

Eighteenth Annual Report 2011-2012



Senbo Industries Limited

ANNUAL REPORT

2011 - 2012

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CORPORATE PROFILE

Board of Directors

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

COMPANY SECRETARY

Ms. Anita Kumari Singh

MANAGEMENT TEAM

Mr. Bhaskar Sengupta	Mr. S. K. Choudhury
Chief General Manager	General Manager (Material)

AUDITORS

Rajesh Chaturvedi & Associates
Chartered Accountants
643A, 'O' Block, New Alipore
Kolkata – 700 053

BANKER

Axis Bank

REGISTERED OFFICE

87, Lenin Sarani, Kolkata – 700 013
Phone: 033 2217 8915/16; Fax: 033 2264 9485
Email: senboind@gmail.com
Website: www.senboindustries.co.in

REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies (P) Ltd.
D 511, Bagri Market, 71, B.R.B.B.Road,
Kolkata – 700 001

NOTICE

NOTICE is hereby given that the Eighteenth 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 Monday, the 24th day of September, 2012 at 11 A.M. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and the Profit & Loss Account for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. C.S.Choudhury, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-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: 31st May, 2012

By Order of the Board
Anita Kumari Singh
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 Books of the Company will remain closed from 18th to 24th day of September, 2012, 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 Governments) 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 to the Company, their 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 DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

As required under the Listing Agreement, the particulars of Mr. C. S. Choudhury, Vice Chairman who is proposed to be re-appointed is given below:

The Vice Chairman of the Board is Mr. C. S. Choudhury. Mr. Choudhury is a graduate in the Commerce stream and is also a Fellow member of the Institute of Cost Accountants of India. He has experience of over five decades in various Companies of Engineering, Construction, Steel, Tea, Timber, Hotel and Pharmaceuticals.

Place: Kolkata
Date: 31st May, 2012

By Order of the Board
Anita Kumari Singh
Company Secretary

DIRECTORS' REPORT

To

The Members

Your Directors have pleasure to present herewith their Eighteenth Annual Report on the business and operations of the Company together with the financial results for the year ended 31st March, 2012.

FINANCIAL RESULTS

	(Rs.) 2011 - 12	(Rs.) 2010 - 11
Operating Profit / (Loss) before Finance Charges, Depreciation	(3,986,517)	(19,057,674)
Depreciation and Amortization	(6,648,688)	(16,076,027)
Profit / (Loss) before exceptional items	(10,635,205)	(35,133,701)
Exceptional Items	(18,436)	(9,48,589)
Profit / (Loss) from Continuing operation	(10,653,641)	(36,082,290)
Profit / (Loss) from Discontinuing operations	(32,391,911)	-
Profit / (Loss) for the period	(43,045,552)	(36,082,290)
Accumulated (Loss) brought forward	(307,237,147)	(271,154,857)
(Loss) carried forward to Balance Sheet	(350,282,699)	(307,237,147)

In view of loss during the year, your Directors regret their inability to recommend payment of Dividend for the year.

OPERATING PERFORMANCE

Consequent to closure of the factory from 28th March, 2011, there was no production in the year 2011-2012 and hence, sale during the year under review was nil.

SALE OF ASSETS

As reported in the previous year the Company had received advance from a buyer against sale of Intra Venous Fluid manufacturing machinery of the Company. However, the sale was effected during the year under review. Loss on sale of such machinery during the year was **Rs.323.92 lakhs**.

FUTURE PLANS

Some proposals as to setting up of Medical Care Unit, Cancer Research Unit & Hospital etc. were reviewed but no conclusive decision could be taken in absence of proper financial planning. In view of involvement of huge Capital Expenditure, it becomes necessary to hold discussions with Financial Institutions for the required financial assistance over and above Promoters' contribution. However, further review would be made during the current financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

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

2. OPPORTUNITIES AND THREATS

Many opportunities are open to the proposed new projects. Management has been making continuous study on such new projects. Selection of a Project is always subject to taking risk. Both opportunities & threats are associated with a new line of activity. Similarly, a number of contingencies are involved in implementation of a new project.

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 prospect of the Company largely depends on selection of an appropriate project and its techno-commercial viability.

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

Adequate systems of internal control are in place to safeguard the assets of the Company.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Due to suspension of work, there was no operating activity during the year under review. The Company suffered a loss of Rs.106.35 lakh before considering exceptional items and loss arising out of discontinuing operations being sale of machinery.

8. HUMAN RESOURCE & INDUSTRIAL RELATIONS

After closure of the factory the entire dues of the Company to the employees have been fully settled.

DIRECTORS' RESPONSIBILITY STATEMENT

1. The applicable accounting standards excepting those mentioned in Para 1.11 to the Notes to accounts have been followed in the preparation of the annual accounts for the year.
2. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of its losses for the year ended on that date.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

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	67615	114945
Total Amount	Rs.	1,922,843	2,130,519
Rate	Rs. / Kwh	28.43	18.53
2. Consumption per Unit of Production		Current Year	Previous year
Electricity	Kwh / bottle	No Production	No Production
Furnace Oil	Ltr. / bottle	No Production	No Production

Since the factory is closed there is not much scope for reduction of energy consumption. The expenses on electricity are only for the closed factory. The electricity expenses are on the higher side as the energy bills are raised by the supplying unit based on the minimum load factor.

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:-

There was no inflow and outgo of foreign exchange during the year.

AUDITORS AND AUDIT REPORT

Messrs Rajesh Chaturvedi & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting as statutory auditor and being eligible, offer themselves for re-appointment.

The observations of the auditors in their report on the Company's accounts for 2011-12, dealt with the Notes on Accounts which form part of the Accounts.

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

Mr. C.S. Choudhury, Director retires at the forthcoming Annual general Meeting and being eligible, offers themselves for re-appointment.

Place : Kolkata

Date: 31st May, 2012

For and on behalf of the Board

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.

As on 31st March 2012 the Board of Directors consists of six Directors. Mr. Kajal Sengupta, the main promoter and the Chairman & Managing Director heads the Board. Mr. Sengupta is B.Sc (Hons.) graduate and has thirty three years of valuable experience in Hi-Tech, Design & Construction, Hoteliering and Pharmaceuticals industry. No remuneration is currently paid to him.

The Vice Chairman of the Board is Mr.C. S Choudhury. Mr.Choudhury is a graduate in the Commerce stream and is also a Fellow member of the Institute of Cost Accountants of India. He has experience of nearly five decades in various Companies of Engineering, Construction, Steel, Tea, Timber, Hotel and Pharmaceuticals.

Mr.Kingshuk Sengupta is a Bachelor of Commerce and has over eighteen years of 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 decades.

Mr.Pradip Kumar Chakravorty, a representative of small shareholders of the Company, has nearly four decades of business experience.

Mr. Badal Modak is an Engineer by profession holding a Bachelor Degree in Civil Engineering. He has twelve years of business experience.

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

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

BOARD MEETING

During the year under review six Board meetings were held on 30th May 2011, 9th August 2011, 12th August 2011, 22nd August 2011, 8th November 2011, 8th February 2012.

The last Annual General Meeting of the Company was held on 26th September, 2011. 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
Mr. Kajal Sengupta	Promoter, Executive Director	6	yes	2	-	-
Mr. C. S. Choudhury	Executive Director	6	Yes	1	-	-
Dr. Shaibal Chakraborty	Independent Non-Executive Director	6	yes	Nil	-	-
Mr. Kingshuk Sengupta	Executive Director	6	yes	2	-	-
Mr. Pradip Kumar Chakravorty	Independent Non-Executive Director	6	yes	Nil	-	-
Mr. Badal Modak	Independent Non-Executive Director	6	Yes	1	-	-

AUDIT COMMITTEE

The Audit Committee comprises of two Non-Executive Directors and one Executive Director. The Non-executive Directors are Dr. Shaibal Chakraborty, Chairman of Audit Committee and Mr. Badal Modak, and Mr. Kajal Sengupta is the sole Executive Director of the Committee.

During the year under review four Audit Committee meetings were held, the dates of those meetings being 30th May 2011, 12th August 2011, 8th November 2011, 8th February 2012. The attendance at the meetings of the Audit Committee is given below:

Name of Members	Designation	No. of Meetings attended
Dr. Shaibal Chakraborty	Chairman	4
Sri Kajal Sengupta	Member	4
Mr. Badal Modak	Member	4

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 the 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.

- c) Reviewing scope and adequacy of audit functions, both internal and statutory.
- d) 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..
- e) Complying of Accounting Standards and Disclosure norms prescribed under the Companies Act, 1956.
- f) Disclosing of financial information while ensuring its correctness, sufficiency, credibility and its compliance with Stock Exchange Regulations as well as other legal requirements.
- g) Recommending appointment / removal of external auditors, fixation of audit fees and approval for payment for other services rendered by the external auditors.
- h) Reviewing finding of audit observations and critical concerns like suspected fraud or irregularity, or failure of internal control systems and reporting such matters to the Board.
- i) 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.
- j) Reviewing of the Financial and Risk Management Policies of the Company.
- k) Reviewing from time to time the Company's statutory and contractual obligations as well as reasons for defaults therein, if any.

SHAREHOLDERS' COMMITTEE

Shareholders' Committee comprising of two Independent Directors viz, Dr. Shaibal Chakraborty and Mr. Badal Modak and one Non-Executive Director Mr. C. S. Choudhury. 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
2008-09	Company's Works at Sonarpur, Sonarpur Station Road, Karbala, Kolkata - 700 103	23rd September, 2009	11-00 A.M.
2009-10	-do-	22nd September, 2010	11-00 A.M.
2010-11	251A/59A, Netaji Subhas Chandra Bose Road, Kolkata-700047	26th September, 2011	11-00 A.M.

Special Resolutions passed at aforesaid Annual General Meetings.

YEAR	DATE OF MEETING	SPECIAL RESOLUTION PASSED
2008-09	23.09.2009	ONE
2009-10	22.09.2010	NIL
2010-11	26.09.2011	ONE

Special resolutions passed at the last 3 Annual General Meetings (AGM):-

1. At the AGM held on September 23, 2009:- Approving of sale, lease or otherwise disposing of the whole, or substantially the whole, of the assets of the company pursuant to section 293(1) (a) of the Companies Act, 1956.