

**SHENTRACON CHEMICALS LIMITED**

**ANNUAL REPORT 2012-13**

BOARD OF DIRECTORS

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

AUDITORS

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

BANKERS

Indian Bank  
State Bank of India

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 Twentieth Annual General Meeting of the members of Shentracon Chemicals Limited will be held on 30<sup>th</sup> September, 2013 at 3.00 p.m. at the Registered office of the company 6A, Kiran Sankar Roy Road, 3<sup>rd</sup> Floor, Kolakta – 700 001 to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Director's report, the Audited Profit and Loss Account of the Company for the year ended March 31st, 2013 and the Balance Sheet as on that date together with the Reports of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Jagdish Prasad Sureka, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Govind 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. Jhawar & 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."

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 :** 10/08/2013

### **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. 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.
3. 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.
4. In all correspondence with the Company or with its Share Transfer Agent, members are requested to quote their folio number.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 24<sup>th</sup> September 2013 to 30<sup>th</sup> September, 2013 (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 :** 10/08/2013

**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
Age	72 Years	39 Years
Qualification	B. Com	B. Com
Date of Appointment	14/07/1993	29/03/2000
Category	Promoter	Director
Share holding of Director's	208300	1500
Director ship held in other public limited companies	ISMT Limited, Prismo (I) Ltd. Taneja Aerospace and Aviation Limited (TAAL).	Prismo (I) Ltd.
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. Member- Shareholder/ Investor Grievance Committee of Prismo (I) Ltd.

## DIRECTOR'S REPORT

Dear members,

Your Directors are pleased to present the 20<sup>th</sup> Annual Report and Statement of Accounts of your Company, for the year ended on 31<sup>st</sup> March 2013.

### FINANCIAL RESULTS:

Particulars	Financial year ended 31 <sup>st</sup> March 2013	Financial year ended 31 <sup>st</sup> March 2012
Profit before interest, depreciation & Tax	32,40,468.00	(68,958.00)
Less: Depreciation	2,22,820.00	(2,22,820.00)
Less: Interest	-	-
Profit before tax	30,17,648.00	(2,91,778.00)
Less: Tax	-	-
Profit after tax	30,17,648.00	(2,91,778.00)
Balance brought forward from previous years	(9,93,82,275.00)	(9,90,90,497.00)
Balance to be carried forward	(9,63,64,627.00)	(9,93,82,275.00)

### DIVIDEND

In view to strengthen the Company's reserve and due to inadequate profit, the directors have decided not to declare any dividend during the year under review.

### OPERATIONS

Due to uneconomical condition and technical unavailability, the production in chemical plant was shut down since long period. Your Company then resolved to close the company's main business of chemical. The Company then decided to disposed off the existing chemical Plant & Machineries and Electrical Equipments thereto on block basis and transferred the same from Fixed Assets to Current Assets, as the same are now meant for disposal. The Company is currently negotiating with a few parties in this regard.

Your Company is presently earning income by rent. The management is seriously considering other sources for generating Income on the existing Land and is in talk with various Consultants. Many alternate business plans including enhancement of Net worth are under consideration.

### DIRECTORS

Sri. Jagdish Prasad Sureka and Sri. Govind Sureka, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-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 31,2013 and of the profit 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.

**LISTING**

**Your Company has listing arrangements with Calcutta Stock Exchanges and Bombay Stock Exchanges (BSE). Since 2001 the trading of shares of your Company are under suspension in BSE.**

**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.

on behalf of the Board  
SHENTRACON CHEMICALS LTD.

Registered Office:  
6A, Kiran Shankar Roy Road,  
3rd Floor, Kolkata-700 001  
The 10<sup>th</sup> August, 2013

**J. P. SUREKA**  
Director

## *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 10<sup>th</sup> August, 2013

**J. P. SUREKA**  
Director



## MANAGEMENT DISCUSSION AND ANALYSIS

### Overview

F.Y. 2012-13 was a challenging year. The global economy after recession witnessed lower economic growth, resulting primarily from the Euro Zone debt crises and downgrade in debt rating of U.S. These global events had a negative impact on our economy.

### Opportunities and threats

Since the company was closed for several year so the existing plant & machinery are no longer usable. Moreover the market condition is also unfavourable due to cheap import. So Company has decided to look for other avenues on the existing site, for which the Company is in talk with several consultants & also with financial institutions.

### Financial performance with respect to operation performance

This has been dealt with in the Directors Report

### Human Resources

There is no production plant in Dankuni. The company has not given direct or indirect employment to any persons during the under review because of the closures of the plant. The company has the transparent delegation structure. Which help in smooth business operations.

### Internal Control Systems and Adequacy

We believe that SCL has adequate internal control systems in place. An internal Audit system is in place to conduct a regular check and review accounting methodologies with a view to improving the control systems.

### Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. This statement based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and domestic demand-supply conditions, raw materials cost and availability, change in government regulations, tax regime, economic developments within the country and other factors such as litigation and labour negotiation. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For and on behalf of the Board of Directors

Regd. Office :  
6A, Kiron Shankar Roy Road,  
3rd Floor,  
Kolkata-700 001  
Dated : 10<sup>th</sup> August, 2013

**J. P. SUREKA**  
Director

## REPORT ON CORPORATE COVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2013.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company has a strong value system comprising of honesty, integrity, secularity and equal opportunity for all. The company strives to provide its stakeholders with maximum information relating to the affairs of the company with an attempt to bring about total transparency in its working. We believe that goods governance is the corner stone of any successful organization and we continuously endeavor to improve our standards of governance.

### 2. BOARD OF DIRECTORS

As on 31<sup>st</sup> March 2013, the Board consisted of four Directors of whom three were Non Executive Independent Director and one was Non Executive Non Independent Director.

The Composition of the Board, attendance of Directors at the Board Meetings held during the year under review as well as in the last Annual General Meeting and the number of the other Directorships/ Committees position held by them are as under:

Name of Director	Category	Attendance at Board Meeting		Directorship in other Public Limited Companies*	Committee position in other public companies**		Whether attended the last AGM
		Held during the year	Attended		Member	Chairman	
<b>Mr. J.P. Sureka (Chairman)</b>	Promoter Non Executive Non Independent	7	7	3	5	-	Yes
<b>Mr. G.P. Sureka</b>	Non Executive Independent Director	7	7	1	1	1	Yes
<b>Mr. Tarun Mandal</b>	Non Executive Independent Director	7	6	-	-	-	Yes
<b>Mr. Pijush Mondal</b>	Non Executive Independent Director	7	6	-	-	-	Yes