

SHENTRACON CHEMICALS LIMITED

Annual Report

2021-22

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Sanjay Sureka	-	Director
Mr. Pijush Mandal	-	Director
Mr. Chandi Das Chakraborty	-	Director
Mrs. Anuradha Singh	-	Director

AUDITORS

M/S J. KHEMANI & 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 Shankar Roy Road
3rd Floor, Kolkata – 700 001

Board's Report

Dear Shareholders,

Your Directors have pleasure in presenting their 29th Annual Report of the business and operations of the Company together with audited financial statements for the financial year ended March 31, 2022.

FINANCIAL PERFORMANCE:

(Amount in Rs.)

Particulars	2021-22	2020-21
Total Income	976	2,43,927
Profit / (Loss) before Depreciation & tax	(7,18,528)	(4,93,966)
Less: Depreciation	-	-
Profit/ (Loss) before tax	(7,18,528)	(4,93,966)
Less: Tax Expenses	-	-
Profit /(Loss) for the year	(7,18,528)	(4,93,966)
Add: Balance as per last financial statements	(10,12,20,800)	(10,07,26,800)
Retained Earnings – Closing Balance	(10,19,39,328)	(10,12,20,800)

STATE OF COMPANY'S AFFAIRS:

There was no business activity in real terms during the year under review. So there was no income during the year. But Company is reconsidering about other activities suitable for the Company.

OPERATIONAL REVIEW:

- Total Income was Rs.976/- in the current year as against Rs. 2,43,927/- in the previous year.
- Net Profit was Rs.(7,18,528)/- in the current year as against Rs. (4,93,966)/- in the previous year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of report.

INDUSTRY OUTLOOK:

Presently, the Company is not engaged in manufacturing process of Chemicals.

CHANGE IN NATURE OF BUSINESS:

There has been no change in nature of business of the Company during the F.Y. 2021-22. However, the company is further exploring possibilities of trading in chemicals and allied product, to run a manufacturing unit on contract basis in same line of business.

CHANGES IN SHARE CAPITAL:

The equity share paid up Share Capital as on 31st March, 2022 stood at Rs 4,43,81,430. During the year under review, the Company has not issued any shares with differential voting rights, sweat equity shares nor granted any Employees stock options and neither came out with rights, bonus, private placement and preferential issue.

TRANSFER TO RESERVE:

During the period under review, no amount was transferred to any Reserves.

DIVIDEND:

In view of huge accumulated losses, the Directors regret their inability to recommend any dividend for the financial year 2021-22.

DETAIL OF DIRECTORS & KEY MANAGERIAL PERSONNEL:**Directors:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Articles of Association of the company Mr. Sanjay Sureka (DIN:00491454), Director of the Company retires by rotation & being eligible offers himself for re-appointment at the ensuing Annual General Meeting of the company.

Your Company has received declaration from each of the Independent Directors under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI Listing Regulations, 2015 that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI Listing Regulations, 2015 and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge their duties with an objective independent judgment and without any external influence. All the declarations were placed before the Board.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in the Notice convening the ensuing Annual General Meeting of the Company.

KEY MANAGERIAL PERSONNEL

Your Company has following personnel's designated as whole-time key managerial personnel pursuant to section 203 of Companies Act 2013 and rules made thereon:

- 1) Mr. Jayanta Sahu– Manager
- 2) Mr. Rajesh Kumar Rungta– Chief Financial Officer
- 3) Mr. Sourabh Chitlangia- Company Secretary

MANAGERIAL REMUNERATION:

The statement containing the disclosure as required in accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is annexed as “Annexure A” and forms a part of the Board Report.

Further, none of the employees of the Company are in receipt of remuneration exceeding the limit prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and

Companies(Appointment and Remuneration of Managerial Personnel)Amendment Rules, 2016 so statement pursuant to Section 197(12) of the Companies Act 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is not required to be included.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES:

The Company recognizes the fact that there is a need to align the business objective with the specific and measurable individual objectives and targets.

The remuneration policy of the company can be accessed to its website at www.shentracon.com.

DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as per applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NUMBER OF MEETINGS OF THE BOARD

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	DIN	Category	Attendance at Board Meeting		No. of other Directors hips ¹	Membership / Chairmanship of Committees		Whether attended the last AGM	No. of shares and convertible instruments held	Relationship between directors inter-se
			Held during the year	Attend		Member	Chairman			
Mr. Sanjay Sureka	00491454	Promoter & NE-NID*	6	6	4	3	-	✓	159267	Son of Late Jagdish Prasad Sureka

Mr. Chandi Das Chakroborty	07688518	NE-ID**	6	6	3	1	2	✓	NIL	NIL
Mr. Pijush Mandal	03348999	NE-ID**	6	6	2	2	1	✓	NIL	NIL
Mrs. Anurada Singh	05273619	NE-NID**	6	6	-	1	-	✓	NIL	NIL

Note: - *Non Executive Non Independent Director.

**Non Executive Independent Director.

None of the Directors on the Board is a member of more than 10 Committees and the Chairman in more than 5 Committees, across all Companies in which they are Director and the same is in compliance with Regulation 26 of SEBI Listing Regulations, 2015.

¹ The directorship held by Directors as mentioned above does not include Directorships of private companies / Section 8 companies / foreign companies as on 31st March, 2022.

In accordance with Regulation 26 of the SEBI Listing Regulations, 2015, Memberships/Chairmanships of Board Committees relates to only Audit Committee and Shareholders' / Stakeholder Relationship Committee in all public limited committee (excluding Shentracon Chemicals Limited) have been considered.

During the financial year 2021-2022, 6 (Six) meetings of the Board of Directors were held on 30th April, 2021, 30th June, 2021, 13th August, 2021, 13th November 2021, 14th February, 2022 and 28th March, 2022.

COMMITTEES OF BOARD

There are currently four Committees of the Board, as follows:

- ✓ Audit Committee
- ✓ Nomination and Remuneration Committee
- ✓ Stakeholders' Relationship Committee
- ✓ Shares Transfer Committee

AUDIT COMMITTEE

The company has an Audit committee with all members being non-executive directors and the chairman being Independent Director. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors.

Composition, Name of Member and Chairperson:

The Audit Committee consists of 3 members as on 31st March, 2022 with majority independent directors. The Committee had met 4(four) times i.e. on 30th June, 2021, 13th August, 2021, 13th November 2021 and 14th February, 2022.

The details of composition of the Audit Committee are as under:-

Sl. No.	Name	Status	No. of Meetings held	No. of Meetings attended
1	Mr. Pijush Mandal (Chairman)	Non Executive Independent Director	4	4
2.	Mr. Chandi Das Chakroborty (Member)	Non Executive Independent Director	4	4
3.	Mr. Sanjay Sureka (Member)	Promoter Non Executive Non Independent Director	4	4

NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee has been constituted pursuant to section 178 of Companies Act 2013 read with Regulation 19 of SEBI Listing Regulations, 2015.

Composition and meeting details:

The Nomination and remuneration committee consist of the following non-executive members. The Chairman being the Independent Director. The Committee had met once i.e., on 14th February, 2022. The details of composition of the Nomination & Remuneration Committee are as under:-

Sl. No.	Name	Status	No. of Meetings held	No. of Meetings attended
1	Mr. Chandi Das Chakroborty (Chairman)	Non Executive Independent Director	1	1
2	Mr. Sanjay Sureka (Member)	Non Executive Non Independent Director	1	1
3	Mr. Pijush Mandal (Member)	Non Executive Independent Director	1	1
4.	Mrs. Anuradha Singh (Member)	Non Executive Director	1	1

STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee shall act in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations, 2015

The Stakeholders Relationship Committee of your Company comprises of three members, out of which one being Non-Executive & Non-Independent Directors. During the financial year one meeting was held i.e. 14th February, 2022 to consider & resolve the grievances of Security holders.

The details of composition of the Stakeholder's Relationship Committee are as under:-

Sl. No.	Name	Status	No. of Meetings held	No. of Meetings attend
1.	Mr. Chandi Das Chakroborty (Chairman)	Non Executive Independent Director	1	1
2	Mr. Sanjay Sureka (Member)	Non Executive Non Independent Director	1	1
3	Mr. Pijush Mandal (Member)	Non Executive Independent Director	1	1

DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, the Company has framed a Vigil Mechanism / Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any. The Vigil Mechanism / Whistle Blower Policy have also been uploaded on the website of the Company and may be accessed at http://www.shentracon.com/pdf/v_mach.pdf

DISCLOSURE ON ESTABLISHMENT OF A RISK MANAGEMENT POLICY

Pursuant to section 134(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI Listing Regulations, 2015, your company has a Risk Management framework to identify, evaluate business risk and opportunities. Risk management is the process of identification, assessment and prioritization of risks followed by coordinated efforts to minimize, monitor and mitigate/ control the probability and / or impact of unfortunate events or to maximize the realization of opportunities.

Your Company manages monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. Your Company's management systems, organizational structures, processes, standards, code of conduct and behaviours governs how the Group conducts the business of the Company and manages associated risks.

PREVENTION, PROHIBITION & REDRESSAL OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is not required to form an internal complaint committee under section 4 of The Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed in the Company.

LISTING AT STOCK EXCHANGE:

The Equity shares of the company are listed on The Calcutta Stock Exchange Association Ltd., The Bombay Stock Exchange Association Ltd and Ahmedabad Stock Exchange Limited (de- recognized). The Equity Shares of the Company are suspended in Bombay Stock Exchanges since 10.09.2001.

FAMILIARIZATIONS PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25(7) of the SEBI Listing Regulations, 2015 the Company has conducted the Familiarization Program for Independent Director to familiarize them with their roles, rights, responsibilities in

the company, nature of the industry in which the company operates, business model of the company, etc., through various initiatives. The same has been uploaded in Company's website and may be accessed at <http://www.shentracon.com>.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOES:

In accordance with the provisions of Section 134(3)(m) of Companies Act, 2013 the required information relating to the " Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and outgoing" are nil. Since there are no manufacturing activities in the company therefore no such data are available.

DETAILS OF SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:

Your Company has neither a Subsidiary Company nor a Joint Venture Company or an Associate Company during the year under review. Therefore, no disclosure is required to be included in this report.

Moreover, Formulation of Policy for determining material subsidiary is not required.

STATUTORY AUDITORS

The Shareholders of the Company, at the AGM held on September 25, 2017, has appointed Messrs J. Khemani & Co., Chartered Accountants, (FRN:322375E) as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of 24th Annual General Meeting held on September 25, 2017 till the conclusion of the 29th Annual General Meeting of the Company.

The requirement of seeking ratification of the Members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 effective from May 07, 2018. Hence, the resolution seeking ratification of the Members for their appointment is not being placed at the ensuing Annual General Meeting (AGM).

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

The statutory Auditor has not reported any incident of fraud to the Audit committee of the company in the year under review.

The Auditors' Report does not contain any qualification, reservation or adverse remark.

Key Audit Matters

The Statutory Auditors in their report have stated "Key Audit Matters" and the response of your Board of Directors with respect to the same and note no.18 of financial statement are as follows:

1. In respect to the note no. 18 of the financial statement, the Board would clarify that the company has disposed off its immovable property to the prospective buyer, complying the provisions of the Act and has clear its liabilities. However, the company is presently entering into negotiation with various industries houses in order to generate revenue for its stake holders. The company is also exploring possibilities of trading in chemicals, allied product and to run a manufacturing unit on contract basis in same line of business. Thus the company will keep its status of going concern.

2. In respect to the note no. 18 of the financial statement, the Board would clarify that the company is exploring the possibilities to trade, run a unit on contract in same line of business and is thus maintaining the status of going concern.

The above factors cast a significant certainty on the company's ability to continue as a going concern.

SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/S. MR & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "**Annexure B**".

The Secretarial Auditors in their report have stated the following and the response of your Board of Directors with respect to the same are as follows:

- The Company has delayed in filing few documents with Stock Exchange for that it has partially complied with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- The Company shall comply with the provisions within the prescribed timeline going forward.
- The Company's shareholding of promoter(s) and promoter group are not held in dematerialized form, since there are some issues with further listing of share with BSE and also mismatch of the Paid up Capital with Listing authority- Since the company is suspended from trading in the stock exchange, processing for dematerialization of shares could not be done and therefore there is mismatch in the Paid –up capital of the company. However, it can be noted that the company got listing approval of 10 lacs equity shares from BSE during the F.Y. 2021-22.
- The Company is suspended from the stock exchange BSE Ltd. due to penal reasons and therefore the many filing related to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011 and SEBI (Depositories and Participants) Regulations, 2018 is submitted via mail instead of mandatory Online Portal Listing Centre, which is blocked after suspension;- Since the company is suspended from the stock exchange, it is unable to file in the mandatory Online Portal Listing Centre for submission of disclosures except few filings as the company is blocked from logging in after suspension.
- The Company has not paid listing fee of the Calcutta Stock Exchange Limited as per Regulation 14 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)- Due to financial crunch the company is unable to pay the listing fee of the said Exchange(s), also inspite of our following all the compliances and also after several representation and also after paying filling fees, our shareholders were deprived of their right to trade in the shares on the stock exchange , due to exchange being least interested in MSME.
- The Company has partially complied with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Depositories and Participants) Regulations), 2018, SEBI (Listing Obligations and