



SHABA CHEMICALS LIMITED

**THIRTEENTH ANNUAL REPORT
1999-2000**

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the thirteenth annual general meeting of the members of SHABA CHEMICALS LIMITED, will be held on 30th Sept. 2000 at 11 a.m. at the registered office of the Company at Mhow Neemuch Road, Ratlam to transact the following business :

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and the Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Shri Anwar Hussain who retires by rotation and being eligible offers himself for re-appointment.
- 4) To appoint Auditors and fix their remuneration.

Regd. Office

Mhow Neemuch Road,
RATLAM, 28th August 2000

For and on behalf of the Board

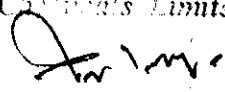
S.A.Faizy
Whole Time Director

Notes :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member.
2. Proxy should be deposited at the Registered Office of the company not later than 48 hrs before the meeting.
3. Register of members and Share Transfer Books of the company shall remain closed from 29th Sept. 2000 to 30th Sept. 2000 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report to the meeting.

Certified True Copy

For, Shaba Chemicals Limited


Whole Time Director

DIRECTOR'S REPORT TO THE SHAREHOLDERS,

Your Directors hereby present their Thirteenth Annual Report together with Audited Balance Sheet as at 31st March, 2000 and the Profit & Loss for the period from 1st April 1999 to 31 March, 2000.

CORPORATE RESULTS

Your Company's turnover was Rs. 00.69 lacs for the year ended 31st March 2000, as against Rs. 02.63 lacs for the preceding year. The decline in turnover was due to suspension of production.

	Year ended 31st March '00 (Rs. in lacs)	Year ended 31st March '99 (Rs. in lacs)
Profit/(Loss) before Depreciation	(26.87)	(70.34)
(Add) : Depreciation	(00.65)	(12.94)
Net Profit/(loss) for the year	(27.52)	(83.28)

DIVIDEND

In view of losses incurred during the year and liquidity crunch your directors do not recommend any dividend for the year.

EXPANSION

The management had to suspend the production from April 1998 because of the acute financial crisis and liquidity crunch which compelled the management to retrench the workers and the staff and surrender the power connection.

DIRECTORS

Shri Anwar Hussain, Director of the Company retire at the ensuing Annual General Meeting and being eligible offers himself for the re-appointment.

AUDITORS

M/s.S.S.Nasir & Co.,Chartered Accountants,auditors of the company, retire at the ensuing Annual General Meeting and being eligible,offer themselves for the re-appointment.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company has suspended production since April, 1998,hence,statement in accordance with the provision 217(1)(e) of the Companies Act,1956 read with the Companies (Disclosures of particulars in the report of Board of Directors)Rules 1988, regarding conservation of energy is not relevant.

TECHNOLOGICAL ABSORPTION,ADAPTION AND RENOVATION :

The management had to suspend the production from April 1998 because of the acute financial crisis and liquidity crunch which compelled the management to retrench the workers and the staff and surrender the power connection.

EMPLOYEES PARTICULARS

During the year there was 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)Rule 1975, hence prescribed particular 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.

ACKNOWLEDGMENT

Your Directors acknowledge with gratitude the direct and indirect support received by the management from the Central Bank of India Ratlam.

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

For and on behalf of the Board

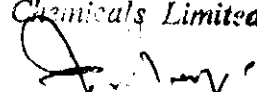
PLACE : RATLAM

CHAIRMAN
(SHRI A.N.Shahid)

DATE : 28th August 2000

Certified True Copy

For, Shaba Chemicals Limited


Whole Time Director

FORM A

Form for disclosure of particulars with respect to conservation of energy.

1999-00

1998-99

A. Power and Fuel Consumption**1. Electricity****a) Purchased**

Unit in (Lacs) (Min.charges upto June 1998) -----

Amount (Rs.in lacs)

N.A.

N.A.

Rate per unit

N.A.

N.A.

2. Diesel for Boiler**a) Quantity (Lites.)**

NIL

400

Amount(Rs. in lacs)

NIL

0.05

Average Rate(Rs. per ltrs.)

NIL

10.61

B. Consumption per unit of production

Production of Bulk Drugs Units Standards
in M.Tonnes

1999-00

1998-99

Electricity

Unit

N.A.

N.A.

Diesel

Litrs

NIL

7843


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SHABA CHEMICALS LIMITED

AUDITED STATEMENT OF ACCOUNTS UNDER
COMPANIES ACT, 1956 FOR THE YEAR
1999 - 2000

S. S. NASIR & COMPANY
CHARTERED ACCOUNTANTS
239, NAGDEVI STREET, 2ND. FLOOR,
ROOM NO. 7, MUMBAI - 400 003.
TEL : 345 01 48 * 341 30 50
E-MAIL : sabicom@bom5.vsnl.net.in

Taher M. Ujjainwala B.Com. F.C.A.

Shamam S. Nasir B.Com. A.C.A.

S. S. NASIR & Co.
Chartered Accountants239, Nagdevi Street, Darukhanawala Bldg. 2nd Flr, RNo. 7, Mumbai 400 003.
Tel.: 341 30 50 Compu Fax: 345 01 48, E-mail: sabicom@bom5.vsnl.net.in**AUDITORS REPORT TO SHAREHOLDERS**

We have audited the annexed Balance Sheet of SHABA CHEMICALS LIMITED, RATILAM as at 31st March, 2000 and also Statement of Profit & Loss account for the year ended on that date annexed thereto and report that :

1. As required by the Manufacturing and Other Companies (Auditors Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, We enclose in the annexure, a statement in the matters specified in the Paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above.
 - (a) We have 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 accounts have been kept by the company as required by law so far as appears from our examination of those books.
 - (c) The Balance Sheet and Profit & Loss account dealt with by the report, read with the notes thereon, are in agreement with the books of accounts and comply with Accounting standards referred to u/s. 211 (3C) of the Companies Act, 1956.
 - (d) As referred to in note #1 c (ii) on the accounts, the depreciation on Plant & Machinery and Laboratory equipments have not been provided and as such the Assets are overstated and accumulated loss understated by Rs.465,715/-.
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit and Loss account, with notes thereon give the information required by the Companies Act, 1956 in the manner so required, and give a true and fair view :
 - (i) In so far as it relates to the Balance Sheet of the state of affairs of the Company at 31st March, 2000 and
 - (ii) In so far as it relates to the Profit and Loss Account of the loss for the year ended on that date.

For S. S. NASIR & CO.
Chartered AccountantsT.M. UJJAINWALA
Partner

Mumbai, 28th August 2000