



Shentracon Chemicals Limited

REGD. OFFICE :

6A, KIRAN SHANKAR ROY ROAD, KOLKATA-700 001, PHONE : 2248-9731, 2248-9538, FAX : (91-33) 2248-4000

DIRECTORS' REPORT

Ladies & Gentlemen,

Your Directors take pleasure in presenting the Seventeenth Annual Report of the Company together with the Audited Balance Sheet and Profit & loss Account for the year 2009-2010.

FINANCIAL RESULTS

2009-2010

Profit/(Loss)during the year	(3410607)
ADD Balance as per Last year	<u>(95456394)</u>
Balance carried to the Balance Sheet	<u>(98867001)</u>

OPERATIONS :

There was no production at the Company's manufacturing plant at Dankuni, Dist.Hooghly during the year. In view of that the Company had to incur heavy losses.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Mr. J. P. Sureka is liable to retire by rotation & has offered himself for re-appointment.

AUDITORS :

M/S. K.P.Jhawar & CO.,Chartered Accountants, Auditor of the Company hold office till the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

REMARKS IN AUDITORS' REPORT:

Note Nos. B: 4,5,6,7,9,10,11,12,13,14 in the Auditors Report are in nature of disclosures and self explanatory.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act 1956, with respect to Directors' Responsibility Statement. Your Directors confirm :

1.that in the preparation of Annual Accounts, the applicable accounting standards have been followed;

: 2 :

2.that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year ended March 31,2010 and of the loss of the Company for the year.

3.that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act,1956 for safeguarding of the assets of the Company and for preventing and detecting fraud and other irregularities;

4.That the Directors have prepared the Annual Accounts on a going concerns basis.

CORPORATE GOVERNANCE:

Report on Corporate Governance has to be implemented by your Company from financial year 2005-2006. Necessary steps will be taken for implementation of the same in due course.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

A statement containing necessary information as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rule, 1988 is annexed hereto and marked as Annexure "A" to the Report.

PARTICULARS OF EMPLOYEES:

As required by the provisions of Section 217(2A) of the Companies Act,1956 read with the Companies (Particulars of Employees) Rule, 1975 as amended, the particulars are not given as the same is not attracted in the case of any person employed by the Company.

ACKNOWLEDGEMENT :

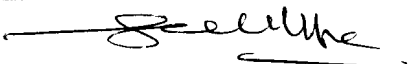
Your Company and its Directors wish to sincerely thank the various Govt. Departments for their support and co-operation extended to the Company.

Your Directors also sincerely thank the Shareholders for the confidence reposed by them in the Company and seek their continuous support and co-operation in future also.

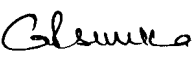
Registered Office:

6A, Kiran Shankar Roy Road,
3rd Floor, Kolkata-700 001
The 27th day of July,2010

on behalf of the Board
SHENTRACON CHEMICAL LTD.


Director

Shentracon Chemicals Ltd.


Director

ANNEXURE-A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUT GO:

b) Conservation of Energy:

The Company's production at present is under suspension and therefore no power is consumed at the factory.

c) Technology Absorption:

The Company's factory at Dankuni is under suspension of work therefore Technology Absorption is not applicable.

d) 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

Registered Office:
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3rd Floor, Kolkata-700 001
The 27th day of July, 2010

on behalf of the Board
SHENTRACON CHEMICAL LTD.


Director

Shentracon Chemicals Ltd.


Director

**AUDITORS' REPORT TO THE MEMBERS OF SHENTRACON
CHEMICALS LIMITED**

1. We have audited the attached Balance Sheet of SHENTRACON CHEMICALS LIMITED as at 31st March, 2010 and the Profit and Loss account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, We enclose in the Annexure a statement of the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments given in (1) above, we report that :
 - A) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - B) In our opinion proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books.
 - C) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of account.
 - D) In our opinion the Balance Sheet and Profit & Loss account dealt with in this report complies with the mandatory accounting standard referred to in sub-section 3(c) of Section 211 of the Companies Act., 1956.
 - E) On the basis of written submission received from the Directors' as on 31st March 2010 and taken on record by the Board of Directors', we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in term of Section 274(1)(g) of the Companies Act. 1956 as amended.
 - F) (a) The accounts of the company have been prepared on a going concern basis. However since the work is under suspension since 10.10.1999, its ability to continue as such is highly doubtful and largely depend on outcome of its future planning. We are unable to express an opinion on the same.



(b) Subject to matters referred in notes on accounts given in Schedule 11 together with resulting impact thereof as regards (i) as indicated in note B:6 as regards possible reduction in inventory value unascertained due to no physical verification and evaluation thereof. (ii) as indicated in note B:2 accounts of the company have been prepared on a going concern basis even though the production was under suspension. (iii) As indicated in the note B:9 possible erosion in realisable value of fixed assets comparing to its written down value, quantum of which could not be ascertained. (vi) Possible erosion of value of capital work-in progress arising due to long suspension as stated in B: 5. (vii) Amount advanced against orders Rs. 24,43,030/- pending settlement as specified in Note B:13(ii). (viii) Contingent liabilities as specified in Note B:4, which might have impact on company's standing.

Subject to the above in our opinion and to the best of our information and according to explanation given to us, the said accounts read together with significant accounting policies and other notes appearing in Schedule 13 give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :

- a. In the case of Balance Sheet, of the State of affairs of the Company as at 31st March 2010.
- b. In the case of the Profit & Loss account, of the loss (excluding waiver of interest) for the year ended on that date.
- c. In the case of Cash Flow Statement of the cash flow for the year ended on that date.

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


(**K. P. JHAWAR**)

Proprietor
M-10309

Place : Kolkata

Dated : The 27 th day of July, 2010



SHENTRACON CHEMICALS LIMITED

ANNEXURE TO THE AUDITORS' REPORT For the Financial year 2009-10

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) We are informed that the physical verification of the fixed assets could not be carried out due to complete closure of the factory since 10.10.99. In view there of result of physical verification can not be compared with book records and material discrepancy, if any can not be reported. We are informed that none of the fixed assets has been revalued during the year.
- ii) Inventory :
- (a) It is informed to us that inventory comprising stock of materials, stores, fuel, finished goods, work-in-process and reusable residues could not be physically verified 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 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 and certificate dated 21.07.1998 of an independent valuer appointed by State Bank of India as there was no movement of inventory thereafter. No further physical verification and/or technical evaluation has been made thereafter.
- (d) We are informed that proper records of inventory has been maintained. However in absence of physical verification thereof we are not in a position to comment on discrepancy comparing with the physical stock. The stock has been taken in these accounts on the basis of physical counting and evaluation made by the independent valuer in 1998-99 and there is no movement thereafter
- iii) (a) As per information and explanations furnished the company has not granted but has taken unsecured loan from companies, firms and other associates covered in the register maintained under section 301 of the Companies Act, 1956. The aggregate amount involved outstanding at the close of the year is 92,80,144/-
- (b) In our opinion the rate of interest and other terms and conditions on which these loan has been taken are prima facie not prejudicial to the interest of the company. The amount of principal and interest in respect of such loans are not payable during the currency of institutional loans as explained in note no. B:11 of Schedule 11 consequently there is no overdue amount of principal and interest in respect of such loan.

K. P. J. V. S.

- iv) Having regard to the fact that there is complete suspension of operational activity during the year procedure of internal control as regards purchase of inventory, fixed and other assets is not applicable.
- v) (a) According to information and explanation provided by the management, there is no such transaction need to be entered in the register in pursuance of Section 301 of the Companies Act, 1956 accordingly para V (b) of the Companies (Auditor's Report) Order, 2003 are not applicable.
- vi) The company has not accepted any deposit from the public during the year except intercorporate loan and loan from Directors/their relatives/associates/promoters.
- vii) As per the information and explanations furnished, the company has an adequate infrastructure of inhouse internal audit system commensurate with the size and nature of its business.
- viii) In absence of any emoluments of the employees during the year, the deduction of P.F. & E.S.I. and deposit thereof has no relevance. According to information and explanation furnished to us, there is no disputed amount relating to Income Tax Sales Tax, Wealth Tax, Cess, other material Statutory Dues except the past dues of E.S.I. of Rs. 76,591/-, Income Tax Rs. 17,162/- and Professional Tax payable Rs. 14,570/- which is coming from years and still remain unpaid.
- ix) The company has accumulated losses.. The company has incurred cash loss, before extraordinary item adjustment, during the financial year and has incurred loss in the immediate preceding financial year. *The accumulated losses are more than 50% of net worth. The company is a sick industrial company within meaning of clause of sub-section 1 of Section 3 of Sick Ind. Co. (Special Provi) Act 1985.*
- x) 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.
- xi) 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.
- xii) According to the information and explanation given to us, the Company is not dealing and trading in shares, Securities, debentures and other Investments
- xiii) 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.
- xiv) In our opinion, the term loans have been applied for the purpose for which they were raised.
- xv) According to the information and explanation given to us, and overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No fund whether short term or long term has been raised during the year.
- xvi) 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.



- xvii) 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.
- xviii) 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.
- xix) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported in the year as explained to us during the course of our audit.

For K. P. JHAWAR & CO.
CHARTERED ACCOUNTANTS

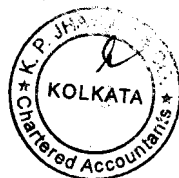
Firm Registration No.-306105E


(K. P. JHAWAR)

Proprietor
M-10309

Place : Kolkata

Dated : The 27th day of July, 2010

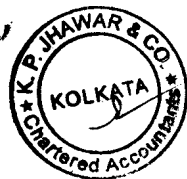


SHENTRACON CHEMICALS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

<u>PARTICULARS</u>	<u>SCHEDULE</u>	2009-10 (RS.)	2008-09 (RS.)
<u>CREDIT : INCOME</u>			
Other Income		108,000	108,000
Profit from sale of factory shed		-	-
TOTAL INCOME		108,000	108,000
<u>DEBIT : EXPENDITURE</u>			
Power and Fuel, Electricity		11,100	28,964
Administrative Expenses	10	232,665	101,579
Depreciation		3,272,042	3,272,042
Auditor's Remuneration :			
As audit fees		2,800	2,800
TOTAL EXPENDITURE		3,518,607	3,405,385
BALANCE NET PROFIT/(LOSS)		(3,410,607)	(3,297,385)
Less: Waiver of Interest under OTS			167,651
BALANCE NET PROFIT/(LOSS)		(3,410,607)	(3,129,734)
ADD/LESS, BALANCE AS PER LAST ACCOUNTS		(95,456,394)	(92,326,660)
BALANCE TRANSFERED TO BALANCE SHEET		(98,867,001)	(95,456,394)

IN TERMS OF OUR REPORT OF EVEN DATE.

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



(K.P.JHAWAR)
 PROPRIETOR
 MEMBERSHIP NO.010309

Place: Kolkata
 Dated: THE 27th DAY OF July, 2010

For Shentracon Chemicals Ltd.

[Signature]
 Director

Per Shentracon Chemicals Ltd.

[Signature]
 Director

SHENTRACON CHEMICALS LIMITED
SCHEDULES ATTACHED TO AND FORMING PART OF THE
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	2009-10 (RS.)	2008-09 (RS.)
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SCHEDULE - 10 : SELLING, DISTRIBUTION & ADMINISTRATIVE EXPENSES

Security Guard Expenses	68231	70196
Travelling Expenses	1252	212
Postage & Telegram	207	575
Telephone Expenses	1713	9,179
Legal Expenses	1000	15,160
Bank Charges	140	220
Filing Fees	500	3,000
General Charges	2178	554
Listing fees	156164	0
Maintenance -Factory	1280	483
Insurance	0	2,000
	232,665	101,579

For Shentracon Chemicals Ltd.

(Signature)
Director

For Shentracon Chemicals Ltd.

(Signature)
Director



AUDITOR'S CERTIFICATE

THE BOARD OF DIRECTORS
SHENTRACON CHEMICALS LIMITED

We have examined the attached Cash Flow Statement of SHENTRACON CHEMICALS LIMITED for the year ended 31st March, 2010. The statement has been prepared by the company in accordance with the requirement of Clause 32 of Listing Agreements with various Stock Exchanges in India and based on and in agreement with the corresponding Audited Financial Accounts of the Company for the year ended 31st March, 2010 and covered by our Report of 27th July, 2010 to Members of the Company.

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


(K.P.JHAWAR)

Proprietor

Membership No.010309

4, Narayan Prasad Babu Lane,
Kolkata-700 007.

The 27 th day of July 2010.



SHENTRACON CHEMICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDEAD 31 ST MARCH 2010

PARTICULARS	2009-10	2008-09
A. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit Before Tax	-3410607	-3297385
Less: Extra Ordinary items		167651
Waiver of Interest Adjustment	-3410607	-3129734
Amount written back		
Adjustment for :-		
Depreciation	3272042	3272042
Proportionate Adjustment Of Deferred Expenses	0	0
	3272042	3272042
	-138565	142308
Operating Profit Before Working Capital Changes	-138565	142308
Adjustment For :-		
Trade and Other Receivables	36000	-4719000
Trade Payable	-102200	94009
	-66200	-4624991
Net Cash from Operating Activities: (A)	-204765	-4767299
B. CASH FLOW FROM INVESTMENT ACTIVITY		
State Capital subsidy received		
Purchase / Sale of Fixed Assets		
Capital Working Progress		
Net Cash used in Investment Activities: (B)		
C. CASH FLOW FROM FINANCING ACTIVITY		
Share Capital		
Short Term Borrowing	246000	3391500
IDBI Term Loan		
SBI Term Loan		1400000
Add / Less: Waiver of Interest		
Waiver of Principal	246000	4791500
Net cash used in Financing Activity	246000	4791500
D. NET CASH AND CASH EQUIVALENTS: (A+B+C)	41235	24201
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	433522	457723
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	474757	433522
NET EFFECT EQUIVALENT TO 'D' ABOVE :	41235	24201

NOTE : Figures in bracket indicate negative figures.

Kolkata
The 28 Day of July 2009




J.P. Sureka
J.P. SUREKA
Director

SHENTRACON CHEMICALS LIMITED
BALANCE SHEET AS AT 31ST MARCH,2010

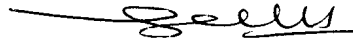
PARTICULARS	SCHEDULE	31.03.2010	31.03.2009
		(RS.)	(RS.)
A) SOURCES OF FUNDS :			
SHAREHOLDERS' FUND :			
Share Capital	1	71,618,580	71,618,580
RESERVES AND SURPLUS :	2	43,351,000	43,351,000
LOAN FUNDS :			
Unsecured Loans	3	23,628,144	23,382,144
TOTAL SOURCES OF FUNDS		138,597,724	138,351,724
B) APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	4	76,219,505	76,219,505
Less : Accumulated depreciation		49,268,846	45,996,804
Capital Work-in-progress		26,950,659	30,222,701
Net Block		9,049,057	9,049,057
CURRENT ASSETS :			
Inventories	5	7,014,797	7,014,797
Sundry Debtors	6	0	36,000
Cash and Bank balances	7	474,757	433,522
LOANS & ADVANCES :	8	7,489,554	7,484,319
LESS:CURRENT LIABILITIES AND PROVISIONS	9	2,668,635	2,668,635
NET CURRENT ASSETS		10,158,189	10,152,954
Profit & Loss Account (As per account annexed)		6,427,182	6,529,382
Notes on Accounts and Significant Accounting Policies	11	3,731,007	3,623,572
TOTAL APPLICATION OF FUNDS		138,597,724	138,351,724

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

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

 (K.P.JHAWAR)
 PROPRIETOR
 MEMBERSHIP NO.010309



For Shentracon Chemicals Ltd.



Director

For Shentracon Chemicals Ltd.


 Director

Place: Kolkata
 Dated: THE 27th DAY OF July 2010

SHENTRACON CHEMICALS LIMITED
SCHEDULES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH,2010

PARTICULARS	31.03-2010 (RS.)	31.03-2009 (RS.)
<u>SCHEDULE - 1 : SHARE CAPITAL</u>		
Authorised :		
5,100,000 Equity Shares of Rs.10/- each	51,000,000	51,000,000
9,00,000,10% EquiPref. Shares of Rs.60/- each	54,000,000	54,000,000
1,000,000 13.5% Preference Shares of Rs.10/- each	10,000,000	10,000,000
	115,000,000	115,000,000
Issued,Subscribed and Paid Up :		
4,438,143 Equity Shares of Rs.10/- each)	44,381,430	44,381,430
10,00,000,13.5% Preference Share of Rs.10/-each.	10,000,000	10,000,000
3,44,743 , 10% Convertable Cumulative Redeemable Preference Shares of Rs.50/- each fully paid up	17,237,150	17,237,150
	71,618,580	71,618,580
<u>SCHEDULE - 2 : RESERVES & SURPLUS</u>		
State Government Capital Subsidy		
As per last account	1,650,000	1,650,000
Preference shares forfeiture Reserve A/c		
As per last account	10,401,000	10,401,000
Other Capital Reserve		
created by waiver of loan As per Last account	31,300,000	31,300,000
	43,351,000	43,351,000
<u>SCHEDULE - 3 : UNSECURED LOAN</u>		
From Members - Promoters Contribution	691,427	691,427
Intercorporate Loans - From Associates Companies	22,936,717	22,690,717
	23,628,144	23,382,144
<u>SCHEDULE - 5: INVENTORIES</u>		
(As taken, valued and certified by Independent Valuer appointed by Bank in earlier year)		
Finished Goods	75,000	75,000
Work in Process	3,200,000	3,200,000
Re-useable Residues	1,600,000	1,600,000
	4,875,000	4,875,000
Materials :		
Raw Materials	1,435,538	1,435,538
Consumables, Spares & Packing Materials	683,000	683,000
Fuel & Furnace Oil	21,259	21,259
	2,139,797	2,139,797
	7,014,797	7,014,797



For Shentracon Chemicals Ltd.

G. S. Saha
Director

For Shentracon Chemicals Ltd.

S. Saha
Director

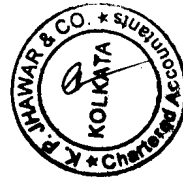
SHENTRAON CHEMICALS LIMITED

SCHEDULES ATTACHED TO AND FORMING PART OF THE

BALANCE SHEET AS AT 31ST MARCH, 2010

SCHEDULE - 4 : FIXED ASSETS

PARTICULARS	GROSS BLOCK		DEPRECIATION				NET BLOCK		
	OPENING	SOLD DURING	TOTAL	UPTO LAST	DELETION	FOR THE	TOTAL		
	(RS.)	(RS.)	(RS.)	YEAR	AGNST DEPOSAL	YEAR	(RS.)	(RS.)	
Land	379834	-	379834	-	0	-	379834	379834	
Land Development	11330490	-	11330490	-	0	-	11330490	11330490	
Building	6,671,257	-	6,671,257	3,127,352	0	222,820	3,350,172	3,321,085	
Plant & Machinery	52,295,796	-	52,295,796	38,683,675	0	2,761,218	41,444,893	10,850,903	
Electrical Inst.	3,581,328	-	3,581,328	2,648,548	0	189,094	2,837,642	743,686	
Generator Set & Transf.	790,059	-	790,059	585,611	0	41,715	627,326	162,733	
Safety Equipments	43,263	-	43,263	32,046	0	2,284	34,330	8,933	
Utilities	211,462	-	211,462	143,258	0	10,044	153,302	58,160	
Loose Tools	15,794	-	15,794	11,707	0	834	12,541	3,253	
Laboratory Equipment	62,103	-	62,103	44,177	0	3,279	47,456	14,647	
Office Equipment	125,529	-	125,529	80,842	0	5,963	86,805	38,724	
Computer	154,150	-	154,150	154,150	0	-	154,150	-	
Furniture & Fixture	558,440	-	558,440	485,438	0	34,791	520,229	38,211	
TOTAL	76,219,505	-	76,219,505	45,996,804	0	3,272,042	49,268,846	26,950,659	30,222,701
PREVIOUS YEAR	76,219,505	-	76,219,505	42,724,762	0	3,272,042	45,996,804	30,222,701	33,494,744



For Shentraon Chemicals Ltd.

Subramanian
Director

For Shentraon Chemicals Ltd.

Subramanian
Director

SHENTRACON CHEMICALS LIMITED
SCHEDULES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	31.03-2010 (RS.)	31.03-2009 (RS.)
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SCHEDULE - 6 : SUNDRY DEBTORS

(Unsecured considered good by management)

Other Debts	NIL	36,000
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SCHEDULE - 7 : CASH AND BANK BALANCES

Cash in hand	160410	122,927
Current Account with Scheduled Banks	14347	10,595
Deposit in No Lien Account with State Bank Of India	300000	300,000
	474757	433,522

SCHEDULE - 8 : LOANS & ADVANCES

(Unsecured - Considered good by Management)

Trade Advances	2,540,218	2,540,218
Security Deposits	32,200	32,200
Advances recoverable/Adjustable	96,217	96,217
	2,668,635	2,668,635

SCHEDULE - 9 : CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES :

Sundry Creditors & Advances	4,938,963	4,938,963
Other Liabilities	1485859	1,588,059
	6424822	6,527,022

PROVISIONS :

For Fringe Benefit Tax	2,360	2,360
	2,360	2,360
	6,427,182	6,529,382



For Shentracon Chemicals Ltd.

Calumka
Director

For Shentracon Chemicals Ltd.

Gally
Director

SHENTRACON CHEMICALS LIMITED

SCHEDULE - 11

**NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH, 2010**

A) SIGNIFICANT ACCOUNTING POLICIES:

A:1 Recognition of Standards and Accounting Policies :

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

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

A:2 Fixed Assets :

i) Fixed Assets are stated at cost less depreciation. Fixed Assets specifically plant & machinery are of erosional nature and requires to be evaluated for ascertainment of its realisable value.

ii) Capital work-in-progress are brought forward since last few year's and stated at cost. The work was however under suspension since 1999 and hence its fate is uncertain. It's value is required to be evaluated for ascertainment of its factual worth.

A:3 Depreciation :

Depreciation on block of Assets has been provided on prorata basis following Straight line method at the rates specified in Schedule XIV of the Companies Act, 1956 as amended to book wear and tear of assets even though the same are not utilized since 1999.

A: 4 Inventories :

There had been no movement in the inventory during the year and physical verification of stock could not be conducted in view of work suspension from 10.10.1999. The stock has been taken at the same value as per valuation report dated 21.07.98 of an independent valuer appointed by the State Bank of India. It's present realisable value is required to be evaluated to ascertain its factual worth.

A:5 Miscellaneous :

i) Retirement benefits e.g. Gratuity etc. will be accounted for on cash basis. Quantum of possible liability thereof based on



actuarial valuation could not be ascertained in view of work suspension since 10.10.1999.

ii) The overdue amount of ESI as on 31st March, 2010 relating to earlier years was Rs. 76,591/- .

B) NOTES ON ACCOUNTS :

B:1 There is no production since 18.9.1996 and the work suspension has been notified and declared since 10th October 1999.

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

B:3 CONTINGENT LIABILITIES :

(i) Dividend Liability on Account of 10% Cum. Redeemable Preference Shares from the date of allotment on 28.6.95 & 31.03.06 and on 13.5% preference share from the date of allotment i.e. on 31.12.1998, till the end of the year which will be accounted for as and when paid Rs. 2,74,46,860/-

ii) Liabilities arising for delayed payment of statutory dues in earlier years amount of which could not be ascertained.

iii) Electricity Bills for Minimum Guarantee off take which relates to period before the date of closure and disputed by the Company Rs. 21,60,000/-.

iv) Listing fees payable to Calcutta Stock Exchange is fully paid during the year under Amnesty Scheme .Listing Fees payable to Bombay Stock Exchange amount of which is not ascertainable.

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

B:5 As 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. It is certified by the management that there had been no movement in inventory after the date of verification by the independent valuer. Being a Chemical plant erosion in potential value is possible which will be taken care on its further evaluation. However possible diminution in value is not ascertainable at present and relevant adjustment could not be done.



B.6 Depreciation has been provided during the year and for earlier years after closure of plant considering the principal of diminution in value even though the plant was not in operation.

B.7 In absence of overdue physical verification and technical evaluation, the present condition of Fixed Assets (Plant & Machinery, Tools & Equipments etc.) directly involved in the production, Capital work-in-progress as well as closing stock could not be ascertained and since the plant is not in operation for a longtime and in view of fact of being a chemical plant its possible erosion could not be denied. Possible realisable value and/or remaining usable life of fixed assets could not be ascertained and hence could not be adjusted.

B.8 Sundry Creditors include Rs.2,00,000/- payable for land out of which Rs.25,000/- has been paid as advance.

B.9 The Concerns from whom the Unsecured Loans have been obtained have waived their claim of interest during pendency of Institutional loan.

B:10 Possible liabilities arising on settlement of employees dues will be taken care on finalisation/payment.

B.11(i) Provision for all known liabilities are adequate in the opinion of the Management.

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

B.11(iii) No provision has been made on possible irrecoverable advances and deposits, the amount of which could not be ascertained.

B.12 i) There was no transaction carried with related parties which is required to be disclosed.

B.12 ii) Since there was no fresh production and/or dealing hence segment wise disclosure is not applicable.

B.12 iii) The deferred tax assets/liabilities and or its implication on deferred tax arising on account of unabsorbed losses & depreciation has not been accounted for on due principle of prudence and uncertainty of future taxable profit.


B.13 Information pursuant to the provisions of paragraph 3,4(C) and 4(D) of part-II of Schedule-VI of the Companies Act,1956 are given in schedule -12.

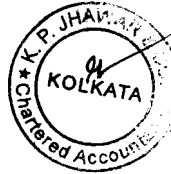


B.14 Information pursuant to the provisions of part-IV of schedule-VI to the Companies Act,1956 are given in Schedule-13.

B 15 Previous year figures have been regrouped and recasted wherever necessary.

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


(K.P.JHAWAR)
Proprietor
Membership No.010309
4,Narayan Prasad Babu Lane,
Kolkata-700 007.
The 27th day of July,2010



SCHEDULE - 12

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

1. PARTICULARS IN RESPECT OF GOODS MANUFACTURED:

Class of Goods	Unit	Regist	Install	Quantity
		Cap. (a) (Appr.) 2007-08	Cap. (a) 2007-08	Prod. (c) 2009-10
Sodium Di-Chromate	M.Ton	3000	1875	--
	--Do--	(3000)	(1875)	(--)
Basic Chrome Sulphate		3000	3750	--
	--Do--	(3000)	(3750)	(--)
Anhy.Sidium Sulphate		1920	2400	--
	--Do--	(1920)	(2400)	(--)
Chrome Oxide Green		72	90	--
	--Do--	(72)	(90)	(--)
Sodium Sulphate		3000	1875	--
Yellow (By Product)	--Do--	(3000)	(1875)	(--)

- a) Installed capacity have been certified by the Company's experts.
b) Throughout the year ended 31st March, 2010 production at the factory remained suspended.
c) Figures in Bracket represent Previous Year's Figures.

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

Class of Goods	Opening Stock		Closing Stock		Sale for year	
	As on 1.4.2009		As on 31.3.2010		2009-10	
	Qty.(mt)	Value	Qty.(mt)	Value	Qty.(mt)	Value
Sodium Di-Chromate	--	---	---	---	---	---
Sodium Sulphate						
Yellow	--	---	---	---	---	---

3. CONSUMPTION OF RAW MATERIALS AND POWER & FUEL :

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

4. FOREIGN EXCHANGE :

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

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

(R.P.JHAWAR)

Proprietor

Membership No.010309

4, Narayan Prasad Babu Lane,
Kolkata-700 007.

The 27th day of ~~August~~, 2010.

July



SCHEDULE-13

ANNEXURE TO NOTES ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2010
 DETAILS REQUIRED TO BE DISCLOSED UNDER PART IV OF SCHEDULE -VI OF
 THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.Registration Details	: Registration No.21-59449 of 1993.
State Code	: 21
Balance Sheet Date	: 31st March, 2010
II.Capital raised during the year	: (Amount in Rs.Thousands)
Public Issue	: Nil
Bonus Issue	: Nil
Right Issue	: Nil
Private Placement	: Nil
III.Position of Mobilisation and	
Deployment of Funds	: (Amount in Rs. Thousand)
Total Liabilities	: 1,45,025
Total Assets	: 1,45,025
Sources of Funds :	
Paid up Capital	: 71,619
Share Application Money	: NIL
Reserves & Surplus	: 43,351
Secured Loans	: NIL
Unsecured Loans	: 23,628
Application of Funds :	
Net Fixed Assets	: 36,000
Investments	: Nil
Net Current Assets	: 3,731
Misc.Expenditure	: Nil
Accumulated Loss	: 98,867
IV.Performance of the Company	
Turnover & Other Income	: 108
Total Expenditure	: 3,519
Profit/(Loss) Excluding Waiver of Interest in extra ordinary item Before Tax	: (3,411)
Profit/(Loss) Excluding Waiver of Interest in extra ordinary item After Tax	: (3,411)
Earning per Share in Rs.	: Nil
Dividend Rate	: Nil
V.Generic Names of Three Principal Products/Services of the Company (As per monetary terms)	
Item Code No. (ITC Code)	: 28413000
Product Description	Sodium Dichromate
Item Code No. (ITC Code)	: 28332300
Product Description	Yellow Sodium Sulphate

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

(K.P.JHAWAR)

Proprietor

Membership No.010309

4,Narayan Prasad Babu Lane,
 Kolkata-700 007.

The 27th day of ~~July~~, 2010.

4


July 2

AUDITOR'S CERTIFICATE

THE BOARD OF DIRECTORS
SHENTRACON CHEMICALS LIMITED

We have examined the attached Cash Flow Statement of SHENTRACON CHEMICALS LIMITED for the year ended 31st March, 2010. The statement has been prepared by the company in accordance with the requirement of Clause 32 of Listing Agreements with various Stock Exchanges in India and based on and in agreement with the corresponding Audited Financial Accounts of the Company for the year ended 31st March, 2010 and covered by our Report of 27th July, 2010 to Members of the Company.

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


(K.P.JHAWAR)
Proprietor
Membership No.010309
4,Narayan Prasad Babu Lane,
Kolkata-700 007.
The 27 th day of July 2010.



SHENTRACON CHEMICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDEAD 31 ST MARCH 2010

PARTICULARS	2009-10	2008-09
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A. CASH FLOW FROM OPERATING ACTIVITY

Net Profit Before Tax	-3410607	-3297385
Less: Extra Ordinary items		167651
Waiver of Interest Adjustment	-3410607	-3129734
Amount written back		
Adjustment for :-		
Depreciation	3272042	3272042
Proportionate Adjustment Of Deferred Expenses	0	3272042
	-138565	142308
Operating Profit Before Working Capital Changes	-138565	142308
Adjustment For :-		
Trade and Other Receivables	36000	-4719000
Trade Payable	-102200	-66200
	94009	-4624991
Net Cash from Operating Activities: (A)	-204765	-4767299

B. CASH FLOW FROM INVESTMENT ACTIVITY

State Capital subsidy received		
Purchase / Sale of Fixed Assets		
Capital Working Progress		
Net Cash used in Investment Activities: (B)		

C. CASH FLOW FROM FINANCING ACTIVITY

Share Capital		
Short Term Borrowing	246000	3391500
IDBI Term Loan		
SBI Term Loan		1400000
Add / Less: Waiver of Interest		
Waiver of Principal	246000	4791500
Net cash used in Financing Activity	246000	4791500

D. NET CASH AND CASH EQUIVALENTS: (A+B+C)

	41235	24201
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	433522	457723
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	474757	433522
NET EFFECT EQUIVALENT TO 'D' ABOVE :	41235	24201

NOTE : Figures in bracket indicate negative figures.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Indian economy continued to perform well in the current year. The modernization growth occurred in all three sectors, viz., chemical, agriculture and allied activities, industry and services. During the financial year foreign investment of various components in India increased to 10.5% of GDP, which is one of the highest in major economies of the world during the year, reflecting the combined impact of higher food and fuel prices as well as strong demand conditions, especially in emerging markets. The Chemical Industry enjoyed another great year in 2010.

Operational Review

The Company offers cross-sell opportunities, addresses customer needs and helps enhancing its service offerings to the customer as a one stop solution provider in Chemical industry

With delinquency levels closely linked to higher industry growth rates, management has been placing thrust on not only stringent credit evaluation, but also on timely monitoring and recovery of dues from the customers.

Opportunities and Threats

The political stability and speculation towards Government policies has always created a pressure over the market. Since the economy is moving towards globalization of business and trade, management is of the view that the day speculations of adverse impact of policies formulated by the newly formed government are discussed and resolved, the market will regain its potential value. Efficient customer debtors management and keeping delinquency within acceptable levels **Outlook** monitoring and corrective action.

The company is in belief of positive growth in chemical market, which will lead to production, value creation, capitalization and thus the additional wealth for the investors and thus see better prospect in near future. The Company is under BIFR and the negotiation are going on with the Institutional investors and once the OTS is finalized the company will be in good place in this year.

RISKS AND CONCERNS :

Risk to a varying degree, is inevitable in all business transactions in an organization which is in chemical industry and forms an integral part of

Over the years, the company has strengthened its understanding of these diverse risks and put in place effective strategies and mechanism for risk mitigation wherever possible.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

Other Income amounted to Rs. 1.08 Lacs as compared to Rs. 1.08 lacs for the last financial year. During the year under review which ended on 31/03/2010 the Profit(Loss) (after OTS adjustments) are Rs. (34.10) lacs as compared to Rs 31.29 lacs with the last financial year..

Internal Control System

The internal control system and actual performance is closely reviewed on quarterly and yearly basis. The company has prominent and eligible members in audit committee to act and look after the internal control measures and their adherence at regular interval.

Human Resources

There is no Production in Plant in Dankuni. The Company has not given direct or indirect employment to any persons during the under review because of the closure of the Plant. The company has the transparent delegation structure, which help in smooth business operations.

CAUTIONARY STATEMENT :

Statements in the Management Discussion and analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulation, tax laws and other statues and incidental factors.



Shentracon Chemicals Limited

REGD. OFFICE :

6A, KIRAN SHANKAR ROY ROAD, KOLKATA-700 001, PHONE : 2248-9731, 2248-9538, FAX : (91-33) 2248-4000

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of SHENTRACON CHEMICALS LTD. will be held at the Registered Office of the Company at 6A, Kiran Shankar Roy Road, 3rd Floor, Kolkata-700001 on thursday, the 30th September, 2010 at 3.00 P.M. to transact the following business :-

1. To receive and consider Director's Report and the Audited statement of Accounts for the period ended 31st March, 2010.
2. To elect a Director in place of Mr. G. P. Sureka, who retires by rotation and being eligible, offers himself for re-appointment.
2. To appoint Auditors and to fix their remuneration.

By Order of the Board

For SHENTRACON CHEMICALS LTD.

Commerce House,
6A, Kiran Shankar Roy Road,
3rd Floor,
Kolkata-700001.

Dated : 17th, August, 2010

Director

NOTE : Every member entitled to attend and vote is entitled to appoint proxy and vote instead of him/her and such proxy need not be member of the Company. The proxies should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

The Register of members along with Share Transfer Register will remain closed from 23th September to 30th September, 2010 both days inclusive.