

SHENTRACON CHEMICALS LIMITED

ANNUAL REPORT 2013-14

BOARD OF DIRECTORS

Mr. Jagdish Prasad Sureka	-	Director
Mr. Govind Prasad Sureka	-	Director
Mr. Pijush Mondal	-	Director
Mr. 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 Shankar Roy Road
3rd Floor, Kolkata – 700 001

Shentracon Chemicals Limited

CIN: L24299WB1993PLC059449
Regd. Office 6A, Kiran Sankar Roy Road, Kolkata- 700 001
Phone: 2248-9731, Fax 2248 4000
Email: investor@shentracon.com, Website: www.shentracon.com

NOTICE

Notice is hereby given that the Twenty first Annual General Meeting of the members of Shentracon Chemicals Limited will be held on Tuesday, 30th September, 2014 at 3.00 p.m. at the Registered office of the company 6A, Kiran Shankar Roy Road, 3rd Floor, Kolkata – 700 001 to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - (a) the audited financial statement of the Company for the financial year ended as on 31st March 2014, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended as on 31st March 2014.
2. To appoint a Director in place of Mr. Jagdish Prasad Sureka (DIN No: 00482176), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of sections 139(2) and 142(1) of the Companies Act 2013 the retiring Auditors, M/s K. P. Jhavar & Co., Chartered Accountants (Registration No. 306105E), 4, Narayan Prasad Babu Lane, Kolkata – 700 007, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration as shall be fixed by the Board of Directors of the Company.”

Special Business:

4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Tarun Mandal (DIN: 02424847) Director of the Company whose period of office is liable to determination by retirement of directors by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, not liable to retire by rotation, to hold office from the conclusion of this Annual

General Meeting upto the expiry of 5 (five) consecutive years or the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2019.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force) and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Tarun Mandal (DIN: 02424847) be paid such fees, remuneration and profit linked commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pijush Mondal (DIN: 03348999) Director of the Company whose period of office is liable to determination by retirement of directors by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office from the conclusion of this Annual General Meeting upto the expiry of 5 (five) consecutive years or the conclusion of the 26th Annual General Meeting of the Company in the calendar year 2019.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or reenactment thereof, for the time being in force) and the applicable provisions of Listing Agreement with the Stock Exchange(s), Mr. Pijush Mondal (DIN: 03348999) be paid such fees, remuneration and profit linked commission as the Board of Directors of the Company (including any Committee thereof) may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.”

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession of the earlier Resolution passed under Section 293(1)(d) of the Companies Act, 1956, and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent, authority and approval of the Company be and is hereby accorded to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company’s bankers in the ordinary course of business) and remaining outstanding at any point of

time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs.5 Crores (Rupees Five Crores only).”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things that may be necessary, desirable or expedient for giving effect to the above resolution.”

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

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

J. P. SUREKA
Director

Place: Kolkata

Date: : 12th day of August, 2014

Notes:

1. ***A member entitled to attend and vote at the 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. A proxy form, duly completed, should be deposited at the registered office of the company not less than 48 hours before the scheduled time of the Annual General Meeting.***

A proxy form in Form MGT-11 for the AGM is enclosed herewith. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A Statement pursuant to section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The disclosures required under Clause 49 of the Listing Agreement in respect of the Directors seeking re-appointment at the Annual General Meeting are given as an annexure to this notice.
4. Pursuant to Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 24th September 2014 to Tuesday, 30th September, 2014 (both days inclusive) in connection with the Annual General Meeting.
5. Members are requested to bring their copies of the Annual Report at the meeting. Please note that the copies of the report will NOT be distributed and /or be made available at the meeting.
6. Members desirous of getting any information on the accounts or operations of the Company is requested to forward their queries to the Company at least seven days prior to the meeting so that the required information can be made available at the Meeting.

7. The relevant documents are available for inspection by the members of the company at the registered office from 10.30 am to 12.30 pm on any working day, except Sundays up to the date of the Annual General Meeting.
8. Members are requested to immediately notify any change in their address to the Registrar Share Transfer agent of the Company M/s. C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata – 700 019 in all correspondence with the Company, members are requested to quote their Account / Folio Numbers.
9. Members are requested to produce the enclosed attendance slip duly filled up and signed as per specimen signature recorded with the company for admission to the meeting hall.
10. Members are requested to notify immediately any change of address:
 - i. To their depository participants (DPs) in respect of their electronic share accounts, and
 - ii. To the Company at its registered office in respect of their physical shares, if any, quoting their folio number, banker's name and account number to ensure prompt and safe receipt of dividend warrants.
11. Members are requested:
 - i. To bring their copies of the annual report, notice and attendance slip at the time of the meeting.
 - ii. To quote their folio no./ ID No. in all correspondence
12. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions and off-market/ private transactions involving transfer of shares in physical form of listed companies. Hence, Members holding shares in the electronic form are requested to submit their PAN to their Depository Participant(s) with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the Company / Registrar & Share Transfer Agent.
13. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.

You are thus requested to kindly submit your e-mail ID vide the e-mail registration form attached in this Annual Report by filling up and signing at the appropriate place in the said form and return the same to the Company. The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the Registrar & Share Transfer Agent of the Company.

14. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.
15. The Government took a 'Green Initiative in Corporate Governance' in 2011 by allowing the Companies to service the documents to its Members through electronic mode.

Accordingly, the Company sends all communication including the Notice along with Annual Report in electronic form to all Members whose email Ids are registered with the Company/ Depository Participant(s) unless a specific request for hard copy has been requested.

16. The Company is pleased to offer e-voting facility as an alternate, for all its members to enable them to cast their vote electronically in terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Clause 35B of the Listing Agreement. Accordingly, a member may exercise his vote at the general meeting by electronic means and the Company may pass any resolution by electronic voting system in accordance with the provisions of this rule.
17. Members may also note that the Notice of the 21st Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.shentracon.com. The Notice of AGM shall also be available on the website of CDSL viz. www.evotingindia.com.
18. The Board vide its Resolution passed on 12th August, 2014 has appointed Mr. Mohan Ram Goenka, Practising Company Secretary, (COP No. 2551), as Scrutinizer for conducting the e-voting process in accordance with the law and in a fair and transparent manner.

The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results declared along with the Scrutinizer's report shall be placed on the website of the Company and on the website of the agency within 2 (two) days of passing of the resolution at the Annual general meeting.

19. E-Voting (voting through Electronic means):

In accordance with provision of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) (Rule 2014, read with the amended Listing Agreement with the Stock Exchange, the Company is pleased to provide members a facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by Central Depository Services Limited (CDSL)

The instructions for the member for voting electronically are as under:-

- (i) The voting period begins on Monday, 22nd September 2014 at 10.00 a.m. and ends on Wednesday, 24th September 2014 at 6.00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

- (v) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly

recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

20. In case of members receiving physical Ballot Form:

In terms of Clause 35B of the Listing Agreement entered into with the Stock Exchange, listed Companies shall also provide an option to their members who do not have access to the e-voting facility, to cast their votes by way of a ballot at the Annual General Meeting. The members who are not able to attend the Annual General Meeting can send their assent or dissent in writing in respect of the resolutions as set out in the Notice by sending the duly filled and signed Ballot Form to Mr. Mohan Ram Goenka – Scrutinizer, Unit: PRISMO (INDIA) LTD, C/o, C B Management Services (P) Ltd., P-22, Bondel Road, Kolkata – 700019 on as to reach him on or before Wednesday, 24th September 2014 at 6.00 p.m.

Kindly note that members can opt only one mode of voting either through physical Ballot form or through e-voting. If a member has opted e-voting facility, he/she is not required to send the physical Ballot form or vice versa. In case a member cast their vote both by physical Ballot and e-voting, then the vote cast through e-voting shall only be considered and the voting through physical Ballot shall not be considered by the scrutinizer and will be treated as invalid.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Statement for Item Nos. 4, 5 and 6 of the accompanying Notice set out hereinabove is as under:

Item No. 4 & 5

Mr. Tarun Mandal and Mr. Pijush Mondal were appointed as Independent Directors of the Company on 01st July, 2011 and 07th April, 2011 respectively. The term of office of the aforesaid Directors was liable to determination by retirement of Directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of provisions of Section 149 and 152 of the Companies Act, 2013 which became effective from 1st April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and he shall not be liable to determination by retirement of Directors by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Tarun Mandal and Mr. Pijush Mondal as Independent Directors of the Company for a period upto 31st March, 2019, who shall not be liable to determination by retirement of Directors by rotation.

Mr. Tarun Mandal and Mr. Pijush Mondal have given the requisite declarations pursuant to Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. The Company has also received notices from a member along with requisite deposits under section 160 of the Companies Act, 2013 proposing his candidature's for the office of Independent Director.

It will be in the interest of the Company to appoint Mr. Tarun Mandal and Mr. Pijush Mondal as Independent Directors. Brief resume of the Directors proposed to be appointed as stipulated under the Clause 49 of the Listing Agreement with the Stock Exchange is attached hereto with the Notice.

The Board recommends the ordinary resolutions as set out at item Nos. 4 & 5 of the Notice for your approval.

Except, Mr. Tarun Mandal and Mr. Pijush Mondal none of the Directors, Key Managerial Personnel of your Company and relatives of Directors/Key Managerial Personnel are in any way, deemed to be concerned or interested financially or otherwise in the said resolutions.

Item No. 6

The borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of Rs.5 Crores (Rupees Five Crores only).

However, Section 180(1)(c) of the Companies Act, 2013 notified on 12th September, 2013 by the Ministry of Corporate Affairs, requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

Therefore, in order to ensure compliance under the new enactment, it is necessary for the Company to take the approval of members by way of Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 6 of the Notice, in supersession of all the earlier resolution, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs.5 Crores (Rupees Five Crores only) in excess of the aggregate of the paid up share capital and free reserves of the Company.

The Directors, therefore, recommends the special resolution as set out at item Nos. 6 of the Notice for your approval.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

Details of Directors seeking appointment/ re-appointment at the Annual General Meeting								
Name of the Directors	Date of birth	Nationality	Date of appointment on the Board	Qualifications	Brief resume and expertise in specific functional area	Directorships held in other public companies (excluding foreign companies)	Membership/ chairmanship of Committees of other public companies (includes only Audit Committee and Shareholders'/ Investors' Grievance Committee)	Number of shares held in the Company
Mr. J. P. Sureka	25.05.1941	Indian	14/07/1993	B. Com	Mr. Jagdish Prasad Sureka (73) is Commerce Graduate. He has rich experience of over 40 years in different positions across various industries.	ISMT Limited, Prismo (India) Limited, Taneja Aerospace and Aviation Limited (TAAL)	Member- Audit Committee of ISMT Limited, Prismo (India) Limited & TAAL. Member- Shareholder Grievance Committee of TAAL & Prismo (India) Limited	208300
Mr. Tarun Mandal	08.12.1984	Indian	01/06/2011	B. Com	Mr. Tarun Mandal (30) is Commerce Graduate. He has experience of over 4 years in various field.	Nil	Nil	Nil
Mr. Pijush Mondal	14.03.1959	Indian	07/04/2011	B. SC	Mr. Pijush Mondal (55) is Science Graduate. He has experience of over 20 years in various field.	Nil	Nil	Nil

By Order of the Board
For Shentracon Chemicals Limited

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

J. P. SUREKA
Director

Place: Kolkata
Date: : 12th day of August, 2014

DIRECTOR'S REPORT

Dear members,

Your Directors are pleased to present the 21st Annual Report and Statement of Accounts of your Company, for the year ended on 31st March 2014.

FINANCIAL RESULTS:

Particulars	Financial year ended 31st March 2014	Financial year ended 31st March 2013
Profit before interest, depreciation & Tax	2,23,219.00	32,40,468.00
Less: Depreciation	2,22,820.00	2,22,820.00
Less: Interest	-	-
Profit before tax	399.00	30,17,648.00
Less: Tax	-	-
Profit after tax	399.00	30,17,648.00
Balance brought forward from previous years	(9,63,64,627.00)	(9,93,82,275.00)
Balance to be carried forward	(9,63,64,228.00)	(9,63,64,627.00)

DIVIDEND:

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

OPERATIONS REVIEW:

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 and let out the vacant land for hiring out for logistic purpose. 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:

In accordance with the Articles of Association of the company Mr. Jagdish Prasad Sureka, Director of the Company retires by rotation & being eligible offers himself for re-appointment.

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:

- i) That in the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistently, and made reasonable and prudent judgments and estimates so as to give a true and fair view of the Company's state of affairs at the end of the financial year, and of the profit or loss of the Company for the period under review;
- iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors have prepared the annual accounts for the period ended 31st March 2014 on a going concern basis.

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.

CODE OF CONDUCT:

The Board has laid down a code of conduct for all Board Members and Senior Management of the company. The code of conduct has been posted on the Company's Website.

In accordance with Section 149(8) of the Companies Act, 2013 and as per the requirements of SEBI Circular dated 17th April, 2014 for amendment to Equity Listing Agreement (which is effective from 1st October, 2014), the Board has adopted a separate Code of Conduct for Independent Directors as per Schedule IV of Companies Act 2013 at its meeting held on 30.05.2014.

LISTING AT STOCK EXCHANGE:

The Equity shares of the company are listed on The Calcutta Stock Exchange Association Ltd. and The Bombay Stock Exchange Association Ltd. Annual Listing fees for Bombay Stock Exchanges has been paid. The Equity Shares of the Company are suspended in Bombay Stock Exchanges since 10.09.2001 and Ahmedabad Stock Exchange from 01.06.2014.

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

Pursuant to the SEBI's Circular dated 17th April 2014, all listed companies shall establish a Vigil Mechanism/Whistle Blower Policy with effect from 1st October, 2014. Hence, the board of director in compliance with such amendments to be made in Listing Agreement has adopted the policy at its meeting held on 30.05.2014.

CEO / CFO CERTIFICATION:

The CEO/CFO have certified to the Board of Directors in respect of review of the financial statement and cash flow statement for the year in terms of the requirement of Clause 49(V) of the Listing Agreement with the Stock Exchange.

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.

RELATED PARTY TRANSACTION:

A statement of related party transactions pursuant to Accounting Standard 18 forms a part of this report.

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.

AUDITORS' OBSERVATION:

Auditors' observations are self explanatory and need not required any further clarifications.

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.

By Order of the Board
For Shentracon Chemicals Limited

Registered Office:
6A, KIRAN SHANKAR ROY ROAD
KOLKATA – 700 001

J. P. SUREKA
Director

Place : Kolkata
Date : 12/08/2014

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 12th day of August, 2014

J. P. SUREKA
Director

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

F.Y. 2013-14 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

This has been dealt with in the Directors Report

Human Resources

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

Internal Control Systems and Adequacy

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

Cautionary Statement

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

For and on behalf of the Board of Directors
SHENTRACON CHEMICALS LTD.

Regd. Office:

6A, Kiran Shankar Roy Road,
3rd Floor,
Kolkata-700 001
Dated: 12th August, 2014

J. P. SUREKA
Director

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2014.

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 2014, the Board consisted of Four Directors of whom Two were Non Executive Independent Directors and Two 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	Director Identification No.	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)	00482176	Promoter Non Executive, Non Independent	6	6	3	4	0	Yes
Mr. G.P. Sureka	00491488	Non Executive, Non Independent Director	6	6	2	2	1	Yes
Mr. Tarun Mandal	02424847	Non Executive Independent Director	6	6	NIL	1	1	Yes

Mr. Pijush Mondal	03348999	Non Executive Independent Director	6	6	NIL	NIL	1	Yes
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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 Committee and Shareholders' / Investors' Grievance Committee.

During the financial year 2013-2014, six meetings of the Board of Directors were held on 10.05.2013, 20.05.2013, 10.08.2013, 11.11.2013, 28.01.2014 and 30.03.2014.

At the ensuing Annual General Meeting, Mr. J. P. Sureka, Non-Executive Non-Independent Director, is liable to retire by rotation and being eligible has offered himself 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	Non-Independent Director	208300
Mr. G. P. Sureka	Non-Independent Director	1500
Mr. Tarun Mandal	Independent Director	NIL
Mr. Pijush Mondal	Independent Director	NIL

3. AUDIT COMMITTEE

(a) 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.
 - Any Changes in accounting policies and practices;
 - Major accounting entries based on exercise of judgment by management;
 - Qualification in draft audit report;
 - Significant adjustments arising out of audit;
 - The going concern assumptions;

- Compliance with Accounting Standards;
 - Compliance with Stock Exchange and legal requirements concerning financial statements;
 - Any related party transaction that may have a potential conflict with the interest of the company at large.
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 four times during the financial year respectively on 10.05.2013, 10.08.13, 11.11.2013 and 28.01.2014.

Attendance of the Members at the meetings during the financial year 2013-2014 were as under::

Sl. No.	Name	Status	No. of Meetings held	No. of Meetings attend
1	Mr. Pijush Mondal (Chairman)	Non Executive Independent Director	4	4
2	Mr. Tarun Mandal.	Non Executive Independent Director	4	4
3	Mr. J.P. Sureka	Promoter Non Executive Non Independent Director	4	4

Mr. Pijush Mondal is Chairman of the Audit Committee. Mr. J.P. Sureka possesses accounting and related management expertise. At the invitation of the Committee, Statutory Auditors also attended 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. Tarun Mandal (Chairman of the Committee)	Non Executive Independent Director
2	Mr. J.P. Sureka.	Promoter Non Executive Non Independent Director
3.	Mr. G.P. Sureka	Non Executive Non Independent Director

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

(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 & Non-Independent Directors. During the financial year two meetings were held on 20.05.2013 and 28.01.2014.

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, Non Independent Director	2	2
3	Mr.J.P. Sureka.	Promoter, Non Executive, Non Independent Director	2	2

There was no complaint received from any of the shareholders of the Company during the Financial Year ended 31st March, 2014. There were also no investors complaint pending against the company as on March 31, 2014 on SCORES, the web based complaint redressal system of SEBI. There were no pending share transfers as on 31st March, 2014.

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

Compliance Officer of the Company in terms of Clause 47(a) of the Listing Agreement:

Name: Mr. Pijush Mondal
Email id: 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 31,2014.

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
2012-2013	30-09-2013	6A, Kiran Shankar Roy Road, 3 rd Floor, Kolkata	3.00 P.M.
2011-2012	29-09-2012	6A, Kiran Shankar Roy Road, 3 rd Floor, Kolkata	3.00 P.M.
2010-2011	29-09-2011	6A, Kiran 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 been put through by postal ballot so far by the Company.

No Extra-Ordinary General Meeting was 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 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 and published on newspaper "Bengal Leader" and "Dainik Lipi"

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. INSIDER TRADING:

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 : 30th September, 2014

Time : 3.00 P.M.

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

B) Book Closure Date

24th September, 2013 to 30th September, 2013 (both day inclusive)

(C) Dividend: The Directors have not recommended any dividend for the year under review.

(D) Financial Calendar for the Financial Year 2014 – 2015 (tentative)

Un-audited 1st Quarter results : On or before 14.08.2014

Un-audited 2nd Quarter results : On or before 14.11.2014.

Un-audited 3rd Quarter results : On or before 14.02.2015.

Audited 4th Quarter results : On or before 30.05.2015

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 The Bombay Stock Exchanges and The Calcutta Stock Exchange has been paid. The Equity Shares of the Company are suspended in Bombay Stock Exchanges since 10.09.2001 and Ahmedabad Stock Exchange from 01.06.2014.

G) Corporate Identification Number (CIN): L24299WB1993PLC059449
allotted by the ministry of corporate affairs

H) Share transfer system: Share transfer requests are processed 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 placed before the Board for its perusal and filed regularly with the Stock Exchange within the stipulated time.

J) Location: Registered office:
6A, Kiran 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 2013-14:

- Stock Market price for the Financial Year 2013-14 of The Calcutta Stock Exchange Association Ltd. is not available due to no trading.
- Stock Market price for the Financial Year 2013-14 of The Bombay Stock Exchange due to suspension.
- Stock Market price for the Financial Year 2013-14 of The Ahmedabad Stock Exchange Association Ltd. is not available due to no trading.

M) Distribution of shareholding & shareholding pattern:

Distribution of shareholding as on 31/03/2014:

Range	Number of shareholders	Number of shareholders	% of shareholders	% of shareholders	Number of shares held	Number of shares held	% of shares held	% of shares held
Upto 500	508	519	60.40		130167	114600	2.93	
501-1000	108	97	12.85		90100	87400	2.03	
1001-2000	73	58	8.68		115500	99367	2.60	
2001-3000	52	61	6.18		132000	151500	2.98	
3001 -4000	20	26	2.38		76500	97300	1.72	
4001-5000	24	24	2.85		115500	115600	2.60	
5001-10000	18	18	2.14		156700	152700	3.53	
10001-50000	25	24	2.97		625700	611800	14.10	
50001-100000	3	5	0.36		218400	561350	4.93	

100001 and above	10	9	1.19		2777576	2446526	62.58	
Total	841		100		4438143		100	

Pattern of Shareholding as on 31/03/2014

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

- Outstanding ADRs/GDRs : Not Applicable
- Address for any kind of assistance/clarification: Mr. P. Mondal.
6A, Kiran 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.

**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, 2014, 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: 12th day of August, 2014

CEO/CFO 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 31.03.2014 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, 2014;
 - (ii) All significant changes in accounting policies during the financial year ended March,31, 2014
 - (iii) and that the same have been disclosed in the notes to the financial statements; and
 - (iv) 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.

J.P.SUREKA G. P. SUREKA

Place: Kolkata

Date : 12th August, 2014

Director

Director

(AUDITORS REPORT)

To
The Members of
Shentracon Chemicals Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Shentracon Chemicals Limited** (“the Company”), which comprise the Balance Sheet as at **March 31, 2014**, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements read together with notes thereon including disclosure notes given in Notes schedule 16 and subject to notes given in 3 hereof give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss, of the **Profit** 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Companies Act, 1956 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 account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. The Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 to the extent applicable;
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
3. Our opinion is subject to notes as under:
 - a. The accounts of the company have been prepared on a going concern basis. However the work is under suspension since 10.10.1999 and as the company has resolved to close its chemical business, its ability to continue as such is largely depend on outcome of its future planning. We are unable to express an opinion in this regard.
 - b. Subject to matters referred in notes on accounts given in Notes 16 together with resulting impact thereof as regards (1) as indicated in note 16 (VII) as regards possible erosion in inventory value which remains unascertained in absence of physical verification and evaluation thereof. (2) as indicated in note 16(II) accounts of the company have been prepared on a going concern basis even though the production was under suspension. (3) Possible erosion in value of capital work-in progress transferred to Current Assets under assets held for disposal at its written

down value as stated in 16(VI). (4) Fixed Assets transferred to Current Assets under the head Assets held for Disposal in the year 2010-11 and still remains undisposed off, Its actual realisable value is not ascertainable (5) Contingent liabilities as specified in Note 16(V), which might have impact on company's standing. (6) As indicated in Note 16(VIII)(a) 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.

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

(K. P. JHAWAR)
Proprietor
M-10309

Place : Kolkata
Dated : 30th May 2014

ANNEXURE TO THE AUDITORS' REPORT

For the Financial year 2013-14

Covering matters under companies (Auditors Report) order, 2003

1. In Respect of Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The Fixed Assets are not valued during the year.
 - (b) The Board of Directors had 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 equipments appurtenant thereto, As these are meant for disposal, the same are shown under Current Assets since 2010-11.
2. In respect of its 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 since long 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
3. In respect of the loans, Secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - (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 2,37,70,462/-.

- (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.
4. 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.
 5. In respect of the contract of arrangement referred to in section 301 of Companies Act, 1956:
In our opinion and 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.
 6. According to information and explanation given to us, the company has not accepted any deposit from the public during the year except inter-corporate loan and loan from Directors/their relatives/associates/promoters which are coming from earlier years.
 7. 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.
 8. In respect of statutory dues:
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.
 9. The company have net worth sufficient to cover its accumulated losses.
 10. The company have accumulated losses at the end of the financial year. The company has not incurred cash loss during the financial year covered by the audit and has not incurred loss in the immediate preceding financial year.
 11. 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.
 12. 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.

13. According to the information and explanation given to us, the Company is not dealing and trading in shares, Securities, debentures and other Investments.
14. 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.
15. 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.
16. 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.
17. 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.
18. 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.
19. 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.
20. 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 ACCOUNTANT
Firm Registration No.-306105E

(K. P. JHAWAR)
Proprietor
M-10309

Place : Kolkata
Dated : 30th May 2014

Balance Sheet as at 31st March, 2014

Particulars	Note	As at 31st March 2014 (Amount / Rs.)	As at 31st March 2013 (Amount / Rs.)
EQUITY AND LIABILITIES			
<i>Shareholder's Funds</i>			
Share Capital	2.	716,18,580	716,18,580
Reserve and Surplus	3.	(530,13,228)	(530,13,627)
		186,05,352	186,04,953
<i>Current Liabilities</i>			
Short-Term Borrowing	4.	237,70,462	238,92,462
Trade Payable	5.	2,00,634	2,00,634
Other Current Liabilities	6.	63,948	1,03,665
		240,35,044	241,96,761
TOTAL		426,40,396	428,01,714
ASSETS			
<i>Non Current Assets</i>			
Fixed Assets			
Tangible Assets	7.	141,40,129	143,62,949
		141,40,129	143,62,949
<i>Current Assets</i>			
Inventory	8.	70,14,797	70,14,797
Trade Receivables	9.	-	60,000
Cash and cash equivalents	10.	7,71,741	6,60,322
Short Term Deposit & Advances	11.	70,083	60,000
Other Current Assets	12.	206,43,646	206,43,646
		285,00,267	284,38,765
TOTAL		426,40,396	428,01,714
Significant Accounting Policies	1		
Notes on Financial Statements	2. -16.		

In terms of our Report of even date

For K. P. JHAWAR & CO.
Chartered Accountants
Firm Registration No. 306105E

Sd/-
(K. P. Jhawar)
Proprietor
Membership No. 010309
Place: Kolkata
Dated: 30th May 2014

Sd/-
(J. P. Sureka)
Director

Sd/-
(Govind Sureka)
Director

Statement of Profit and Loss for the year ended 31st March, 2014

	Note	For the year ended 31st March 2014 (Amount / Rs.)	For the year ended 31st March 2013 (Amount / Rs.)
INCOME:			
Income other than operation	13.	4,63,948	34,93,897
Total Revenue		4,63,948	34,93,897
EXPENDITURE:			
Depreciation	7.	2,22,820	2,22,820
Other Expenses	14.	2,40,729	2,53,429
Total Expenses		4,63,549	4,76,249
Profit Before Tax		399	30,17,648
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	-
Profit for the year		399	30,17,648
Earning per equity shares of face value of Rs. 10/- Each Basic and Diluted (in Rs.)	15.	0.00	0.68
Significant Accounting Policies	1		
Notes on Financial Statements	2- 16.		

In terms of our Report of even date

For K. P. JHAWAR & CO.
Chartered Accountants
Firm Registration No. 306105E

Sd/-
(K. P. Jhawar)
Proprietor
Membership No. 010309
Place: Kolkata
Dated: 30th May 2014

Sd/-
(J. P. Sureka)
Director

Sd/-
(Govind Sureka)
Director

Cash Flow Statement for the year ended 31st March, 2014

	For the year ended 31st March 2014 (Amount / Rs.)	For the year ended 31st March 2013 (Amount / Rs.)
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax as per Statement of Profit & Loss	399	30,17,648
Adjusted for:		
Net Prior Year Adjustments	-	-
Loss on Sale / Discard of Assets (net)	-	-
Depreciation and Amortisation Expense	2,22,820	2,22,820
Transferred from Revaluation Reserve	-	-
Net gain on Sale of Investments	-	-
Finance Costs	-	-
	2,22,820	2,22,820
Operating Profit before working capital change	2,23,219	32,40,468
Adjusted for:		
Trade and Other Receivables	60,000	(40,000)
Inventories	-	-
Trade and Other Payables	39,717	56,71,468
	20,283	(57,11,468)
Cash Generated from Operations	2,43,502	(24,71,000)
Net Prior Year Adjustments		
Taxes Paid	-	-
Net Cash from Operating Activities	2,43,502	(24,71,000)
B: CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets		-
Sale of Fixed Assets / Transfer of Participating Interest		-
Advance for Transfer of Participating Interest		-
Purchase of Investments		-
Sale of Investments		-
Movement in Loans and Advances	(10,083)	25,32,737
Interest Income		-
Dividend Income		-
Net Cash (used in) Investing Activities	(10,083)	25,32,737
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)	(1,22,000)	1,94,000
Dividends Paid (including dividend distribution tax)		-
Interest Paid		-
Net Cash (used in) / from Financing Activities	(1,22,000)	1,94,000
D: Net Increase in Cash and Cash Equivalents	1,11,419	2,55,737
Opening Balance of Cash and Cash Equivalents	6,60,322	4,04,585
Closing Balance of Cash and Cash Equivalents	7,71,741	6,60,322
Net effect equivalent to "D" above:	(1,11,419)	(2,55,737)

As per our Report Attached

For K. P. JHAWAR & CO.
Chartered Accountants
Firm Registration No. 306105E

Sd/-
(K. P. Jhawar)
Proprietor
Membership No. 010309
Place: Kolkata
Dated: 30th May 2014

Sd/-
(J. P. Sureka)
Director

Sd/-
(Govind Sureka)
Director

Significant accounting policies forming part of financial statement ending March 31, 2014

Note 1. Significant accounting policies

1.1) Basis of Preparation of Financial Statements (Accounting concept):

The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles (GAAP) in India and the provisions of the Companies Act, 1956. for income and expenses mercantile system of accounting as employed except those case stated otherwise. All assets and liabilities as current and non-current as per companies normal operating cycle and other criteria set out in revised

1.2) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised.

1.3) Fixed Assets

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

b) The Management has resolved to close down the chemical plant and dispose off the plant & Machinery and Electrical equipments appurtenant thereto. Consiquently the same are transferred to current assets under assets held for disposal at its writtendown value.

c) 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.It is tranfered to Current Assets at its written down value.

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

1.4) Depreciation

a) 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.

b) In the opinion of the managment there is no impairment in the value of fixed assets, if disposed in the ordinary course of business.

1.5) 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.

1.6) Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Dividend income is recognised when right to receive is established.

1.7) Change in accounting policies.

The company follows the same accounting policies consistently from years and there is no change in the current year.

1.8) 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.

1.9) Taxation :

Applicable Income Tax Liabilities, if any, is determined in accordance with the provision of Income Tax Act, 1961, as may be applicable for the year under relevance.

Notes / annexure forming part of financial statement ending March 31, 2014

The previous year figure have been regrouped/reclassified, wherever necessary to conform to the current year presentation.

	As at 31st March 2014		As at 31st March 2013	
	No's	Value	No's	Value
2. SHARE CAPITAL				
Authorised Share Capital:				
Equity Shares of Rs. 10/- each	51,00,000	510,00,000	51,00,000	510,00,000
10% Equi. Preference Share @ Rs. 60/- each	9,00,000	540,00,000	9,00,000	540,00,000
13.50% Equi. Preference Share @ Rs. 10/- each	10,00,000	100,00,000	10,00,000	100,00,000
		<u>1150,00,000</u>		<u>1150,00,000</u>
Issued, Subscribed & Paid up:				
Equity Shares of Rs. 10/- each	44,38,143	443,81,430	44,38,143	443,81,430
10% Equi. Preference Share @ Rs. 50/- each	3,44,743	172,37,150	3,44,743	172,37,150
13.50% Equi. Preference Share @ Rs. 10/- each	10,00,000	100,00,000	10,00,000	100,00,000
Total		<u>716,18,580</u>		<u>716,18,580</u>

2.1 The reconciliation of the number of shares outstanding is set out below:

Particular	As at 31st March 2014	As at 31st March 2013
Equity Share at the beginning of the year	44,38,143	44,38,143
Issue during the period	-	-
At the end of the period	<u>44,38,143</u>	<u>44,38,143</u>

2.2 The details of Shareholders holding more than 5% shares :

Name of Shareholders	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	% held	No. of Shares	% held
Raj Kumar Sureka	2,45,100	5.52	2,45,100	5.52
Prismo (India) Ltd.	2,27,084	5.12	2,27,084	5.12
Shentracon Holdings Pvt. Ltd.	3,72,750	8.40	3,72,750	8.40
Shentracon Finalease Pvt. Ltd.	5,28,392	11.91	5,28,392	11.91
Satya Leasing Co. Ltd.	2,69,150	6.06	2,69,150	6.06
Shentracon Financial Services Ltd.	4,00,000	9.01	4,00,000	9.01
	<u>20,42,476</u>	<u>46.02</u>	<u>20,42,476</u>	<u>46.02</u>

2.3 Share holders have equal rights: Each Share holder is entitled to one vote per share.

2.4 There had been no allotment of shares either by way of Bonus allotment or allotment for consideration other than cash during last 5 years.

3. RESERVES AND SURPLUS		As at 31st March 2014	As at 31st March 2013
	State Government Capital Subsidy		
	As per last Balance Sheet	16,50,000	16,50,000
	Preference Share forfeiture Reserve A/c		
	As per last Balance Sheet	104,01,000	104,01,000
	Capital Reserve		
	As per last Balance Sheet	313,00,000	313,00,000
	Profit & Loss Account		
	As per last Balance Sheet	(963,64,627)	(993,82,275)
	Add: Profit for the year	399 (963,64,228)	30,17,648 (963,64,627)
	TOTAL	<u>(530,13,228)</u>	<u>(530,13,627)</u>
4. SHORT-TERM BORROWINGS		As at 31st March 2014	As at 31st March 2013
	Unsecured		
	Loans & advances from related parties <small>Refer Note No. 16.xiv)</small>	237,70,462	238,92,462
	TOTAL	<u>237,70,462</u>	<u>238,92,462</u>
5. TRADE PAYABLES		As at 31st March 2013	As at 31st March 2013
	Trade Payable	2,00,634	2,00,634
	TOTAL	<u>2,00,634</u>	<u>2,00,634</u>
6. Other Current Liabilities		As at 31st March 2013	As at 31st March 2013
	Creditors for expenses	63,948	1,03,665
	TOTAL	<u>63,948</u>	<u>1,03,665</u>

7. FIXED ASSETS

Description	Gross Block		Depreiciaiton/Amortisation			Net Block	
	As at 01-04-2013	As at 31-03-2014	As at 01-04-2013	For the year	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
TANGIBLE ASSETS							
Land	3,79,834	3,79,834	-	-	-	3,79,834	3,79,834
Land Development	113,30,490	113,30,490	-	-	-	113,30,490	113,30,490
Building	66,71,257	66,71,257	40,18,632	2,22,820	42,41,452	24,29,805	26,52,625
Total	183,81,581	183,81,581	40,18,632	2,22,820	42,41,452	141,40,129	143,62,949
Previous Year	183,81,581	183,81,581	37,95,812	2,22,820	40,18,632	143,62,949	148,08,589

<p>8. INVENTORY Refer Note No. 16.vii)</p>	As at 31st March 2014	As at 31st March 2013
Raw materials	14,35,538	14,35,538
Work-in-progress	32,00,000	32,00,000
Finished goods	75,000	75,000
Stock-in-trade	16,21,259	16,21,259
Stores and spares	6,83,000	6,83,000
TOTAL	70,14,797	70,14,797
<p>9. Trade Receivables (Unsecured and considered good)</p>	As at 31st March 2014	As at 31st March 2013
Over six months	-	-
Others	-	60,000
TOTAL	-	60,000
<p>10. CASH AND CASH EQUIVALENTS</p>	As at 31st March 2014	As at 31st March 2013
Balance with Scheduled Bank in current account	3,23,370	3,10,264
Cash In Hand (as per books and certified by management)	4,48,371	3,50,058
TOTAL	7,71,741	6,60,322
<p>11. SHORT TERM DEPOSITS AND ADVANCES (Unsecured and considered good)</p>	As at 31st March 2014	As at 31st March 2013
Other advances recoverable or adjustable	70,083	60,000
TOTAL	70,083	60,000
<p>12. OTHER CURRENT ASSETS</p>	As at 31st March 2013	As at 31st March 2013
Assets held for disposal	206,43,646	206,43,646
TOTAL	206,43,646	206,43,646
<p>13. INCOME OTHER THEN OPERATION</p>	2013-14	2012-13
Rent Received	2,40,000	2,40,000
Other Income	2,23,948	2,36,960
Sundry Balance w/o	-	30,16,937
TOTAL	4,63,948	34,93,897

14. OTHER EXPENSES	2013-14	2012-13
Establishment Expenses		
Filling Fees	1,000	1,000
	1,000	1,000
Audit Fees	2,800	2,800
<i>Miscellaneous Expenses</i>		
Advertisement	7,191	-
Accounting Charges	12,000	12,000
Registrar Fees	5,618	5,618
Factory Maintenance	18,930	3,900
Postage Expenses	757	1,095
Printing & Stationary	2,080	1,200
Power & Fuel	18,000	14,500
Professional fees	53,357	5,000
Stock Exchange Fees	36,517	1,48,877
Telephone Expenses	1,115	908
Travelling & Conveyance	415	17,811
Bank Charges	612	1,231
General Expenses	80,337	37,489
	<u>2,36,929</u>	<u>2,49,629</u>
TOTAL	<u>2,40,729</u>	<u>2,53,429</u>

15. EARNING PER SHARE	2013-14	2012-13
1) Net Profit after Tax	399	30,17,648
2) Weighted Average number of equity shares used as denominator for calculating EPS	44,38,143	44,38,143
3) Basic and Diluted Earnings Per Share	-	0.68
4) Face value per equity share	10	10

16. DISCLOSURE AND OTHER NOTES ON ACCOUNTS

- i) 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
- ii) 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.
- iii) 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. Against this demand a sum of Rs. 200634/- is standing under creditors in the books of the company.
- iv) Capital commitments against capital work in progress has been kept in abeyance and amount of which is not ascertainable.
- v) **CONTINGENT LIABILITIES :**
 - a) 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. 3,97,41,720/-at the end of the year.
 - b) 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/-.
 - c) Listing Fees payable to Ahmedabad Stock Exchange amount of which is not ascertainable.

- vi) 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. During the year 2012-13 The Directors resolved to dispose off the Capital Work in progress and hence the same has been transferred to Current Assets under the head Fixed Assets meant for disposal at its existing cost (refer point vii also)
- vii) 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.
- viii) Fixed Assets
- a) 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 in 2010-11 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.
 - b) 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.
- ix) Depreciation on existing Fixed Assets has been provided on Straight line method at the rates specified in Schedule xiv of The Companies Act ,1956.
- x) The Concerns from whom the Unsecured Loans have been obtained have waived their claim of interest.
- xi) Provision for all known liabilities are adequate in the opinion of the Management.
- xii) 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.
- xiii)
 - a) The Management is seriously considering the revival of the Company. In its pursuit to revive.Many alternate business plans including enhancement of net worth are under consideration.
 - b) During the year the company has started hiring out its fixed assets to generate income therefrom.
- xiv) Related Party Disclosures pursuant to Accounting Standard AS-18:

a) List of related parties and relationship

Sr. No.	Name of Related Parties	Relationship
1	Mr. Jagdish Prasad Sureka	Key Management Personnel (KMP)
2	Mr. Gobind Prasad Sureka	
3	Mr. Piyush Mondal	
4	Mr. Tarun Mandal	
5	Mr. Raj Kumar Sureka	Relative of KMP
6	Prismo (India) Ltd.	Others: (Enterprise in which key management personnel are substantial interested)
7	Shentracon Holdings Pvt. Ltd.	
8	Satya Leasing Co. Ltd.	
9	Shentracon Finlease Pvt. Ltd.	

b) Related party transaction as on March 31, 2014.

Profit & Loss Account	Key Management Person	Relative of KMP	Others	Total	Outstanding as on 31.03.2014
No Transaction					
Balance Sheet					
<u>Short-term borrowing</u>					
Loan Taken	-	-	-	-	237,70,462
	-	-	(1,94,000)	(1,94,000)	(238,92,462)
Loan paid	-	-	1,22,000	1,22,000	
	-	-	-	-	

Figures in bracket are related to previous year.

- xv) a) Since there was no fresh production and/or dealing hence segment wise disclosure is not applicable.
 b) 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.

In terms of our Report of even date

For K. P. JHAWAR & CO.
 Chartered Accountants
 Firm Registration No. 306105E

Sd/-
 (K. P. Jhawar)
 Proprietor
 Membership No. 010309
 Place: Kolkata
 Dated: 30th May 2014

Sd/-
 (J. P. Sureka)
 Director

Sd/-
 (Govind Sureka)
 Director

Shentracon Chemicals Limited

CIN: L24299WB1993PLC059449
Regd. Office 6A, Kiran Sankar Roy Road, Kolkata- 700 001
Phone: 2248-9731, Fax 2248 4000
Email: investor@shentracon.com, Website: www.shentracon.com

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I / We,, hereby record my presence at the Annual General Meeting of the Company to be held on Tuesday, the 30th September, 2014 at 3.00 p.m at 6A, Kiran Shankar Roy Road, 3rd Floor, Kolkata – 700 001.

Name of the Shareholder: _____

DP ID No.* _____

Client ID No.* _____

Folio Number: _____

Number of Equity Shares held: _____

*Applicable for shares held in electronic form.

Member's/Proxy Name (in Block letters)

Signature of the Attending Shareholder / Proxy

Shentracon Chemicals Limited

CIN: L24299WB1993PLC059449

Regd. Office 6A, Kiran Sankar Roy Road, Kolkata- 700 001

Phone: 2248-9731, Fax 2248 4000

Email: investor@shentracon.com, Website: www.shentracon.com

Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: E-mail Id:
Address:.....
Signature:..... or failing him
2. Name: E-mail Id:
Address:.....
Signature:..... or failing him
3. Name: E-mail Id:
Address:.....
Signature:..... or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the **Annual General Meeting** of the Company, to be held on Tuesday, the 30th September, 2014 at 3.00 p.m at 6A, Kiran Shankar Roy Road, 3rd Floor, Kolkata – 700 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

* I wish my above Proxy to vote in the manner as indicated in the box below:

Resolutions No.	Particulars	For	Against
Ordinary Business			
1.	Ordinary Resolution to Consider and adopt (a) the audited financial statement of the Company for the financial year ended as on 31st March 2014, the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended as on 31st March 2014.		
2.	Ordinary Resolution for appointment of a Director in place of Mr. Jagdish Prasad Sureka, who retires by rotation and being eligible, offers himself for re-appointment.		
3.	Ordinary Resolution for re-appointment of M/s K. P. Jhavar & Co., Chartered Accountants, Kolkata as Auditors to hold office from the conclusion of this Annual General Meeting till the		

	conclusion of the next Annual General Meeting and fixing their remuneration.		
Special Business			
4.	Ordinary Resolution for appointment of Mr. Tarun Mandal as an Independent Director to hold office upto 31 st March, 2019.		
5.	Ordinary Resolution for appointment of Mr. Pijush Mondal as an Independent Director to hold office upto 31 st March, 2019.		
6.	Special Resolution under section 180(1)(c) of the Companies Act, 2013 to borrow from time to time such sum or sums of money the Company upto an amount not exceeding Rs. 5 Crores.		

Signed this _____ day of _____ 2014.

Signature of shareholder _____

Signature of the proxy holder _____

INSTRUCTIONS:

1. In terms of Clause 35B of the Listing Agreement entered into with the Stock Exchange, listed Companies shall also provide an option to their members who do not have access to the e-voting facility, to cast their votes by way of a ballot at the Annual General Meeting. The members who are not able to attend the Annual General Meeting can sent their assent or dissent in writing in respect of the resolutions as set out in the Notice by sending the duly filled and signed Assent/Dissent Form to the Scrutinizer.
2. The Notice of 21st Annual General Meeting is being sent to all the Members, whose names appear in the Register of Members/list of Beneficial Owners on 29.08.2014 (record date) and Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Members as on the said date.
3. Voting period commences on and from Monday, 22nd September 2014 at 10.00 a.m. and ends on Wednesday, 24th September 2014 at 6.00 p.m.
4. Members have option to vote either through physical Assent / Dissent Form or through e-voting. If a member has opted e voting facility, he/she is not required to send the physical Assent / Dissent Form or vice versa. In case a member cast their vote both by physical Assent / Dissent and e-voting, then the vote cast through e-voting shall only be considered and the voting through physical Assent / Dissent shall not be considered by the scrutinizer and will be treated as invalid.
5. The Scrutinizer's decision on the validity of the Assent / Dissent Form and e-voting shall be final and binding.
6. A Member desiring to exercise vote by physical Assent / Dissent Form should complete this form and send it to the Scrutinizer in the attached self - addressed postage pre-paid envelope. Since postage is already paid by the Company, the members need not affix the postage stamp. However, envelope containing Assent / Dissent Form, if sent by courier or hand delivered at the expense of the Member, will also be accepted. The self - addressed envelope bears the name and postal address of the Scrutinizer appointed by the Board of Directors of the Company.
7. Duly completed Assent / Dissent Form should reach the Scrutinizer not later than the close of working hours i.e. 6.00 p.m. on Wednesday, 24th September 2014. All Forms received after this date will be strictly treated as if reply from such Member has not been received.

8. A member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the time and date specified under instruction NO.7 above.
9. This form should be completed and signed by the Member. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company/ Depository Participant) by the first named Member and in his/ her absence, by the next named Member
10. Voting through physical Assent / Dissent Form cannot be exercised by proxies.
11. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.
12. Members are requested to fill the physical Assent / Dissent Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
13. There will be one physical Assent / Dissent Form for every Folio/ Client ID irrespective of the number of joint holder(s).
14. In respect of shares held by corporate and institutional members (companies, trusts, societies etc.) the duly completed Assent / Dissent Form should be accompanied by a certified true copy of Board Resolution /appropriate authorization with the specimen signature(s) of the authorized signatory (ies) duly attested.
15. The number of shares in respect of which votes are cast should be mentioned in the column, in the absence of which, all the votes shall be deemed to have been cast as per the tick mark placed by the member in the respective column.
16. Members are requested not to send any other paper along with the Assent / Dissent Form in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
17. Members from whom no Assent / Dissent Form is received or received after the aforesaid stipulated period shall not be counted for the purposes of passing of the resolutions.