



Nineteenth
Annual Report
2012-13

Senbo
Industries Ltd.

ANNUAL REPORT

2012 - 2013

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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 Chakraborty	Director

Management Team

Mr. Bhaskar Sengupta <i>Chief General Manager</i>	Mr. S. K. Chowdhury <i>General Manager (Materials)</i>
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Company Secretary

Ms. Nisha Khater

Registered Office

87, Lenin Sarani, Kolkata 700 013
Phone : (033) 2217 8915/16, Fax : 033 2265 9485
Email : senboind@gmail.com
Website : www.senboindustries.co.in

Banker

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. Road, Kolkata 700 001

NOTICE

NOTICE is hereby given that the Nineteenth 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 25th day of September, 2013 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, 2013 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Kingshuk Sengupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/S Rajesh Chaturvedi & Associates, Chartered Accountants as Independent 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 : 30th May, 2013

By Order of the Board

Nisha Khater
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 19th to 25th day of September, 2013, 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 DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

As required under the Listing Agreement, the particulars of Mr. Kingshuk Sengupta, proposed to be re-appointed are given below:

Mr. Kingshuk Sengupta is a Bachelor of Commerce and has over nineteen years of experience in Hi-Tech Construction, Pharmaceuticals and Hotel Industries.

Place : Kolkata,
Date : 30th May, 2013

By Order of the Board

Nisha Khater
Company Secretary

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DIRECTORS' REPORT

To

The Members

Senbo Industries Limited

Your Directors have pleasure to present herewith the Nineteenth Annual Report on the business and operations of the Company together with the financial results for the year ended 31st March, 2013.

FINANCIAL RESULTS

	2012-13 Rs.	2011-12 Rs.
Operating Profit / (Loss) before Finance Charges, Depreciation	(36,90,815)	(39,86,517)
Depreciation and Amortization	(21,90,501)	(66,48,688)
Profit / (Loss) before exceptional items	(58,81,316)	(1,06,35,205)
Exceptional Items	(10,49,858)	(18,436)
Profit / (Loss) from Continuing operation	(69,31,174)	(1,06,53,641)
Profit / (Loss) from Discontinuing operations	-	(3,23,91,911)
Profit / (Loss) for the period	(69,31,174)	(4,30,45,552)
Accumulated (Loss) brought forward	(35,02,82,699)	(30,72,37,147)
(Loss) carried forward to Balance Sheet	(35,72,13,873)	(35,02,82,699)

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

OPERATING PERFORMANCE

Due to closure of the factory, there was no production in the year 2012-2013 and hence, sale during the year under review was nil.

FUTURE PLANS

As reported earlier various proposals for setting up of medical units and health related facilities are under active consideration of the management. Joint Venture proposals with reputed overseas firms are also being explored. Our Directors are hopeful of finalizing the issue very soon.

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.58.81 lakh before considering exceptional items. Carry forward loss till the year end accounts to Rs. 35.72 crore.

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 (b) 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013 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</i>			
Unit	Kwh	53,280	67,615
Total Amount	Rs.	2,124,956	1,922,843
Rate	Rs. / Kwh	39.88	28.43

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

Messers 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 2012-13, dealt with in 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. Kingshuk Sengupta, Director retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

For and on behalf of the Board

Place: Kolkata
Date: 30th May, 2013

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.

As on 31st March, 2013 the Board of Directors consists of six Directors. Mr. Kajal Sengupta, the main promoter who heads the Board as its Chairman & Managing Director. Mr. Sengupta is a graduate in Science and has thirty four 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 Commerce and is also a Fellow member of the Institute of Cost Accountants of India and has experience of nearly five decades in various Industries such as Engineering, Construction, Steel, Pharmaceuticals, etc.

Mr. Kingshuk Sengupta is a Bachelor of Commerce and has over nineteen years of experience in Hi-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 and has thirteen years of business experience.

The Board consists of six Directors of whom Mr. Kajal Sengupta, Chairman & Managing Director and Mr. Kingshuk Sengupta are Executive Directors and the other four Directors are independent Non-Executive Directors.

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

BOARD MEETING

During the year under review seven Board meetings were held on 17th May 2012, 19th May 2012, 31st May 2012, 8th August 2012, 8th November 2012, 13th February 2013 and 13th March 2013.

The last Annual General Meeting of the Company was held on 24th September, 2012. 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	7	Yes	2	-	-
Mr. Kingshuk Sengupta	Executive Director	7	Yes	2	-	-
Mr. C. S. Chowdhury	Independent Non-Executive Director	7	Yes	1	-	-
Dr. Shaibal K. Chakraborty	Independent Non-Executive Director	7	Yes	Nil	-	-
Mr. Pradip Kumar Chakravorty	Independent Non-Executive Director	7	Yes	Nil	-	-
Mr. Badal Modak	Independent Non-Executive Director	7	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, 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 31st May, 2012, 8th August, 2012, 8th November, 2012, 13th February, 2013. The attendance at the meetings of the Audit Committee is given below:

Name of Members	Designation	No. of Meetings attended
Dr. Shaibal Kr. Chakraborty	Chairman	4
Mr. Kajal Sengupta	Member	4
Mr. Badal Modal	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.
- 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 suspected 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.

SHAREHOLDERS' COMMITTEE

Shareholders' Committee comprising of three Independent Directors viz, Dr. Shaibal Chakraborty, Shri Badal Modak and Shri 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