

**SHENTRACON CHEMICALS LIMITED**

**ANNUAL REPORT 2010-11**

BOARD OF DIRECTORS

|                       |   |          |
|-----------------------|---|----------|
| Jagdish Prasad Sureka | - | Director |
| Govind Prasad Sureka  | - | Director |
| Pijush Mandal         | - | Director |
| Tarun Mondal          | - | Director |

AUDITORS

M/S K. P. JHAWAR & CO.  
Chartered Accountants

BANKERS

Indian Bank  
State Bank of India  
Punjab National Bank

REGISTRAR & SHARE TRANSFER AGENT

M/s. C. B. Management Services Private Limited

REGISTERED OFFICE:

6A, Kiran Sankar Roy Road  
3<sup>rd</sup> Floor, Kolkata – 700 001

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the members of Shentracon Chemicals Limited will be held on 29<sup>th</sup> September, 2011 at 3.00 p.m. at the Registered office of the company 6A, Kiran Sankar Roy Road, 3<sup>rd</sup> Floor, Kolkata – 700 001 to transact the following business:

**Ordinary Business:**

1. To consider and adopt the Director's report, the Audited Financial Statements including Profit and Loss Account for the year ended March 31st, 2011, Cash Flow statement for the year ended March 31st, 2011 and the Balance Sheet as on that date and the Auditor's report thereon.
2. To appoint a Director in place of Mr. Govind Sureka, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Jagdish Prasad Sureka, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors and to fix their remuneration, and in this regard, to consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:  
"RESOLVED that the retiring auditor K. P. Jhavar & Co., Chartered Accountant be and hereby appointed as Auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

**Special Business**

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. P. Mondal, who was appointed as an Additional Director of the Company with effect from April 07, 2011, in terms of Section 260 of the Companies Act, 1956 ("the Act"), and Article 71 of the Articles of association of the Company at the meeting of the Board of Directors held on April 07, 2011 and who holds office till the date of this Annual General Meeting be and is hereby appointed as Director liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT Mr. T. Mondal, who was appointed as an Additional Director of the Company with effect from June 01, 2011, in terms of Section 260 of the Companies Act, 1956 ("the Act"), and Article 71 of the Articles of association of the Company at the meeting of the Board of Directors held on June 01, 2011 and who holds office till the date of this Annual General Meeting be and is hereby appointed as Director liable to retire by rotation."
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary Resolution.

**AS ORDINARY RESOLUTION:**

“RESOLVED THAT the company hereby accord its approval for appointment of M/s. C. B. Management Services Private Limited of P22, Bondel Road, Ballygunge, Kolkata 700 019, as registrar and Share Transfer Agent of the Company for providing depository related services for the shares held in Demat mode and also to act as the Share Transfer Agents for the share held in physical segment.

By Order of the Board  
For **Shentracon Chemicals Limited**

**Registered Office**  
6A, KIRAN SANKAR ROY ROAD  
KOLKATA – 700 001

**J. P. Sureka**  
Director

**Place :** Kolkata  
**Date :** 02/09/2011

**Notes:**

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy form duly stamped and executed in order to be effective, must reach the Registered Office of the Company not less than 48 hours before the time of commencement of the Annual General Meeting. Corporate Members are requested to send to the Registered Office of the Company a duly certified copy of the Board Resolution, pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting. Members / proxy holders are requested to bring their attendance slip duly signed so as to avoid inconvenience.
2. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business under Item No. 5 to 7 above, is annexed hereto and form part of this notice.
3. Members holding shares in physical form are requested to advise any change in their registered address, to the Company's Registrar and Share Transfer Agent, M/s. C. B. Management Services Private Limited quoting their folio number. Members holding shares in electronic form must send the advice about change in their registered address or bank particulars to their respective Depository Participant and not to the Company/Share Transfer Agent.
4. Members desiring any information on the Accounts of the Company are requested to write to the Company at least 10 days in advance so as to enable the Company to keep the information ready.
5. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number and in case the shares are held in the dematerialized form, they must quote their Client ID Number and their DPID Number.

6. The Register of Members and Share Transfer Books of the Company shall remain closed from 23<sup>rd</sup> September 2011 to 29<sup>th</sup> September, 2011 (both days inclusive).

Members are further requested to;

- Intimate about consolidation of folios to the Registrar & Transfer agent, if your shareholding is under multiple folios
  - All documents referred to in this Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. upto the date of the AGM.
  - As measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
- Shareholders are requested to kindly bring their copies to the Meeting.

By Order of the Board  
For **Shentracon Chemicals Limited**

**Registered Office**  
6A, KIRAN SANKAR ROY ROAD  
KOLKATA – 700 001

**J. P. Sureka**  
Director

**Place :** Kolkata  
**Date :** 02/09/2011

### **Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956**

#### **Item No. 5**

The Board of Directors of the Company ('the Board'), under Section 260 of the Companies Act, 1956 ('the Act') and Article 71 of the Articles of Association of the Company, appointed Mr. P. Mondal as Additional Director of the Company with effect from 07<sup>th</sup> April, 2011. In terms of Section 260 of the Act, Mr. P. Mondal holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for the office of Director liable to retire by rotation. Mr. P. Mondal has confirmed that he is not disqualified from being appointed as Director under Section 274 (1) (g) of the Act. Approval of the shareholders is sought by way of Ordinary resolution in the Annual General Meeting for his appointment as Director liable to retire by rotation. The Board commends the resolutions for your approval. Except Mr. P. Mondal, who is interested in the matters relating to his appointment, no other Director of the Company is interested in this resolution.

**Item No. 6**

The Board of Directors of the Company ('the Board'), under Section 260 of the Companies Act, 1956 ('the Act') and Article 71 of the Articles of Association of the Company, appointed Mr. T. Mandal as Additional Director of the Company with effect from 01<sup>st</sup> June, 2011. In terms of Section 260 of the Act, Mr. T. Mandal holds office up to the date of this Annual General Meeting. The Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, along with a requisite deposit, proposing his candidature for the office of Director liable to retire by rotation. Mr. T. Mandal has confirmed that he is not disqualified from being appointed as Director under Section 274 (1) (g) of the Act. Approval of the shareholders is sought by way of Ordinary resolution in the Annual General Meeting for his appointment as Director liable to retire by rotation. The Board commends the resolutions for your approval. Except Mr. T. Mandal, who is interested in the matters relating to his appointment, no other Director of the Company is interested in this resolution.

**Item No. 7**

M/s. C. B. Management Services Private Limited A SEBI authorized category-I Registrar and Share Transfer Agent has approached the company to provide their services to act as Registrar and Share Transfer Agent of the Company.

In order to maintain the business synergy and also to provide the better services to its Shareholders the Board recommended the resolution as proposed in the notice for members approval.

None of the Director of the Company is interested in the resolution.

By Order of the Board  
For **Shentracon Chemicals Limited**

**Registered Office**  
6A, KIRAN SANKAR ROY ROAD  
KOLKATA – 700 001

**J. P. Sureka**  
Director

**Place :** Kolkata  
**Date :** 02/09/2011

**Additional information on directors recommended for appointment or seeking re-appointment at the Annual General meeting (in pursuance of clause 49 of the Listing Agreement)**

| DETAILED PROFILE OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT GIVEN AS UNDER: |   |   |            |            |
|--|---|---|------------|------------|
|  | J. P. Sureka  | G. P. Sureka  | P. Mondal  | T. Mandal  |
| Age  | 70  | 40  | 52         | 27         |
| Qualification  | B. Com  | B. Com  | B. Sc      | B. Com     |
| Date of Appointment  | 14.07.1993  | 29.03.2000  | 07.04.2011 | 01.06.2011 |
| Category   | Promoter  | Director  | Director   | Director   |
| Share holding of Director's  | 208300  | 1500  | Nil        | Nil        |
| Director ship held in other public limited companies                               | ISMT Limited, Prismo (I) Ltd. Taneja Aerospace and Aviation Limited (TAAL).   | Prismo (I) Ltd.   | No         | No         |
| Membership/Chairmanship of the committees of Indian Public Limited Companies.      | Member -Audit Committee of ISMT Limited, Prismo (I) Ltd & TAAL. Chairman – Remuneration Committee of TAAL, Prismo (I) Ltd. Member-Shareholder/Investor Grievance Committee of TAAL, Prismo (I) Ltd. | Chairman - Audit Committee of Prismo (I) Ltd. Member – Remuneration Committee of Prismo (I) Ltd. Chairman-Shareholder/Investor Grievance Committee of Prismo (I) Ltd. | No         | No         |

## DIRECTOR'S REPORT

Dear members,

Your Directors are pleased to present the 18<sup>th</sup> Annual Report and Statement of Accounts of your Company, for the year ended on 31<sup>st</sup> March 2011.

### FINANCIAL RESULTS:

| Particulars                                 | Financial year ended 31 <sup>st</sup><br>March 2011 | Financial year ended 31 <sup>st</sup><br>March 2010 |
|---|---|---|
| Profit before interest, depreciation & Tax  | (676.00)  | (138565.00)   |
| Less: Depreciation                          | 222820.00   | 3272042.00  |
| Less: Interest                              | -   | -   |
| Profit before tax                           | (223496.00)   | (3410607.00)  |
| Less: Tax                                   | -   | -   |
| Profit after tax                            | (223496.00)   | (3410607.00)  |
| Balance brought forward from previous years | (98867001.00)                                       | (95456394.00)                                       |
| Balance to be carried forward               | (99090497.00)                                       | (98867001.00)                                       |

### DIVIDEND

As the company did not incur any profit during the F.Y. 2010-11, your directors do not recommend a dividend for the year under review ended on March 31, 2011.

### OPERATIONS

As you know that due to uneconomical condition and technical unavailability, the production in chemical plant was shut down since 18.09.1996. The board of directors resolved to close the company's main business of chemical effective from 01<sup>st</sup> April 2010. The Director's also resolve to explore other avenues and line of production or business by utilizing the existing site of Factory, Land & Building. In view of the fact that the existing chemical plant ( with its allied accessories) will not be of any use in any other probable line of production, it was resolved by the management to dispose off the existing chemical Plant & Machineries and Electrical appurtenant thereto on block basis and transfer the same from Fixed Assets to Current Assets, as the same are now meant for disposal off.

The management is seriously considering the revival of the Company. Many alternate business plans including enhancement of net worth are under consideration. The management is hopeful of reviving the Company.

### DIRECTORS

Sri. G. P. Sureka and Sri. J. P. Sureka, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend their appointment.



## **AUDITORS AND AUDITOR'S REPORT**

M/s K. P. Jhavar & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the conclusion of ensuing Annual General Meeting and are eligible for reappointment. The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of Section 226 of the said Act. The Notes on Accounts referred to in the Auditor's Report are self-explanatory and give complete information.

## **PUBLIC DEPOSITS:**

The Company has not accepted any deposit within the meaning of section 58A of the Companies Act, 1956 and the Rules made there under.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217(2AA) of the Companies Act 1956, with respect to Directors' Responsibility Statement. Your Directors confirm :

1. that in the preparation of Annual Accounts, the applicable accounting standards have been followed ;
2. that 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 at the end of financial year ended March 31,2010 and of the loss of the Company for the year.
3. that 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 of the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Directors have prepared the Annual Accounts on a going concerns basis.

## **CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS:**

A separate section on Corporate Governance and management discussion and analysis forming part of the Directors' Report and the certificate from the Company's auditors confirming the compliance of conditions as stipulated in Clause 49 of the listing agreement is annexed hereto.

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

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies(Disclosure of particulars in the Report of Board of Directors) Rules,1988 is given in the Annexure and forms part of this report.

**PARTICULARS OF EMPLOYEES:**

As required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule, 1975 as amended, the particulars are not given as the same is not attracted in the case of any person employed by the Company.

**ACKNOWLEDGEMENT :**

Your Company and its Directors wish to sincerely thank the various Govt. Departments for their support and co-operation extended to the Company.

Your Directors also sincerely thank the Shareholders for the confidence reposed by them in the Company and seek their continuous support and co-operation in future also.

***ANNEXURE-A***

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE  
EARNING AND OUT GO:**

**a) Conservation of Energy:**

The Company's production at present is under suspension and therefore no power is consumed at the factory.

**b) Technology Absorption:**

The Company's factory at Dankuni is under suspension of work therefore Technology Absorption is not applicable.

**c) Foreign Exchange Earning and Outgo:**

A) Activities relating to Export/initiatives taken to increase exports & Development of New Export market for products and services and Export plans:

At present the Company has no production and sales so matter will be considered only after restart of production.

**B) Total Foreign Exchange used and earned:**

|     |                          |   |     |
|-----|--------------------------|---|-----|
| i)  | Foreign Exchange Earning | : | Nil |
| ii) | Foreign Exchange Outgo   | : | Nil |

on behalf of the Board  
SHENTRACON CHEMICALS LTD.

Registered Office:

6A, Kiran Shankar Roy Road,  
3rd Floor, Kolkata-700 001  
The 26th day of July, 2011

J. P. Sureka  
Director