



Certified True Copy

For Shaba Chemicals Ltd

  
Director

# SHABA CHEMICALS LIMITED

SEVENTEENTH ANNUAL REPORT  
2003 - 2004

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Seventeenth Annual General Meeting of the members of SHABA CHEMICALS LIMITED will be held on Monday, the 30th of September, 2004 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, 2004 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.
- 3) To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS**

- 4) To consider, and if thought fit, to pass with or without modification, the following resolution as Special Resolution :-

" RESOLVED THAT pursuant to the applicable provisions of the Securities & Exchange Board of India ( Delisting of Securities guidelines, 2003 ( hereinafter referred to as the Delisting Guidelines) and subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreement and all other applicable rules, regulation, and guidelines and subject to the approvals, constants, permission or sanctions of the Securities, and Exchange Board of India, Stock Exchanges where the shares of the Company are listed and any other appropriates, institutions or regulators as may be necessary and subject to such conditions and modifications if any, as may be prescribed or imposed by any such authorities while granting such approvals, permissions sanctions, which may be agreed to by the Board of directors of the Company, (hereinafter referred to as the Board, which term shall be deemed to include any Committee thereof for the time being exercising powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to delist the equity shares of the Company from The Madhya Pradesh Stock Exchange Association Limited, at Indore ( Madhya Pradesh ) and The Ahmedabad Stock Exchange at, AHMEDABAD.

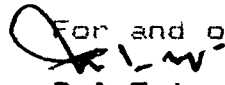
RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board and its Committee comprising of Whole time Director Shri Shahid Abbas Faizy and Director Shri Anwar Hussain be and are hereby authorised on behalf of the company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for said purpose and with powers on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for said purpose and with power on behalf of the Company to settle any question, difficulties or doubts that may arise in this regard without requiring the Board/Committee to secure any further consent or approval of the Members of the Company. "

- 5) To consider, and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution :-

" RESOLVED THAT Mrs. Jamila Jaliwala who was appointed as an Additional Director from 18th, June, 2004 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice under section 257 of the Companies Act, 1956 from a Member proposing her candidature for the office of a Director be and is hereby appointed a Director of the Company whose period of office will be liable to determination by retirement by rotation. "

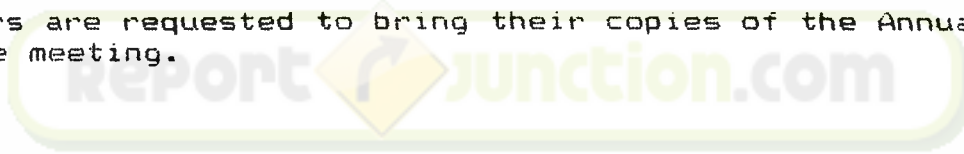
Regd. Office

Mhow Neemuch Road.  
RATLAM, 03.09.2004

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/HERSELF 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. Register of members and Share Transfer Books of the company shall remain closed from 27th September, 2004 to 30th September, 2004 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report to the meeting.



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT

Pursuant to section 173(2) of the Companies Act, 1956

Item No.4

The shares of the Company are listed on the Mumbai Stock Exchange, Mumbai (BSE), The Madhya Pradesh Stock Exchange, Indore (MPSE) and the Ahmedabad Stock Exchange, Ahmedabad (ASE). With the extensive networking of BSE and availability of nationwide trading terminals, the investors have access to online dealings in the equity shares of the Company's equity shares across the country. The volume of shares on Madhya Pradesh Stock Exchange, Indore and Ahmedabad Stock Exchange Ahmedabad is very small. SEBI (Delisting of Securities) Guidelines, 2003 provide that a company can voluntarily delist its securities from the Stock Exchanges where its securities are listed without providing an exit opportunity to its shareholders provided its securities continue to be listed on the Stock Exchange having nationwide terminals.

It is therefore proposed that the shares of the company be delisted from Madhya Pradesh Stock Exchange, Indore and Ahmedabad Stock Exchange, Ahmedabad and whereas the shares be continued to be listed on The Stock Exchange, Mumbai.

The Board of Directors of the Company recommend passing of the resolution set out in item No.4 of the accompanying notice.

None of the directors is concerned or interested in the resolution.

Item No. 5

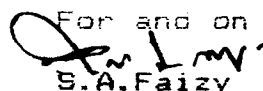
The Company has appointed Mrs. Jamila Jaliwala as an Additional Director of the Company from 18.06.2004. Pursuant to Section 260 of the Companies Act, 1956 she holds office up to this Annual General Meeting.

Notice in writing has been received from a share holder of the Company signifying her intention proposing Mrs. Jamila Jaliwala as a candidate for the office of Director. The Directors recommend that she be appointed as a Director of the Company.

Except Mrs. Jamila Jaliwala, no Director is interested in the resolution.

Regd. Office

110w Neemuch Road,  
ATLAM, 03.09.2004

For and on behalf of the Board  
  
S.A. Faizy  
Whole Time Director

## DIRECTOR'S REPORT TO THE SHAREHOLDERS,

Your Directors hereby present their Seventeenth Annual Report together with Audited Balance Sheet as at 31st March, 2004 and the Profit & Loss for the period from 1st April 2003 to 31 March, 2004.

### FINANCIAL RESULTS

Your Company's turnover was Rs. NIL lacs for the year ended 31st March 2004, as against Rs. 04.19 lacs for the preceding year. There has been no sale due to suspension of production.

	Year ended 31st March '04 (Rs. in lacs)	Year ended 31st March '03 (Rs. in lacs)
Profit/(Loss) before Depreciation	(0.30)	3.61
(Less) : Depreciation	-	-
Income Tax earlier years	-	0.08
Net Profit/(loss) for the year	(0.30)	3.53

### DIVIDEND

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

### OPERATION

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 retires at the ensuing Annual General Meeting and being eligible offers himself for the re-appointment.

The Chairman of the Company, Shri A.N. Shahid has expired on date 14.06.2004. The Board of Directors wish to place on records its sincere appreciation for the relentless work done by him for the upliftment of the Company.

### Re-appointment

Smt. Jamila Jaliwala has been appointed as Additional Director of the Company with effect from 18.06.2004 till the ensuing Annual General Meeting. A Notice u/s 257 of the Companies Act, 1956 proposing her name for appointment as Director liable to retire by rotation has been received from a Member. Accordingly, her appointment is being put before the ensuing Annual General Meeting.

### DIRECTOR'S RESPONSIBILITY STATEMENT -

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956 the Board of Directors hereby state that :

(1) While preparing of the annual accounts, the applicable accounting standards have been followed by us.

(2) We 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 fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period.

(3) We have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(4) We have prepared the annual accounts on a going concern basis.

#### 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 re-appointment.

#### CORPORATE GOVERNANCE

A report on Corporate Governance as required under clause 49 of the listing agreement is attached.

#### 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 enclosed.

#### 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 surrendered 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.

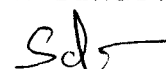
#### PERSONNEL

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 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

  
(A.I. Abbasi)  
CHAIRMAN

PLACE : RATLAM  
DATE : 03.09.2004