

Report  Junction.com

# **SHABA CHEMICALS LIMITED**

**NINETEENTH ANNUAL REPORT**  
**2005 - 2006**

## NOTICE OF ANNUAL GENERAL MEETING'S

Notice is hereby given that the Nineteenth Annual General Meeting of the members of SHABA CHEMICALS LIMITED will be held on Saturday the 30th of Sept., 2006, 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, 2006 and Profit & Loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
- 2) Shri Anwar Hussain, Director of the Company retires by rotation. His replacement is not being sought.

## SPECIAL BUSINESS

- 3) To consider and if thought fit to pass with or without modification the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions if any of the Companies Act, 1956 M/s. Bharat Neema & Company, Chartered Accountants, 101, Rajani Bhawan, 569/2 M.G. Road, Indore 452002 be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting at such remuneration and out of pocket expenses as may be approved by the Board of Directors.

- 4) To consider and if thought fit to pass with or without modification the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Mr. Ritesh Jain who was appointed as an Additional Director of the Company on the 1st of August, 2006 and whose term expires, under Section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom company has received notice from a member under Section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation.

- 5) To consider and if thought fit to pass with or without modification the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Mr. Raj Kumar Jain who was appointed as an Additional Director of the Company on the 1st of August, 2006 and whose term expires under Section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom company has received notice from a member under Section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation.

- 6) to consider and if thought fit to pass with or without modification the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT Mrs.Sangita Neema who was appointed as an Additional Director of the Company on the 1st of August, 2006 and whose term expires under Section 260 of the Companies Act, 1956 at this Annual General Meeting and in respect of whom company has received notice from a member under Section 257 of the said Act proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company subject to retirement by rotation.

Regd. Office

For and on behalf of the Board

Mhow Neemuch Road,  
RATLAM, 04.09.2006

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, 2006 to 30th September, 2006 (both days inclusive).
3. Members are requested to bring their copies of the Annual Report to the meeting.

## EXPLANATORY STATEMENT

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

## Item No.4

M/s. S.S.Nasir & Company, Chartered Accountants, Statutory Auditors of the company have tendered their resignation stating their inability to take up the audit for the year ending on the 31st of March 2007. Further, M/s.Bharat Neema & Company Chartered Accountants, 101, Rajani Bhawan, 569/2 M.G.Road, Indore 452 002 have conveyed their consent for appointment as the Statutory Auditors of the Company for the financial year 2006-07. They have also confirmed in writing that their appointment if made will be in accordance with the limits specified in sections 224(1B) of the Companies Act, 1956.

None of the Directors of the company is interested or concerned in the said resolution.

## Item No.5,6 &amp; 7

The Company is exploring the business of commodity market and plans to venture into the commodity business in near future. Mr.Ritesh Jain and Mrs. Sangita Neema have about four years of experience in the commodity exchange trading market. They are also Director in M/s.Laxmi Venkatesh Commodity Pvt. Ltd. and M/s. Ankur Securities Pvt. Ltd. Mr. Raj Kumar Jain has about five years of experience in the commodity market.

The Board of Directors appointed Mr.Ritesh Jain as an Additional Director with effect from the 1st of August, 2006 pursuant to the provisions of Article 98 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Ritesh Jain holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, signifying her intention to propose at the forthcoming Annual General Meeting, the appointment of Mr.Ritesh Jain as Director of the company.

The Board of Directors appointed Mr.Raj kumar Jain as an Additional Director with effect from the 1st of August, 2006 pursuant to the provision of Article 98 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Ritesh Jain holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, signifying his intention to propose at the forthcoming Annual General Meeting, the appointment of Mr.Raj Kumar Jain as Director of the company.

The Board of Directors appointed Mrs.Sangita Neema as an Additional Director with effect from the 1st of August, 2006 pursuant to the provision of Article 98 of the Articles of Association of the Company read with Section 260 of the Companies Act, 1956. Mr. Ritesh Jain holds office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member under section 257 of the Companies Act, 1956, signifying her intention to propose at the forthcoming Annual General Meeting, the appointment of Mrs.Sangita Neema as Director of the company.

## DIRECTORS' REPORT TO THE SHAREHOLDERS,

Your Directors hereby present their Nineteenth Annual Report together with Audited Balance Sheet as at 31st March, 2006 and Profit & Loss for the period from 1st April 2005 to 31st March 2006.

### FINANCIAL RESULTS

Your Company's turnover was Rs.0.12 lacs for the year ended 31st March, 2006 as against Rs.00.05 lacs for the preceding year. There has been no sale during the year.

	Year ended 31st March '06 (Rs.in lacs)	Year ended 31st March '05 (Rs. in lacs)
Profit/(Loss) before Depreciation	(0.33)	(0.52)
Less : Depreciation	-	-
Income Tax earlier years	-	8.99
Net Profit/(loss) for the year	(0.33)	(9.51)

### 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. The production has not been resumed during the year.

### DIRECTORS

Shri Anwar Hussain, Director of the Company retires at the ensuing Annual General Meeting and his replacement is not being sought. The Board records its sincere appreciation for the valuable services by the out going Director.

The Chairman of the Company, Shri A.I.Abbasi has expired on date 22.02.2006. The Board records its sincere appreciation for the relentless work done by him for the upliftment of the Company.

### RE-APPOINTMENT

Mr. Ritesh Jain, Mr.Raj Kumar Jain and Mrs.Sangeeta Neema have been appointed as Additional Directors of the Company with effect from the 1st of August 2006 upto the ensuing AGM. Notice U/s 257 of the Company Act, 1956 have been received from three separate members for each of these Directors proposing their name for appointment as Director of the Company, liable to retire by rotation. Accordingly, their appointment is being put before the ensuing AGM.

### 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 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 the Company Act, 1956 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 & Company Chartered Accountants, Statutory Auditors of the Company have tendered their resignation stating their inability to take up the audit for the year ended 31st March, 2007. The Board records its sincere appreciation for the sincere services rendered by them. Further, M/s. Bharat Neema & Company Chartered Accountants, 101. Rajani Bhawan, 569/2 M.G. Road, Indore 452002 have conveyed their consent for appointment as the Statutory Auditors of the Company for the financial year 2006-07. They have also confirmed in writing that their appointment if made will be in accordance with the limits specified in sections 224(1B) of the Company Act, 1956.

The Board recommends the appointment of M/s. Bharat Neema & Co., Chartered Accountants as the Statutory Auditors from the conclusion of the forthcoming Annual General Meeting to the conclusion of the next Annual General Meeting.

#### 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 not furnished.

#### 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.

5

## 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 thanks the faith reposed by the share holders in the company and look forward to their continued support from time to time.

For and on behalf of the Board

Whole Time Director

PLACE : RATLAM

DATE : 04.09.2006

6

Report  junction.com