



Nineteenth  
Annual Report  
2012-13

A close-up, grayscale image of a pen nib resting on a document. The document has faint, handwritten numbers and lines, suggesting a ledger or account book. The pen nib is dark and positioned diagonally across the lower right portion of the page.

Senbo  
Industries Ltd.

# ANNUAL REPORT

2012 - 2013

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## Corporate Profile

### Board of Directors

Mr. Kajal Sengupta	Chairman & Managing Director
Mr. C. S. Choudhury	Vice Chairman
Mr. Kingshuk Sengupta	Director
Dr. Shaibal Kumar Chakraborty	Director
Mr. Badal Modak	Director
Mr. Pradip Kumar Chakravorty	Director

### Management Team

Mr. Bhaskar Sengupta <i>Chief General Manager</i>	Mr. S. K. Chowdhury <i>General Manager (Materials)</i>
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### Company Secretary

Ms. Nisha Khater

### Registered Office

87, Lenin Sarani, Kolkata 700 013  
Phone : (033) 2217 8915/16, Fax : 033 2265 9485  
Email : senboind@gmail.com  
Website : www.senboindustries.co.in

### Banker

Axis Bank

### Auditors

M/S. Rajesh Chaturvedi & Associates  
*Chartered Accountants*  
643 A, New Alipore, "O" Block, Kolkata 700 053

### Registrar & Share Transfer Agent

Niche Technologies Pvt. Ltd.  
D511, Bagri Market  
71, B. R. B. Road, Kolkata 700 001

## NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of Senbo Industries Limited will be held at the premises at 251A/59A, Netaji Subhas Chandra Bose Road, Kolkata-700 047 on Wednesday, the 25th day of September, 2013 at 11 A.M. to transact the following business:

### Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013 and the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Kingshuk Sengupta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/S Rajesh Chaturvedi & Associates, Chartered Accountants as Independent Auditors of the Company who shall hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

Place : Kolkata,  
Date : 30th May, 2013

By Order of the Board  
**Nisha Khater**  
Company Secretary

### Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19th to 25th day of September, 2013, both days inclusive.
3. Members who are holding Equity Shares in identical order of names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
4. Members holding shares in physical form can avail of the nomination facility by submitting Form No.2B of the Companies (Central Governments) General Rules and Forms, 1956 with the Company or its Registrar & Share Transfer Agents. Blank Forms will be made available on request. In case of shares held in demat form: the nomination has to be lodged with their Depository Participant.
5. Members are requested to intimate to the Company, their queries, if any, regarding Report and Annual Accounts at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting.

**BRIEF PROFILE OF THE DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

As required under the Listing Agreement, the particulars of Mr. Kingshuk Sengupta, proposed to be re-appointed are given below:

Mr. Kingshuk Sengupta is a Bachelor of Commerce and has over nineteen years of experience in Hi-Tech Construction, Pharmaceuticals and Hotel Industries.

Place : Kolkata,  
Date : 30th May, 2013

By Order of the Board

**Nisha Khater**  
*Company Secretary*

## DIRECTORS' REPORT

To  
**The Members**  
 Senbo Industries Limited

Your Directors have pleasure to present herewith the Nineteenth Annual Report on the business and operations of the Company together with the financial results for the year ended 31st March, 2013.

### FINANCIAL RESULTS

	2012-13 Rs.	2011-12 Rs.
Operating Profit / (Loss) before Finance Charges, Depreciation	(36,90,815)	(39,86,517)
Depreciation and Amortization	(21,90,501)	(66,48,688)
Profit / (Loss) before exceptional items	(58,81,316)	(1,06,35,205)
Exceptional Items	(10,49,858)	(18,436)
Profit / (Loss) from Continuing operation	(69,31,174)	(1,06,53,641)
Profit / (Loss) from Discontinuing operations	-	(3,23,91,911)
Profit / (Loss) for the period	(69,31,174)	(4,30,45,552)
Accumulated (Loss) brought forward	(35,02,82,699)	(30,72,37,147)
(Loss) carried forward to Balance Sheet	(35,72,13,873)	(35,02,82,699)

In view of loss during the year, your Directors regret their inability to recommend payment of Dividend for the year.

### OPERATING PERFORMANCE

Due to closure of the factory, there was no production in the year 2012-2013 and hence, sale during the year under review was nil.

### FUTURE PLANS

As reported earlier various proposals for setting up of medical units and health related facilities are under active consideration of the management. Joint Venture proposals with reputed overseas firms are also being explored. Our Directors are hopeful of finalizing the issue very soon.

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. INDUSTRY STRUCTURE AND DEVELOPMENTS

Once a new Project is identified, it will be possible to discuss both structure and development of the Project.

#### 2. OPPORTUNITIES AND THREATS

Many opportunities are open to the proposed new projects. Management has been making continuous study on such new projects. Selection of a Project is always subject to taking risk. Both opportunities & threats are associated with a new line of activity. Similarly, a number of contingencies are involved in implementation of a new project.

#### 3. SEGMENT-WISE / PRODUCT-WISE PERFORMANCE

Your Company is in search of a suitable project keeping in mind of its past experience. Therefore, reporting under sector wise performance does not arise at this stage.

**4. OUTLOOK**

The prospect of the Company largely depends on selection of an appropriate project and its techno-commercial viability.

**5. RISKS & CONCERNS**

The major concern of your Company relates to earning a fair margin of profit. Other aspects of concern of your Company include selection of an appropriate project, funding of the said project and selection of a financial partner for execution of the project.

**6. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY**

Adequate systems of internal control are in place to safeguard the assets of the Company.

**7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Due to suspension of work, there was no operating activity during the year under review. The Company suffered a loss of Rs.58.81 lakh before considering exceptional items. Carry forward loss till the year end amounts to Rs. 35.72 crore.

**8. HUMAN RESOURCE & INDUSTRIAL RELATIONS**

After closure of the factory the entire dues of the Company to the employees have been fully settled.

**DIRECTORS' RESPONSIBILITY STATEMENT**

1. The applicable accounting standards excepting those mentioned in Para 1.11 (b) to the Notes to accounts have been followed in the preparation of the annual accounts for the year.
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2013 and of its losses for the year ended on that date.
3. 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 the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES**

Section 217(2A) of the Companies Act 1956 was not applicable since there was no employee drawing salary during the year in excess of the specified amount.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & EXPENDITURE**

**A. CONSERVATION OF ENERGY**

**1. Power and Fuel Consumption**

		Current Year	Previous year
<i>Electricity from WBSEDCL</i>			
Unit	Kwh	53,280	67,615
Total Amount	Rs.	2,124,956	1,922,843
Rate	Rs. / Kwh	39.88	28.43

## 2. Consumption per Unit of Production

Consumption per Unit of Production		Current Year	Previous Year
Electricity	Kwh / bottle	No Production	No Production
Furnace Oil	Ltr. / bottle	No Production	No Production

Since the factory is closed there is not much scope for reduction of energy consumption. The expenses on electricity are only for the closed factory. The electricity expenses are on the higher side as the energy bills are raised by the supplying unit based on the minimum load factor.

### B. TECHNOLOGY ABSORPTION

The Company is waiting for new project to come in. The Company hereby undertakes that the technology of the new project will be fully absorbed during and immediately after the implementation of the project.

### C. FOREIGN EXCHANGE EARNING AND EXPENDITURE

There was no inflow and outgo of foreign exchange during the year.

## AUDITORS AND AUDIT REPORT

Messers Rajesh Chaturvedi & Associates, Chartered Accountants, retire at the forthcoming Annual General Meeting as statutory auditor and being eligible, offer themselves for re-appointment.

The observations of the auditors in their report on the Company's accounts for 2012-13, dealt with in the Notes on Accounts which form part of the Accounts.

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

A Certificate from the Auditors of the Company regarding compliance with the Code of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

## DIRECTORS

Mr. Kingshuk Sengupta, Director retires at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

For and on behalf of the Board

Place: Kolkata  
Date: 30th May, 2013

**Kajal Sengupta**  
Chairman & Managing Director

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Senbo Industries Limited is committed to the objectives of the Company while ensuring accountability in the exercise of power and patronage conferred upon it. The Company is further committed to ensure compliance with the code of Corporate Governance to enhance and protect the interest of all the shareholders.

### BOARD OF DIRECTORS

The composition of the Board of Directors is regulated by the Companies Act, 1956 and the Company's Articles of Association.

As on 31st March, 2013 the Board of Directors consists of six Directors. Mr. Kajal Sengupta, the main promoter who heads the Board as its Chairman & Managing Director. Mr. Sengupta is a graduate in Science and has thirty four years of valuable experience in Hi-Tech Design & Construction, Hoteliering and Pharmaceuticals industry. No remuneration is currently paid to him.

The Vice Chairman of the Board is Mr. C. S Choudhury. Mr. Choudhury is a graduate in Commerce and is also a Fellow member of the Institute of Cost Accountants of India and has experience of nearly five decades in various Industries such as Engineering, Construction, Steel, Pharmaceuticals, etc.

Mr. Kingshuk Sengupta is a Bachelor of Commerce and has over nineteen years of experience in Hi-Tech Construction, Pharmaceuticals and Hotel Industries.

Dr. Shaibal Chakraborty, MBBS, is a reputed cardiologist and has experience in medical profession for over two decades.

Mr. Pradip Kumar Chakravorty, a representative of small shareholders of the Company, has nearly four decades of business experience.

Mr. Badal Modak is an Engineer by profession holding a Bachelor Degree in Civil Engineering and has thirteen years of business experience.

The Board consists of six Directors of whom Mr. Kajal Sengupta, Chairman & Managing Director and Mr. Kingshuk Sengupta are Executive Directors and the other four Directors are independent Non-Executive Directors.

The Company has not entered into any material significant transaction with non-executive Directors of the Company.

#### BOARD MEETING

During the year under review seven Board meetings were held on 17th May 2012, 19th May 2012, 31st May 2012, 8th August 2012, 8th November 2012, 13th February 2013 and 13th March 2013.

The last Annual General Meeting of the Company was held on 24th September, 2012. The composition of the Board of Directors and their attendance at the Board Meetings during the year and at the Annual general Meeting and the number of other Directorship and Board Committee Membership / Chairmanship are as follows:

Name of Directors	Category	Attendance		Number of other Directorship & Committee Membership/ Chairmanship		
		Board Meeting	Last AGM	Other Directorship	Committee Membership	Committee Chairmanship
Mr. Kajal Sengupta	Promoter Executive Director	7	Yes	2	-	-
Mr. Kingshuk Sengupta	Executive Director	7	Yes	2	-	-
Mr. C. S. Chowdhury	Independent Non-Executive Director	7	Yes	1	-	-
Dr. Shaibal K. Chakraborty	Independent Non-Executive Director	7	Yes	Nil	-	-
Mr. Pradip Kumar Chakravorty	Independent Non-Executive Director	7	Yes	Nil	-	-
Mr. Badal Modak	Independent Non-Executive Director	7	Yes	1	-	-

#### AUDIT COMMITTEE

The Audit Committee comprises of two Non-Executive Directors and one Executive Director. The Non-executive Directors are Dr. Shaibal Chakraborty, and Mr. Badal Modak, and Mr. Kajal Sengupta is the sole Executive Director of the Committee.



During the year under review four Audit Committee meetings were held, the dates of those meetings being 31st May, 2012, 8th August, 2012, 8th November, 2012, 13th February, 2013. The attendance at the meetings of the Audit Committee is given below:

Name of Members	Designation	No. of Meetings attended
Dr. Shaibal Kr. Chakraborty	Chairman	4
Mr. Kajal Sengupta	Member	4
Mr. Badal Modal	Member	4

The terms of reference and the scope of surveillance of the Audit Committee include -

- Ensuring compliance and improving efficiency of internal control system as well as internal audit.
- Reviewing of the Company's financial performance at regular intervals as well as overseeing of the Company's financial reporting process and concurring Financial Statements before submission to the Board.
- Reviewing scope and adequacy of audit functions, both internal and statutory.
- Reviewing of critical findings with particular reference to elements of cost, economization in expenditure, improving productivity and profitability as well as related follow-up actions thereof.
- Complying of Accounting Standards and Disclosure norms prescribed under the Companies Act, 1956.
- Disclosing of financial information while ensuring its correctness, sufficiency, credibility and its compliance with Stock Exchange Regulations as well as other legal requirements.
- Recommending appointment / removal of external auditors, fixation of audit fees and approval for payment for other services rendered by the external auditors.
- Reviewing finding of audit observations and critical concerns like suspected fraud or irregularity, or failure of internal control systems and reporting such matters to the Board.
- Reviewing of matters relating to changes in accounting policies, major accounting entries based on exercise of judgement, transactions in which Directors are directly / indirectly interested.
- Reviewing of the Financial and Risk Management Policies of the Company.
- Reviewing from time to time the Company's statutory and contractual obligations as well as reasons for defaults therein, if any.

#### SHAREHOLDERS' COMMITTEE

Shareholders' Committee comprising of three Independent Directors viz, Dr. Shaibal Chakraborty, Shri Badal Modak and Shri C. S. Choudhury. The terms of reference of the Committee are to look into redressal of investors' complaints like transfer of shares, non-receipt of annual report, etc and to oversee the performance of the Registrar and Share Transfer agents. The details of complaints received and attended to during the year are given below:

No. of Shareholders' complaints received so far : Nil

No. of complaints pending / unresolved : Nil

### GENERAL BODY MEETING

The last three Annual General Meeting of the company were held as indicated below:

YEAR	VENUE	DATE	TIME
2009-10	251A/59A, Netaji Subhas Chandra Bose Road, Kolkata – 700047	22 <sup>nd</sup> September, 2010	11-00 A.M.
2010-11	251A/59A, Netaji Subhas Chandra Bose Road, Kolkata – 700 047	26 <sup>th</sup> September, 2011	11-00 A.M.
2011-12	251A/59A, Netaji Subhas Chandra Bose Road, Kolkata – 700 047	24 <sup>th</sup> September, 2012	11-00 A.M.

Special Resolutions passed at aforesaid Annual General Meetings.

YEAR	DATE OF MEETING	SPECIAL RESOLUTION PASSED
2009-10	22.09.2010	NIL
2010-11	26.09.2011	ONE
2011-12	24.09.2012	NIL

Special resolutions passed at the last 3 Annual General Meetings (AGM):

1. At the AGM held on 22nd September, 2010: There was no matter that required passing of special resolution.
2. At the AGM held on 26th September, 2011: Approving the Inter corporate Loan/Investment/Guarantee/ Security in connection with loan of the Company pursuant to section 372A of the Companies Act, 1956.
3. At the AGM held on 24th September 24, 2012: There was no matter that required passing of special resolution.

### DISCLOSURE

- a. During the year, there was no significant transaction of material nature with the Promoters, Directors or the Management, or relations that might have any potential conflict with the interest of the Company at large.
- b. The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authority on all matters related to capital markets during the year. No penalties or strictures have been imposed on the Company by these authorities.
- c. The Audit Committee allows employees to complain about unethical behavior, actual or suspected fraud or malpractices in the Company without fear of reprisal.
- d. The Mandatory Requirements on Corporate Governance have been fully complied with and Non-Mandatory Requirements, viz., Training of Board Members, Mechanism for evaluating Non-Executive Board Members etc. are yet to be implemented.

### MEANS OF COMMUNICATION

The quarterly and annual financial results are published in the Business Standard (English) and Arthik Lipi. The financial results and the official news releases are also placed on the Company's Website [www.senboindustries.co.in](http://www.senboindustries.co.in).

### CODE OF CONDUCT

The Code of Conduct as adopted by the Board of Directors is summarized below:

1. To act in the best interests of, and fulfill fiduciary obligations to the Company; act honestly, fairly, ethically and with integrity, conduct themselves with professional, courteous and respectful manner and not take improper advantage of the position of the Director or Senior Manager;

2. To comply with all applicable laws, rules and regulations;
3. To act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
4. To act in a manner to enhance and maintain the reputation of the Company;
5. To disclose any personal interest that they may have regarding any matters that may come before the audit committee and / or the Board and abstain from discussion, voting or otherwise influencing decision on any matter in which the concerned Director has or may have such interest;
6. To respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, while continuing as such a Director and even after ceasing to be such a Director, for two years, except when authorized or legally required to disclose such information;
7. Restrain from using the Company's property or position for personal gain;
8. Avoid using any information or opportunity received in the capacity as Directors for personal gain, or in a manner that would be detrimental to the Company's interest;
9. Not to use confidential information acquired in the course of their service as Directors for their personal advantage or for the advantage of any other entity in which they have a direct or indirect interest;
10. Help, create or maintain a culture of high ethical standards and commitment to compliance;

All Directors and Senior Management personnel affirmed compliance with the Code.

## GENERAL INFORMATION FOR SHAREHOLDERS

### Annual General Meeting

Date and time	: On 25th September, 2013 at 11 A.M.
Venue	: Premises situated at 251A/59A, Netaji Subhas Chandra Bose Road, Kolkata – 700 047

### PROFILE OF THE DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT

The profile of the Director who is seeking re-appointment at the Annual General Meeting is furnished below:

Brief profile of Director and nature of his experience in functional areas	Directorship/ Committee membership in other Companies	Shareholding in Senbo Industries Limited
Mr. Kingshuk Sengupta is a Bachelor of Commerce and has over nineteen years of experience in high-tech construction, pharmaceuticals and hotel industries.	Senbo Engineering Ltd. Eleena Holdings Pvt. Ltd.	3000 shares i.e. 0.027%

### Financial Year

The Company follows financial year from 1st April to 31st March.

Indicative events of the Company for the Year 2013-14 (April – March) excluding Extra Ordinary General Meeting(s), if any, are as under:

First Quarter Financial Results	Within 14th August, 2013
Second Quarter Financial Results	Within 14th November, 2013
Third Quarter Financial Results	Within 14th February, 2014
Fourth Quarter Financial Results	Within 30th May, 2014
Annual General Meeting	Within 30th September, 2014

**Date of Book Closure**

The next Book Closure will be from 19th September, 2013 to 25th September, 2013 (both days inclusive – for the purpose of AGM).

**Dividend Payment**

In view of the continuous loss incurred by the Company, no dividend has been recommended for the year, 2012-13.

**Listing on Stock Exchange**

Shares of the Company are listed with the Stock Exchanges of Kolkata and Mumbai.

**Stock Code**

- a) Stock Code of Stock Exchange at Mumbai : **532021**
- b) Stock Code of Stock Exchange at Kolkata : **10029214**
- c) **Demat/ISIN Number** - In NSDL and CDSL for Equity Shares of the Company : **INE792C01010**

**Market Price Data**

Market price data - Monthly high/low of the closing price of the Equity shares of the Company and trading volumes on BSE are given hereunder for the period from April 2012 to March 2013.

Month	High Price	Low Price	No. of Shares
April 2012	4.30	4.30	1
May 2012	4.30	4.30	4
June 2012	No Transaction		
July 2012	No Transaction		
August 2012	No Transaction		
September 2012	4.51	4.51	5
November 2012	4.70	3.62	2505
January 2013	3.80	3.80	1
February 2013	3.80	3.80	170
March 2013	No Transaction		

**Registrar and Share Transfer Agent**

**Niche Technologies Private Ltd.**  
 D 511, Bagri Market, 71, BRBB Road, Kolkata -700 001  
 Ph. : 2235-7271/7270/3070, Fax: - 2215-6823  
 Email : nichetechpl@richtechpl.com

**Share Transfer System**

Share Transfer Requests are processed and the Certificates are returned within 15 days from the date of receipt. In pursuance of SEBI Guidelines the Company is now offering the facility of Share Transfer-cum-Demat. If a shareholder desires to have Demat he is to approach the Depository Participant (DP) with the option letter of the Company. After processing the request the DP sends the option letter to the Company and on receipt of the same the Company dematerializes those shares. In case of a transferee not opting for dematerialization the Company dispatches the Share Certificates immediately.

**Dematerialization of Shares**

The shares of the Company are compulsorily traded in dematerialized form with effect from 29th April, 2001. Accordingly, the Company entered into agreements with NSDL on 15th January, 2001 and CDSL on 4th January, 2001. Till 31st March, 2013, the Company processed dematerialization requests for 7,440,805 shares which represents 67.64 % of the shares issued.

**Distribution of Shareholding as on 31st March, 2013**

Sl.	Number of Shares	No. of Holders	% of Total Shareholders	Total Shares	% of Total Shares
1.	Up to 1 to 500	1035	54.36	4,24,242	3.85
2.	501 to 1,000	591	31.04	4,90,352	4.45
3.	1,001 to 5,000	218	11.45	4,54,108	4.13
4.	5,001 to 10,000	18	0.94	1,30,499	1.19
5.	10,001 to 50,000	13	0.68	2,79,199	2.54
6.	50,001 to 1,00,000	6	0.32	4,55,800	4.14
7.	1,00,001 and above	23	1.21	87,65,800	79.70
	<b>Total</b>	<b>1904</b>	<b>100.00</b>	<b>11,000,000</b>	<b>100.00</b>

**Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2013**

Category (No. of Shares)	Total Shares	% of Total Shares representing the Category
<b>Promoters :</b>		
Indian	6,198,300	56.35
Foreign	-	-
<b>Total Promoters*</b>	<b>6,198,300</b>	<b>56.35</b>
<b>Persons Acting in Concert :</b>		
<b>Institutional Investors :</b>		
Mutua Funds	14,900	0.14
Banks, Fls, etc.	355,800	3.24
Foreign Institutional Investors	-	-
<b>Others</b>		
Private Corporate Bodies	680,286	6.18
Indian Public	3,539,415	32.18
NRI's/ OCBs	210,299	1.91
Any Other	1000	0.01
<b>Total Non-Promoters*</b>	<b>4,801,700</b>	<b>43.65</b>
<b>Grand Total</b>	<b>11,000,000</b>	<b>100.000</b>

**OUTSTANDING GDR / ADR / WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

The Company has not issued any GDR / ADR / Warrants / Convertible instruments and hence there is no impact on the Equity Shares of the Company due to conversion of above instruments.

**PLANT LOCATION**

Senbo Industries Limited, Karbala, Sonarpur Station Road, P.O. Sonarpur, Kolkata 700 103

**ADDRESS FOR CORRESPONDENCE**
**Senbo Industries Limited**

87, Lenin Sarani, Kolkata 700 013

Phone: 033 2217 8915 / 8916, Fax: 033 2265 9485 / 2217 8917

E-mail: senboind@gmail.com, Website: www.senboindustries.co.in

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SENBO INDUSTRIES LIMITED

#### Report on Financial Statements

We have audited the accompanying financial statements of Senbo Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit & 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, financial performance and cash flow of the Company. In accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act 1956 ("Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditors' 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 of our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid financial statements read together with the Significant Accounting Policies and subject to:

- Note 1.1** regarding non-provision of Bonus, Gratuity, Leave Encashment and interest receivable on Security Deposit with Central Medical Stores and WBSEB, the amount of which has not been determined;
- Note 4** regarding non-provision of interest on Inter-Corporate Borrowings from a Group Company;
- Note 23** regarding non-verification of Fixed Assets and Inventories during the year, due to factory closure;
- Note 24** on non receipt of Party confirmations in all cases of Sundry Debtors, Sundry Creditors and Loans and Advances;

read together with other notes therein 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 31st March 2013;
- b. in the case of the Statement of Profit & Loss, of the loss for the year ended on that date; and in case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- c. in case of the Cash Flow Statement, of the cash flows 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 Act, we give in the Annexure a Statement on the matters specified in Paragraphs 4 & 5 of the Order.
2. As required by Section 227(3) of the Act, 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, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in section 211(3C) of the Act;
  - e. on the basis of the written representations received from the Directors as on March 31, 2013, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms Section 274(1)(g) of the Act.

**For RAJESH CHATURVEDI & ASSOCIATES**

*Chartered Accountants  
(Firm's Regn. No 316131E)*

**R.Chaturvedi**  
*Proprietor*

Membership No.52809

Place : Kolkata

Dated : 30th May, 2013

### ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

((Referred to in Paragraph 1 under the heading of  
'Report on Other Legal & Regulatory Requirements' of our Report)

1. In respect of its Fixed Assets:
  - a) The Company is in the process of updating its Fixed Assets Register to show full particulars including quantitative details and situation of Fixed Assets left after sale of substantial Part of Plant & Machinery during previous year. However, in our opinion and as per explanation received this has not affected the Going Concern Status of the Company, though operations are presently suspended.
  - b) According to the information and explanations given to us, the Fixed Assets could not be physically verified by the management owing to closure in its factory at Sonarpur. Hence material discrepancies, if any, would have remained undetected.
2. In respect of inventories:
  - a) As explained to us, the stocks of finished goods, stores, spare parts and raw materials also could not be physically verified by the management during the year owing to closure of its factory at Sonarpur. Hence, material discrepancies, if any, would have remained undetected.
3. In respect of loans:
  - a) The Company, during the year also, has taken unsecured loans from Companies listed in the Register maintained under section 301 of the Companies Act, 1956, which is at call and on which interest has not been provided.
  - b) In respect of loans and advances in the nature of loans given by the Company to any parties' staff where stipulations have been made; parties' staffs have generally repaid the amounts as stipulated other than those written off during the year.

4. The Company has not transacted any business during the year and the factory was under closure. Hence there was no purchase of stores, raw materials including components, plant & machinery, equipment and other assets and sale of goods and services. Opinion on Internal control in these respects therefore is not necessary for the year under audit.
5. In our opinion and according to the information and explanations given to us, no transaction was made for purchase of goods and materials and sale of goods, materials and services in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs. 5,00,000 or more in respect of each Party.
6. On the basis of documents examined & information received, we state that the Company has not accepted any deposits from the public in pursuance of sections 58A, 58AA or any other relevant provisions of the Act.
7. As the operation of the Company is suspended no internal audit has been conducted during the year.
8. According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records u/s 209 (1) (d) of the Companies Act, 1956, for any product of the Company.
9. In respect of Statutory dues:
  - a) According to the records of the Company, outstanding dues over 6 months in respect of West Bengal VAT and Municipal Tax remained unpaid as on 31st March, 2013.
  - b) According to the information and explanations given to us, there were no disputed amounts payable in respect of income tax, sales tax, customs duty, excise duty or dues payable to any other Statutory and/or Local Authority as at 31st March, 2013 for a period of more than six months from the date they became payable.
10. The accumulated losses of the Company at the end of the financial year are in excess of its net worth. It has incurred cash losses during the year and also in the previous financial year.
11. As per records produced before us, the Company has not defaulted in payment of dues to any financial institution or bank or debentures holders.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/ mutual fund/ society. Therefore, clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 and as amended upto-date, is not applicable to the Company.
14. In our opinion, the Company has not dealt or traded in shares, securities, debentures and investments. Therefore, clause 4 (xiv) of the Companies (Auditor's Report) Order 2003, as amended upto-date, is not applicable to the Company.
15. The Company has mortgaged its immovable properties including land & building with a Bank and has also provided Corporate Guarantee to it, to secure repayment of the credit facilities of Rs. 47.68 crores extended by the Bank to a Group Company from which Senbo Industries limited has taken substantial amount of unsecured loans.
16. As per records produced before us, the Company has not raised any new term loans during the year. The Term Loans outstanding at the beginning of the year was nil.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that no short term loans have been used for long term investments.
18. As per records produced before us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s. 301 of the Companies Act, 1956.
19. As per records produced before us, the Company has not issued any debentures during the year.
20. As per records produced before us, the Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanation given to us, no material fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**For RAJESH CHATURVEDI & ASSOCIATES**

*Chartered Accountants  
(Firm's Regn. No 316131E)*

**R.Chaturvedi**  
*Proprietor*

Membership No.52809

Place : Kolkata  
Dated : 30th May, 2013



## AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of Senbo Industries Limited

1. We have examined the compliance of conditions of corporate governance by Senbo Industries Limited for the year ending 31st March, 2013, as stipulated in Clause 49 of the listing agreement of the Company with Stock Exchanges.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.
4. We state that in respect of investor grievances, the Registrar & Share Transfer Agents of the Company has maintained the relevant records and certified that as on 31st March, 2013 there was no investor grievance pending against the Company for a period exceeding one month.
5. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RAJESH CHATURVEDI & ASSOCIATES**

*Chartered Accountants  
(Firm's Regn. No 316131E)*

**R.Chaturvedi**  
*Proprietor*

Membership No.52809

Place : Kolkata  
Dated : 30th May, 2013



**Balance Sheet as at 31<sup>st</sup> March, 2013**

Particulars	Note	As at 31.03.2013 Rupees	As at 31.03.2012 Rupees
<b>I EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUND</b>			
Share Capital	2	108,479,000	108,479,000
Reserves and Surplus	3	(264,533,873)	(257,602,699)
		<b>(156,054,873)</b>	<b>(149,123,699)</b>
<b>CURRENT LIABILITIES</b>			
Short - Term Borrowings	4	186,149,005	182,801,226
Trade Payables	5	8,504,543	8,782,037
Other Current Liabilities	6	4,384,665	4,297,190
		<b>199,038,213</b>	<b>195,880,453</b>
	<b>TOTAL</b>	<b>42,983,340</b>	<b>46,756,754</b>
<b>II ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Fixed Assets			
- Tangible Assets	7	30,799,241	32,989,743
Long-Term Loans and Advances	8	6,238,872	6,238,872
Other Non-Current Assets	9	261,844	261,844
		<b>37,299,957</b>	<b>39,490,459</b>
<b>CURRENT ASSETS</b>			
Inventories	10	4,991,795	5,368,164
Trade Receivables	11	-	-
Cash and Cash equivalents	12	43,140	82,861
Short term loans and advances	13	648,448	1,815,270
		<b>5,683,383</b>	<b>7,266,295</b>
	<b>TOTAL</b>	<b>42,983,340</b>	<b>46,756,754</b>

Significant Accounting Policies  
Notes on Financial Statements

1 to 29

The Notes referred to above form an integral part of the Balance Sheet and the Statement of Profit & Loss

In terms of our report of even date attached

**For Rajesh Chaturvedi & Associates**

Firm's Regn. No 316131E

Chartered Accountants

**R. Chaturvedi**

*Proprietor*

Membership No. 52809

Place : Kolkata

Dated : 30.05.2013

*For and on behalf of the Board*

**C. S. Choudhury**  
*Vice Chairman*

**Kajal Sengupta**  
*Chairman & Managing Director*

**Nisha Khater**  
*Company Secretary*

## Profit & Loss Account for the year ended 31<sup>st</sup> March, 2013

Particulars	Note	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
I Revenue from Operations		-	-
II Other Income	14	22,193	1,287,830
<b>III Total Revenue (I+II)</b>		<b>22,193</b>	<b>1,287,830</b>
IV Expenses :			
Cost of materials consumed	15	-	-
Changes in Inventories of Finished Goods, Work In Progress & Stock In Trade	16	-	-
Employee benefit expenses	17	691,839	723,006
Depreciation & amortization expenses	7	2,190,501	6,648,888
Payments to Auditor	18	99,000	102,750
Other Expenses	19	2,922,169	4,448,591
<b>Total Expenses</b>		<b>5,903,509</b>	<b>11,923,335</b>
V Profit before exceptional and extra-ordinary items and tax (III-IV)		(5,881,316)	(10,635,205)
VI Exceptional Items	20	(1,049,858)	(18,436)
VII Profit before extraordinary items and tax (V+VI)		(6,931,174)	(10,653,641)
VIII Extraordinary Items		-	-
IX Profit before tax (VII-VIII)		(6,931,174)	(10,653,641)
X Tax expenses :		-	-
XI Profit (Loss) for the period from Continuing operations (VII-VIII)		(6,931,174)	(10,653,641)
XII Profit (Loss) from Discontinuing Operat ons (Sale of entire IV Fluid Machinery)		-	(32,391,911)
XIII Tax expenses of discontinuing operations		-	-
XIV Profit (Loss) from Discontinuing operations (after tax)(XII-XIII)	21	-	(32,391,911)
XV Profit (Loss) for the period (XI+XIV)		(6,931,174)	(43,045,552)
XVI Earnings per equity share :			
(1) Basic			
(2) Diluted			
Profit / (Loss) brought forward		(350,282,699)	(337,237,147)
<b>Carried forward to Balance Sheet</b>		<b>(357,213,873)</b>	<b>(350,282,699)</b>

Significant Accounting Policies

Notes on Financial Statements

1 to 29

The Notes referred to above form an integral part of the Balance Sheet and the Statement of Profit & Loss

In terms of our report of even date attached

**For Rajesh Chaturvedi & Associates**

Firm's Regn. No 316131E

Chartered Accountants

**R. Chaturvedi**

Proprietor

Membership No. 52809

Place : Kolkata

Dated : 30.05.2013

For and on behalf of the Board

**C. S. Choudhury**

Vice Chairman

**Kajal Sengupta**

Chairman & Managing Director

**Nisha Khater**

Company Secretary

## Notes on Financial Statement for the year ended 31st March, 2013

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention, on accrual basis of accounting (save and except bonus, gratuity, leave encashment and interest receivable on security deposit with Central Medical Stores and WBSEB) to comply with the mandatory accounting standards as notified under the Companies (Accounting Standard) Rules 2006 pursuant to Section 211 (3C) of the Companies Act, 1956 and in conformity with the accounting principles as generally accepted in India (Indian GAAP) as applicable, and the relevant provisions of the Companies Act, 1956. The Accounting policies are consistently applied by the Company.

#### 1.2 USE OF ESTIMATE

The preparation of financial statements in conformity with GAAP requires management to make estimated assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of policies during the reporting period. Although these estimates are based upon management's best knowledge of current events and activities, actual results could differ from these estimates.

#### 1.3 FIXED ASSETS

(a) Fixed Assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

(b) The carrying value of fixed assets which are in excess of higher of its value in use or net realisable value is recognised as an impairment loss.

#### 1.4 DEPRECIATION

(a) Depreciation of fixed assets is provided on straight line basis at the rate specified in Schedule XIV of the Companies Act, 1956, as amended up to date.

(b) Depreciation on asset purchased/acquired/installed during the year is charged from the date of such event. Similarly depreciation on assets sold/scrapped during the year is charged upto the date of the event.

#### 1.5 IMPAIRMENT

Fixed assets are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, whenever the carrying amount of the assets either belonging to the Cash Generating Unit (CGU) or otherwise, exceeds recoverable amount. The recoverable amount is the greater of net selling price of the assets or its value in use. In assessing value in use the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss either no longer exists or has decreased. Impairment loss / reversal thereof is adjusted to the carrying value of the respective assets, which in case of CGU are allocated to its assets on pro rata basis.

#### 1.6 INVENTORIES

(a) Inventories of raw materials, packaging materials, fuel, stores & spares valued at lower of procurement cost (weighted average basis) and net realisable value.

(b) Where applicable Inventories of work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost of inventories includes direct materials, labour and a portion of manufacturing overheads based on normal operating capacity.

#### 1.7 BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

**1.8 REVENUE RECOGNITION**

Revenue arising out of sale of trial products is recognized upon passage of title to the customers, which generally coincides with their delivery. Adjustments, if any, arising out of price difference claims, etc. are accounted for as and when they are finally determined.

**1.9 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

(a) A provision is recognised when the company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

(b) Contingent liabilities are disclosed by way of notes to accounts.

(c) Contingent Assets are not recognised except for the purpose of settlement of dispute / claim.

**1.10 SEGMENT-WISE REPORTING**

Not applicable since at present there are no business activities of the Company.

**1.11 EMPLOYEE BENEFITS**

(a) Defined contribution to provident fund and employee state insurance are charged to profit & loss account of the year when the contributions to the respective funds are due.

(b) Bonus and Gratuity is accounted for as and when disbursed.

**1.12 POLICY ON EARNING PER SHARE**

Basic earning per share is calculated by dividing the net profit or loss after tax and include post tax effect of any extra-ordinary item for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the period. The weighted average number of equity shares as outstanding during the period are adjusted for event including a bonus issue, bonus element in a right issue, split of shares or reverse split (i.e. consolidation of shares) etc. made during the year.

**1.13 PROVISION FOR TAXATION**

(a) Net Profit (Loss) is arrived at after considering current and deferred tax.

(b) A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently or substantively enacted tax laws.

(c) Deferred tax assets are recognised only if there is reasonable certainty that they will be realized and are reviewed for the appropriations of their respective carrying values at each balance sheet date.

**1.14 FOREIGN CURRENCY TRANSACTION**

Where applicable Foreign currency transactions are accounted for at the exchange rate prevailing at the transaction date. Year and monetary assets and liabilities in foreign currency are translated at the applicable year end exchange rates and the resultant difference is recognised as gain / loss for the year.

**Notes on Financial Statement for the year ended 31st March, 2013**

Note	As at March 31, 2013	As at March 31, 2012
<b>2 SHARE CAPITAL AND SHARE WARRANTS</b>		
<b>a. Share Capital</b>		
<b>Authorised</b>		
1,20,00,000 Equity Shares of Rs. 10/- each	<b>120,000,000</b>	120,000,000
<b>Issued</b>		
1,10,00,000 Equity Shares of Rs. 10/- each	<b>110,000,000</b>	110,000,000
<b>Subscribed &amp; Fully Paid up</b>		
1,06,20,200 Equity Shares of Rs. 10/- each	<b>106,202,000</b>	106,202,000
<b>Subscribed but not Fully Paid up</b>		
3,79,800 Equity Shares of Rs. 10/- each	<b>2,277,000</b>	2,277,000
	<b>108,479,000</b>	108,479,000
<b>Notes:</b>		
i) Calls-Unpaid By Directors By Officers	- - -	- - -

ii) Shares in the Company held by each shareholder holdings more than 5%

Name of the Shareholder	As at March 31,2013		As at March 31,2012	
	No. of Shares	% of Shares held	No. of Shares	% of Shares held
- Kajal Sengupta	<b>2,108,200</b>	<b>19.165</b>	2,108,200	19.165
- Sayantaree Sengupta	<b>1,227,000</b>	<b>11.155</b>	1,227,000	11.155
- Eleena Sengupta	<b>1,170,100</b>	<b>10.637</b>	1,170,100	10.637
- Embicon Engineering Pvt. Ltd.	<b>925,000</b>	<b>8.409</b>	925,000	8.409

Note	As at March 31, 2013	As at March 31, 2012
<b>3 RESERVE &amp; SURPLUS</b>		
Capital Reserve	<b>91,130,000</b>	91,130,000
Capital subsidy (Govt. of West Bengal)	<b>1,500,000</b>	1,500,000
General Reserve	<b>50,000</b>	50,000
Profit & Loss Account	<b>(357,213,873)</b>	(350,282,699)
	<b>(264,533,873)</b>	(257,602,699)
<b>4 SHORT-TERM BORROWINGS</b>		
Loans & Advances from related parties (Unsecured)	<b>186,149,005</b>	182,801,226
	<b>186,149,005</b>	182,801,226
<b>Note :</b>		
Terms of repayment - at call As no interest has been charged by the lender on Inter-Corporate Borrowings, the same has not been estimated and provided in the accounts.		
<b>5 TRADE PAYABLES</b>		
Creditors for Purchase		
S.S.I.Unit	<b>740,901</b>	740,901
Other	<b>5,778,813</b>	5,816,702
Creditors for Expenses	<b>1,984,829</b>	2,224,434
	<b>8,504,543</b>	8,782,037



**Notes on Financial Statement for the year ended 31st March, 2013**

Note	As at March 31, 2013	As at March 31, 2012
<b>10 INVENTORIES (As certified by the management)</b>		
Raw Material	-	133,664
Packing Material	-	118,654
Stores & Spares	<b>4,991,795</b>	<b>5,115,846</b>
	<b>4,991,795</b>	<b>5,368,164</b>
<b>Note :</b>		
During the year the company has sold damaged Raw Material, Packing Material & Spare Stock aggregating to Rs. 3,76,368/- at loss of Rs.87,907/-.		
<b>11. TRADE RECEIVABLES</b>		
(Unsecured)		
Over Six Months Considered Good	-	-
Over Six Months Considered Doubtful	<b>11,994,763</b>	<b>11,994,763</b>
	<b>11,994,763</b>	<b>11,994,763</b>
Less : Provision for Doubtful Debts	<b>11,994,763</b>	<b>11,994,763</b>
	-	-
<b>Note :</b>		
Debtors include dues from M/s. Fresenius Kabi Pvt. Ltd. (Fresenius) since 21st Aug. st. 2006, against which full provision has been made. The dues relate to certain unresolved disputed issues like claims of the company on Fresenius for increase in conversion charge, Godown rent, VAT, TDS certificates, Scrap etc. and also counter claim of the party on the Company		
<b>12 CASH &amp; CASH EQUIVALENTS</b>		
Cash in hand	<b>1,473</b>	<b>1,473</b>
(As verified & certified by the Management)		
Current Accounts with scheduled Banks	<b>41,667</b>	<b>81,388</b>
	<b>43,140</b>	<b>82,861</b>
<b>13 SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured considered good)		
Advance recoverable in cash or in kind or for value to be received	<b>11,655</b>	<b>11,655</b>
Advances for Expenses	<b>140,000</b>	<b>230,000</b>
Prepaid Expenses	<b>21,937</b>	<b>81,646</b>
Tax Deducted at Source	<b>365,932</b>	<b>1,454,143</b>
Accrued Interest on F.D	<b>108,924</b>	<b>87,826</b>
	<b>648,448</b>	<b>1,815,270</b>

**CONTINGENT LIABILITIES AND COMMITMENTS**

Contingent Liabilities	Current Year (Rs.)	Previous Year (Rs.)
Claim against the Company not acknowledged as debt	<b>3,171,849</b>	<b>3,171,849</b>
Bank Guarantees in favour of West Bengal State Electricity Distribution Company	<b>226,000</b>	<b>226,000</b>
Claim of Central Excise duty under Appeal to Tribunal	<b>770,818</b>	<b>770,818</b>
Corporate Guarantee to secure the various credit facilities extended to a Group Company by a Bank	<b>476,800,000</b>	<b>476,800,000</b>



**Notes on Financial Statement for the year ended 31st March, 2013**

Notes	For the year ended March 31, 2013 Rupees	For the year ended March 31, 2012 Rupees
<b>14 OTHER INCOME</b>		
Interest Earned on FD's (TDS 1,095 (Previous Year 4,452))	<b>22,193</b>	37,830
Miscellaneous Income	-	1,250,000
	<b>22,193</b>	<b>1,287,830</b>
<b>15 COST OF MATERIALS CONSUMED</b>		
Opening Stock of Raw Materials	<b>133,664</b>	133,664
Add : Purchase During the period	-	-
	<b>133,664</b>	133,664
Less : Sale of Damaged Stock	<b>133,664</b>	-
	-	133,664
Less : Closing Stock Consumptions	-	133,664
	-	-
<b>16 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>Closing Stock</b>		
Finished Goods	-	-
<b>Opening Stock</b>		
Finished Goods	-	-
	-	-
<b>17 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus	<b>659,175</b>	688,000
Contributions/Provisions to and for Provident and Other Funds	<b>32,664</b>	34,411
Staff Welfare Expenses	-	595
	<b>691,839</b>	723,006
<b>18 PAYMENT TO AUDITOR</b>		
As Auditor	<b>90,000</b>	90,000
For Other Services	<b>9,000</b>	12,750
	<b>99,000</b>	102,750
<b>19 OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Power & Fuel	<b>2,124,956</b>	1,922,843
Sub Total (A)	<b>2,124,956</b>	1,922,843
<b>Administrative, Selling and other Expenses</b>		
Advertisement	<b>31,172</b>	18,326
Bank Charges	<b>12,388</b>	28,730
Books & Periodicals	<b>1,000</b>	-
Consu tancy & Service Charges	<b>60,561</b>	202,954
Conveyance	<b>9,000</b>	259
Directors' Sitting Fees	<b>25,000</b>	13,000
Entertainment Expenses	<b>41,984</b>	23,636
Factory Maintenance	<b>2,144</b>	13,900
Fees and Other Charges	<b>3,645</b>	11,157
Foms, Fees, Registration & Others	<b>254,593</b>	1,299,106
Insurance Premium	<b>15,704</b>	27,787
Legal Expenses	<b>74,250</b>	145,046
Postage & Telegram	-	2,080

### Notes on Financial Statement for the year ended 31st March, 2013

Note	As at March 31, 2013	As at March 31, 2012
Printing & Stationery	15,540	15,756
Profession Tax	2,500	2,500
Prior Period Expenses	69,872	-
Ren: Paid	11,880	11,880
Taxes & Duty	121,200	443,878
Telephone & Telex	24,011	87,044
Vehicle Maintenance	-	178,709
Website Maintenance	20,769	-
Sub Total (B)	797,213	2,525,748
<b>Total (A+B)</b>	<b>2,922,169</b>	<b>4,448,591</b>
<b>Note :</b>		
Electricity Expenses include Rs.14,35,004/- (Previous Year Rs 12,34,200/-) for payment on account of fixed load factor. The balance amount of Rs.6,88,952/- (Previous Year Rs.8,88,643/-) is for consumption of 53,280 Kwh (Previous Year 67,615 Kwh) of electricity.		
<b>20 EXCEPTIONAL ITEMS</b>		
Income		
Liabilities Written Back	127,355	-
Total (A)	127,355	-
Less :		
<b>Items Written Off During The Year</b>		
Advance to Staff	-	550
Excise P.L.A.	-	17,886
Tax Deducted at Source	1,089,306	-
<b>Loss on Sale</b>		
Loss on Sale of Damaged Raw Material, Packing Material & Stores	87,907	-
Total (B)	1,177,213	18,436
<b>Exceptional Items (Net) (A-B)</b>	<b>(1,049,858)</b>	<b>(18,436)</b>
<b>21 PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS</b>		
Gross Block of IV Fluid Equipment Sold	-	242,266,696
Less : Accumulated Depreciation adjusted	-	149,874,785
	-	92,391,911
Less : Sale Proceeds	-	60,000,000
Loss on Sale of Plant & Machinery	-	32,391,911

**Notes :**

As per agreement with Scott-Ed / Advanced Research Laboratories & Education Ltd. and on the basis of resolutions passed in the Shareholders' Extra Ordinary General Meeting on 17.03.2010, all IV Fluid manufacturing machinery have been sold and the sale proceed were used by the Company towards part repayment of Long Term / Short Term borrowings. Such sale of the entire IV Fluid manufacturing machinery during the previous year represents discontinuing operation as per AS 24 issued by the Institute of Chartered Accountants of India.

### Notes on Financial Statement for the year ended 31st March, 2013

22. In the opinion of the Management, the recoverable amount of the existing assets being higher than those of respective carrying amount of such assets, no impairment loss has arisen on the Balance Sheet date.
23. Fixed Assets and Inventories of the Company situated at Sonarpur Factory could not be verified during the year under review due to closure of the factory.
24. Party confirmations in respect of outstanding balances for Sundry Debtors, Sundry Creditors, Loans and Advances have been taken into consideration to the extent received.
25. TDS amounting to Rs. 10,89,306 upto the financial year 2005-2006 has been written off during the year due to non availability of credit for the same during Income Tax assessment for the relevant years, which has since been completed.
26. Due to non receipt of confirmed statement, interest on security deposit with Central Medical Stores and WBSEB could not be provided.
27. MICRO, SMALL & MEDIUM ENTERPRISES  
The Company has not received any memorandum as required to be filed with notified authority under the Micro, Small and Medium Enterprises Development Act, 2006 claiming their status as on 31st. March, 2013 (and also 31st. March, 2012) as micro, small and medium enterprises. Consequently the amount paid/payable to these parties during the year (and also previous year) is nil.
28. RELATED PARTY DISCLOSURES

Disclosures as required under Accounting Standard 18 are given below:  
List of Related Parties:

Associated Companies	Key Management Personnel & their Relatives
Senbo Engineering Limited	Mr. Kajal Sengupta
Embicon Engineering Pvt Ltd	Mr. Kingshuk Sengupta
Eleena Holdings Pvt. Ltd	Mr. C.S. Choudhury
	Dr. Shaibal Chakraborty
	Mr. Pradip Kumar Chakraborty
	Mr. Badal Modak
	Mr. Bhaskar Sengupta

#### Transactions with Related Parties during 2012-2013

in Rupees

Nature of Expenses		Associated Companies	Key Management Personal & Relatives
Directors' Sitting Fees	Current Year	Nil	9,500
	Previous Year	Nil	4,500
Salary	Current Year	Nil	336,000
	Previous Year	Nil	336,000
<b>Income</b>			
Electricity & Diesel	Current Year	65,720	-
	Previous Year	58,765	-
<b>Outstanding Balance as on 31st March, 2013</b>			
Short - Term Borrowing	Current Year	186,49,005	-
	Previous Year	182,801,226	-

29. Figures for the previous year have been re-arranged and re-grouped wherever necessary.

## CEO/CFO Certification

To  
The Board of Directors,  
Senbo Industries Limited

We, the undersigned, in our respective capacities as Chairman & Managing Director (CEO) and Vice Chairman (CFO) of Senbo Industries Limited (the Company), to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements read with the Cash Flow Statement of Senbo Industries Limited for the year ending 31st March 2013 and state 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 present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or otherwise in violation of the Company's Code of Conduct.
- (c) We further accept responsibility for establishing and maintaining internal control for financial reporting. We have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying such deficiencies.
- (d) We have indicated, based on our recent evaluation, to the auditors and the Audit Committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year.
  - ii. Significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Kajal Sengupta**  
*Chairman & Managing Director*

**C. S. Choudhury**  
*Vice Chairman*

Place : Kolkata,  
Dated : 30th May, 2013

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### Declaration:

Compliance with Code of Business Conduct and Ethics

As provided under Clause 49 (1)(D)(ii) of the Listing Agreement with the Stock Exchanges, the Board Members and Senior Management Personnel have confirmed compliance with the Code of Conduct for the year ended 31st March, 2013.

Place : Kolkata,  
Dated : 30th May, 2013

For Senbo Industries Limited  
**Kajal Sengupta**  
*Chairman & Managing Director*

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	Year ended March 31, 2013 Rupees	Year ended March 31, 2012 Rupees
<b>A. Cash Flow from Operating Activities</b>		
Net Profit / (Loss) before tax and extra-ordinary items	(6,931,174)	(43,045,552)
Adjustment for :		
Depreciation	2,190,501	(143,226,097)
Operating Profit / (Loss) before Working Capital Changes	(4,740,673)	(186,271,649)
(Increase)/Decrease in Working Capital (Other than Cash & Cash Equivalents)	1,353,172	1,934,946
<b>Net Cash Flow from Operating Activities</b>	<b>(3,387,501)</b>	<b>(184,336,703)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase / Sale of Fixed Assets	-	181,516,696
including Foreign Currency Variat on	-	-
Advances for Capital Expenditure and	-	-
Deferred Liability (Net)	-	-
Long Term Loans & Advances	-	4,200
<b>Net Cash used in Investing Activities</b>	<b>-</b>	<b>181,520,896</b>
<b>C. Cash Flow from Financial Activities</b>		
Proceeds from issue of Share Capital	-	-
Proceeds from long term borrowings	-	-
Repayment of Unsecured Loans	-	-
Increase / (Decrease) in Other Borrowings	3,347,779	2,796,023
Share Issue / Product Development Expenses	-	-
<b>Net Cash used in Financing Activities</b>	<b>3,347,779</b>	<b>2,796,023</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(39,722)</b>	<b>(19,784)</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>82,861</b>	<b>102,645</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>43,140</b>	<b>82,861</b>

**For Rajesh Chaturvedi & Associates**

Firm's Regn. No 316131E

Chartered Accountants

**R. Chaturvedi**

*Proprietor*

Membership No. 52809

*For and on behalf of the Board*

**C. S. Choudhury**

*Vice Chairman*

**Kajal Sengupta**

*Chairman & Managing Director*

**Nisha Khater**

*Company Secretary*

Place : Kolkata

Dated : 30.05.2013

# Senbo Industries Limited

Regd. Office: 87, Lenin Sarani, Kolkata 700 013

## Attendance Slip

DPID .	
Client ID .	

Folio No.	
No. of Shares	

Name & Address of Shareholder / Proxy holder

I certify that I am a registered Shareholder /Proxy for the registered Shareholder of the Company. I hereby record my presence at the Nineteenth Annual General Meeting of the Company held on 25th September, 2013 at 251A/59A, Netaji Subhas Chandra Bose Road, Kolkata 700047.

*Member's / Proxy's Signature*

(Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Meeting Hall)

# Senbo Industries Limited

Regd. Office: 87, Lenin Sarani, Kolkata 700 013

## Proxy Form

DPID .	
Client ID .	

Folio No.	
No. of Shares	

I/we .....  
of .....  
being a Member of Senbo Industries Limited hereby appoint Mr./Mrs.....  
..... as my /our Proxy to attend and vote for me/ us and on my /our behalf at  
the Nineteenth ANNUAL GENERAL MEETING of the Company to be held on 25th September, 2013 and at any adjournment (s)  
thereof.

Signed this .....day of ....., 2013.

Affix Re. 1 Revenue Stamp
---------------------------------

Signature(s)
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Proxy form must reach the Company's registered office no. later than 48 hours before the commencement of the Meeting.



# **BOOK POST**

## **Senbo Industries Limited**

### **Registered Office**

87, Lenin Sarani, Kolkata 700 013

Phone : (033) 2217 8915/16

Fax : 033 2265 9485

Email : [senboind@gmail.com](mailto:senboind@gmail.com)

Website: [www.senboindustries.com](http://www.senboindustries.com)

### **Works**

Karbala, Sonarpur Station Road

Kolkata 700 103

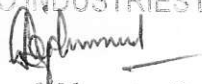
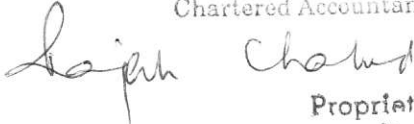
Phone : 033 2434 7339

Fax : 033 2434 7341



FORM B

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company	Senbo Industries Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2013
3.	Type of Audit observation	Qualified
4.	Frequency of observation	Appeared since 2004-2005
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report:	<p><u>Gist of Qualification (Pg. no. 12):</u></p> <p>Note 1.1: Regarding non-provision of Bonus, Gratuity, Leave Encashment and Interest receivable on security deposit, the amount of which has not been determined.</p> <p>Note 4: Regarding non-provision of Interest on Inter Corporate Borrowings from a Group Company.</p> <p>Note 23: Regarding non-verification of Fixed Assets and Inventories during the year, due to factory closure.</p> <p>Note 24: On non-receipt of Party confirmations in all cases of Sundry Debtors, Sundry Creditors and Loans and Advances.</p> <p>For Management response to the qualification, please refer Directors' Report Para on <b>Auditors' and Audit Report</b> at page no. 5 of Annual Report (2012-2013)</p>
5.	Additional comments from the board / committee chair:	<p>1: Regarding non-provision of Bonus, etc. most of the Employees have left the Company.</p> <p>2: The interest has not been paid on Inter-corporate borrowings as no interest has been charged by the lender.</p> <p>3: The complete verification of Fixed Assets and Inventories are not possible as the factory is under closure and all records are unavailable.</p>
6.	To be signed by	
	• CEO / Managing Director	<p>For SENBO INDUSTRIES LTD.</p>  Chairman & Managing Director
	• CFO	N.A.
	• Auditor of the Company	<p>M/s. Rajesh Chaturvedi &amp; Associates            Chartered Accountants</p>  Proprietor M. No. 52809
	• Audit Committee Chairman	