

SHABA CHEMICALS LIMITED

**26th
ANNUAL REPORT
2012-2013**

SHABA CHEMICALS LIMITED

Regd. Office: - 101, Rajani Bhawan,
569/2, M. G. Road, Indore, (MP) 452001

Notice is hereby given that the 26th Annual General Meeting of the Members of SHABA CHEMICALS LIMITED will be held on Monday 30th day of September, 2013 at 11.00 a.m. at the registered office of the Company at 101, Rajani Bhawan, 569/2, M. G. Road, Indore, (MP) to transact the following business: -

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
- 2) Mrs. Sangeeta Neema Director of the Company retires by rotation. She is eligible for re-appointment.
- 3) To Appoint M/s S.N Kabra and Co. Chartered Accountants, Indore, as Auditors to hold office from the conclusion of the Annual General Meeting to the conclusion of the next general meeting and fix their remuneration.
- 4) Rajkumar Jain , Director Of the Company retiring by rotation from forthcoming Annual General Meeting.

SPECIAL BUSINESS

- 5) To Appoint Mr. Bharat Neema as Director of the Company;

Resolved that Mr. Bharat Neema, be and is hereby appointed as Non-Executive Director of the Company w.e.f. from the date of this meeting, liable to retire by rotation.

- 6) To Appoint Mr. Jay Kishan Nema, be and is hereby appointed as Director of the Company w.e.f. from the date of this meeting, liable to retire by rotation.

Place: Indore
Date: 07.08.2013

For and on behalf of the Company
SHABA CHEMICALS LIMITED

Sd/-
Chairman

NOTES:

1. A MEMBER ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. A DULY COMPLETED PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING
2. Members are requested to immediately intimate change of address if any, to the Company quoting reference of their registered folio number
3. Register of the Members and share Transfer book of the Company shall remain closed from 27th September 2013 to 30th September 2013 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report to the Meeting.
5. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
6. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
7. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
8. members are requested to write their Folio Number in the attendance slip for attending the meeting.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of the retiring Directors, a statement of the details of the concerned directors is attached hereto

11. IMPORTANT COMMUNICATION TO MEMBERS

In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs (vide Circular Nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), which allows the paperless compliances by the companies and permits service of documents including Annual Report to its members through electronic modes. In the backdrop of this, the Company has given an option to the shareholders to receive the Annual Report through e-mail and is sending the Annual Report through e-mail to those members whose registered e-mail Ids were available with us.

Hence, the Company appeals to its shareholders who are yet to register their e-mail addresses, please Inform us their e-mail so that they can also become a part of the initiative and contribute towards a Greener environment.

**EXPLANATORY STATEMENT AND ADDITIONAL INFORMATION REQUIRE D UNDER
CLAUSE 49 IV (G) OF THE LISTING AGREEMENT ON DIRECTORS
SEEKING FOR APPOINTMENT THE ANNUAL GENERAL MEETING:**

For Item No. 5

Shri Bharat Neema, aged 47 years, by profession practicing Chartered Accountant, proprietor of Bharat Neema & Company, Indore having vast experience and expertise of finance, taxation, capital market, commodity market and corporate planning. He is having experience of 20 years. Further your Directors suggest his name for appointment as the Director of the Company and of the opinion that Company will be get benefit of his expertise. His appointment will be in the interest of the company.

He does not hold any share in the Company.

Except Mrs. Sangeeta Neema, no other directors of the Company are concerned or interested in the aforesaid resolution and your board recommends your accord to the proposal in the interest of the Company.

For Item No. 6

Shri Jay Kishan Nema aged 48 years, and Educated upto M.COM . He is having good knowledge in the field of marketing and Management. . Further your Directors suggest his name for appointment as the Director of the Company and of the opinion that Company will be get benefit of his expertise. His appointment will be in the interest of the company.

He does not hold any share in the Company.

Except Mrs. Sangeeta Neema, no other directors of the Company are concerned or interested in the aforesaid resolution and your board recommends your accord to the proposal in the interest of the Company.

SHABA CHEMICALS LIMITED

DIRECTOR'S REPORT

To,
The Members
SHABA CHEMICALS LIMITED

Your Directors are pleased to present their 26th Annual Report together with the audited accounts of the Company for the year ended on 31st March 2012 along with the Report of the Auditors thereon.

FINANCIAL RESULTS

	Year Ended 31 st March ,2013 (Rs. In Lacs)	Year Ended 31 st March ,2012 (Rs. In Lacs)
Turnover	0	29.74
Other Income	1.18	1.12
Profit / (Loss) before Depreciation	.16	.09
Less: Depreciation		
Income Tax Earlier Years		
Net profit(Loss) For the year	.16	.09

DIVIDEND

There is no distributable profit for the year so your Directors do not recommended any dividend for the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion & analysis report , as required under the listing agreement with the Stock Exchanges is enclosed at Annexure 'A'.

PUBLIC DEPOSITS

During the year under review the company has neither accepted nor invited any public deposits within the meaning of section 58A of the companies Act, 1956 rea with companies (Acceptance Of Deposits) rules1975. Managing also there are no outstanding Public Deposits.

OPERATION

The management has suspend the production from April, 1998 because of the actual financial crisis and liquidity crunch which compelled the management to retrench the workers and the staff and surrender the power, connection. The production has not been resuming during the year.

DIRECTOR

Mr. Rajkumar Jain Director of the Company retires by rotation at the ensuing Annual General Meeting and Mr. Bharat Neema (Chartered Accountant) proposed to be appointed as Director in forthcoming Annual General Meeting.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the director to the best of their knowledge and belief confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year ended 31st March 2013 and of the profit/loss of the Company for that period.
- iii) 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.
- iv) The Directors have prepared the annual accounts for the year ended 31st March 2013 on as a going concern basis.

GREEN INITIATIVE:

The Ministry of Corporate Affairs has taken the Green initiative in Corporate Governance by allowing paperless compliances by Companies through electronic mode. The Company supports the Green initiative and has accordingly decided to send all communications to its shareholders to their respective registered e-mail addresses. Hence, the Company appeals to its shareholders who are yet to register their e-mail addresses that they take necessary steps for registering same so that they can also become a part of the initiative and contribute towards a Greener environment.

Auditors And Auditors Report:

M/s. S.N. Kabra & Co., Chartered Accountants are statutory auditors of the Company for the financial year 2012-13. The Board of Directors of the Company has decided that the appointment of statutory auditors should be done on a rotational basis.

The Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

COMPLIANCE CERTIFICATE:

In the terms of the provisions of Section 383A of the Companies Act, 1956, Compliance Certificate from M/s K.G. Mujawadia & Associates , Company Secretaries, 410, Ashirwad Appartment, 37 Kailash Park Colony Near Gita Bhawan, Indore . The report being self explanatory needs no comments.

PARTICULARS OF EMPLOYEES

There was no employee during the period drawing remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars Of Employees) Rules, 1975.

CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance and endeavors to maximize the wealth of shareholders by managing the affairs of the company with a pre-eminent level of accountability, transparency and integrity.

A report on Corporate Governance as required under clause 49 of the Listing Agreement is attached.

LISTING AT STOCK EXCHANGES:

The equity shares of the company continue to be listed at Bombay Stock Exchange Ltd. (BSE) and Madhya Pradesh Stock Exchange (MPSE), Indore. The Company has paid the annual Listing Fee for the financial year 2012-13 to Bombay Stock Exchange Ltd.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company has suspended production since April 1998, hence statement in accordance with the provision 271(1) (e) of the companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of directors) Rules 1988; regarding conservation of energy is not furnished.

FORIGN EXCHANGE EARNINGS AND OUTGO

There is no exchange earnings and Outgo during the year.

AUDIT COMMITTEE

As per the provision of the companies act,1956 and Listing Agreement with the stock Exchange, The Audit Committee of the Company is comprised of two Non-executive Director's

<u>Name Of Directors</u>	<u>Categories</u>
Mrs. Sangeeta Neema (Chairman)	Non-Executive & Independent Director
Mr. Rajkumar Jain	Non-Executive & Independent Director
Mr. Ritesh Jain	Whole Time Director & Executive Director

As per the provisions of the Companies Act,1956 and amended Listing Agreement with the Stock Exchanges, the Audit Committee of the Company comprised of two nonexecutive Independent Directors. Further, Chairman of the Audit committee is an Independent Director.

EMPLOYEES PARTICULARS

During the year there were no employee drawing remuneration in excess of ceiling provided Under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, hence prescribed particulars have not been furnished.

PERSONNEL

The workers and the staff of the Company have been retrenched since June 1998 due to acute financial crisis and there are no workers or the staff members on the Company's payroll.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the faith reposed by the shareholders in the company and look forward to their continued support from time to time.

Place: Indore

Date: 07.08.2013

**For and on behalf of the Board
SHABA CHEMICALS LIMITED**

**Mr. Ritesh Jain
(W T Director)
Sd/-**

**Mrs. Sangeeta Neema
(Director)
Sd/-**

Management discussion and Analysis Report

A. OVERVIEW

The Indian economy has witnessed good steady recovery and continued to grow in the last fiscal year. Good monsoon in most part of the country and revival in manufacturing activity added to the optimism. This GDP growth has placed India firmly amongst the fastest growing economies of the world in the current year.

There has been no occurrence of any event or circumstance since the date of the last financial statements that may materially and adversely affect or is likely to affect the trading or profitability of our Company or the value of our assets or our ability to pay our liabilities.

B. INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is mainly engaged in chemical business but due to shortage of funds company is not able to continue this business. Company is looking and enquiring about entering into share broking business and enquiring to get TCM membership of MCX, NCDEX.

C. OPPORTUNITY AND THREATS

The Company's strength is its director experience in marketing and commodity trading and company is enquiring for membership of NSE, MCX, and NCDEX for the brokerage business.

The Company does face threats from financial arrangement and new emerging players in these product lines.

D. SEGMENT-WISE PERFORMANCE

The operation of the company consists of the single segment. Hence, accounting standard on Segment Reporting (AS-17) issued by institute of Chartered Accountants of India does not apply.

E. OUTLOOK

We are committed to deliver set up new strong network on a consistent basis, our strategy has been to develop strong customer relationship and to be a customer driven Company.

The Indian economy has shown substantial growth in the year 2006-07 and this will have a positive impact in all the sector.

Commodities prices have maintained their high volatility, marking it difficult to take long term view on prices,

Factors that may affect our results of the operations

Our financial conditions and results of operations are affected by numerous factors inter alia-

- Sudden change in global Commodity prices which may effect our outstanding position in commodities.
- General economic and business conditions;
- Our company's ability to successfully implement our growth strategy;
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;
- Any adverse outcome in the legal proceeding in which our Company is involved; and

Our Results of Operations

The Breakup of Revenue and Costs of Company is as given below;

	Year ended March,31st 2013	Year ended March 31st 2012	% changes
Income			
Sales	0	2974699	-100%
Other Income	118250	112000	5.58%
	118250	3086699	-96.16%
Expenditure			
Cost of Purchase	0	2864102	-100%
Operative Expenses	102425	212631	-51.83%
Interest and Financial Charges	0	0	0.00
Depreciation for the Year	0	0	0
Profit/(loss)After Depreciation	15775	9966	58.28%
Short Provision for earlier Year	0	0	0
Deferred Tax Assets Credited/Debited	0	0	0
Provision for Taxation	0	0	
Profit/(loss)After Tax	15775	9966	58.28%
Appropriations Transfer to General Reserve	0	0	
Balance Carried to Balance sheet	15775	9966	
Earning Per Share	0.005	0.034	

1. Total Income

Our revenue has decreased from Rs2974699/- in FY 2011-12 to Rs 0/- in FY 2012-13 at a rate of 100.00%.

Other Income represents consultancy income which has increased from Rs. 112000/- in FY 2011-12 to Rs 118250/- in FY 2012-13 at a rate of 5.58 %.

Cost of Purchase

The Cost of Purchase has reduced to Rs.0 /- in FY 2012-13 from Rs. 2864101/- in 2011-12 by 100%

2. Operating Expenses

The principal operating expenses are Salary & other Administrative expenses

3. Depreciation

The Company is not having any fixed assets during the year .hence it is Not Applicable.

4. Net Profit

Net profit has increased by 58.28% from Rs9966/- in FY 2011-2012 to Rs.15775/- in FY 2012-2013, which is in increasing trend.

Other Factors:

(1) Known trends or uncertainties

There have not been any discernible known negative trends or uncertainties, which could adversely impact the income or revenue from continuing operations.

(2) Increase in net sales or revenue is due to increased sales volume, introduction of new products or increase in sales price.

Increase in sales is solely linked to increase in volume of Trading activity carried out by our Company. There is no any business executed by the Company.

(3) Future relationship between costs and revenues

Our Company doesn't see substantial increase in Salary cost or other Administrative cost.

(4) Significant development subsequent to last financial year.

In the opinion of the Directors, there are no significant changes since the date of the last financial statements, which could materially affect the operations, and Profitability of our Company.

F. DEMATERIALISATIONS

To facilitate the share holders of Company, the company is again applying for dematerialization of its share with NSDL and CDCL.

G. INTERNAL CONTROL

The Company has an adequate system of Internal Control which enable reliable financial reporting, safeguards assets and encourage adherence to management policies.

The company also has a system for a speedy compilation of accounts and management information reports to comply with applicable laws and regulations.

The company has a reasonable budgetary control system. The actual performance is reviewed with reference to budgets monthly by the management.

The Company has a well defined organization structure, authority level, internal rules and guidelines for conducting business transactions.

H. CAUTIONARY STATEMENT:

Statements in this .Management Discussion and Analysis. Describing the Company's objectives, expectations or predictions are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statement depending on various factors and circumstances.

I. ACKNOWLEDGEMENT:

The Board acknowledges the co-operation and support extended by the Employees, Consultants, suppliers, customers and all its business associates.

SHABA CHEMICALS LIMITED

REPORT ON CORPORATE GOVERNANCE 2012-13

The detailed report on Corporate Governance, for the financial year April 1, 2012 to March 31, 2013 as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

1. Company's Philosophy on Corporate Governance:

The Company views, sound Corporate Governance as an integrate part of its efforts to enhance value of Shareholders wealth. The Company endeavors to safeguard the interest of investors, customers, and endeavors to gain the confidence of the society in general.

2. Board of Directors & Meetings:

During the year six meetings of the Board were held on the following dates: 11.05.2012, 23.07.2012, 15.10.2012, 11.1.2013, 30.04.2013 ,23.07.2013

The particulars of Directors are as follows: -

Name of Director	Category of Directorship and promoter	No. of meeting attended	No. of other Directorship	Committee Membership
Mr. Ritesh Jain	W. T. Director	5	3	3
Mrs. Sangeeta Neema	Independent Director	4	1	3
Mr. Rajkumar Jain	Independent Director	6	3	3

2.1 Composition of Directors

Name	Category
Ritesh jain	Whole Time Director Executive independent
Rajkumar Jain	Independent Director
Smt. Sangeeta Neema	Independent Director

The Composition of and the category of directors on the Board of the Company:

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company. Mr. Rajkumar Jain , the Directors of the Company retires by rotation at the forthcoming Annual General Meeting, and Mr. Bharat Neema(Chartered Accountant), offers himself for appointment.

3. Audit Committee:

The Audit Committee consists of following Directors:-

Name	Category
1. Mr. Ritesh Jain	Whole Time Director Executive independent
2 Mr. Rajkumar Jain	Independent Director
3. Mrs. Sangeeta Neema (Chairman)	Independent & Non-executive Director

The audit Committee comprised of two Non-Executive Independent Directors. The members are independent and possess expert knowledge of Finance, Accounts and Company Law. The functions of Audit Committee are as per Company Law and amended Listing Agreements with Stock Exchange. These include approving and implementing the audit procedures, review of financial reporting system, internal control procedure and risk management policies. The Committee met 4 Time on 23.07.2012, 15.10.2012, 11.01.2013, 27.05.2013 during the period/year. All the members were present at the meeting.

Objective:

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The Committee oversees the work carried out by the management, internal auditors on the financial reporting process and the safeguards employed by them.

Brief description of the terms of reference:

The terms of reference of the Audit Committee are as follows:

- To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible.
- To recommend the appointment/ removal of the external Auditors, fixing their audit fees and to approve payments for any other services.
- To review with management the annual financial statements before submission to the Board, focusing primarily on:

Ø Any Changes in accounting policies and practices

Ø Major accounting entries based on exercise of judgment by management Qualifications in the draft Audit

Report.

Ø Significant adjustments arising out of Audit.

Ø The going concern assumption.

Ø Compliance with the Accounting Standards.

Ø Compliance with Stock Exchanges and legal Requirements concerning financial Statements.

Ø any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

- d. To review and approve annual accounts of the Company and recommended to the Board for consideration or otherwise.
- e. To review with the management; external and internal auditors and review the efficiency of internal control systems.
- f. To review the adequacy of internal audit function, including the structure of the internal Audit Department, Staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal Audit.
- g. To discuss with internal Auditors about any significant findings and follow-up thereon.
- h. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i. To discuss with external auditors before the audit commences, the nature and scope of Audit as well as have post-Audit discussions to ascertain any area of concern.
- j. To review the Company's financial and risk management policies.
- k. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders.

4. Remuneration Committee: -

The company has constituted Remuneration Committee for payment of remuneration to Managerial Personal. The Committee Meets 3 times on 29.06.2012, 26.10.2012, and 28.01.2013 during the year. The members of the Committee are as under: -

1	Mr. Ritesh Jain	Whole Time Director Executive independent
2	Mr. Rajkumar Jain	Independent Director
3	Mrs. Sangeeta Neema (Chairman)	Independent & Non-executive Director

4.1 Terms of Reference:

- Administration and superintendence of Employee Stock Option Scheme.
- Formulation of the detailed terms and conditions of the ESOS.
- Grant of stock options.
- Recommendation for fixation and periodic revision of compensation of the Managing Director and Executive Directors to the Board for approval.
- Review and approve compensation policy (including performance bonus, incentives, perquisites and benefits) for senior Management.

4.2 Remuneration Policy:

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- Performance of the Company
- Track record, potential and performance of individual managerial personnel.
- External competitive environment.

4.3 Remuneration of Directors:

Remuneration of Executive Directors is decided by the Board, based on the recommendations of the Remuneration Committee

as per the remuneration policy of the Company, within the ceilings fixed by the shareholders.

Remuneration of the Executive Directors for the year ended 31st March, 2013, was as follows:

5. Shareholder's / Investor's Grievances Committee:-

The Company has constituted Investor's Grievances Committee for the purpose of effective redress of the Complaints of the shareholders. The Committee meets 3 times on 29.06.2012, 26.10.2012, and 28.01.2013 during the year. The members of the Committee are as under: -

1. Mrs. Sangeeta Neema independent Director
(Chairman)
2. Mr. Ritesh Jain W.T. Director
3. Rajkumar Jain Independent Director

No complaints during the year 2012-2013 were received. There were no valid requests for transfer of shares pending as on 31.03.2013

As per the amended listing agreement with the stock exchange, shareholders and Investors grievance Committee is under the Chairmanship of Non-executive Director.

The Shareholders' / Investors' Grievance Committee reviews the complaints received and action taken.

No requests for share transfers are pending except those that are disputed or sub-judice.

The Committee meets regularly for redressing shareholders/investors complains like non receipt of Balance sheet, Transfer of Shares etc. The Committee oversees the performance of the register and transfer agent and recommends measures for overall Improvements in the quality of Investor services. The Board of Directors has delegated power for approving transfer of securities of directors. The committee focuses primarily on strengthening investor's relations and ensuring repaid resolution of any shareholders or investor concern. The Committee also monitors implementation and compliance of the Company's code of Conduct for prohibition of inside trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

6.General Body Meeting

<i>Year</i>	<i>Date of AGM</i>	<i>Location</i>	<i>Time</i>
2004-2005	30.09.2005	Ratlam (M.P.)	11.00 A.M.
2005-2006	30.09.2006	Ratlam (M.P.)	11.00 A.M
2006-2007	29.09.2007	Ratlam (M P)	11.00 A.M
2007-2008	30.09.2008	Indore (M P)	11.00 A.M
2008-2009	30.09.2009	Indore (M P)	11.00 A.M.
2009-2010	30.09.2010	Indore (M.P.)	11.00 A.M.
2010-2011	30.09.2011	Indore (M.P.)	11.00A.M.
2011-2012	29.09.2012	Indore (M.P.)	11.00A.M.

No Special Resolution was through Postal Ballot.

No Special resolution requiring postal ballot are placed before the shareholders for approval at this meeting.

7. Disclosures: -

(a) Material related party transaction: During the Financial year 2012-2013 there were no transaction of material nature with its promoters, the directors or the management, there subsidiaries or relatives etc. which may have potential conflict with the interest of Company at large.

(b) Details of Non-Compliance: There were no penalties strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market during the last 3 years.

(c) Auditors Certificate on corporate governance is enclosed herewith.

8. Distribution of Share as on 31st March 2013

<i>Distribution of Shares (In Rs.)</i>	<i>No. of Shareholders</i>	<i>Percentage to Total No. of Shareholders</i>	<i>No. of Shares held</i>	<i>Percentage to total Shares</i>
Up to 5000	1178	72.27	410500	14.13
5001 to 10000	283	17.34	245000	8.43
10001 to 20000	81	4.95	137300	4.73
20001 to 30000	23	1.40	80500	2.88
30001 to 40000	10	0.61	34300	1.18
40001 to 50000	16	0.98	92500	3.18
50001 to 100000	16	0.98	118100	4.06
100001 to above	24	1.47	1787300	61.50
Total	1631	100.00	2905500	100.00

Excluding 21700 shares partly paid up shares . total issued shares are 2905500+21700= 2927200

.9 Shareholding Pattern

Category of Shareholders	No. of Shares held	percentage of Holding
Private Corporate Bodies	175700	6.17
Indian Public –up to 1 lakh	914000	32.18
- More then 1 lakh	173200	5.53
NRI's	67100	2.29
Promoters and Persons Acting in concert	1575500	53.82
Total	2905500	100.00

10. Means of Communication:

The Company Communicates with the shareholders through its annual reports, quarterly results and by filing various returns with statutory bodies like Stock Exchanges and the Registrar of Companies.

Compliance Officer :

Mr. Ritesh jain is the compliance officer for complying with the requirements of the listing agreement with the stock exchange and for complying with the requirements of SEBI (Prohibition of insider trading) Regulations, 1992.

Compliance by the Company:

The Board periodically reviews at its meetings compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances. The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No Penalties, strictures have been imposed on the Company by any stock exchange or SEBI or any other authorities relating to capital markets.

Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Code of Conduct

The company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

11.Shareholders Information:

(a) ANNUAL GENERAL MEETING, DATE & TIME, VENUE

On Monday the 30th day of September 2013 at 11.00 AM at the registered office of the Company at 101, Rajani Bhawan, 569/2, M. G. Road, Indore (M.P.)-452001

(b) FINANCIAL CALENDER

		Date of filing
Audited Results for the quarter ending	31.03.2012	27.05.2012
Unaudited Results for the quarter ending	30.06.2012	23.07.2012
Unaudited Results for the quarter ending	30.09.2012	15.10.2012
Unaudited Results for the quarter ending	31.12.2012	11.01.2013

(c) DATE OF BOOK CLOSURE

26.09.2013 to 30.09.2013 (both days inclusive)

(d) LISTING OF SHARES ON STOCK EXCHANGE

The shares of company are listed at M.P Stock Exchange, Indore. Bombay Stock Exchange, Mumbai and Ahmadabad Stock Exchanges,Ahmedabad

(e) STOCK CODE: Scrip Code: BSE 524546

(f) STOCK MARKET DATA: Monthly high / low quotation (in Rs.) at BSE are given below:

MONTH	HIGH	LOW
-----	-----	-----
Apr 12	19.85	19.85
May 12	19.85	19.85
Jun12	19.85	19.85
July 12	20.80	20.80
Aug12	18.90	20.80
Sep 12	18.90	20.80
Oct 12	21.80	21.80
Nov12	21.80	18.05
Dec 12	21.80	17.20
Jan13	21.80	21.80
Feb 13	21.80	21.80
Mar 13	21.80	21.80

(g) REGISTRAR OR TRANSFER AGENT

Share Transfer and communications regarding share certificates.

In-house Share Transfer at the registered office of the Company at 101, Rajani Bhawan,
569/2, M.G.Road, Indore (M.P.) 452001.

SHABA CHEMICALS LIMITED

(h) SHARE TRANSFER SYSTEM

Share transfer are registered and returned to within 30 days from the date of receipt it all the documents are in order in all respect. The share transfer committee of the Board of Director of the Company meets frequently to approve the transfer of shares.

(i) CORPORATE IDENTITY NUMBER: L24111MP1986PLC003741

(j) ADDRESS FOR CORRESPONDENCE

Investor's correspondence should be addressed to:

Registered office of the Company

**101, Rajani Bhawan,
569/2, M. G. Road
Indore, (M.P.)- 452001
Ph- (0731)4299232**

MR. RITESH JAIN, MANAGING DIRECTOR OF THE COMPANY HEREBY CERTIFY TO THE BOARD OF DIRECTORS OF THE COMPANY THAT:-

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 and that to the best of our knowledge and belief:

(a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit Committee:

(a) Significant changes in internal control over financial reporting during the year;

(b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Indore

Date: 07.08.2013

By order of the Board
For: Shaba chemicals Ltd.

(Ritesh Jain)
Whole Time director

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

We, the undersigned hereby confirm that the Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Business Conduct and Ethics for Directors and Senior Management in respect of the financial year 2012-13.

Place : Indore

Date: 07/08/2013

By order of the Board
For: Shaba chemicals Ltd.

(Ritesh Jain)
Whole Time director

S. N. KABRA
C.A.

AUDITORS CERTIFICATE ON CORPORATE GOVERNENCE

To the Members of Shaba Chemicals Limited

We have examined the compliance of conditions of corporate governance by Shaba Chemicals Limited, for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company, with Stock Exchange.

The compliance of condition of corporate governance is the responsibility of the management. Our examination has been limited to a review of procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanation given to us by the Directors and the Management, we certify that the Company has complied with the condition of corporate governance stipulated in clause 49 of the above mention Listing Agreement.

Based on the certificate received from Share Transfer department and the minutes of the Share Transfer and Shareholders Grievance Committee. We state that no investor grievance is pending for a period exceeding one month.

We further state that such compliance is neither an assurance as to the viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 07/08/2013
Place: Indore

For S. N. KABRA & CO.
Chartered Accountants

(S.N. KABRA)
Partner

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from its Statutory Auditors S.N. Kabra & Co., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. This Certificate is annexed to the Directors' Report for the year 2012-13. This certificate will be sent to the stock exchanges along with the annual report to be filed by the Company.

For

Date: 07/08/2013

Place: Indore

For S. N. KABRA & CO.
Chartered Accountants

(S.N. KABRA)
Partner

S. N. KABRA
C.A.

AUDITORS REPORT TO THE MEMBERS OF SHABA CHEMICALS LTD.

We have audited the Balance Sheet of SHABA CHEMICALS LIMITED as at 31st March 2013 and also the Profit and Loss Account 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.

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 assurances about whether the financial statement are free of material misstatement. An audit includes examining, on text basic, 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.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in term of sub-section (4A) of section 227 of the Companies Act, 1956. We enclosed in the Annexure a statement on the matter specified in paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

1. We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. 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 these books.
3. The Balance Sheet and Profit and loss account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
5. On the basis of written representation received from the directors as on 31st March 2013, and taken on record by the Board of Director, we report that none of the directors is disqualified as on 31st March 2012, from being appointed as a director in term of clause (g) of section 274 of the Companies Act, 1956.
6. In our opinion and the best of our information and according to the explanation given to us, the said Balance Sheet and Profit and Loss Account, with notes thereon given the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view:

In so far as it relates to the Balance Sheet of the state of affairs of the Company at 31st March 2013.

- i) In so far it relates to the Profit and Loss Account of the loss for the year ended on the date, and
- ii) In the case of cash flow statement of the cash flows of the Company for the year ended on that date.

Date: 11/05/2013

Place: Indore

For S. N. KABRA & CO.

Chartered Accountants

(S.N. KABRA)

Partner

SHABA CHEMICALS LIMITED

ANNEXURE REFERRED TO IN THE AUDITORS REPORTS ON THE ACCOUNTS FOR THE YEAR 2012-2013 OF SHABA CHEMICALS LIMITED, INDORE

- (1) The Company is not holding any fixed assets on the date of Balance Sheet.
- (2) The Company has ceased to carry on its manufacturing activities and as such the provisions of clause (ii) (a), (ii)(c) & (vii) par 4 of the Companies (Auditors Report) order, 2003 in so far as they relate to the purchase sale and stock of stores, raw material, finished goods and spare parts are considered not applicable to the Company.
- (3) a) The Company has taken unsecured interest free loans from the parties covered in the register maintained under section 301 of the Act amounting to Rs.2,65,082/-. There are no stipulations as to the rate of interest or terms and conditions of such loans.

b) The company has not given loans secured or unsecured to companies, firms or other parties listed in the register maintain under section 301 of the Companies Act, 1956.
- (4) In our opinion and according to the information and explanation given to us, there are no transaction for the purchase of inventory and sale of goods hence the adequacy of the internal control procedures commensurate with the size of the Company and the nature of its business is considered to be not applicable.
- (5) Based on the audit procedures applied by us and according the information and explanation provided by the management, there are no contract and arrangements, transaction exceeding five lakh rupees with any party that need to be entered into the register maintained under section 301.
- (6) The Company had not accepted any deposits from the public to which the provision of section 58A and 58AA of the Companies Act, 1956 and any other relevant provision of the Act and the Companies (Acceptance of Deposits) Rules, 1975 would apply. The Company Law Board or National Company Law Tribunal or RBI or any Court or Tribunal has passed no order.
- (7) The Company is listed Company, the paid up capital and reserves of the Company is also exceeding Rs. 50 lakhs and the company have an internal audit system which is commensurate with the size and nature of the business.
- (8) There being no Provident Fund Scheme and ESIC Scheme for the employee in force, the provisions regarding regular deposit of the same are considered to be not applicable. Further the company is regularly in depositing income tax, sales tax, wealth tax, service tax, cess and any other statutory dues with the appropriate authorities. Accordingly information and explanation given to us, there are no undisputed arrears of Statutory dues which have remained outstanding as at 31.03.2013 for the period of more than six months from the date they become payable.
- (9) The Company has accumulated losses of Rs. 30730639/- at and up to the end of the financial year. The company has incurred no cash losses during the financial year.
- (10) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of due to banks. The company has not taken any loans from financial institutions nor has it issued any debentures.

- (11) According to the information and explanation given to us, the company has not granted any loans advances on the basis of security by way of pledge of shares, debentures and other securities.
- (12) The Company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore the provisions of clause 4(xiii) of the said Order are not applicable to the Company.
- (13) In our opinion and according to the information and explanation given to us the Company has not given guarantees for loan taken by others from banks or financial institutions.
- (14) In our opinion and according to the information and explanation given to us, no term loans have been applied for the purpose for which they were raised.
- (15) According to the information and explanation given to us 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. Also no long-term fund has been used to finance short-term assets except permanent working capital.
- (16) The company has not made any preferential allotment of share to parties and companies covered in the register mentioned under section 301 of the Companies Act, 1956. According, the question of reporting on whether the prices at which such shares have been issued in prejudicial to the interest of the Company does not arise.
- (17) The Company has not issued any debentures, According, the question of creating a security of disclosures of end use of such monies does not arise.
- (18) The company has not arisen any money by public issued during the year. According, the question of disclosure of end use of such monies does not arise.
- (19) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Date: 11/05/2013
Place: Indore

For S. N. KABRA & CO.
Chartered Accountants

(S.N. KABRA)
Partner

M/s SHABA CHEMICALS LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2013

PARTICULARS	SCHE DULE	AS AT 31.03.2013	AS AT 31.03.2012
<u>SOURCES OF FUNDS :-</u>			
1. SHAREHOLDERS FUND :			
Share Capital	1.00	29,163,500.00	29,163,500.00
Reserve and Surplus	2.00	1,356,430.00	1,356,430.00
2. Non-Current Liabilities :-			
Long term Borrowing	3.00	265082.00	265082.00
Deferred Tax Liability			
3. Current Liabilities:			
Short Term Borrowing		0.00	0.00
Other Current Liabilities	4.00	329615	329615
Short-Term Provisions		0.00	0.00
TOTAL		31114627.00	31114627.00
<u>ASSETS</u>			
1. Non-Current :-			
Fixed Assets			
Tangible		0.00	0.00
Non-Current Investments		0.00	0.00
Long Term Loan Advances	5.00	29600.00	29600.00
2. Current Investments			
Trade Receivable-	6.00	240,000.00	310,000.00
Cash and Cash Equivalent	7.00	114,388.00	28,613.00
Short term loans and Advances		0.00	0.00
Other Current Assets		0.00	0.00
Inventories		0.00	0.00
Miscellaneous Expenditure		0.00	0.00
Profit & Loss Account		30730639.00	30746414.00
		31114627.00	31114627.00
TOTAL		31114627.00	31114627.00
Notes to the Accounts	9.00		

As Per or reports of even date annexed
For S N KABRA & Co.
Chartered Accountants

For and on behalf of the Board

S N KABRA
(Partner)

Director

Director

Place:Indore
Date11/05/2013

SHABA CHEMICALS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
INCOME			
Revenue from operations	15	0	110597.03
Other Income	16	118200	112000
Total Revenue		118200	222597.03
EXPENDITURE			
Employee benefit expenses	17	15000	51000
Adminstration & other expenses	18	85459	161631.01
Financial costs	19	1965.74	0
Miscellaneous Expenses		0	0
Total Expenses		102424.74	212631.01
Profit/Loss before tax		15775.26	9966.02
Tax expense		0	0
Profit/Loss for the year		15775.26	9966.02
Earning per share		0.005	0.003

As per our report of even date.

For S.N.KABRA & CO.
Chartered Accountants

For SHABA CHEMICALS LIMITED

(S.N Kabra)
Partner

Director

Director

Place : INDORE

Date : 11/05/2013

SHABA CHEMICALS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2013

Particulars			
Note No. 1		31.03.2013	31.03.2012
Share Capital			
a. Authorised Share Capital:			
(35,00,000 Equity Shares of Rs. 10/- each)		35000000.00	35000000.00
b. Issued			
(30,00,000 Equity Shares of Rs. 10/- each)		30000000.00	30000000.00
c. Subscribed and paidup			
(29,27,200 Equity Shares of Rs. 10/- each)			
Less: Call in Arrears	29272000 <u>108500</u>	29163500.00	29163500.00
Total		29163500.00	29163500.00
Par Value per Share (Rs)			
		10	10
Number of equity shares at the beginning of the year		2927200	2927200
Number of equity shares at the end of the year		2927200	2927200

(there is partaly paid up share of Rs. 108500 for 21700 shares.)

Number of shares held by share holders more 5% of total shares

Name of shareholders		31.03.2013	31.03.2012
RATLAM STRAWBOARD MILLS PVT. LTD.			
No. of shares		254000	254000
% of Holding		8.74%	8.74%
SHABHA SECURITIES & FININ SERVICES PVT. LTD.			
No. of shares		982700	982700
% of Holding		33.82%	33.82%

Terms/Right/Restriction attached to shares:

The company has only one class of equity share has a paid up Value of Rs 10/-
Every shareholder is entitled to one vote per share

Note No. 2		
<u>Reserves and Surplus</u>		
a) Capital reserve	1356430	1356430
b) Capital redemption	0	0
c) Share premium reserve	0	0
d) Debenture redemption reserve	0	0
e) Revaluation reserve	0	0
f) Share option outstanding a/c	0	0
g) General reserve		
Opening balance	0	0
Add: Transferred from surplus in Statement of P&L	0	0
Less: Misc current assets Write off	0.00	0
Closing balance	0	0
Total	1356430	1356430

Note No. 3		
<u>Long term Borrowings</u>		
Secured	0	0
Unsecured	265082	265082
	265082	265082

(This is deposits from directors)

Note No. 4		
<u>Short term Borrowings</u>		
Secured	0	0
Unsecured	0	0
	0	0

Note No. 5		
<u>Other current liabilities</u>		
Trade payable	204100	204100
Sundries Creditors	112515.22	112515.22
Audit fees payable	13000	13000
	329615.22	329615.22

Note No. 7		
<u>Non-current investments</u>		
	0	0
	0	0

Note No. 8		
<u>Long term loan and advances</u>		
-		
Advances recoverable in cash or kind or value to be received	29600	29600
	29600	29600

Note No. 9		
<u>Trade receivable</u>		
Secured considered good		
Unsecured considered good	240000	310000
	240000	310000

Note No. 10		
<u>Cash and cash equivalents</u>		
Cash and Bank Balances		
Balance with banks	1869.67	16289.41
Cash in hand	112518.65	12323.65
	114388.32	28613.06

Note No. 11		
<u>Short-term loans and advances</u>		
Loans and advances to related parties	0	0
Other loans and advances		
Other (specify)		
	0	0

Note No. 12		
<u>Other current assets</u>		
Stamp a/c	0	0
		0
	0	0

Note No. 13		
<u>Misc. Expenditure</u>		
Preliminay Exp.	0	0
		0
	0	0

Note No. 15				
<u>Revenue from operations</u>	2012-13	2011-12		
Sales in trading M2M	0	2974698.65		
Less: Purchase M2M	0	2864101.62		
-	-----	-----	0	110597.03
			0	110597.03

Note No. 14		
<u>Profit and Loss Account</u>		
- Balance as per last Balance Sheet	30746414.16	30756380.18
Add/(less) Current Year (Profit)/ loss	15775.26	9966.02
	30730638.90	30746414.16

Note No. 16		
<u>Other Income</u>		
- Interest Income	0	0
Bank interest	0	0
Brokrage income	0	0
Other income	118200	112000
	118200.00	112000.00

Note No. 17

<u>Employee benefit expenses</u>		
<u>Salaries & wages</u>		
Salaries	15000	51000
Staff Welfare expenses	0	0
	15000	51000

Note No. 18**Administrative Expenses & Other expenses**

professional & Legal Fees	26500.00	32850
Photocopy and Fax Exps	2245.00	6250
Postage, Telephone Exps	4570.00	18750
listing Fees	17004.00	61030
Misc Expenses	220.00	551.01
Filing Fees (R.O.C.)	3000.00	3000
Stationery	1470.00	1750
Audit Fees	10000.00	5000
Agm Exps	20450.00	32450
	85459.00	161631.01

Note No. 19**Financial Cost**

Other borrowings cost	0	0
Bank charges	1965.74	0
	1965.74	0

As per our report of even date attached

FOR S.N. KABRA & CO.

Chartered Accounts

For and on behalf of the board

PROPRIETOR

(S.N.KABRA)

DATE 11/05/2013

PLACE INDORE

SHABA CHEMICALS LTD.

SCHEDULE 9

NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2013

1. SIGNIFICANT ACCOUNTING POLICIES:

i. Corporate Information:-

Shaba Chemicals Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the trading in Chemicals & other Business and other commodities. The company caters to domestic markets only.

ii. Basic of Accounting:-

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rule, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an actual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statement are consistent with those of the previous year

During the year ended 31.03.2013 the revised schedule VI notified under the Indian companies act, 1956 has become applicable to the company for preparation and presentation of its financial statement. the adoption of revised schedule VI does not impact recognition and measurement principals followed for preparation of financial statement however, it has significant impact on presentation and disclosure made in the financial statements. The previous year figure has also been reclassified accordingly.

iii. Revenue Recognition :-

1. Company is a trading Company, during the financial year it has executed trade in various commodities.
2. Other income has been recognized on Accrual basis.

iv. Fixed Assets:-

There is no any Fixed Assets in the company.

v. Depreciation:-

1. Depreciation on Fixed Assets :- Depreciation on Fixed Assets, Excluding Assets on lease is provided in accordance with Section 205 (2) (b) of the Companies Act, 1956 as amended from time to time.
2. Depreciation is provided on pro-rate basis from the day on which assets have been put to use or up to the day on which the assets have been disposed off, as the case may be.

vi. Investments/Stock in Trade:-

1. Investments are valued at cost.
2. Stock in trade is valued at cost or Realizable value whichever is lower on basis.
3. Stock in trade of the scraps has been maintained on the basis of first in first out method.

Notes on Accounts

1. SALES

During the year company has traded in Commodities and figure of sales are total profit figure of jobbing and cost of sales are total figure of loss on jobbing, resulting to that it does not show whole figure of sale & purchase. It show only net figure of sales and purchases as per the guidelines of the Institute of Chartered Accountant of India.

2. SUNDRY CREDITORS, LOANS & ADVAVCES:

Companies' management periodically verify the outstanding balance of sundry creditors, loans, advances, etc. and on the basis of such verification management determines whether the aid outstanding are good, bad or doubtful and accordingly same are written off or written in the accounts.

3. Contingent Liabilities-NIL

2. Previous year figure have been regrouped to make them comparable with current year figures.
3. Figures have been rounded off to the nearest rupee.
4. Managerial remuneration U/s 198 of the Companies Act, 1956.

	2011-12	2012-13
Salary	36000	15000

No commission is payable to any of the Director of the Company hence, computation as required under provision of the Companies Act, 1956 has not been given.

5. Auditors Remuneration:

For this year Rs. 10000/- P.Y. Rs. 5000/-

6. As the company has discontinued its manufacturing activities the information required under clause 2B(b)(i), 6&7 (in so far as it relate to the value of imports of raw materials, components, spare parts and consumption of raw materials, etc. of part II to schedule VI) are considered to be not applicable.

7. Differed Tax Liabilities: Company having a huge accumulated losses and management is not expecting any early recovery so we have not provided any deferred tax provision,

8. Segment Reporting: Company has discontinued its manufacturing activity and company doing trading in commodities so there is only single segment of commodities and no other separately reportable segment of trade.

Related party Disclosure: There is no any related parties transaction during the year.

**For & on behalf of the Board
Shaba Chemicals Limited**

Mr. Ritesh Jain (W T Director) Sd/-	Sangeeta Neema (Director) Sd/-
--	---

Date: 11/05/2013
Place: Indore

For S. N. KABRA & CO.
Chartered Accountants

(S.N. KABRA)
Partner

SHABA CHEMICALS LIMITED**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**

(Pursuant to the listing Agreement with Stock Exchange)

	2012-13 (Rs.)	2011-12 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(loss) before Tax	15775	9966
ADJUSTMENT FOR –	-	-
Depreciation	-	-
Sundry Balance written back		
Operation (Profit)/ loss before working capital changes	15775	9966
ADJUSTMENT FOR –		
Decrease / (Increase) in Current Assets	70000	(94490)
Decrease / (Increase) in Current Liabilities	0.00	45733
Decrease / (Increase) in Net Current Assets	70000	(48757)
Cash flow before extra ordinary items	0	0
Extra ordinary items	0	0
NET CASH USED IN OPERATING ACTIVITIES	70000	(48757)
Taxes paid (net of refund)		
NET CASH GENERATED FROM OPERATING ACTIVITIES	85775	(38791)
B CASH FLOW FROM INVESTING ACTIVITIE:		
NET CASH RECEIVED FROM INVESTING ACTIVITIES	0.00	0.00
D CASH FLOW FROM FINANCING ACTIVITIES:		
Loan Borrowed	0.00	10000
NET CASH RECEIVED IN FINANCING ACTIVITIES	0.00	10000
Net increase / (Decrease) in Cash & cash equivalent (A+B+C)	85775	(28791)
Cash & Cash equivalent at the beginning of the year	28613	57404
Cash & Cash equivalent at the close of the year	114388	28613

**For and on behalf of the Board
Shaba Chemicals Limited**

Date: 11/05/2013
Place: Indore

Mr. Ritesh Jain Mrs. Sangeeta Neema
(W T DIRECTOR) (DIRECTOR)

AUDITORS CERTIFICATE

We have verified that attached Cash Flow Statement of M/s Shaba Chemical Limited for the year ended 31st March 2013. This statement has been Complied by the Company from the audited financial statements for the year ended 31st March, 2012 and 31st March 2013 the same to be in accordance with the requirements of clause 32 of the listing agreement with stock exchange.

Date: 11/05/2013
Place: Indore

For S. N. KABRA & CO.
Chartered Accountants

(S.N. KABRA)
Partner

SHABA CHEMICALS LIMITED

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE AS REQUIRED BY PART IV OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

REGISTRATION DETAILS:

(a) Registration No. (CIN)	:	L24111MP1986PLC003741
(b) State Code	:	10
(c) Balance Sheet Date	:	31.03.2013

POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS

Total Liabilities	:	31114627
Total Assets	:	31114627

SOURCES OF FUNDS

(a) Paid Up Capital	:	29163500
(b) Secured Loan	:	NIL
(c) Reserve and Surplus	:	1356430
(d) Unsecured Loan	:	265082

APPLICATION OF FUNDS

(a) Net Fixed Assets	:	NIL
(b) Net Current Assets	:	70000
(c) Accumulated Losses	:	
(d) Investments	:	NIL
(e) Miscellaneous Expenses	:	NIL

PERFORMAMCE OF COMPANY (Amount in Rs. Thousands)

(a) Turnover	:	118.2
(b) Total Expenditure	:	102.4
(c) Profit After Tax	:	15.76
(d) Earning Per Share	:	.000005
(e) Dividend	:	0.00

GENERAL NAMES OF 3 PRINCIPAL PRODUCTS

(a) Item Code No.	:	Not available
(b) Product Description	:	Trimethoprim Tinidazole Cetrizin

As per our report of even date annexed

For S N KABRA & CO.
Chartered Accountant

(S N KABRA)
Partner

For and on behalf of the Board
Shaba Chemicals Limited

Mr. Ritesh Jain	Mrs. Sangeeta Neema
(W T Director)	(Director)
Sd/-	Sd/-

Date: 11/05/2013

Place: Indore

SHABA CHEMICALS LIMITED
Registered office: 101, Rajani Bhawan, 569/2,
M G Road, Indore (M. P.)- 452001

PROXY FORM

L. F. No.-----No. of Shares

I/We -----of -----

-----being a member (s) of Shaba Chemicals Limited hereby appoint -----

-----of -----of failing

him/her -----

of -----as my/our proxy to attend and vote

for me /us on my / our behalf at the 26th Annual General Meeting of the company, to be held at 11 a.m. on

Monday the 30th September, 2013 and/or at any adjournment thereof.

Signed this ----- day of ----- 2013. -----

: affix Rs. 1/- :

: Revenue Stamp:

:-----:

Signature

NOTE:

The proxy must be returned so as to reach the registered office of the Company at 101, Rajani Bhawan, 569/2, M G Road, Indore (M. P.)- 452001 not less than FOURTY EIGHT HOURS before the time for holding the aforesaid meeting.

-----Tear here-----

SHABA CHEMICALS LIMITED
Registered office: 101, Rajani Bhawan, 569/2,
M G Road, Indore (M. P.)- 452001

ATTENDENCE SLIP

L.F. No.-----

Mr./Mrs./Miss.-----

(Shareholder's Name in Block Letters)

I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company. I/We hereby record my/our presence at the 26th annual General Meeting of the Company at the Registered office of the Company at 11 a.m. on Saturday, the 30th September 2013.

.....
Shareholders/proxy Signature

(If signed by Proxy, his/her name should be written in block letters)

Notes:

1. Shareholders/proxy holders are requested to bring the attendance slip with them and hand our same at the entrance, duly filled in and signed.

Shareholders are requested to bring their copy of the Annual Report, as copies of the Report will not be distributed again at the meeting in view of increase in the cost.