certified by the Management) :

	Current Year		Previous Year	
	Qty. (No. of Bottles)	Value (Rs.)	Qty. (No. of Bottles)	Value (Rs.)
15.1 Annual Capacity and Actual Production				
15.1.1 Licensed Capacity	18,000,000	NA	18,000,000	NA
15.1.2 Installed Capacity	18,000,000	NA	18,000,000	NA
15.1.3 Trial Products of Intravenous Fluids after Machine up gradation (as per Drug Authority's requirement)	157,634	1,178,355	1,845	17,878
15.2 Sale of Trial Products of Intravenous Fluids	24,244	206,557	Nil	Nil
15.3 Opening Stock				
I.V. Fluids Bottles	1,919	18,664	74	786
15.4 Closing Stock				
I.V. Fluids Bottles	135,309	990,462	1,919	18,664

		Current Year		Previous Year	
		Qty. (No. of Bottles)	Value (Rs.)	Qty. (No. of Bottles)	Value (Rs.)
15.5	Raw Materials Consumed				
15.5.1	Polyethylene Granules (Kgs)	Nil	Nil	Nil	Nil
15.5.2	Chemicals-Kgs	Nil	Nil	Nil	Nil
15.6	Raw Materials Consumed Granules & Chemicals	Various Units	1,049,028	Various Units	120,932
15.7	Other Materials Consumed				
15.7.1	Packing Materials	Various Units	194,905	Various Units	5,066
15.7.2	Stores & Spares	Various Units	82,309	Various Units	407,285

		Current Year		Previous Year	
		%	Value (Rs.)	%	Value (Rs.)
15.8	Value of Imported and Indigenous Materials Consumed :				
15.8.1	Raw Materials				
	- Imported	Nil	Nil	Nil	Nil
	- Indigenous	100	1,049,028	100	120,932
15.8.2	Other Materials				
	- Imported	Nil	Nil	Nil	Nil
	- Indigenous	100	194,905	100	5,066
15.8.3	Stores & Spares (includes repairs to machinery)				
	- Imported	94.35	1,374,503	Nil	Nil
	- Indigenous	5.65	82,309	100	407,285

		Current Year	Previous Year
		Value (Rs.)	Value (Rs.)
15.9	C. I. F. Value of Imports		
15.9.1	Raw Materials	Nil	Nil
15.9.2	Spares & Components	1,121,678	Nil
15.10	Income in Foreign Currency	Nil	Nil
15.11	Expenditure in Foreign Currency	Nil	Nil
15.12	Auditors' Remuneration		
15.12.1	For Statutory Audit	90,000	90,000
15.12.2	For Tax Audit	Nil	Nil
15.12.3	For Certification Work	15,250	14,750
15.12.4	For Consultancy Work	Nil	Nil
	Sub-Total	105,250	104,750
15.12.5	Reimbursement of Expenses (Service Tax)	Nil	7,140
	TOTAL	105,250	111,890
15.13	Managerial Remuneration Directors' Sitting Fees	40,000	28,000

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

Balance Sheet Abstract and Company's General Business Profile

I. REGISTRATION DETAILS

Registration No. CIN **L 2 4 2 3 1 W B 1 9 9 4 P L C 0 6 3 7 7 8**

Balance Sheet Date **3 1 - 0 3 - 2 0 1 0**

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. '000)

Public Issue **N I L** Right Issue **N I L**

Bonus Issue **N I L**

III. POSITION OF MOBILIZATION AND DEPLOYMENT OF FUNDS (Amount in Rs. '000)

Total Liabilities **4 4 4 1 5 8** Total Assets **4 4 4 1 5 8**

Sources of Funds

Paid-up Capital **1 0 8 4 7 9** Reserve and Surplus **9 2 6 8 0**

Secured Loans **N I L** Unsecured Loans **1 9 4 2 7 2**

Application of Funds

Net Fixed Assets **1 4 8 1 0 6** Investments **N I L**

Net Current Assets **- 2 3 8 3 0** Accumulated Loss **2 7 1 1 5 5**

IV. PERFORMANCE OF COMPANY (Amount in Rs. '000)

Turnover **2 0 7** Other Income **1 7 3**

Total Expenditure **3 3 4 3 4** Loss Before Tax **3 3 0 5 4**

Loss After Tax **3 3 0 5 4** Earning Per Share **N I L**

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS

1. Intravenous Fluids (I.V. Fluids) Code No. **3 0 0 4 9 3 8 1**

2. NIL

3. NIL

Schedules 1 to 22 are signed by the following

For RAJESH CHATURVEDI & ASSOCIATES
Chartered Accountants

R. Chaturvedi
Proprietor

Place : Kolkata,
Dated : 28th May, 2010

For and on behalf of the Board

C. S. Choudhury
Vice Chairman

Kajal Sengupta
Chairman & Managing Director

S. K. Mukhopadhyay
General Manager (Finance) & Company Secretary

CEO/CFO Certification

To
The Board of Directors
Senbo Industries Limited

We, the undersigned, in our respective capacities as Chairman & Managing Director (CEO) and Vice Chairman (CFO) of Senbo Industries Limited ("the Company"), to the best of our knowledge and belief, certify that:

- (a) We have reviewed the above financial statements read with the Cash Flow Statement of Senbo Industries Limited for the year ending 31st March, 2010 and state that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or otherwise in violation of the Company's Code of Conduct.
- We further declare that all the members of the Board of Directors and the Audit Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (c) We further accept responsibility for establishing and maintaining internal control for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying such deficiencies.
- (d) We have indicated, based on our recent evaluation, to the auditors and the Audit Committee:
- (i) Significant changes, if any, in internal control over financial reporting during the year.
 - (ii) Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Kajal Sengupta
Chairman & Managing Director

C. S. Choudhury
Vice Chairman

Place : Kolkata,
Dated : 28th May, 2010

Declaration:

Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 (1)(D)(ii) of the Listing Agreement with the Stock Exchanges, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2010.

Place : Kolkata,
Dated : 28th May, 2010

For Senbo Industries Limited
Kajal Sengupta
Chairman & Managing Director

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

	Year ended March 31, 2010 Rupees	Year ended March 31, 2009 Rupees
A. Cash Flow from Operating Activities		
Net Profit/ (Loss) before tax and extra-ordinary items	(32,841,459)	(25,130,397)
Adjustment for Depreciation	16,072,004	13,622,319
Operating Profit/ (Loss) before Working Capital Changes	(16,769,395)	(11,308,378)
(Increase)/Decrease in Working Capital (Other than Cash and Cash Equivalents)	39,528,301	(5,510,186)
Cash generated from Operations	22,758,906	(16,818,564)
Direct Taxes Paid	-	-
Net Cash Flow from Operating Activities	22,758,906	(16,818,564)
B. Cash Flow from Investing Activities	(248,467)	
Purchase of Fixed Assets including Foreign Currency Variation	-	(29,707,799)
Advances for Capital Expenditure and Deferred Liability (Net)	-	-
Net Cash used in Investing Activities	(248,467)	(29,707,799)
C. Cash Flow from Financial Activities		
Proceeds from issue of Share Capital	-	-
Proceeds from long term borrowings	-	-
Repayment of Unsecured Loans	(23,071,143)	-
Other Borrowings	-	46,581,169
Share Issue / Product Development Expenses	-	-
Net Cash used in Financing Activities	(23,071,143)	46,581,169
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(560,704)	54,806
Opening Balance of Cash and Cash Equivalents	907,371	852,565
Closing Balance of Cash and Cash Equivalents	346,667	907,371

For and on behalf of the Board

C. S. Choudhury
Vice Chairman

Kajal Sengupta
Chairman & Managing Director

S. K. Mukhopadhyay
General Manager (Finance) & Company Secretary

Place : Kolkata,
Dated : 28th May, 2010

AUDITORS' CERTIFICATE

We have examined the above cash flow statement of SENBO INDUSTRIES LIMITED for the period ended 31st March, 2010. The Statement has been prepared by the Company in accordance with the requirement of clause 32 of Listing Agreements with Stock Exchange and is based on and in Agreement with corresponding Balance Sheet of the Company covered by our report to the Members of the Company.

For RAJESH CHATURVEDI & ASSOCIATES
Chartered Accountants
R.Chaturvedi
Proprietor
Membership No.52809

Place : Kolkata,
Dated : 28th May, 2010

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