

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
3rd 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 29th September, 2011 at 3.00 p.m. at the Registered office of the company 6A, Kiran Sankar Roy Road, 3rd 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

sd/-
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 23rd September 2011 to 29th 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

sd/-
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 07th 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 01st 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

sd/-
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 18th Annual Report and Statement of Accounts of your Company, for the year ended on 31st March 2011.

FINANCIAL RESULTS:

Particulars	Financial year ended 31 st March 2011	Financial year ended 31 st 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 01st 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

sd/-
J. P. Sureka
Director

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The global economy recovery, which began in 2009, continued into 2011 and is expected to continue in the coming years. The developing countries were the main drivers of global economy, wherein they contributed 46 per cent of the total growth in 2010. The growth in developed economies is expected to remain weak, while that in emerging economy-China, India and Brazil- are likely to remain buoyant.

Operation Review

The Board of Directors resolved to close the company's main business of chemicals. In view of the fact that the existing chemical plant will not be of any use in any other probable line of production, it was decided to dispose the Plant & Machinery and Electrical apartment thereto. As these are meant for disposal, the same has been transferred under Current Assets. Few of the fixed assets of immaterial value had been disposed off during the year.

Opportunities and threats

As the company is not interested in continuing the production of different chemical i.e. sodium Di-Chromate, Sodium sulphate yellow, Basic chrome sulphate, e.t.c due to financial trouble, labor problem, political and market condition.

In this scenario the company is planning to start its operation in some other line of business. But the unavailability of financial resources required for the purpose may prove to be tough job in restarting operation. The management discussed various ways by which the fund could be arranged and operation can be restarted.

Financial performance with respect to operation performance

Other income amounted to Rs. 1.08 Lac as compare to Rs. 1.08 Lac for the last financial year. During the year under review which ended on 31st March 2011 the profit & loss (after OTS adjustments) are Rs. (2.23) Lacs as compared to Rs. (34.10) Lac with the last F.Y.

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 expectations or predictions are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include demand-supply conditions, raw materials prices, change in government regulations, tax regime, economic developments within the country and other factors such as litigation and labor negotiation.

For and on behalf of the Board of Directors

Regd. Office :
6A, Kiron Shankar Roy Road,
3rd Floor,
Kolkata-700 001
Dated : 26th July, 2011

sd/-
J. P. SUREKA
Director

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2011.

1. COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed and continues to focus on good Corporate Governance by being transparent and by maintaining a high level of integrity, accountability and social responsibility. This report is prepared in conformity with the requirement of Clause-49 of the Listing Agreement with Stock Exchange.

2. BOARD OF DIRECTORS

The Company’s Board consists of four members, all of whom are Non-Executive Directors. The Company is Board-managed and hence, it has no Managing Director, Whole-Time Director, Manager or Chief Executive Officer.

A) Information on Board of Directors and Attendance

Name	Category	Attendance particulars at the		Number of other Boards of Board Committees in which a Member of Chairperson		
		Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. J. P. Sureka.	Promoter Non Executive Non Independent Director	7	Present	3	3	2
Mr. G. P. Sureka.	Non Executive Independent Director	7	Present	1	1	1
Mr. R. K. Dhara	Non Executive Independent Director	5	Present	0	0	0

B) Number of Board Meetings held during the year along with the dates of the Meetings:

During the financial year 2010-2011, nine meetings of the Board of Directors were held on 15.05.2010, 30.07.2010, 04.08.2010, 30.10.2010, 24.12.2010, 25.01.2011 and 12.02.2011.

C) Disclosures regarding Directors’ Reappointment

At the ensuing Annual General Meeting, Mr. G. P. Sureka & Mr. J. P. Sureka Non-Executive Independent Director, retire by rotation.

3. Audit Committee

(a) Composition :

The Audit Committee comprises of two non-executive independent directors as on 31st March, 2011. The Committee met 4 (Four) times during the year i.e. on 15.05.2010, 30.07.2010, 30.10.2010 and 12.02.2011. The attendances of the members were as follows:

Sl. No.	Name	Status	No. of Meetings
1	Mr. J. P. Sureka.	Promoter Non Executive Non Independent Director	4
2	Mr. G. P. Sureka.	Non Executive Independent Director	4
3	Mr. R. K. Dhara.	Non Executive Independent Director (Chairman of the Committee)	3

(b) Terms of Reference:-

The terms of reference of the Committee is in accordance with that specified in clause 49 of the Listing Agreement with Stock Exchanges and also confirms to the requirements of Section 292A of the Companies Act, 1956.

4. REMUNERATION COMMITTEE

(a) Composition of the Committee:

The Remuneration Committee of the Company comprises of two non-executive independent directors. The details are as follows:

Sl. No.	Name	Status
1	Mr. J. P. Sureka	Promoter Non Executive Non Independent Director
2	Mr. G. P. Sureka. (Chairman of the Committee)	Non Executive Independent Director
3	Mr. R. K. Dhara.	Non Executive Independent Director

During the year, no meeting of the Remuneration Committee was held.

(b) Terms of Reference:

The Remuneration Committee of the Company was constituted in accordance with Schedule XIII of the Companies Act, 1956 to carry out functions as envisaged under the said schedule.

(c) Remuneration Policy:

The Non-Executive Independent Directors of the Company were not paid any sitting fee or any other remuneration or commission.

5. Share Transfer & Investors Grievance Committee

The Company has a Share Transfer and Investors Grievance Committee. The Committee consists of two Non-Executive Independent Directors. The Committee deals with matters relating to approval of Share Transfers and Transmissions, Folio Consolidation, Issue of Duplicate Share Certificates, Replacement of Share Certificates, Split and Consolidation of Certificates, , monitoring of shareholder complaints /requests. The composition of the committee members is as under:-

Sl. No.	Name	Status
1	Mr. J. P. Sureka.	Promoter Non Executive Non Independent Director
2	Mr. G. P. Sureka.	Non Executive Independent Director
3	Mr. R. K. Dhara. (Chairman of the Committee)	Non Executive Independent Director

During the year no complaint or request were received.

6. General Body Meetings :

A. Location and time for last three Annual General Meetings were:

Financial Year	Date of AGM	Venue	Time
2009-2010	30-09-2010	6A, Kiron Shankar Roy Road, 3 rd Floor, Kolkata	3.00 P.M.
2008-2009	30-09-2009	6A, Kiron Shankar Roy Road, 3 rd Floor, Kolkata	3.00 P.M.
2007-2008	30-09-2008	6A, Kiron Shankar Roy Road, 3 rd Floor, Kolkata	1.00 P.M.

B.SPECIAL RESOLUTIONS AT THE LAST THREE ANNUAL GENERAL MEETINGS:

No Special resolution has put through by postal ballot so far by the Company.

C. WHETHER ANY SPECIAL RESOLUTION PROPOSED TO BE CONDUCTED THROUGH POSTAL BALLOT

No resolution is proposed to be conducted through postal ballot in the forthcoming Annual General Meeting.

7. DISCLOSURES

- a. There was no transactions with Related Party for the year under review.
- b. The Company has complied with all the requirements of the listing agreement with the Stock Exchange(s) as well as regulations and guidelines of SEBI. No penalty has been imposed or strictures have been issued by SEBI or any other Stock Exchange(s) on matters related to Capital Market so far.
- c. Certificate as stipulated in Clause 49 of the listing Agreement from was obtained and placed before the Board.

d. The Company has complied with all the mandatory requirements of Clause 49 of the Listing agreement but has not adopted the non-mandatory requirements so far save and except the requirements under Remuneration Committee.

8. MEANS OF COMMUNICATIONS

The quarterly and the annual results of the Company are submitted to Stock Exchange where the shares of the Company are listed The Annual Reports are posted to every shareholder of the Company.

Management Discussion and Analysis forms part of the Annual Report.

9. GENERAL SHAREHOLDERS INFORMATION

- **Annual General Meeting:**

- **Date** : 29th September, 2011

- **Time** : 3.00 P.M.

Venue : 6A, Kiron Shankar Roy Road, 3rd Floor, Kolkata-700 001.

- **Financial Calendar :**

Financial Year – 1st April, 2011 to 31st March, 2012	Relevant Dates
Board Meeting for consideration of accounts	10 th May, 2010
Posting of Annual Report along with notice of AGM.	on or before 02 nd September, 2011
Book closure dates	23 rd September, 2011 to 29 th September, 2011 (both days inclusive).
Last date for receipt of proxy forms	27 th September, 2011 (before 10.00 a.m.)
Unaudited results for the quarter ended on June 30, 2011	Last week of July, 2011
Unaudited results for the quarter ended on September 30, 2011	Last week of October, 2011
Unaudited results for the quarter ended on December 31, 2011	Last week of January, 2012
Unaudited results for the quarter ended on March, 31, 2012	Last week of April, 2012

- Listing on Stock Exchanges at:

- i. The Calcutta Stock Exchange Association Ltd. (Stock Code: 10029095)
7, Lyons Range, Kolkata 700 001.

- ii. The Bombay Stock Exchange Association Ltd.(stock code:6825)
Floor 25, PJ Tower, Dalal Street, Mumbai – 400 001.

- iii. Ahmedabad Stock Exchange Ltd. – applied for delisting

- The Company has paid the listing fee to The Calcutta Stock Exchange Association Ltd., and The Bombay Stock Exchange for the year 2010-2011 but not to Ahmedabad Stock Exchange.

- Stock Market price for the Financial Year 2010-11 of The Calcutta Stock Exchange Association Ltd., is not available due to no trading.

- Stock Market price for the Financial Year 2010-11 of The Bombay Stock Exchange and Ahmedabad Stock Exchange Association Ltd., is not available due to suspension.
- **Dedicated email ID for Investors.** For the convenience of our investors, the Company has designated an exclusive email ID for investors i.e. sureka_2000@yahoo.com.
- Registrar & Share Transfer Agent: M/s. C. B. Management Services Private Limited of P22, Bondel Road, Ballygunge, Kolkata 700 019 is appointed 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.
- Distribution of shareholding & shareholding pattern :

Distribution of shareholding as on 31/03/2011.

Ordinary Shares held	Number of shareholders	% of shareholders	Number of shares held	% of shares held.
Upto 500	508	60.40	130167	2.93
501-1000	108	12.85	90100	2.03
1001-2000	73	8.68	115500	2.60
2001-3000	52	6.18	132000	2.98
3001 -4000	20	2.38	76500	1.72
4001-5000	24	2.85	115500	2.60
5001-10000	18	2.14	156700	3.53
10001-50000	25	2.97	625700	14.10
50001-100000	3	0.36	218400	4.93
100001 and above	10	1.19	2777576	62.58
Total	841	100	4438143	100

Pattern of Shareholding as on 31/03/2011

Sl. No.	Category	No. of shares held	% of shareholding
1	Promoters & their relatives including Associate Companies	2717343	61.23
2	Financial Institutions/ Insurance Companies/ Mutual Funds & Banks	0	0.00
3	Non-Resident Indians/ Overseas Corporate Bodies	0	0.00
4	Other bodies Corporate	837400	18.87
5	Indian public	883400	19.90
6	HUFs	0	0
	TOTAL	4438143	100

- Outstanding ADRs/GDRs : Not Applicable
- Address for matters related to shares, any correspondence:
Processes going for appointment of Registrar, till then company address.

- Address for any kind of assistance/clarification :

Mr. P. Mondal.
6A, Kiron Shankar Roy Road,
3rd Floor, Kolkata- 700 001

10. CODE OF CONDUCT

The Company's Code of Conduct has been complied with by all the members of the Board and select employees of the Company.

The Company has put in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulations, 1992. This code is applicable to all Directors and select employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

11. DECLARATION

As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board of Directors and select Employees have confirmed Compliance with the code of conduct.

By order of the Board
For SHENTRACON CHEMICALS LIMITED,

Regd. Office :
6A, Kiron Shankar Roy Road,
3rd Floor,
Kolkata-700 001
Dated : 26th July, 2011

sd/-
J. P. SUREKA
Director

**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE**

To
The Shareholders of
Shentracon Chemicals Limited

1. We have examined the compliance of conditions of Corporate Governance by Shentracon Chemicals Limited for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with the Stock Exchange.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. The objective of our examination is to give our opinion on whether the Company has complied with the conditions of Corporate Governance as stipulated in the provisions of Clause 49 of the Listing Agreement entered into by the company with the Stock Exchange.
4. We have conducted our examination on the basis of the relevant records and documents maintained by the company and furnished to us for examination and the information and explanations given to us by the Company and based on that we report that the Company has complied with most of the important conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
5. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

For K.P.Jhawar & Co.,
Chartered Accountants,
Firm Reg. No.: 306105E
Sd/-
K.P.Jhawar
Proprietor
Membership No.: 10309

Kolkata: July 26, 2011

CEO CERTIFICATION TO THE BOARD

(Under Clause 49 (V) of Listing Agreement)

To
The Board of Directors
Shentracon Chemicals Limited

We, J.P.Sureka, Chairman and G. P. Sureka, Director of Shentracon Chemicals Limited, to the best of our knowledge and belief, certify that:

- (1) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2011 and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (2) There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (3) We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (4) We have indicated to the auditors and the Audit Committee:
 - (i) There are no significant changes in internal control over financial reporting during the financial year ended March 31, 2011;
 - (ii) All significant changes in accounting policies during the financial year ended March,31, 2011 and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

J.P.Sureka.
sd/-
Chairman

G. P. Sureka
sd/-
Director

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of SHENTRACON CHEMICALS LIMITED as at 31st March, 2011 and the Profit and Loss account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, We enclose in the Annexure a statement of the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments given in (3) above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - B) In our opinion proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books.
 - C) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account.
 - D) In our opinion the Balance Sheet and Profit & Loss account dealt with in this report complies with the mandatory accounting standard referred to in sub-section 3(c) of Section 211 of the Companies Act., 1956.
 - E) On the basis of written submission received from the Directors' and taken on record by the Board of Directors', we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in term of Section 274(1)(g) of the Companies Act. 1956 as amended.

- F) (a) The accounts of the company have been prepared on a going concern basis. However since the work is under suspension since 10.10.1999, its ability to continue as such is highly doubtful and largely depend on outcome of its future planning. We are unable to express an opinion on the same.
5. Subject to matters referred in notes on accounts given in Schedule 10 together with resulting impact thereof as regards (i) as indicated in note B:5 as regards possible reduction in inventory value not ascertained in absence of physical verification and evaluation thereof. (ii) as indicated in note B:2 accounts of the company have been prepared on a going concern basis even though the production was under suspension. (iii) As indicated in the note B:7 No depreciation has been provided on Assets disposed off and Plant & Machinery transferred to Current Assets. (iv) Possible erosion of value of capital work-in progress arising due to long suspension as stated in B:4. (v) Amount advanced against orders Rs. 24,43,030/- pending settlement as specified in Note B:11(i). (vi) Contingent liabilities as specified in Note B:3, which might have impact on company's standing. (vii) As indicated in Note B:6 Directors resolved to close the company's main business of chemicals and to explore other avenues of business at the existing site of factory and its possible impact on company's standing. (viii) Sundry creditors and Other current liabilities coming from years and subject to confirmation & evaluation.

Subject to the above in our opinion and to the best of our information and according to explanation given to us, the said accounts read together with significant accounting policies and other notes appearing in Schedule 11 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

- a) In the case of Balance Sheet, of the State of affairs of the Company as at 31st March 2011.
- b) In the case of the Profit & Loss account, of the loss for the year ended on that date.
- c) In the case of Cash Flow Statement of the cash flow for the year ended on that date.

For **K. P. JHAWAR & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No.-306105E

Sd/-
(K. P. JHAWAR)
Proprietor
M-10309

Place : Kolkata
Dated : The 26th day of July, 2011

ANNEXURE TO THE AUDITORS' REPORT

i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b) We are informed that the Board of Directors resolved to close the company's main business of chemicals. In view of the fact that the existing chemical plant will not be of any use in any other probable line of production, it was decided to dispose the Plant & Machinery and Electrical appurtment thereto, As these are meant for disposal, the same has been transferred under Current Assets. Few of the fixed Assests of immaterial value had been disposed off during the year.

ii) Inventory :

(a) It is informed to us that inventory comprising stock of materials, stores, fuel, finished goods, work-in-process and reusable residues could not be physically verified since 21.07.1998 due to closure of the factory and hence we are not in a position to comment thereon. Consequently we are not in a position to comment on as regards unserviceable and damaged inventory.

(b) It is informed to us that any erosion in potential value of the stock, which may arise due to its nature, could not be dealt with due to non verification of stock and its technical evaluation.

(c) The closing stock of finished goods, work in progress and reusable residues and raw materials have been taken in the account on the basis of verification/evaluation certificate dated 21.07.1998 of an independent valuer appointed by State Bank of India. There was no movement of inventory thereafter. No further physical verification and/or technical evaluation has been made thereafter.

(d) We are informed that proper records of inventory has been maintained. However in absence of physical verification thereof we are not in a position to comment on discrepancy comparing with the physical stock. The stock has been taken in these accounts on the basis of physical counting and evaluation made by the independent valuer in 1998-99 and there is no movement thereafter

- iii) (a) As per information and explanations furnished the company has not granted but has taken unsecured loan from companies, firms and other associates covered in the register maintained under section 301 of the Companies Act, 1956. The aggregate amount outstanding loan taken at the close of the year is 2,36,28,144/-.
- (b) In our opinion the rate of interest and other terms and conditions on which these loan has been taken are prima facie not prejudicial to the interest of the company. The amount of principal and interest in respect of such loans are not claimed for repayment consequently there is no overdue amount of principal and interest in respect of such loan. These loans are accomodative.in nature and do not bear interest as arranged with lenders.
- iv) Having regard to the fact that there is complete suspension of operational activity during the year, procedure of internal control as regards purchase of inventory is not applicable.
- v) (a) According to information and explanation provided by the management, there is no such transaction need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956. Accordingly para V (b) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- vi) The company has not accepted any deposit from the public during the year except intercorporate loan and loan from Directors/their relatives/associates/promoters which are coming from earlier years.
- vii) As per the information and explanations furnished, the company has an adequate infrastructure of inhouse internal audit system commensurate with the size and nature of its business.
- viii) In absence of any emoluments of the employees during the year, the deduction of P.F. & E.S.I. and deposit thereof has no relevance. According to information and explanation furnished to us, there is no disputed amount relating to Income Tax Sales Tax, Wealth Tax, Cess, other material Statutory Dues except the past dues of E.S.I. of Rs. 76,591/-, Income Tax Rs. 17,162/- and Professional Tax payable Rs. 14,570/- which are coming from years and still remain unpaid.
- ix) The company has accumulated losses.. The company has incurred cash loss during the financial year and has incurred loss in the immediate preceding financial year.
- x) The company have net worth sufficient to cover its accumulated losses.
- xi) According to information and explanation given to us, the company has not granted any loans and advances on the basis of security by way of pledge of Shares, Debentures and other Securities. Accordingly the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

- xii) In our opinion the company is not a Chit Fund or a Nidhi/Mutual Benefit Fund/Society. Accordingly the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiii) According to the information and explanation given to us, the Company is not dealing and trading in shares, Securities, debentures and other Investments
- xiv) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xv) In our opinion, the application of term loan for the purpose for which they were raised, have no relevance as there is no secured term loan.
- xvi) According to the information and explanation given to us, and overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No fund whether short term or long term has been raised during the year.
- xvii) The Company has not made any preferential allotment of any shares to parties and companies covered u/s301 of the Companies Act,1956 during the year.
- xviii) According to the information and explanation given to us, the company has not created security for debentures issued in earlier years. No new debentures were issued during the year covered by our audit report.
- xix) According to the information and explanation given to us, the company has not made any public issue during the year to raise money. Accordingly, the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported in the year as explained to us during the course of our audit.

For **K. P. JHAWAR & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No.-306105E

Sd/-
(K. P. JHAWAR)
Proprietor
M-10309

Place : Kolkata
Dated : The 26th day of July, 2011

Shentracon Chemicals Limited | 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	SCHEDULE	31.03.2011 (RS.)	31.03.2010 (RS.)
A) SOURCES OF FUNDS :			
SHAREHOLDERS' FUND :			
Share Capital	1	71,618,580	71,618,580
RESERVES AND SURPLUS :	2	43,351,000	43,351,000
LOAN FUNDS :			
Unsecured Loans	3	23,628,144	23,628,144
TOTAL SOURCES OF FUNDS		138,597,724	138,597,724
B) APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	4	76,219,505	76,219,505
Less : Accumulated depreciation		3,572,992	49,268,846
Less : Assets transferred for disposal		55877124	0
Less : Assets disposed during the year		1960800	0
		14,808,589	26,950,659
Capital Work-in-progress		9,049,057	9,049,057
Net Block		23,857,646	35,999,716
CURRENT ASSETS :			
Inventories	5	7,014,797	7,014,797
Assets held for disposal	6	11594589	-
Cash and Bank balances	7	475,781	474,757
		19,085,167	7,489,554
LOANS & ADVANCES :	8	2,668,635	2,668,635
		21,753,802	10,158,189
LESS:CURRENT LIABILITIES AND PROVISIONS	9	6,104,221	6,427,182
NET CURRENT ASSETS		15,649,581	3,731,007
Profit & Loss Account (As per account annexed)		99,090,497	98,867,001
Notes on Accounts and Significant Accounting Policies	11-13		
TOTAL APPLICATION OF FUNDS		138,597,724	138,597,724

SCHEDULES 1 TO 11 FORM INTEGRAL PART OF ACCOUNTS.
IN TERMS OF OUR REPORT OF EVEN DATE.

FOR K.P.JHAWAR & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.306105E

(K.P.JHAWAR)
PROPRIETOR
MEMBERSHIP NO.010309
Place: Kolkata
Dated: THE 26th DAY OF JULY, 2011

sd/-
Jagdish Prasad Sureka
Director

sd/-
Pijush Mandal
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2011

<u>PARTICULARS</u>	<u>SCHEDULE</u>	<u>2010-11 (RS.)</u>	<u>2009-10 (RS.)</u>
<u>CREDIT : INCOME</u>			
Other Income		108,000	108,000
TOTAL INCOME		108,000	108,000
<u>DEBIT : EXPENDITURE</u>			

Power and Fuel,Electricity		20140	11,100
Administrative Expenses	10	85,736	232,665
Depreciation		222,820	3,272,042
Auditor's Remuneration :			
As audit fees		2,800	2,800
TOTAL EXPENDITURE		331,496	3,518,607
BALANCE NET PROFIT/(LOSS)		(223,496)	(3,410,607)
BALANCE NET PROFIT/(LOSS)		(223,496)	(3,410,607)
		-	-
ADD/LESS,BALANCE AS PER LAST ACCOUNTS		(98867001)	(95,456,394)
BALANCE TRANSFERED TO BALANCE SHEET		(99,090,497)	(98,867,001)

IN TERMS OF OUR REPORT OF EVEN DATE.

FOR K.P.JHAWAR & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.306105E

sd/-
Jagdish Prasad Sureka
Director

(K.P.JHAWAR)
PROPRIETOR
MEMBERSHIP NO.010309
Place: Kolkata
Dated: THE 26th DAY OF JULY, 2011

sd/-
Pijush Mandal
Director

SCHEDULES ATTACHED TO AND FORMING PART OF THE				
BALANCE SHEET AS AT 31ST MARCH,2011				
--	--	-----	-----	-----
			31.03-2011	31.03-2010
	PARTICULARS		(RS.)	(RS.)
--	--	-----	-----	-----
<u>SCHEDULE - 1 : SHARE CAPITAL</u>				
<u>Authorised:</u>				
	5,100,000 Equity Shares of Rs.10/- each		51,000,000	51,000,000
	9,00,000,10% EquiPref. Shares of Rs.60/- each		54,000,000	54,000,000
	1,000,000 13.5% Preference Shares of Rs.10/- each		10,000,000	10,000,000
			115,000,000	115,000,000
<u>Issued,Subscribed and Paid Up:</u>				
	4,438,143 Equity Shares of Rs.10/- each		44,381,430	44,381,430
	10,00,000,13.5% Preference Share of Rs.10/-each.		10,000,000	10,000,000
	3,44,743 , 10% Convertible Cumulative Redeemable Preference Shares of Rs.50/- each fully paid up		17,237,150	17,237,150
			71,618,580	71,618,580
<u>SCHEDULE - 2 : RESERVES & SURPLUS</u>				
	State Government Capital Subsidy			
	As per last account		1,650,000	1,650,000
	Preference shares forfeiture Reserve A/c			
	As per last account		10,401,000	10,401,000
	Other Capital Reserve			
	created by waiver of loan As per Last account		31,300,000	31,300,000
			43,351,000	43,351,000
<u>SCHEDULE - 3 : UNSECURED LOAN</u>				
	From Members - Promoters Contribution		691,427	691,427
	Intercorporate Loans - From Associates Companies		22,936,717	22,936,717
			23,628,144	23,628,144

Shentracon Chemicals Limited | 2011

SCHEDULE - 4 : FIXED ASSETS		GROSS BLOCK		DEPRECIATION				NET BLOCK		
PARTICULARS	OPENING	SOLD/TRANSF	TOTAL	UPTO LAST	TRANSFERRED TO	DELETION	FOR THE	TOTAL	31.03.2011	31.03.2010
	(RS.)	ERED DURING	(RS.)	YEAR	ASSETS HELD FOR	AGNST	YEAR	(RS.)	(RS.)	(RS.)
Land	379,834	-	379,834	-	-	-	-	-	379,834	379,834
Land Development	11,330,490	-	11,330,490	-	-	-	-	-	11,330,490	11,330,490
Building	6,671,257	-	6,671,257	3,350,172	-	-	222,820	3,572,992	3,098,265	3,321,085
Plant & Machinery	52,295,796	52,295,796	-	41,444,893	41,444,893	-	-	-	-	10,850,903
Electrical Inst.	3,581,328	3,581,328	-	2,837,642	2,837,642	-	-	-	-	743,686
Generator Set & Transf.	790,059	790,059	-	627,326	-	627,326	-	-	-	162,733
Safety Equipments	43,263	43,263	-	34,330	-	34,330	-	-	-	8,933
Utilities	211,462	211,462	-	153,302	-	153,302	-	-	-	58,160
Loose Tools	15,794	15,794	-	12,541	-	12,541	-	-	-	3,253
Laboratory Equipment	62,103	62,103	-	47,456	-	47,456	-	-	-	14,647
Office Equipment	125,529	125,529	-	86,805	-	86,805	-	-	-	38,724
Computer	154,150	154,150	-	154,150	-	154,150	-	-	-	-
Furniture & Fixture	558,440	558,440	-	520,229	-	520,229	-	-	-	-
TOTAL	76,219,505	57,837,924	18,381,581	49,268,846	44,282,535	1,636,139	222,820	3,572,992	14,808,589	26,950,659

SCHEDULES ATTACHED TO AND FORMING PART OF THE				
BALANCE SHEET AS AT 31ST MARCH, 2011				
PARTICULARS			31.03-2011	31.03-2010
			(RS.)	(RS.)
<u>SCHEDULE - 5 : INVENTORIES</u>				
(As taken, valued and certified by Independent Valuer appointed by Bank in earlier year)				
Finished Goods			75,000	75,000
Work in Process			3,200,000	3,200,000
Re-useable Residues			1,600,000	1,600,000
			4,875,000	4,875,000
Materials :				
Raw Materials			1,435,538	1,435,538
Consumables, Spares & Packing Materials			683,000	683,000
Fuel & Furnace Oil			21,259	21,259
			2,139,797	2,139,797
			7,014,797	7,014,797
<u>SCHEDULE - 6 : ASSETS HELD FOR DISPOSAL</u>				
(Transferred from fixed assets during 2010-11 and taken at WDV which is lower than its realisable value as on that date)				
Plant & Machinery			10,850,903	-
Electrical Installation & Instruments			743686	-
			11,594,589	-
<u>SCHEDULE - 7 : CASH AND BANK BALANCES</u>				
Cash in hand			55237	160410
Current Account with Scheduled Banks			120544	14347
Deposit in No Lien Account with State Bank Of India			300000	300,000
			475781	474,757
<u>SCHEDULE - 8 : LOANS & ADVANCES</u>				
(Unsecured - Considered good by Management)				
Trade Advances			2,540,218	2,540,218
Security Deposits			32,200	32,200
Advances recoverable/Adjustable			96,217	96,217
			2,668,635	2,668,635
<u>SCHEDULE - 9 : CURRENT LIABILITIES AND PROVISIONS</u>				
<u>CURRENT LIABILITIES :</u>				
Sundry Creditors & Advances			4,740,815	4,938,963
Other Liabilities			1361046	1485859
			6101861	6424822
<u>PROVISIONS :</u>				
For Fringe Benefit Tax			2,360	2,360
			2,360	2,360
			6,104,221	6,427,182

SCHEDULES ATTACHED TO AND FORMING PART OF THE				
BALANCE SHEET AS AT 31ST MARCH,2011				
PARTICULARS			31.03-2011	31.03-2010
			(RS.)	(RS.)
<u>SCHEDULE - 10 : SELLING,DISTRIBUTION & ADMINISTRATIVE EXPENSES</u>				
	Accounting Charges		12,000	0
	Security Guard Expenses		30000	68231
	Convenyance Expenses		1638	1252
	Postage & Telegram		345	207
	Telephone Expenses		600	1713
	Legal Expenses		8960	1000
	Bank Charges		430	140
	Filing Fees		2625	500
	General Charges		4622	2178
	Listing fees		19303	156164
	Maintenance -Factory		4402	1280
	Printing & Stationary		811	0
			85,736	232,665

SCHEDULE - 11

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NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

A) SIGNIFICANT ACCOUNTING POLICIES:

A:1 Recognition of Standards and Accounting Policies :

i) The accounts have been prepared following historical cost convention and on the basis of a going concern adopting mercantile system of accounting unless specified otherwise. As the production was under suspension throughout the year, hence there had been little financial movement.

ii) Fundamental accounting assumptions, as suggested by The Institute of Chartered Accountants of India, are accepted and applied while preparing financial statements.

A:2 Fixed Assets :

i) Fixed Assets are stated at cost less depreciation at the rates specified under The Companies Act, 1956.

ii) The Management has resolved to close down the chemical plant and dispose off the plant & Machinery and Electrical appurtinent thereto. Consequently all remaining fixed assets excluding Land and Building has been transferred to current Assets at book value or realisable value whichever is lower following the guidelines given in Accounting Standard AS-10 and in accordance with an expert opinion. For ascertainment of realizable value of Plant & Machinery a report has been obtained from an Expert valuer.

iii) Few of the Fixed Assets had been disposed off during the year.

iv) Capital work-in-progress are brought forward since last few year's and stated at cost. The work was however under suspension since 10.10.1999 and hence its fate is uncertain. It's value is required to be evaluated for ascertainment of its factual worth.

v) There is no intangible assets which requires recognition under provision of AS26.

A:3 Depreciation :

i) Depreciation on existing fixed assets on block basis has been provided on prorata basis following Straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 as amended.

ii) Depreciation for the year has not been provided on Plant & Machinery and Elecrical appurtinent thereto as the same has been

SCHEDULE – 11

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NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

A) SIGNIFICANT ACCOUNTING POLICIES:

A:1 Recognition of Standards and Accounting Policies :

i) The accounts have been prepared following historical cost convention and on the basis of a going concern adopting mercantile system of accounting unless specified otherwise. As the production was under suspension throughout the year, hence there had been little financial movement.

ii) Fundamental accounting assumptions, as suggested by The Institute of Chartered Accountants of India ,are accepted and applied while preparing financial statements.

A:2 Fixed Assets :

- i) Fixed Assets are stated at cost less depreciation at the rates specified under The Companies Act,1956.
- ii) The Management has resolved to close down the chemical plant and dispose off the plant & Machinery and Electrical appurtinent thereto. Consequently all remaining fixed assets excluding Land and Building has been transferred to current Assets at book value or realisable value whichever is lower following the guidelines given in Accounting Standard AS-10 and in accordance with an expert opinion. For ascertainment of realizable value of Plant & Machinery a report has been obtained from an Expert valuer.
- iii) Few of the Fixed Assets had been disposed off during the year.
- iv) Capital work-in-progress are brought forward since last few year's and stated at cost. The work was however under suspension since 10.10.1999 and hence its fate is uncertain. It's value is required to be evaluated for ascertainment of its factual worth.
- v) There is no intangible assets which requires recognition under provision of AS26.

A:3 Depreciation :

- i) Depreciation on existing fixed assets on block basis has been provided on prorata basis following Straight line method at the rates specified in Schedule XIV of the Companies Act,1956 as amended.
- ii) Depreciation for the year has not been provided on Plant & Machinery and Electrical appurtinent thereto as the same has been transferred to current Asset on shut down of the chemical plant effective F.Y.2010-2011.
- iii) Depreciation has not been considered on the Fixed Assets already disposed off.

A:4 Inventories :

There had been no movement in the inventory during the year and physical verification of stock could not be conducted in view of stop of production from 19.09.1996 and work suspension from 10.10.1999. The stock has been taken at the same value as per valuation report dated 21.07.1998 of an independent valuer appointed by the State Bank of India. It's Present realisable value is required to be evaluated to ascertain its factual worth.

A:5 Miscellaneous :

- i) Retirement benefits e.g. Gratuity etc. will be accounted for on cash basis. Quantum of possible liability thereof based on acturial valuation for the period upto closure of work as on 10.October.1999 could not be ascertained. However, no employee is on payroll at present.

B) NOTES ON ACCOUNTS :

B:1 There is no production since 18.9.1996 and the work suspension has been notified and declared since 10th October 1999. The management has resolved to close the chemical plant during the year 2010-11

B:2 The accounts have been prepared on the basis of a going concern and hence, erosion/diminution in values, if any, as may be possible for a closed chemical plant has not been considered.

B:3 CONTINGENT LIABILITIES :

- i) Dividend Liability on Account of 10% Cum. Redeemable Preference Shares from the date of allotment on 28.6.95 & 31.03.06 and on 13.5% preference share from the date of allotment i.e. on 31.12.1998, till the end of the year remain unprovided which will be accounted for as and when paid. The liability will be approximate to Rs. 3,05,20,575/-at the end of the year.

- ii) Capital commitments against capital work in progress has been kept in abeyance and amount of which is not ascertainable.
- iii) Electricity Bills for Minimum Guarantee off take which relates to period before the date of closure and disputed by the Company is Rs. 21,60,000/-.
- iv) Listing Fees payable to Bombay Stock Exchange amount of which is not ascertainable.

B:4 Since the chemical plant has been closed hence the fate of capital work in progress brought forward since last few years, hangs in uncertainty and its impact/loss could not be ascertained. Physical verification of assets also could not be carried out. Being a chemical plant closed long back, its potential current worth is not ascertainable which require update evaluation and ascertainment of its factual worth.

B:5 As there is no production since 18.09.1996 and that the plant is closed since 10.10.1999, the inventory has been shown in the accounts as taken ,valued and certified by an independent valuer on 21.07.1998 in terms of their appointment by the State Bank of India (secured loan creditor at that time). It is certified by the management that there had been no movement in inventory after the date of verification by the independent valuer. Being a Chemical plant erosion in potential value is possible which will be taken care on its further evaluation. However possible diminution in value is not ascertainable at present and relevant adjustment could not be done.

B.6 Fixed Assets

- i) In view of uneconomical condition and technical unviability ,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 chemicals effective from 1st April 2010.The Directors also resolved 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 all 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 appurtinent thereto on block basis,and transfer the same from Fixed Assets to Current Assets,As the same are now meant for dispose off.

- ii) Based on facts stated in (i) above ,Transfer of Plant & Machinery and Electrical appurtinent from Fixed Assets to current Assets on block basis has been done on the basis of Written Down Value or expected realisable value whichever is lower in accordance with the guidelines contained in Accounting Standard AS-10 of Institute Of Chartered Accountants of India.As per valuation report of an actural valuer,the realizable value is greater than Written Down Value in the Books as on 1.04.2010, hence the management decided to transfer the same to Current Assets at its Written Down Value on block basis following the guidelines of AS-10.
- iii) The closure of Chemical plant and transfer of Plant & Machinery and other fixed assets will tentamount to disposal of substantial business.
- iv) Few of the Fixed Assets of immaterial value had been sold during the year.

B.7 a) Depreciation on existing Fixed Assets has been provided on Straight line method at the rates specified in Schedule xiv of The Companies Act ,1956.

b) No depreciation has been provided on Assets disposed off and/or Plant & Machinery transferred to Current Assets.

B.8 The Concerns from whom the Unsecured Loans have been obtained have waived their claim of interest.

B:9 The overdue amount of ESI as on 31st March, 2011 provided in earlier years was Rs. 76,591/- .

B.10(i) Provision for all known liabilities are adequate in the opinion of the Management.

ii) Sundry creditors and major part of other current liabilities are coming from years and hence requires proper evaluation and reconciliation.

B.11(i) An amount of Rs.24,43,030/- advanced against Plant & Machinery remains unadjusted and lying under Trade advances since many years. The captioned machinery is reported ready for delivery on payment of balance amount. The Management is trying for a settlement .However this amount is contingent of recovery.

B.11(ii) No provision has been made on possible irrecoverable advances and deposits, the amount of which could not be ascertained.The Advances and deposits may not fetch the value as stated in the ordinary course of business.

B.12 The Management is seriously considering the revival of the Company. In its pursuit to revive, it has already paid their dues with banker through OTS Scheme in earlier years. Management have get the company derecognised from BIFR vide order of 253 dated 20.09.2007. Many alternate business plans including enhancement of networth are under consideration. The management is hopeful of reviving the company.

B.13 Disclosure in respect of related parties pursuant to Accounting Standard AS-18

Related Parties	Name of the Party
i) Key Management Personnel	Mr. J. P. Sureka, Mr. G. P. Sureka,
ii) Relatives & Associates	Mr. R. K. Sureka Prismo (India) Limited Shentracon Holdings (P) Ltd.

Transactions with the Related Parties

Particulars	Associates	Key Management personnel	Relatives
Investment in Equity	-	-	-
Credit Deposit			
Balance at close of the year	(22936717)	-	(691427)

(Figures in brackets relate to previous period)

No transaction was carried with related parties during the year which is required to be disclosed.

B.14 i) Since there was no fresh production and/or dealing hence segment wise disclosure is not applicable.

B.14 ii) The deferred tax assets/liabilities and or its implication on deferred tax arising on account of unabsorbed losses & depreciation has not been accounted for on due principle of prudence and uncertainty of future taxable profit.

B.14 iii) Information pursuant to the provisions of paragraph 3,4(C) and 4(D) of part-II of Schedule-VI of the Companies Act,1956 are given in schedule -12.

B.15 Information pursuant to the provisions of part-IV of schedule-VI to the Companies Act,1956 are given in Schedule-13.

B.16 Previous year figures have been regrouped and recasted wherever necessary.

For K.P.JHAWAR & CO.
CHARTERED ACCOUNTANTS
Firm Registration No.306105E

Sd/-
(K.P.JHAWAR)
Proprietor
Membership No.010309
4,Narayan Prasad Babu Lane,
Kolkata - 700 007.
The 26th day of July, 2011

SCHEDULE ATTACHED TO AND FORMING PART OF THE FINAL ACCOUNTS:
31ST MARCH, 2011

SCHEDULE - 11

INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3,4c, AND 4d
PART-II OF SCHEDULE-VI OF THE COMPANIES ACT, 1956

1.PARTICULARS IN RESPECT OF GOODS MANUFACTURED:

Class of Goods	Unit	Regist	Install	Quantity
		Cap. (a) (Appr.) 2010-11	Cap. (a) 2010-11	Prod. (c) 2010-11
Sodium Di-Chromate	M.Ton	3000	1875	--
	--Do--	(3000)	(1875)	(--)
Basic Chrome Sulphate		3000	3750	--
	--Do--	(3000)	(3750)	(--)
Anhy.Sodium Sulphate		1920	2400	--
	--Do--	(1920)	(2400)	(--)
Chrome Oxide Green		72	90	--
	--Do--	(72)	(90)	(--)
Sodium Sulphate		3000	1875	--
Yellow (By Product)	--Do--	(3000)	(1875)	(--)

a) Installed capacity have been certified by the Company's experts.

b) Throughout the year ended 31st March,2011 production at the factory remained suspended.

c) Figures in Bracket represent Previous Year's Figures.

d)The Plant has been closed effective 1-4-2010

2.PARTICULARS IN RESPECT OF STOCK AND SALES OF GOODS MANUFACTURED:

Class of Goods	Opening Stock		Closing Stock		Sale for year	
	Qty. (mt)	Value	Qty. (mt)	Value	Qty. (mt)	Value
Sodium Di-Chromate	--	---	---	---	---	---
Sodium Sulphate						
Yellow	--	---	---	---	---	---

3. CONSUMPTION OF RAW MATERIALS AND POWER & FUEL :

The Company's production is under suspension hence there is no consumption of Raw Materials etc.

4. FOREIGN EXCHANGE :

Earning in Foreign Exchange	Nil	Nil
Expenditure in Foreign Exchange	Nil	Nil

For K.P.Jhawar & Co.
Chartered Accountant
Firm Registration No.306105E

sd/-
(K.P.JHAWAR)
Proprietor
Membership No.010309
4,Narayan Prasad Babu Lane,
Kolkata-700 007.
The 26th day of July, 2011

SCHEDULE-12

ANNEXURE TO NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011
 DETAILS REQUIRED TO BE DISCLOSED UNDER PART IV OF SCHEDULE -VI OF
 THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.Registration Details	: Registration No.21-59449 of 1993.
State Code	: 21
Balance Sheet Date	: 31st March,2011
II.Capital raised during the year	: (Amount in Rs.Thousands)
Public Issue	: Nil
Bonus Issue	: Nil
Right Issue	: Nil
Private Placement	: Nil
III.Position of Mobilisation and Deployment of Funds	: (Amount in Rs. Thousand)
Total Liabilities	: 1,44,702
Total Assets	: 1,44,702
Sources of Funds :	
Paid up Capital	: 71,619
Share Application Money	: NIL
Reserves & Surplus	: 43,351
Secured Loans	: NIL
Unsecured Loans	: 23,628
TOTAL	: 1,38,598
Application of Funds :	
Net Fixed Assets	: 23,858
Investments	: Nil
Net Current Assets	: 15,650
Misc.Expenditure	: Nil
Accumulated Loss	: 99,090
TOTAL	: 1,38,598
IV.Performance of the Company	
Turnover & Other Income	: 108
Total Expenditure	: 3,31
Profit/(Loss) Excluding Waiver of Interest in extra ordinary item Before Tax	: (2,23)
Profit/(Loss) Excluding Waiver of Interest in extra ordinary item After Tax	: (2,23)
Earning per Share in Rs.	: Nil
Dividend Rate	: Nil
V.Generic Names of Three Principal Products/Services of the Company (As per monetary terms)	
Item Code No. (ITC Code)	: 28413000
Product Description	Sodium Dichromate
Item Code No. (ITC Code)	: 28332300
Product Description	Yellow Sodium Sulphate

For K.P.Jhawar & Co.
 Chartered Accountant
 Firm Registration No.306105E
 Sd/-
 (K.P.JHAWAR)
 Proprietor
 Membership No.010309
 The 26th day of July, 2011.

AUDITOR'S CERTIFICATE

THE BOARD OF DIRECTORS

SHENTRACON CHEMICALS LIMITED

We have examined the attached Cash Flow Statement of SHENTRACON CHEMICALS LIMITED for the year ended 31st March, 2011. The statement has been prepared by the company in accordance with the requirement of Clause 32 of Listing Agreements with various Stock Exchanges in India and based on and in agreement with the corresponding Audited Financial Accounts of the Company for the year ended 31st March, 2011 and covered by our Report of 26th July, 2011 to Members of the Company.

For K.P.Jhawar & Co.
Chartered Accountant
Firm Registration No.306105E

Sd/-
(K.P.JHAWAR)
Proprietor
Membership No.010309
4,Narayan Prasad Babu Lane,
Kolkata-700 007.
The 26th day of July 2011.

CASH FLOW STATEMENT FOR THE YEAR ENDEAD 31 ST MARCH 2011

PARTICULARS	2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit Before Tax	-223496	-3410607
Less: Extra Ordinary items		
Waver of Interest Adjustment	-223496	-3410607
Amount written back		
Adjustment for :-		
Depreciation	222820	3272042
Proportionate Adjustment Of Deffered Expences	0 222820	0 3272042
Operating Profit Before Working Capital Changes	-676	-138565
Adjustment For :-		
Trade and Other Receivables		36000
Trade Payable	-322961	-102200 -66200
Net Cash from Operating Activities: (A)	-323637	-204765
B. CASH FLOW FROM INVESTMENT ACTIVITY		
State Capital subsidy received		
Purchase / Sale of Fixed Assets	324661	
Capital Working Progress		
Net Cash used in Investment Activities: (B)	324661	
C. CASH FLOW FROM FINANCING ACTIVITY		
Share Capital		
Short Term Borrowing		246000
IDBI Term Loan		
SBI Term Loan		
Add / Less: Waiver of Interest		
Waiver of Principal	0	246000
Net cash used in Financeing Activity	0	246000
D. NET CASH AND CASH EQUIVALENTS: (A+B+C)	1024	41235
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	474757	433522
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	475781	474757
NET EFFECT EQUIVALENT TO 'D' ABOVE :	1024	41235

Kolkata.
The 26 Day of July 2011

sd/-
J.P. SUREKA
Director

PROXY

Reg. Folio No. _____ DP ID No. _____ Client ID No. _____

I/We _____

Of _____ being Member(s) of

SHENTRACON CHEMICALS LIMITED hereto appoint _____

of _____ or failing him/her _____ of

_____ as my/our proxy to vote for me/us and on my/our behalf at the 18th Annual General Meeting of the Company to be held on Thursday 29th day of September, 2011 at 3.00 p.m. at 6A, Kiran Sankar Roy Road, Kolkata -700 001, and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2011

Affix Rs. 1/- Revenue Stamp

Signed by the said _____

NOTE : 1. The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.

2. Those members who have multiple folios with different proxy holders may use xerox copies of this Attendance Slip/Proxy.

-----Tear Here-----

SHENTRACON CHEMICALS LIMITED
 Registered office: 6A, Kiran Sankar Roy Road
 Kolkata -700 001

ATTENDANCE SLIP

I hereby record my presence at the 18th Annual General Meeting of SHENTRACON CHEMICALS LIMITED held on Thursday, 29th day of September, 2011 at 3.00 p.m. at 6A, Kiran Sankar Roy Road, Kolkata -700 001

Full Name of Member (In Block Letters)

Signature

Reg. Folio No. _____ DP ID No.* _____ Client ID No.* _____

Full Name of Proxy (In Block Letters)

Signature

NOTE : 1. Member/ Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting.
 2. Member/ Proxy holder wishing to attend the meeting should bring his copy of the Annual Report for reference at the meeting.