

# **SHABA CHEMICALS LIMITED**

29<sup>th</sup>

ANNUAL REPORT

# SHABA CHEMICALS LIMITED

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

**E-Mail ID:** ritesh271109@rediffmail.com **Contact:** 0731-4299232, 98270-39432

**Website:** shabachemicals.com

**CIN:** L24111MP1986PLC003741

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**Notice** is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of SHABA CHEMICALS LIMITED will be held on Friday , 30<sup>TH</sup> day of September, 2016 at 11.30 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 Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2016 together with the reports of the Board and the Auditors thereon.
- 2) To Appoint a Director in place of Mrs. Sangeeta Neema (DIN No. 01871324) who retires by rotation and, being eligible, offers herself for re-appointment.
- 3) To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. S.N. Kabra & Co., Chartered Accountants (Partnership firm Reg. No 003539C) made by members up to the AGM of the Company to be held in the year 2017, be and is hereby ratified for the FY 2016-17 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

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

**Date:** 29/08/2016  
**Place:** Indore

**Sd/-  
RITESH JAIN  
Chairman  
(DIN: 01499443)**

#### NOTES:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act), wherever applicable.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**  
The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from 22<sup>nd</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive).
4. Members holding shares are requested to intimate all changes pertaining to their power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to company . Changes intimated to the company will then be automatically reflected in the Company's records which will help the Company to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the company.
5. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
8. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the company.

10. E-voting: As per section 108 of the Companies Act, 2013, the rules notified there under and the Circular No. CIR/CFD/POLICY CELL/2/2014 issued by SEBI, dated 17th April, 2014 the provisions of voting through electronic mode are applicable on the company. Your company is in the process of complying with the provisions of voting through electronic means and it shall intimate the same to its shareholders via an permitted mode.

**For and on behalf of the Board of Directors**

**SHABA CHEMICALS LIMITED**

**Sd/-**

**RITESH JAIN**

**Chairman**

**Date: 29/08/2016**

**Place: Indore**

**(DIN: 01499443)**

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR APPOINTMENT OR RE-  
APPOINTMENT AT THE ANNUAL GENERAL MEETING:**

<b>S. No.</b>	<b>PARTICULARS</b>	<b>DIRECTORS</b>
1	NAME	Mrs. Sangeeta Neema
2	Date of Birth	08.01.1970

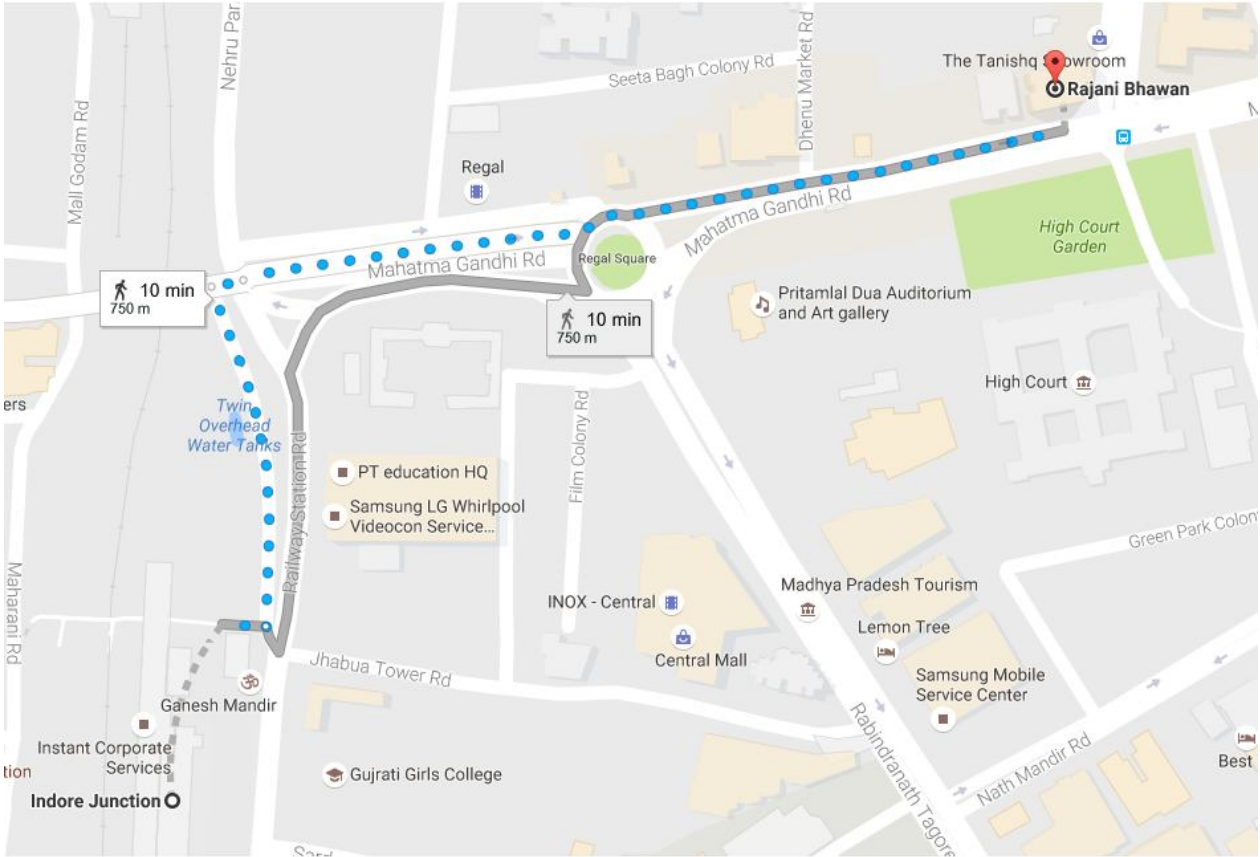
3	Qualification	B.Com
4.	List of Directorship held excluding Private companies	NIL
5.	Chairman/Member of the of the committee of Board of the director of the company	NIL
6.	Chairman/Member of the of the committee of Board of the director of the other companies	NIL

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

**Date: 29/08/2016  
Place: Indore**

**Sd/-  
RITESH JAIN  
Chairman  
(DIN: 01499443)**

# ROUTE MAP



# **SHABA CHEMICALS LIMITED**

## **29<sup>th</sup> Board Report**

To,  
The Members  
SHABA CHEMICALS LIMITED

Your Directors are pleased to present their 30<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended on 31st March 2016 along with the Report of the Auditors thereon.

### **FINANCIAL RESULTS**

Particulars	31.03.2016 (in Rs.)	31.02.2015 (in Rs.)
Turnover	0	0
Other Income	262500	255082
Profit / (Loss) before Depreciation	12960	8712
Less: Depreciation	0	0
Income Tax Earlier Years	0	0
Net profit(Loss) For the year	12960	8712

### **REVIEW OF BUSINESS PERFORMANCE**

The Company has not performed any business activities during the year under review.

### **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.

### **NATURE OF BUSINESS**

There is no change in the nature of business of the Company during the year.

### **DIVIDEND**

During the year under review the Company has not performed any business activity and also not earned any profit and in view of the same no dividend has been recommended by the Board during the year.

### **PUBLIC DEPOSITS**

During the year under review the company has neither accepted nor invited any public deposits within the meaning of section 73 of the companies Act, 2013 read with the companies (Acceptance of Deposits) rules 2014. Also there are no outstanding Public Deposits.

### **RESERVES**

Board has not proposed any amount to be carried to any reserve.

### **MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return MGT-9 as required under the listing agreement with the Stock Exchanges is enclosed at Annexure 'A'.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report in Form MR-3 is enclosed as Annexure 'C'.

### **DIRECTOR**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Bharat Neema, the Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of Board's knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a.) in the preparation of the Annual Accounts for the financial year ended 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- b.) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- c.) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d.) the Directors have prepared the Annual Accounts for the financial Year ended 31st March, 2016 on a 'going concern' basis;
- e.) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and

No material changes and commitments affecting the financial position of the company occurred during the year under review.

### **STATUTORY AUDITOR**

M/s. S.N. Kabra & Co, Chartered Accountants, the statutory auditors of the Company, was appointed as Statutory Auditor of the Company held at the last AGM to hold the office till the conclusion of the AGM to be held in 2017 subject to ratification by the members at every AGM. Accordingly, the resolution for ratification for appointment of M/s S.N. Kabra & Co, Chartered Accountants, for the FY 2016-17 has been placed in the Notice calling this AGM.

### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Rao Saklecha & Co., Company Secretaries, Indore, having ICSI Certificate of Practice No.: - 6434 to undertake the Secretarial Audit of the Company for Financial Year 2015-2016.

### **BOARD'S COMMENT ON QUALIFICATION OF AUDITOR'S REPORT**

#### **Statutory Auditor Report:**

No qualification, reservations and observations were reported by Statutory Auditor in its report. However, the Financial Statements and Notes appended thereto are self-explanatory and do not need any comments.

#### **Secretarial Auditor Report:**

- The Company has not performing any business operation since long and has no profit and in view of no business the Company can't afford newspaper advertisement costs. However remaining all the compliances regarding Listing Agreement has been complied with.
- During the year Vigil Mechanism has been adopted by the Company also details are given somewhere before in this report.
- Company's net worth has been eroded. However, your Directors are trying to find out alternate business possibilities so that the Company can perform operations.
- Due to the No substantial profitability no person is interested to become Internal Auditor of the Company. However the Company is in process to appoint an Internal Auditor.
- The amount of creditor increased because of provisions regarding Audit Fee.
- Due to negligible profitability the Company can't afford services of external RTA. However, the Company is having in House Share Transfer Facility.

f.) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **DECLARATION OF DIRECTORS:**

As per the declaration received under section 164(2) of the Companies Act, 2015 and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, none of the Directors of the Company is disqualified from being appointed as Director.

### **INDEPENDENT DIRECTORS MEETING**

A separate meeting of Independent Director has been conducted by the Company without the attendance of any other Director.

### **FAMILIARISATION PROGRAMME**

During the year under review a familiarization programme was held for Independent Directors to grow a better understanding of the Company.

### **PERFORMANCE EVALUATION**

The Independent Directors in their meeting have reviewed the performance of Non-Independent Directors and Board as a whole including reviewing the performance of the Chairperson of the company taken into account the views of Executive Directors and Non-Executive Directors.

### **PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY AND ASSOCIATE COMPANIES**

During the year under review and as on date; the company is neither having any Subsidiary Company nor any Associate Company.

### **SHARE CAPITAL**

During the year under review, the Company, neither increased nor decreased its Equity Share Capital.

As on 31.03.2016 Company's Share Capital are as under:

Authorized Capital stood as 3500000 Equity Shares of Rs. 10/- each totaling an amount of Rs. 35000000/-

Issued Capital stood as 3000000 Equity Shares of Rs. 10/- each totaling an amount of Rs. 30000000/-

Paid-up Capital stood as 2927200 Equity Shares of Rs. 10/- each totaling to an amount of Rs. 29163500 (less calls in arrears of Rs. 108500/-).

### **REVISION IN FINANCIAL STATEMENTS OR BOARD'S REPORT U/S 131(1) OF THE ACT**

No revision in the Financial Statements and Board's Report has been made during any of the three preceding financial years.

### **PARTICULARS OF LOANS GIVEN , GUARANTEES PROVIDED OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not given any Loans not provided any



- Since the Company has not performed any business activity since long management is of the view that specific laws reported are not applicable to the Company.

Guarantees and also not made any Investments under Section 186 of the Companies Act, 2013, during the year under review.

### **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.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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.

### **RISK MANAGEMENT**

The Audit Committee and the Board of Directors of the Company reviewed the risks, if any, involved in the Company from time to time, and took appropriate measures to minimize the same.

### **ORDER(S) PASSED BY REGULATOR(S), COURT(S), TRIBUNAL(S) IMPACTING THE GOING CONCERN STATUS AND COMPANY STATUS**

During the year under review, no order was passed by any Regulator(S), Court(S), Tribunal(S) that could affect the going concern status of the Company and the Company is operating in an efficient manner.

### **CORPORATE SOCIAL RESPONSIBILTY**

The provision is not applicable to the Company during the year.

### **VIGIL MECHANISM**

The Company has adopted Vigil Mechanism Policy during the year as per the requirements of the Companies Act, 2013 and SEBI (LODR) Reg., 2015.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has a proper internal control system, which provides adequate safeguards and effective monitoring of the transactions and ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition.

### **MANAGERIAL REMUNERATION**

No remuneration has been provided to any Director.

### **EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS**

The company has not issued any shares with differential voting rights.

### **DETAILS OF SWEAT EQUITY SHARES**

The company has not issued any sweat equity shares.

### **DETAILS OF EMPLOYEES STOCK OPTION**

The company has not granted stock options.

### **COMMISSION RECEIVED BY DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY**

The Company neither has any holding nor is any subsidiary company.

### **DISCLOSURE OF VOTING RIGHTS NOT EXERCISED**

The company has not made any provision of money for the purchase of, or subscription for, shares in the company or its holding company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the company and accordingly the provisions of Chapter IV (Share Capital and Debentures) of the Companies Act, 2013 and rules framed there under are not applicable for the year.

### **BUY BACK OF SECURITIES**

The company has not bought back any of its securities.

### **BONUS SHARES**

The company has not issued any bonus shares.

### **PAYMENT OF LISTING FEE AND DEPOSITORY FEE**

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. And due to no revenue the Company has not paid the Fee till date. But the same will be paid soon.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

No employee has been employed by the Company during the year.

### **DEMATERIALISATION**

The Company's shares are in physical form.

### **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.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review Company has not entered any contract or arrangement with related parties.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company has adopted good practices under its Code of Conduct with respect to its responsibility towards society. However, the Company was neither required to constitute the Corporate Social Responsibility Committee nor was required to contribute any amount on Corporate Social Responsibility Initiatives as the said provisions are not applicable to the company.

## **CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND CODE OF CONDUCT UNDER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

Pursuant to Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors has formulated and adopted the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (Code of Fair Disclosure) of the Company. The Board has also formulated and adopted "Code of Conduct for Prohibition of Insider Trading" (Code of Conduct) of the Company as prescribed under Regulation 9 of the said Regulations.

## **SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

the Company neither had any Subsidiaries nor Joint Ventures nor Associate Companies.

## **DISCLOSURE OF FRAUDS IN THE BOARD'S REPORT U/S 143 OF THE COMPANIES ACT, 2013**

The Company has not been encountered with any fraud or fraudulent activity during the Financial Year 2015-2016.

## **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 and ASE. The Company has paid the annual Listing Fee for the financial year 2013-14 to Bombay Stock

## **Board Meetings:**

Date	Directors entitled to Attend	Directors Attended	No. of Directors attended last AGM
13/05/2015	5	5	5
12/08/2015	5	5	5
04/09/2015	5	5	5
23/10/2015	5	5	5
11/02/2016	5	5	5

## **Audit Committee Composition:**

Sr. No.	Name	Category	Designation
1	Mr. Jay Kishan Neema	Non-Executive/Independent	Director
2	Mr. Bharat Neema	Non-Executive/Independent	Director
3	Mr. Indrakumar Mahajan	Non-Executive/Independent	Director

## **Audit Committee Meetings:**

Date	Directors entitled to Attend	Directors Attended
13/05/2015	3	3
12/08/2015	3	3
04/09/2015	3	3
23/10/2015	3	3

Exchange Ltd.

11/02/2016	3	3
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## **BOARD AND COMMITTEES**

### **Nomination & Remuneration Committee Composition:**

#### **Board Composition:**

<b>Sr. No.</b>	<b>Name</b>	<b>Category</b>	<b>Designation</b>
1	Mr. Ritesh Jain	Executive/ Non Independent	Managing Director
2	Smt. Sangeeta Neema	Executive/ Non Independent	Director
3	Mr. Jay Kishan Neema	Non-Executive/ Independent	Director
4	Mr. Bharat Neema	Non-Executive/ Independent	Director
5	Mr. Indrakumar Mahajan	Non-Executive/ Independent	Director

<b>Sr. No.</b>	<b>Name</b>	<b>Category</b>	<b>Designation</b>
1	Mr. Jay Kishan Neema	Non-Executive/ Independent	Director
2	Mr. Bharat Neema	Non-Executive/ Independent	Director
3	Mr. Indrakumar Mahajan	Non-Executive/ Independent	Director

#### **Nomination & Remuneration Committee Meetings:**

<b>Date</b>	<b>Directors entitled to Attend</b>	<b>Directors Attended</b>
13/05/2015	3	3
12/08/2015	3	3
04/09/2015	3	3
23/10/2015	3	3
11/02/2016	3	3

#### **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.

**Stakeholders Relationship Committee Composition:**

<b>Sr. No.</b>	<b>Name</b>	<b>Category</b>	<b>Designation</b>
1	Mr. Jay Kishan Neema	Non-Executive/ Independent	Director
2	Mr. Bharat Neema	Non-Executive/ Independent	Director
3	Mr. Indrakumar Mahajan	Non-Executive/ Independent	Director

**Stakeholders Relationship Committee Meetings:**

<b>Date</b>	<b>Directors entitled to Attend</b>	<b>Directors Attended</b>
13/05/2015	3	3
12/08/2015	3	3
04/09/2015	3	3
23/10/2015	3	3
11/02/2016	3	3

**For and on behalf of the Board of Directors**

**SHABA CHEMICALS LIMITED**

**Sd/-**

**RITESH JAIN**

**Chairman**

**(DIN: 01499443)**

**Date: 29/08/2016**

**Place: Indore**

**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31<sup>st</sup> March, 2016**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of  
The Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L24111MP1986PLC003741
- ii) Registration Date : 31/12/1986
- iii) Name of the Company : SHABA CHEMICALS LIMITED
- iv) Category / Sub-Category of the Company : Public Company/ Limited by Shares
- v) Address of the Registered office and contact details : 101, RAJANI BHAWAN 569/2, M. G. ROAD INDOREMP 452001  
**E-Mail ID:** ritesh271109@rediffmail.com  
**Contact:** 0731-4299232, 98270-39432
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : In-House Transfer Facility

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
NIL			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	291300	291300	9.95	-	291300	291300	9.95	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1284200	1284200	43.87	-	1284200	1284200	43.87	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other ....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	-	1575500	1575500	53.82	-	1575500	1575500	53.82	-
<b>(2) Foreign</b>	-	-	-	-	-	-	-	-	-

a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	1575500	1575500	53.82	-	1575500	1575500	53.82	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	298900	298900	10.21	-	298900	298900	10.21	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	1111600	1111600	37.97	-	1111600	1111600	37.97	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others Clearing Members	-	-	-	-	-	-	-	-	-
NRI's/OCB's	-	67100	67100	2.29	-	67100	67100	2.29	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-

Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	1351700	1351700	46.18	-	1351700	1351700	46.18	-
Shares held by custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2927200	2927200	100.00	-	2927200	2927200	100.00	-

**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	A.N. Shahid	138000	4.71	-	138000	4.71	-	-
2	A.I. Abbasi	11500	0.39	-	11500	0.39	-	-
3	S.A.Faizy	16900	0.58	-	16900	0.58	-	-
4	Y.A. Jaiswala	19800	0.68	-	19800	0.68	-	-
5	Anwar Hussain	5000	0.17	-	5000	0.17	-	-
6	Ashok Printing Press	100	0.00	-	100	0.00	-	-
7	Batul Bai	17000	0.58	-	17000	0.58	-	-
8	Dilshad Faizy	10000	0.34	-	10000	0.34	-	-
9	Fehmida Shahid	7500	0.26	-	7500	0.26	-	-
10	Hamida Banoo Kapadia	500	0.02	-	500	0.02	-	-
11	Indo Mehta	400	0.01	-	400	0.01	-	-
12	Jamila Jaliwala	7500	0.26	-	7500	0.26	-	-
13	Kiran Jindal	500	0.02	-	500	0.02	-	-
14	Madalal Gaba	1000	0.03	-	1000	0.03	-	-
15	Madhu Saxena	1000	0.03	-	1000	0.03	-	-
16	Mustaq Ahmed Kapadia	1000	0.03	-	1000	0.03	-	-
17	Mumtaz Mahmood	500	0.02	-	500	0.02	-	-
18	Parveen Shahid	7500	0.26	-	7500	0.26	-	-
19	Shaishta Stationwala	18500	0.63	-	18500	0.63	-	-
20	Savitri Gaba	1000	0.03	-	1000	0.03	-	-
21	Sahil Pradhan	1000	0.03	-	1000	0.03	-	-
22	Sujata Mehra	400	0.01	-	400	0.01	-	-
23	S.A. Associate	17000	0.58	-	17000	0.58	-	-
24	Salma Bai	1000	0.03	-	1000	0.03	-	-
25	S.L. Jain	200	0.01	-	200	0.01	-	-
26	Shakila Sheikh	1000	0.03	-	1000	0.03	-	-
27	Shailendra Kumar Desai	500	0.02	-	500	0.02	-	-
28	Sakina Abbasi	5000	0.17	-	5000	0.17	-	-
29	Muli Metal Products	47500	1.62					
30	Ratlam Straw Board Mills Pvt. Ltd.	254000	8.68					
31	Shaba Securities & Finin Services Pvt.	982700	33.57					

	Ltd.							
	Total	1575500	53.82	-	1575500	53.82	-	-

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NO CHANGE				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Kotawala Fin. Consultancy Pvt. Ltd				
At the beginning of the Year	84900	2.90	84900	2.90
Change during the Year	NO CHANGE			
At the end of the Year			84900	2.90
Shreyash Securities & Finance Ltd.				
At the beginning of the Year	43700	1.49	43700	1.49
Change during the Year	NO CHANGE			
At the end of the Year			43700	1.49
Rajesh Desai				
At the beginning of the Year	24800	0.85	24800	0.85
Change during the Year	NO CHANGE			
At the end of the Year			24800	0.85
Anil Mehta				
At the beginning of the Year	24300	0.83	24300	0.83
Change during the Year	NO CHANGE			
At the end of the Year			24300	0.83
Farhat Abbas				
At the beginning of the Year	23300	0.80	23300	0.80
Change during the Year	NO CHANGE			
At the end of the Year			23300	0.80
Shyam Babu Agrawal				
At the beginning of the Year	20000	0.68	20000	0.68
Change during the Year	NO CHANGE			
At the end of the Year			20000	0.68
Singhal Leasing & Construction Pvt. Ltd.				
At the beginning of the Year	20000	0.68	20000	0.68
Change during the Year	NO CHANGE			
At the end of the Year			20000	0.68
S.K. Lakhani				
At the beginning of the Year	16300	0.56	16300	0.56
Change during the Year	NO CHANGE			
At the end of the Year			16300	0.56
Ram Babu Agrawal				
At the beginning of the Year	16000	0.55	16000	0.55
Change during the Year	NO CHANGE			
At the end of the Year			16000	0.55



Lalchand Agrawal				
At the beginning of the Year	15000	0.51	15000	0.51
Change during the Year	NO CHANGE			
At the end of the Year			15000	0.51

**(v) Shareholding of Directors and Key Managerial Personnel:**

Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL HOLDING				

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:**

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-

3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- Others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act					

**B. REMUNERATION TO OTHER DIRECTORS:**

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		-	-	-	-	
1	Independent Directors	-	-	-	-	-
	• Fee for attending board/ committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board/ committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	-	-	-	-	-
	Total Managerial Remuneration					-
	Overall Ceiling as per the Act					

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
		-	-	-	-	
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (C)	-	-	-	-	-

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

**Sd/-  
RITESH JAIN  
Chairman  
(DIN: 01499443)**

**Date: 29/08/2016  
Place: Indore**

## **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, 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 sectors. 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 which inter alia include as follows:  
General economic and business conditions;  
Changes in political and social conditions in India;  
Our company's ability to successfully implement our growth strategy;  
Changes in laws and regulations relating to the industry in which we operate;  
Any adverse outcome in the legal proceeding in which our Company is involved; and  
Sudden change in global Commodity prices which may affect our outstanding position in commodities.

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

**Sd/-  
RITESH JAIN  
Chairman  
(DIN: 01499443)**

**Date: 29/08/2016  
Place: Indore**

Form No.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March, 2016

[Pursuant to section 204(1) of the Companies act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> March, 2016

To,

The Members,

SHABA CHEMICALS LIMITED,

101,RAJANI BHAWAN,

569/2, M. G.ROAD, INDORE-452001 (M.P.)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Shaba Chemicals Limited, CIN: L24111MP1986PLC003741(hereinafter called the company). The Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verifications of the Shaba Chemicals Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31<sup>st</sup> March 2016 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, forms and returns filed and other records maintained by the Shaba Chemicals Limited for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

**I. The Companies Act, 2013 and the Rules made there under:**

The Company has complied with the provisions of the Companies Act, 2013 and the Rules made there under except the following:

- (a) The Company has closed its Register of Members and Registers of Debenture holders. But the notice which is required to be published in the News papers at least seven days before such closure is not published in News papers. Thus, company has violated the provisions of Section 91(1) of the Companies Act, 2013. However, the company has given notice to Stock Exchange as required under Clause 16 of the Listing Agreement..*
- (b) Company is not having any system of whistle blower and vigil mechanism policy.*
- (c) Company's Networth is eroded and has become a sick company within the meaning of Section 3 (1) (o) of the The Sick Industrial Companies (Special Provisions) Act, 1985 and the company has failed to intimate the BIFR for the same as required under Section 15(1) of the said Act.*
- (d) The company has not appointed the internal auditor(s) and has violated the provisions of Section 138 of the Act.*
- (e) No activities have been carried out by the company during the year. However, from the balance sheet it is observed that the amount of creditors has been increased.*
- (f) The Company has violated the provisions of Listing agreement and SEBI.*

**II. The Securities Contract (Regulation) Act, 1956(SCRA) and the Rules made there under:**

The Company has not issued any fresh securities during the year under review and therefore, question of complying with the provisions of Securities Contract (Regulation) Act, 1956 does not arise.

The company has complied with:

- (a) Rule 19A of the Securities Contract Regulation Rules with respect to continuous listing requirements with the Stock Exchange (s).
- (b) Rule 19(1) of SCRR with respect to filing of documents.
- (c) Rule 19(2) of SCRR with respect to minimum public shareholding.

**III. The Depositories Act,1996 and the Regulations and Bye laws framed thereunder;**

The company has complied with the clause 55A of SEBI (Depositors and Participants) Regulations, 1996 with respect to the reconciliation of share capital audit.

**IV. Foreign Exchange Management Act,1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:**

The company has not received any foreign Direct Investments or any Overseas Direct Investment and has not made any External Commercial borrowings during the period under review.

**V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992(SEBI Act).**

- a) The securities and exchange board of India(substantial acquisition of shares and takeovers)Regulations,2011.

The company has not made any substantial acquisition of shares and takeovers during the period under review and therefore the question of complying with the provisions of The Securities and Exchange Board of India ( Substantial Acquisition of Shares and Takeovers) Regulations,2011 does not arise.

- b) The Securities and exchange Board of India(Prohibition of insider trading)Regulations,1992;

No events relating to unpublished price sensitive information took place during the year review except quarterly financial results and there are no transactions during the period when the quarterly results are considered by the Audit Committee and Board of Directors.

- c) The Securities and Exchange Board of India(Issue of capital and disclosure requirements)Regulations, 2009;

The company has not issued any share capital during the period under review and therefore the question of complying with the provisions of Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009 does not arise.

- d) The Securities and Exchange Board of India (Employee stock option scheme and employee stock purchase scheme) Guidelines, 1999.

The company has not made any offer to the employees under Employee stock option scheme and any employee stock purchase scheme during the period under review and therefore the question of complying with the provisions of The Securities and Exchange Board of India (Employees stock option scheme and Employee Stock Purchase Scheme) Guidelines1999 does not arise.

- e) The Securities and Exchange Board of India(Issue and listing of Debt securities)Regulations,2008:

The Company has not issued any debt securities during the period under review.

- f) The securities and Exchange Board of India (Registrars to an Issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client.

**1. The company has not appointed an RTA in accordance with the SEBI regulations.**

- g) The securities and Exchange Board of India(Delisting of Equity shares) Regulations,2009; and
1. No action has been taken by the recognized stock exchange for compulsory delisting of equity shares.
  2. The company has not initiated any action for the voluntary delisting of equity shares.

Hence, the question of complying with the provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009 does not arise.

- h) The Securities and Exchange Board of India(Buy back of securities)Regulations,1998;

The company has not purchased its own shares during the period under review and therefore the question of complying with the provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 does not arise.

I have examined compliance with the applicable clauses of the following:

- I. Since no secretarial standards were issued by the Institute of Company Secretaries of India till 31<sup>st</sup> March, 2016, question of complying with the standards does not arise.
- II. The Listing Agreements entered into by the company with stock exchanges , if applicable:

The company has complied with all clauses of the Listing Agreement except the observations made above.

During the period under review the Company has complied with the provisions of the Act, Rules ,Regulations,Guidelines,Standards etc. mentioned above subject to the observations as stated above.

I further report that there are no adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable following specific laws:

1. Chemical Accidents Act,1996
2. Indian Boilers Act,1923
3. Environment (Protection)Act,1986
4. The Essential Commodities Act,1955

Place :Indore  
Date :21/05/2016

For Rao Saklecha & Co.  
Company Secretaries

Pankaj K Saklecha  
**FCS No.6292**

CP No.:6434



**'Annexure A'**

To,  
The Members,  
SHABA CHEMICLAS LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the Company.

Place :Indore  
Date :21/05/2016

For Rao Saklecha & Co.  
Company Secretaries

Pankaj K Saklecha  
**FCS No.6292**

CP No.:6434

## **Independent Auditors' Report**

TO THE MEMBERS OF  
**SHABA CHEMICALS LIMITED**  
INDORE

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **SHABA CHEMICALS LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including

The Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 of the state of affairs of the Company as at March 31, 2016, and its profit and its 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, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - (a) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
    - (b) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as auditor in terms of Section 164(2) of the Act.
  - (c) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23(A)(i) to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR S.N.KABRA & CO.  
CHARTERED ACCOUNTANTS**

**PLACE: INDORE  
DATE: 21<sup>TH</sup> MAY, 2016**

**CA. S.N.KABRA  
PARTNER  
FIRM REGISTRATION NO 03439C**

## Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. There is no any fixed assets in the company.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the management is in the process of carrying out the physical verification and reconciling the same with the book records. Material discrepancies, if any, between the book records and the physical verification would be dealt with on completion of such reconciliation.

(ii) In respect of its inventories: No any inventories and operation in the Company. Hence not applicable.

(iii) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) There are no amounts pending to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

(viii) There are Rs. 30703447/- accumulated losses of the Company at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.

(x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.

(xi) In our opinion and according to the information and explanations given to us, no term loans have been taken by the Company during the year.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**FOR S.N.KABRA & CO.  
CHARTERED ACCOUNTANTS**

PLACE: INDORE  
DATE: 21<sup>TH</sup> MAY, 2016

CA. S.N.KABRA  
PARTNER  
(Firm Reg. No. 003439C)

SHABA CHEMICALS LIMITED  
Balance Sheet as at 31st March 2015

Particulars	Note No.	AS ON 31.03.2016	AS ON 31.03.2015
<b>EQUITY AND LIABILITIES</b>	-		
<b>Share holder's Funds</b>	-		
Share Capital	1	29163500	29163500
Reserve and Surplus	2	1356430	1356430

<b>Non-Current Liabilities</b>				
Long-term borrowings	3	10000	10000	
Deferred tax liabilities		0	0	
<b>Current Liabilities</b>				
Short-term borrowings	4	0	0	
Other current liabilities	5	461615	451615	
Short-term provisions		0	0	
<b>Total</b>		30991545	30981545	
<b>Assets</b>				
<b>Non-current assets</b>				
Fixed assets				
Tangible assets	6	0	0	
Non-current investments	7	0	0	
Long term loan advances	8	29600	29600	
<b>Current assets</b>				
Inventories		0	0	
Trade receivable	9	16500	16500	
Cash and cash equivalents	10	241998	219038	
Short-term loans and advances	11	0	0	
Other current assets	12	0	0	
Miscellaneous Expenditure	13	0	0	
Profit and Loss Account	14	30703447	30716407	
<b>Total</b>		30991545	30981545	

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 : 21/16/2016**

SHABA CHEMICALS LIMITED

**Statement of Profit and Loss for the year ended 31st March, 2016**

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
-------------	----------	------------------	------------------

INCOME			
Revenue from operations	15	0	0
Other Income	16	262500	255082
Total Revenue		262500	255082
EXPENDITURE			
Employee benefit expenses	17	108000	24000
Adminstration & other expenses	18	141540	219730
Financial costs	19	0	2640
Miscellaneous Expenses		0	0
Total Expenses		249540.00	246370.00
Profit/Loss before tax		12960	8712.00
Tax expense		0	0
Profit/Loss for the year		12960	8712.00
Earning per share		0	0

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 : 21/05/2016**

**SHABA CHEMICALS  
LIMITED**  
Notes on Financial Statements for the Year ended 31st  
March, 2016





<b>Note No. 2</b>		
<b><u>Reserves and Surplus</u></b>		
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
	Tota l	
	1356430	1356430

<b>Note No. 3</b>		
<b><u>Long term Borrowings</u></b>		
<b>Secured</b>	0	0
<b>Unsecured</b>	10000	265082
	10000	265082

(This is deposits from directors )

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

<b>Note No. 5</b>		
<b><u>Other current liabilities</u></b>		
Trade payable	204100	204100
Sundries Creditors	227515.22	227515.22
Audit fees payable	30000	20000
	461615.22	451615.22

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

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

<b>Note No. 9</b>		
<b><u>Trade receivable</u></b>		
Secured considered good		
Unsecured considered good	16500	16500
	16500	16500

<b>Note No. 10</b>		
<b><u>Cash and cash equivalents</u></b>		
Cash and Bank Balances		
Balance with banks	0	0
Cash in hand	241998	219038
	241998	219038

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

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

<b>Note No. 13</b>		
<b><u>Misc. Expenditure</u></b>		

Preliminary Exp.	0	0
	0	0

<b>Note No. 15</b>		
<b><u>Revenue from operations</u></b>		
-	0	0
	0	0

<b>Note No. 14</b>		
<b><u>Profit and Loss Account</u></b>		
- Balance as per last Balance Sheet	30716406.55	30725118.55
Add/(less) Current Year (Profit)/ loss	12960.00	8712.00
	30703446.55	30716406.55

<b>Note No. 16</b>		
<b><u>Other Income</u></b>		
- Interest Income	0	0
Bank interest	0	0
Brokrage income	0	0
Other income	262500	255082
	262500.00	255082.00

<b>Note No. 17</b>		
<b><u>Employee benefit expenses</u></b>		
<b><u>Salaries &amp; wages</u></b>		
Salaries	108000	24000
Staff Welfare expenses	0	0
	108000	24000

<b>Note No. 18</b>		
<b><u>Administrative Expenses &amp; Other expenses</u></b>		
Professional & Legal Fees	38800	32500.00
Photocopy and Fax Exps	10200	7450.00
Postage, Telephone Exps	22500	19500.00
listing Fees	0	112360
Misc Expenses	3480	750.00
Filing Fees (R.O.C.)	6000	5000.00
Stationery	6860	3420
Audit Fees	10000	10000
Agm Exps	43700	28750
	141540.00	219730.00

<b>Note No. 19</b>		
<b>Financial Cost</b>		
Other borrowings cost	0	0
Bank charges	0	2640
	0	2640

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 : 21/05/2016**

## **SCHEDULE 9**

### **NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2016**

#### **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 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 accrual 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.

The company has prepared this financial statements to comply in all material respects with the Accounting Standard Notified under the relevant provision of the Company Act 2013. The previous year figure have also reclassified and regrouped.

##### **iii. Revenue Recognition :-**

1. Company is a trading Company, during the financial year other income has been recognized on Accrual basis.

##### **iv. Fixed Assets :-**

There is no any Fixed Assets in the company.

##### **v. Depreciation :-**

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in schedule II to the company Act, 2013. However there is no any fixed assets in the Company.

2. Depreciation is provided on pro-rate basis from the day on which assets have been put to use or upto

##### **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 an individual scrip basis.
3. Stock in trade of the scrip's have been maintained on the basis of first in first out method.

##### **vi. Contingent Liability:- Dues of exchange of Rs 227679/-**

#### **ADDITIONAL DISCLOSURE**

#### **SUNDRY CREDITORS, LOANS & ADVANCES:**

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.

SMALL SCALE UNDERTAKING

The company has not recd any information from any of the suppliers of their being small scale industrial unit.

3. Figures have been rounded off to the nearest rupee.

4. Managerial remuneration U/s 198 of the Companies Act, 1956.

	2014-15	2015-16
	-----	-----
Salary	26000	108000

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. 10,000/-

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,

Accumulated losses was relevent to previous years which become more then 8 year old.

8. Segment Reporting: Company has discontinue 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**

**FOR S.N.KABRA & KABRA**  
**CHARTERED ACCOUNTANTS**

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

**S.N.KABRA**  
**(PARTNER)**  
(Firm Reg. No. 003439C)

**For S. N. KABRA & CO.**

**Chartered Accountants**

**Sd/-**

**SHABA CHEMICALS LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Pursuant to the listing Agreement with Stock Exchange)

		2015-16	2014-15
		(Rs.)	(Rs.)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
	Net Profit/(loss) before Tax	12960	8712
		-	
	ADJUSTMENT FOR –	-	
	Depreciation	-	-
	Sundry Balance written back	12960	8712
	Operation (Profit)/ loss before working capital changes	-	-
	ADJUSTMENT FOR –		
	Decrease / (Increase) in Current Assets	-	-
		<b>10000</b>	<b>112000</b>
	Decrease / (Increase) in Current Liabilities	-----	-----
	Cash flow before extra ordinary items	22960	120712
	Extra ordinary items	0	0
			-----
	<b>NET CASH USED IN OPERATING ACTIVITIES</b>	-----	
	Taxes paid (net of refund)	22960	120712
	<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	-----	-----
		22960	120712
	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	-----	-----
<b>B</b>	<b>NET CASH RECEIVED FROM INVESTING ACTIVITIES</b>		
		0	0
	<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
	Long Term Borrowings	0	0
	Loan Borrowed		0



<b>D</b>	<b>NET CASH RECEIVED IN FINANCING ACTIVITIES</b>	0	(255082)
		0	0
		-----	
	<b>Net increase / (Decrease) in Cash &amp; cash equivalent (A+B+C)3</b>	22960	(255082)
		-----	-----
	<b>Cash &amp; Cash equivalent at the beginning of the year</b>	219038	(134370)
	<b>Cash &amp; Cash equivalent at the close of the year</b>	241998	-----
			353408
			219038

**For and on behalf of the Board**

**Shaba Chemicals Limited**

**Date: 21/05/2016**

**Place: Indore**

**Sd/-**

**Mr. Ritesh Jain**

**(W T DIRECTOR)**

**Sd/-**

**Sangeeta Neema**

**(DIRECTOR)**

SHABA CHEMICALS LIMITED

Registered office: 101, Rajani Bhawan, 569/2,

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 29<sup>th</sup> Annual General Meeting of the company, to be held at 11.30 a.m. on Friday the 30th September,  
2016 and/or at any adjournment thereof.

Signed this ----- day of ----- 2016. -----

: 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 29<sup>th</sup> annual General Meeting of the Company at the Registered office of the Company at 11.30 a.m. on Friday , the 30th September 2016.

.....

Shareholder's/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.