

SHENTRACON CHEMICALS LIMITED

ANNUAL REPORT 2011-12

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
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 Nineteenth Annual General Meeting of the members of Shentracon Chemicals Limited will be held on 29th September, 2012 at 3.00 p.m. at the Registered office of the company 6A, Kiran Sankar Roy Road, 3rd Floor, Kolakta – 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, 2012, Cash Flow statement for the year ended March 31st, 2012 and the Balance Sheet as on that date and the Auditor's report thereon.
2. To appoint a Director in place of Mr. Tarun Mandal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pijush Mondal, 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."

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 : 03/08/2012

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. 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.
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 and in case the shares are held in the dematerialized form, they must quote their Client ID Number and their DPID Number.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September 2012 to 29th September, 2012 (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 : 03/08/2012

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)

	P. Mondal	T. Mandal
Age	52	27
Qualification	B. Sc	B. Com
Date of Appointment	07.04.2011	01.06.2011
Category	Director	Director
Share holding of Director's	Nil	Nil
Director ship held in other public limited companies	No	No
Membership/Chairmanship of the committees of Indian Public Limited Companies.	No	No

DIRECTOR'S REPORT

Dear members,

Your Directors are pleased to present the 19th Annual Report and Statement of Accounts of your Company, for the year ended on 31st March 2012.

FINANCIAL RESULTS:

Particulars	Financial year ended 31 st March 2012	Financial year ended 31 st March 2011
Profit before interest, depreciation & Tax	(68958.00)	(676.00)
Less: Depreciation	(222820.00)	222820.00
Less: Interest	-	-
Profit before tax	(291778.00)	(223496.00)
Less: Tax	-	-
Profit after tax	(291778.00)	(223496.00)
Balance brought forward from previous years	(99090497.00)	(98867001.00)
Balance to be carried forward	(99382275.00)	(99090497.00)

DIVIDEND

As the company did not incur any profit during the F.Y. 2011-12, your directors do not recommend a dividend for the year under review ended on March 31, 2012.

OPERATIONS

As you know that due to uneconomical condition and technical unavailability, the production in chemical plant was shut down since long period and the board of directors resolved to close the company's main business of chemical. The management also disposed off the existing chemical Plant & Machineries and Electrical appurtenant thereto on block basis and transferred the same from Fixed Assets to Current Assets, as the same are now meant for disposal off. We are currently negotiating with a few parties in this regard.

We are earning income by renting out a portion of factory building. 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. Tarun Mondal and Sri. Pijush Mondal, 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 31,2012 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 02nd August,2012

J. P. SUREKA
Director

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

F.Y. 2011-12 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

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, labour 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. 2.88 Lac as compare to Rs. 1.08 Lac for the last financial year. During the year under review which ended on 31st March 2012 the profit & loss are Rs. (2.92) Lacs as compared to Rs. (2.23) 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 : 02nd August, 2012

J. P. SUREKA
Director

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2012.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's philosophy on Corporate Governance is aimed at efficient conduct of its operations, in meeting its obligations and strengthening its confidence among various stakeholders such as shareholders, customers, employees, financiers, society at large and ensuring a long-term relationship of trust by maintaining transparency in its activities and through proper and timely disclosures. The Company believes in maintaining highest standards of quality and ethical conduct in all its activities.

2. BOARD OF DIRECTORS

As on 31st March 2012, the Board consisted of Five Directors of whom Four were Non Executive Independent Director and One were 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	Membership / Chairmanship of Committees		Whether attended the last AGM
		Held during the year	Attended		Member	Chairman	
Mr. J.P. Sureka (Chairman)	Promoter Non Executive Non Independent	8	8	3	3	2	Yes
Mr. G.P. Sureka	Non Executive Independent Director	8	8	1	1	1	Yes
Mr. Tarun Mandal**	Non Executive Independent Director	8	8	NIL	NIL	NIL	Yes
Mr. Pijush Mondal**	Non Executive Independent Director	8	5	NIL	NIL	NIL	Yes
Mr. R.K. Dhara***	Non Executive Independent Director	8	2	NIL	NIL	NIL	Yes

** Appointed Mr. Pijush Mondal w.e.f. 07.04.2011 & Mr. Tarun Mandal w.e.f. 01.06.2011

*** Ceased to be a Director w.e.f. 08.06.2011.

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.

Other Directorship does not include Directorship in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956. Chairmanships / Memberships of Board Committees relates to only Audit and Shareholders' / Investors' Grievance Committee.

During the financial year 2011-2012, eight meetings of the Board of Directors were held on 07.04.2011, 10.05.2011, 01.06.2011, 08.06.2011, 23.07.2011, 26.07.2011, 14.11.2011 and 14.02.2012.

. At the ensuing Annual General Meeting, Mr. Pijush Mondal & Mr. Tarun Mandal Non-Executive Independent Director, is liable to retire by rotation and being eligible has offered themselves for re appointment Information as required Clause 49(VI) of the listing agreement is annexed to the notice

Shareholding of Non-Executive Directors

Name of Director	Category	No. of shares held. (Rs. 10/- paid up)
Mr. J. P. Sureka	ID	208300
Mr. G. P. Sureka	ID	1500
Mr. Tarun Mandal	ID	-
Mr. Pijush Mondal	ID	-

3. AUDIT COMMITTEE

Composition :

The Audit Committee of the company is constituted in line with the provisions of clause 49 of the Listing Agreement with Stock Exchanges and also confirms to the requirements of Section 292A of the Companies Act, 1956.

The Terms of Reference of the Audit Committee are as under.

1. Overseeing of the company's financial reporting process and disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fees and also approval for payment for any other services
3. Reviewing with Management the Annual Financial Statements before submission to the Board
4. Reviewing with the Management, External and Internal Auditors, the adequacy of internal control systems
5. Reviewing the adequacy of Internal Audit function, including the structure of the Internal Audit Department
6. Discussion with Internal Auditors on any significant finding & follow up thereon.

The Audit Committee comprises of three members, out of which two being Non-Executive & Independent Directors. The Committee met five times during the financial year respectively on 10.05.2011, 23.07.2011, 26.0.2011, 14.11.2011 and 14.02.2012.

Attendance of the Members at the meetings during the financial year 2011-2012 were as under::

Sl. No.	Name	Status	No. of Meetings held	No. of Meeting s attend
1	Mr. Pijush Mondal* (Chairman)	Non Executive Independent Director	5	5
2	Mr. G. P. Sureka.	Non Executive Independent Director	5	5
3	Mr. J.P. Sureka	Promoter Non Executive Non Independent Director	5	5

*Appointed Mr. Pijush Mondal w.e.f . 07.04.2011

Mr. Pijush Mondal is Chairman of the Audit Committee. At the invitation of the Committee , Statutory Auditors also attend the Audit Committee Meetings to answer and clarify the queries raised at Meetings. The Chairman of the Audit Committee Mr. Pijush Mondal attended the last Annual General Meeting.

4. REMUNERATION COMMITTEE

(a) Composition of the Committee:

The Remuneration Committee comprises of three members, out of which two being Non-Executive Independent Directors .

The Remuneration Committee comprises of the following Director as members::

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

*Appointed Mr. Tarun Mandal w.e.f. 01.06.2011

This being a Non Nadatory requirements, however, during the year, no meeting of the Remuneration Committee was held.

The details of Directors' Remuneration are given in the Notes on Financial Statements as in Note 21 of the Annual Accounts of the Company for the year ended 31st March, 2012.

(b) Remuneration Policy:

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

5. SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Shareholders' / Investors' Grievance Committee of your Company comprises of three members, out of which two being Non-Executive & Independent Directors. During the financial year two meetings were held on 26.07.2011 and 14.02.2012...

The Composition of the Committee are as under:-

Sl. No.	Name	Status	No. of meetings held during the year	No. of meetings attended during the year
1	Mr. Tarun Mandal. * (Chairman)	Non Executive Independent Director (ID)	2	2
2	Mr. G. P. Sureka.	Non Executive Independent Director (ID)	2	2
3	Mr.J.P. Sureka.	Promoter Non Executive Non Independent Director (ID)	2	2

*Appointed Mr. Tarun Mandal w.e.f. on 01.06.2011

There was no complaint received from any of the shareholders of the Company during the Financial Year ended 31st March, 2012. There were also no investors complaint pending against the company as on March 31, 2012 on SCORES, the web based complaint redressal system of SEBI. There were no pending share transfers as on 31st March, 2012.

Email ID earmarked for the investor grievances in terms of Clause 47 (f) of Listing Agreement: investor@shentracon.com

6. SHARE TRANSFER COMMITTEE (STC) :

Mr. J.P Sureka and Mr. G.P Sureka are the members of the Share Transfer Committee as on March 31,2012.

The STC notes and take on record the transfer/transmission /transposition of shares and consolidation/splitting of folios, issue of share certification on exchange for subdivision, consolidation, defaced etc., as approved by the authorized officers of the Company. The STC Meetings are held as and when required, usually in every month one meeting is held.

7. GENERAL BODY MEETING:

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

Financial Year	Date of AGM	Venue	Time
2010-2011	29-09-2011	6A, Kiron Shankar Roy Road, 3 rd Floor, Kolkata	3.00 P.M.
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.

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

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

No Extra-Ordinary General Meeting were held during the year.

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.

8. DISCLOSURES

- a) Related party transaction:
The detailed related party transactions can be referred to in Notes B:16 to Annual Accounts.

- 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.

9. MEANS OF COMMUNICATIONS

The quarterly, half yearly and the annual results of the Company are sent to the Stock Exchange immediately after they are approved by the Committee/Board and posted on Company's website.

At present the company does not make presentation to institutional investors and analysts

The Management Discussion and Analysis Report is a part of the Annual Report.

10. INSIDERTRADING:

The Company has adopted the Code of Internal Procedures and Conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, to, inter alia, prevent insider trading in the Shares of the Company.

11. GENERAL SHAREHOLDERS INFORMATION

A) Annual General Meeting:

Date : 29th September, 2012

Time : 3.00 P.M.

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

B) Book Closure Date

23rd September, 2012 to 29th September, 2012 (both day inclusive)

(C) Dividend : There Being no Profit, No dividend has been declared.

D) Financial Calendar :

Financial Year: April 1 to March 31

For the year ended March 31, 2012, result were announced on:

- July 23, 2011: First Quarter
- November 14, 2011: Second Quarter
- February 14, 2012: Third Quarter
- May 13, 2012: Fourth Quarter

For the year ended March 31, 2013, result will be announced on (tentative and subject to change)

- July 2012: First Quarter
- October 2012: Second Quarter
- January 2013: Third Quarter
- February 2013: Fourth Quarter

E) Listing on Stock Exchanges at:

- The Calcutta Stock Exchange Association Ltd.
7, Lyons Range, Kolkata 700 001.
- The Bombay Stock Exchange Association Ltd.
Floor 25, PJ Tower, Dalal Street, Mumbai – 400 001.
- Ahmedabad Stock Exchange Limited – applied for delisting

F) Stock Code

- BSE: 530757
- CSE: 10029095
- ASE: 52695K

Annual Listing fees for Bombay Stock Exchanges has been paid. The Equity Shares of the Company are suspended in Bombay Stock Exchanges since *****.

G) Corporate Identification Number (CIN): L24299WB1993PLC059449

allotted by the ministry of corporate affairs

H) Share transfer system: Share transfer requests are proceeds and the share certificate returned within a period of 15 days in most case and in any case within 30 days from the date of receipt, subject to the documents being in order and complete in all respect.

I) Secretarial Audit: Secretarial Audit is being carried out every quarter by a practicing Company Secretary and his audit report is place before the Board for its perusal and filed regularly with the Stock Exchange within the stipulated time.

J) Location: Registered office:
6A, Kiron Shankar Roy Road,
3rd Floor, Kolkata – 700001

K) Registrar & Share Transfer Agents: M/s. C. B. Management Services Private Limited
P22, Bondel Road, Ballygunge,
Kolkata 700 019

L) Monthly high, low and trading volume of equity shares of the company during the financial year 2011-12:

- Stock Market price for the Financial Year 2011-12 of The Calcutta Stock Exchange Association Ltd., are not available due to no trading.
- Stock Market price for the Financial Year 2011-12 of The Bombay Stock Exchange and Ahmedabad Stock Exchange Association Ltd., is not available due to suspension.

M) Distribution of shareholding & shareholding pattern :

Distribution of shareholding as on 31/03/2012:

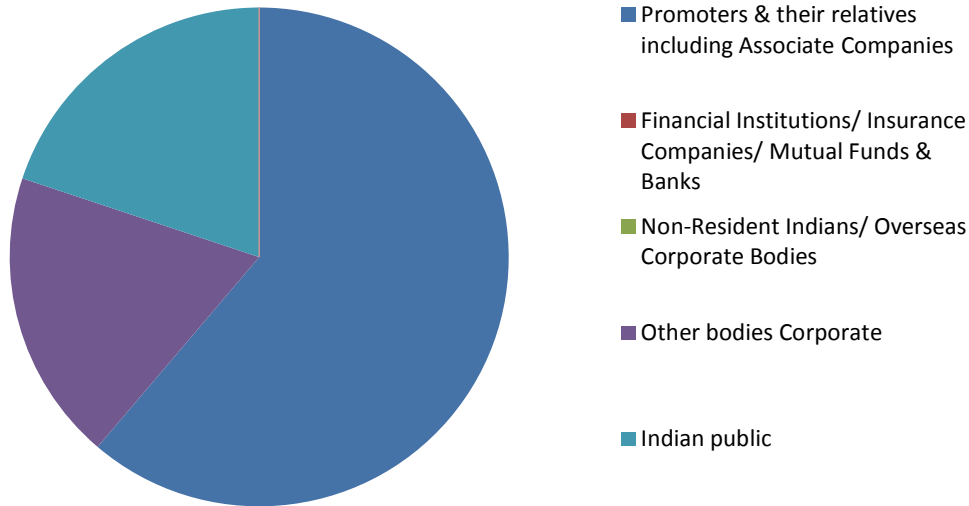
Range	Number of shareholders	% of shareholders	Number of shares held	% of shares held.
Upto 500	508	60.40	130167	2.93
501-1000	108	12.85	90100	2.03
1001-2000	73	8.68	115500	2.60
2001-3000	52	6.18	132000	2.98
3001 -4000	20	2.38	76500	1.72
4001-5000	24	2.85	115500	2.60
5001-10000	18	2.14	156700	3.53
10001-50000	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 31/03/2012

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	-	-
3	Non-Resident Indians/ Overseas Corporate Bodies	-	-
4	Other bodies Corporate	837400	18.87

5	Indian public	883400	19.90
6	HUFs	-	-
	TOTAL	4438143	100

Distribution by size as on March 31, 2012



- Outstanding ADRs/GDRs : Not Applicable
- Address for any kind of assistance/clarification : Mr. P. Mondal.
6A, Kiron Shankar Roy Road,
3rd Floor, Kolkata- 700 001

11. CODE OF CONDUCT

The Company has adopted a Code of Conduct for members of Board of Directors of the Company. The essence of the code is to conduct the business of the Company in an honest and ethical manner, in compliance with the applicable laws in a way that excludes consideration of personal advantage.

12. 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 : 02nd August, 2012

J. P. SUREKA
Director

**CERTIFICATE 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, 2012, 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 Company's Management. Our examination has been 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. In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
4. 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 MR & Associates
Company Secretaries

M R Goenka
Partner
CP No.:2551

Place: Kolkata
Date: 2nd day of August , 2012

CEO CERTIFICATION
(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 audited financial statements and the cash flow statement for the year ended 31.03.2012 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 and/or applicable laws and regulations.
- (2) To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- (3) We are responsible for establishing and maintaining internal controls for financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of 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 disclosed based on our most recent evaluation, whenever applicable, to the company's auditors and the Audit Committee of the company's Board of Directors:
 - (i) That there were no significant changes in internal control over financial reporting during the financial year ended March 31, 2012;
 - (ii) All significant changes in accounting policies during the financial year ended March,31, 2012 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 are 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.

Place: Kolkata
Date : 2nd August, 2012

J.P.SUREKA	G. P. SUREKA
Director	Director

AUDITORS' REPORT

1. We have audited the attached Balance Sheet of SHENTRACON CHEMICALS LIMITED as at 31st March, 2012 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 2012 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.

(b) Subject to matters referred in notes on accounts given in Schedule 14 together with resulting impact thereof as regards (i) as indicated in note B:7 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:8 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:6. (v) Amount advanced against orders Rs. 24,43,030/- pending settlement as specified in Note B:14(i). (vi) Contingent liabilities as specified in Note B:5, which might have impact on company's standing. (vii) As indicated in Note B:8 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 2012.
- 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

(**K. P. JHAWAR**)
Proprietor
M-10309

Place : Kolkata
Dated : The 2nd day of August, 2012

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 are shown under Current Assets.
- 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 2,36,98,462/-.
(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 accommodative 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 in house 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. 15,727/- 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

K. P. JHAWAR
Proprietor
M-10309

Place : Kolkata
Dated : The 2nd day of August, 2012

Balance Sheet as at 31st March, 2012					
Particulars	Note	As at		As at	
		31st March 2012		31st March 2011	
EQUITY AND LIABILITIES					
(Amount / Rs.)					
<i>Shareholder's Funds</i>					
Share Capital	1.	71,618,580		71,618,580	
Reserve and Surplus	2.	(56,031,275)		(55,739,497)	
			15,587,305		15,879,083
<i>Current Liabilities</i>					
Short-Term Borrowing	3.	23,698,462		23,628,144	
Trade Payable	4.	4,653,461		4,740,815	
Other Current Liabilities	5.	1,322,306		1,363,406	
			29,674,229		29,732,365
TOTAL			45,261,534		45,611,448
ASSETS					
<i>Non Current Assets</i>					
Fixed Assets					
Tangible Assets	0	14,585,769		14,808,589	
Capital work in progress	0	9,049,057		9,049,057	
Long Term Loans and Advances	7.	2,592,737		2,668,635	
			26,227,563		26,526,281
<i>Current Assets</i>					
Inventory	8.	18,609,386		18,609,386	
Trade Receivables	9.	20,000		-	
Cash and cash equivalents	10.	404,585		475,781	
			19,033,971		19,085,167
TOTAL			45,261,534		45,611,448
Significant Accounting Policies & other notes forming part of Financial Statements					
	14.				
In terms of our Report of even date					
For K. P. JHAWAR & CO.		Jagdish Prasad Sureka		Pijush Mondal	
Chartered Accountants		Director		Director	
Firm Registration No. 306105E					
K. P. Jhavar					
Proprietor					
Membership No. 010309					
Place: Kolkata					
Dated: 02nd August, 2012					

Statement of Profit and Loss account for the year ended 31st March, 2012			
	Note	For the year ended 31st March 2012 (Amount / Rs.)	For the year ended 31st March 2011 (Amount / Rs.)
INCOME:			
Other Income	11.	288,000	108,000
Total Revenue		288,000	108,000
EXPENDITURE:			
Depreciation		222,820	222,820
Other Expenses	12.	356,958	108,676
Total Expenses		579,778	331,496
Profit Before Tax		(291,778)	(223,496)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Profit for the year		(291,778)	(223,496)
Earning per equity shares of face value of Rs. 10/- Each			
Basic and Diluted (in Rs.)	13.	(0.07)	(0.05)
Significant Accounting Policies & other notes forming part of Financial Statements			
	14.		
In terms of our Report of even date			
For K. P. JHAWAR & CO.		Jagdish Prasad Sureka	Pijush Mondal
Chartered Accountants		Director	Director
Firm Registration No. 306105E			
K. P. Jhawar			
Proprietor			
Membership No. 010309			
Place: Kolkata			
Dated: 02nd August, 2012			

Notes / annexure forming part of financial statement ending March 31, 2012						
(All amount in Rupees except share data)						
			As at		As at	
			31st March 2012		31st March 2011	
1. SHARE CAPITAL						
Authorised Share Capital:			No's	Value	No's	Value
Equity Shares of Rs. 10/- each			5,100,000	51,000,000	5,100,000	51,000,000
10% Equi. Preference Share @ Rs. 60/- each			900,000	54,000,000	900,000	54,000,000
13.50% Equi. Preference Share @ Rs. 10/- each			1,000,000	10,000,000	1,000,000	10,000,000
				115,000,000		115,000,000
Issued, Subscribed & Paid up:						
Equity Shares of Rs. 10/- each			4,438,143	44,381,430	4,438,143	44,381,430
10% Equi. Preference Share @ Rs. 50/- each			344,743	17,237,150	344,743	17,237,150
13.50% Equi. Preference Share @ Rs. 10/- each			1,000,000	10,000,000	1,000,000	10,000,000
				71,618,580		71,618,580
1.1 The reconciliation of the number of shares outstanding is set out below:						
Particular			As at		As at	
			31st March 2012		31st March 2011	
Equity Share at the beginning of the year				4,438,143		4,438,143
Issue during the period				-		-
At the end of the period				4,438,143		4,438,143
1.2 The details of Shareholders holding more than 5% shares :						
Name of Shareholders			As at		As at	
			No. of Shares	% held	No. of Share:	% held
Raj Kumar Sureka			245,100	5.52	245,100	5.52
Prismo (India) Ltd.			227,084	5.12	227,084	5.12
Shentracon Holdings Pvt. Ltd.			372,750	8.40	372,750	8.40
Shentracon Finalease Pvt. Ltd.			528,392	11.91	528,392	11.91
Satya Leasing Co. Ltd.			269,150	6.06	269,150	6.06
Shentracon Financial Services Ltd.			400,000	9.01	400,000	9.01
			2,042,476	46.02	2,042,476	46.02
1.3 Share holders have equal rights: Each Share holder is entitled to one vote per share.						
2. RESERVES AND SURPLUS						
			As at		As at	
			31st March 2012		31st March 2011	
State Government Capital Subsidy				1,650,000		1,650,000
Preference Share forfeiture Reserve A/c				10,401,000		10,401,000
Capital Reserve				31,300,000		31,300,000
created by waiver of loan as per previous year						
Profit & Loss Account						
As per last Balance Sheet			(99,090,497)		(98,867,001)	
Add: Profit for the year			(291,778)	(99,382,275)	(223,496)	(99,090,497)
TOTAL				(56,031,275)		(55,739,497)

3.	SHORT-TERM BORROWINGS						
	Unsecured						
	Loans & advances from related parties			23,698,462		23,628,144	
	TOTAL			23,698,462		23,628,144	
4.	TRADE PAYABLES						
	Trade Payable			4,653,461		4,740,815.00	
	TOTAL			4,653,461		4,740,815	
5.	Other Current Liabilities						
	Creditors for expenses			22,060		-	
	Others			1,300,246		1,363,406.00	
	TOTAL			1,322,306		1,363,406	
6.	FIXED ASSETS						
	Tangible Assets			14,585,769		14,808,589	
	Capital work in progress (detail as per annexure)			9,049,057		9,049,057	
	TOTAL			23,634,826		23,857,646	
7.	LONG TERM LOAN & ADVANCES (Unsecured & considered good)						
	Security deposits			32,200		32,200	
	Trade advances			2,468,030		2,540,218	
	Other Loans and Advances			92,507		96,217	
	TOTAL			2,592,737		2,668,635	
8.	INVENTORY						
	Raw materials			1,435,538		1,435,538	
	Work-in-progress			3,200,000		3,200,000	
	Finished goods			75,000		75,000	
	Stock-in-trade			1,621,259		1,621,259	
	Stores and spares			683,000		683,000	
	Others (Assets for disposal)			11,594,589		11,594,589	
	TOTAL			18,609,386		18,609,386	
9.	Trade Receivables (Unsecured and considered good)						
	Over six months			-		-	
	Others			20,000		-	
	TOTAL			20,000		-	
10.	CASH AND CASH EQUIVALENTS						
	Balance with Scheduled Bank in current account			314,323		420,544	
	Cash In Hand			90,262		55,237	
	(as per books and certified by management)			404,585		475,781	

		As at 31st March 2012	As at 31st March 2011
11.	OTHER INCOME		
	Rent Received	288,000	108,000
		288,000	108,000
12.	OTHER EXPENSES		
	Establishment Expenses		
	<i>Rates & Taxes</i>		
	Filling Fees	21,500	2,625
	Rates & Taxes		
	Securities transaction tax		
		21,500	2,625
	Audit Fees	2,800	2,800
	<i>Miscellaneous Expenses</i>	25,935	4,622
	Advertisement	3,924	-
	Accounting Charges	12,000	12,000
	Books & Periodicals	-	-
	Listing Fees	126,425	19,303
	Legal Expenses	53,762	8,960
	Registrar Fees	11,030	-
	Factory Maintenance	3,900	4,402
	Postage Expenses	930	345
	Printing & Stationary	1,040	811
	Power & Fuel	18,600	20,140
	Professional fees	71,180	-
	Security Guard Expenses	-	30,000
	Telephone Expenses	1,145	600
	Travelling & Conveyance	1,240	1,638
	Bank Charges	718	430
	General Expenses	829	-
		332,658	103,251
		356,958	108,676
13.	EARNING PER SHARE		
	1) Net Profit after Tax	(291,778)	(223,496)
	2) Weighted Average number of equity shares used		
	as denominator for calculating EPS	4,438,143	4,438,143
	3) Basic and Diluted Earnings Per Share	(0.07)	(0.05)
	4) Face value per equity share	10	10

14.	ACCOUNTING POLICIES & NOTES TO ACCOUNTS								
A)	Significant accounting policies are summarized below:								
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 appurtenant 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 previous 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 appurtenant 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 :								
	Retirement benefits e.g. Gratuity etc. will be accounted for on cash basis. Quantum of possible liability thereof based on actuarial 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 to Accounts:								
B:1	There is no production since 18.9.1996 and the work suspension has been notified and declared since 10 th 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	A recovery suit filed by a creditor Kesoram Rayon Limited has been decreed ex-parte by city civil court for Rs. 433766/- on application the court has stayed the decree and the matter is still subjudice.	
B:4	Capital commitments against capital work in progress has been kept in abeyance and amount of which is not	
B:5	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)	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/-.
	iii)	Listing Fees payable to Ahmedabad Stock Exchange amount of which is not ascertainable.
B:6	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:7	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:8	Fixed Assets	
	i)	In view of 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 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 appurtenant 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 appurtenant 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 actuarial 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 tantamount to disposal of substantial business.
	iv)	Few of the Fixed Assets of immaterial value had been sold during the year.
B:9	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:10	The Concerns from whom the Unsecured Loans have been obtained have waived their claim of interest.					
B:11	The overdue amount of ESI as on 31st March, 2012 provided in earlier years was Rs. 76,591/- .					
B:12	i) Provision for all known liabilities are adequate in the opinion of the Management.					
B:13	ii) Sundry creditors and major part of other current liabilities are coming from years and hence requires proper evaluation and reconciliation.					
B:14	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.					
	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:15	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 net worth are under consideration. The management is hopeful of reviving the company.					
B:16	Related Party Disclosures pursuant to Accounting Standard AS-18:					
	(i) List of related parties and relationship					
	Sr. No.	Name of Related Parties				Relationship
	1	Mr. Jagdish Prasad Sureka				Key Managerial Person
	2	Mr. Gobind Prasad Sureka				
	3	Mr. Piyush Mondal				
	4	Mr. tarun Mandal				
	4	Mr. Raj Kumar Sureka				Relative of KMP
	5	Prismo (India) Ltd.				Associate Companies
	6	Shentracon Holdings Pvt. Ltd.				
	7	Satya Leasing Co. Ltd.				
	8	Shentracon Finalease Pvt. Ltd.				
	(ii) Related party transaction as on March 31, 2012					
	A) Profit & Loss Account	Key Management Person	Relative of KMP	Associate Companies	Total	Outstanding as on 31.03.2012
	No Transaction					
	B) Balance Sheet					
	Long-term borrowing		-	(230,318)	(230,318)	23,698,462
				-	-	(23,628,144)
	Payment of long-term borrowings		-	160,000	160,000	-
			-	-	-	-
	Note:					
	Figures in bracket are related to previous year.					
B:17	i) Since there was no fresh production and/or dealing hence segment wise disclosure is not applicable.					
	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.					
	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:18	Information pursuant to the provisions of part-IV of schedule-VI to the Companies Act,1956 are given in Schedule-13.						
B:19	Previous year figures have been regrouped and recasted wherever necessary.						
In terms of our Report of even date							
For K. P. JHAWAR & CO.	Jagdish Prasad Sureka			Pijush Mondal			
Chartered Accountants	Director			Director			
Firm Registration No. 306105E							
K. P. Jhawar							
Proprietor							
Membership No. 010309							
Place: Kolkata							
Dated: 02nd August, 2012							

Shentracon Chemicals Limited | 2012

Annexure of Notes on Financial Statements for the Year ended 31st March, 2012

Note: 6 Fixed Assets

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As at 01.04.11	SOLD / TRANSFER ED DURING THE YR	As at 31.03.12	As at 01.04.11	TRANSFERR ED TO ASSETS HELD FOR DISPOSAL	DELETION AGNST DISPOSAL	FOR THE YEAR	As at 31.03.12	As at 31.03.11
	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)	(RS.)
Tabgible Assets									
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	3,572,992		-	222,820	3,795,812	3,098,265
TOTAL	18,381,581	-	18,381,581	3,572,992	-	-	222,820	3,795,812	14,808,589
Capital Work In Progress								9,049,057	9,049,057
PREVIOUS YEAR	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

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, 2012. 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, 2012 and covered by our Report of 02nd August, 2012 to Members of the Company.

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

K.P.JHAWAR
Proprietor
Membership No.010309
4,Narayan Prasad Babu Lane,
Kolkata-700 007.

The 02nd day of August, 2012.

Cash Flow Statement for the year ended 31st March, 2012			
		For the year ended 31st March 2012	For the year ended 31st March 2011
		(Amount / Rs.)	(Amount / Rs.)
A: CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before tax as per Profit & Loss Account		(291,778)	(223,496)
Adjusted for:			
Net Prior Year Adjustments		-	-
Loss on Sale / Discard of Assets (net)		-	-
Depreciation and Amortisation Expense	222,820		222,820
Transferred from Revaluation Reserve		-	-
Net gain on Sale of Investments		-	-
Finance Costs		-	-
		222,820	222,820
Operating Profit before working capital change		(68,958)	(676)
Adjusted for:			
Trade and Other Receivables	(20,000)		-
Inventories		-	-
Trade and Other Payables	41,100		(322,961)
		(61,100)	(322,961)
Cash Generated from Operations		(130,058)	(323,637)
Net Prior Year Adjustments			
Taxes Paid		-	-
Net Cash from Operating Activities		(130,058)	(323,637)
B: CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets		-	-
Sale of Fixed Assets / Transfer of Participating Inter		-	324,661
Advance for Transfer of Participating Interest		-	-
Purchase of Investments		-	-
Sale of Investments		-	-
Movement in Loans and Advances	75,898		-
Interest Income		-	-
Dividend Income		-	-
Net Cash (used in) Investing Activities		75,898	324,661
C: CASH FLOW FROM FINANCING ACTIVITIES:			
Proceeds from Issue of Share Capital		-	-
Buyback of Equity Shares		-	-
Proceeds from Long Term Borrowings		-	-
Repayment of Long Term Borrowings		-	-
Short Term Borrowings (net)	(17,036)		-
Dividends Paid (including dividend distribution tax)		-	-
Interest Paid		-	-
Net Cash (used in) / from Financing Activities		(17,036)	-
D: Net Increase in Cash and Cash Equivalents		(71,196)	1,024
Opening Balance of Cash and Cash Equivalents		475,781	474,757
Closing Balance of Cash and Cash Equivalents		404,585	475,781
Net effect equivalent to "D" above:		71,196	(1,024)

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 Saturday 29th day of September, 2012 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 _____ 2012

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 Saturday, 29th day of September, 2012 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.