

# **SHABA CHEMICALS LIMITED**

**24<sup>th</sup>  
ANNUAL REPORT  
2010-2011**

# SHABA CHEMICALS LIMITED

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

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Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of SHABA CHEMICALS LIMITED will be held on Monday 30<sup>TH</sup> day of September, 2011 at 11.00 a.m. at the registered office of the Company at 101, Rajani Bhawan, 569/2, M. G. Road, Indore, (MP) to transact the following business:

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## ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit & loss Account for the year ended on that date together with the reports of the Directors and the Auditors thereon.
- 2) Mrs. Sangeeta Neema Director of the Company retires by rotation. She is eligible for re-appointment.
- 3) To Appoint Auditors and fix their remuneration.

Place: Indore

For and on behalf of the Company

Date: 11.05.2011

**SHABA CHEMICALS LIMITED**

Sd/-  
Chairman

## NOTES:

1. A MEMBER ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. A DULY COMPLETED PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING
2. Members are requested to immediately intimate change of address if any, to the Company quoting reference of their registered folio number
3. Register of the Members and share Transfer book of the Company shall remain closed from 26th September 2011 to 30th September 2011 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report to the Meeting.

# SHABA CHEMICALS LIMITED

## DIRECTOR'S REPORT

To,  
The Members  
SHABA CHEMICALS LIMITED

Your Directors are pleased to present their 24<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended on 31st March 2011 along with the Report of the Auditors thereon.

## FINANCIAL RESULTS

	Year Ended 31st March, 11 (Rs. In Lacs)	Year Ended 31st March, 10 (Rs. In Lacs)
	-----	-----
Turnover	63.63	71.88
Profit / (Loss) before Depreciation	.09	.23
Less: Depreciation	--	---
Income Tax earlier Years	--	--
Net Profit/ (Loss) for the year	.09	.23

## DIVIDEND

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

## 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 resume during the year. Moreover company has trading of commodities during the year and exploring business in this area.

## DIRECTOR

Mrs. Sangeeta Neema Director of the Company retires by rotation at the ensuing Annual General Meeting and his replacement is being sought.

## DIRECTOR'S RESPONSIBILITY STATEMENT

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

## **SHABA CHEMICALS LIMITED**

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures.
- ii) The Directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year ended 31st March 2011 and of the profit/loss of the Company for that period.
- iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Directors have prepared the annual accounts for the year ended 31st March 2011 on as a going concern basis.

### **AUDITOR**

M/S S. N. Kabra & Co. Chartered Accountants, give resigned from the post of Statutory Auditor of the company, and M/S S. N. Kabra & Co. Chartered Accountants appointed Statutory Auditors of the Company.

### **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 271(1) (e) of the companies Act, 1956 read with the Companies (Disclosure of particulars in the report of board of directors) Rules 1988; regarding conservation of energy is not furnished.

### **EMPLOYEES PARTICULARS**

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

### **PERSONNEL**

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

## **SHABA CHEMICALS LIMITED**

### **ACKNOWLEDGEMENT**

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

**Place: Indore**

**Date: 11.05.2011**

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

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

**Mr. Rajkumar Jain  
(Director)  
Sd/-**

# SHABA CHEMICALS LIMITED

## REPORT ON CORPORATE GOVERNANCE

The detailed report on Corporate Governance, for the financial year April 1, 2010 to March 31, 2011 as per the format prescribed by SEBI and incorporated in clause 49 of the Listing Agreement is set out below:

### **1. Company's Philosophy on Corporate Governance:**

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

### **2. Board of Directors:**

During the year six meetings of the Board were held on the following dates: 29.06.2009, 28.07.2009, 26.10.2009, 28.01.2010, 19.07.2010 and 29.08.2010.

The particulars of Directors are as follows: -

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

### **3. Audit Committee:**

The Audit Committee consists of following Directors:-

1. Mr. Ritesh Jain
3. Mr. Rajkumar Jain
4. Mrs. Sangeeta Neema

All the members are independent and possess expert knowledge of Finance, Accounts and Company Law. The functions of Audit Committee are as per Company Law and Listing Agreements with Stock Exchange. These include approving and implementing the audit procedures, review of financial reporting system, internal control procedure and risk management policies. The Committee met 4 Time on 29<sup>th</sup> June 2009, 26<sup>th</sup> July 2009, 26<sup>th</sup> October, 2009 and 28<sup>th</sup> January, 2010 during the year. All the members were present at the meeting.

### **5. Remuneration Committee: -**

The company has constituted Remuneration Committee for payment of remuneration to Managerial Personal. The Committee Meets 3 times on 29.06.2009, 26.10.2009, and 28.01.2010 during the year. The members of the Committee are as under: -

1. Mr. Ritesh Jain
2. Mrs. Sangeeta Neema
3. Mr. Rajkumar Jain

### **6. Shareholder's / Investor's Grievances Committee:-**

The Company has constituted Investor's Grievances Committee for the purpose of effective redress of the Complaints of the shareholders. The Committee meets 3 times on 29.06.2009, 26.10.2009, and 28.01.2010 during the year. The members of the Committee are as under: -

1. Mrs. Sangeeta Neema
2. Mr. Ritesh Jain

No complaints during the year 2010-2011 were received. There were no valid requests for transfer of shares pending as on 31.03.2011

### **3. General Body Meeting**

Year	Date of AGM	Location	Time
2004-2005	30.09.2005	Ratlam (M.P.)	11.00 A.M.
2005-2006	30.09.2006	Ratlam (M.P.)	11.00 A.M.
2006-2007	29.09.2007	Ratlam (M P)	11.00 A.M.
2007-2008	30.09.2008	Indore (M P)	11.00 A.M.
2008-2009	30.09.2009	Indore (M P)	11.00 A.M.
2009-2010	30.09.2010	Indore (M.P.)	11.00 A.M.

No Special Resolution was through Postal Ballot.

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

### **7. Disclosures: -**

- (a) Material related party transaction: During the Financial year 2010-2011 there were no transaction of material nature with its promoters, the directors or the management, there subsidiaries or relatives etc. which may have potential conflict with the interest of Company at large.

## SHABA CHEMICALS LIMITED

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

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

### 8. Distribution of Share as on 31<sup>st</sup> March 2011

Distribution of Shares (In Rs.)	No. of Shareholders	Percentage to Total No. of Shareholders	No. of Shares held	Percentage to total Shares
Up to 5000	1234	73.15	432200	14.77
5001 to 10000	283	16.77	245000	8.36
10001 to 20000	81	4.80	137300	4.70
20001 to 30000	23	1.36	80500	2.75
30001 to 40000	10	0.59	34300	1.17
40001 to 50000	16	0.95	92500	3.16
50001 to 100000	16	0.95	118100	4.03
100001 to above	24	1.43	1787300	61.06
<b>Total</b>	<b>1687</b>	<b>100.00</b>	<b>2927200</b>	<b>100.00</b>

### 9. Shareholding Pattern

Category of Shareholders	No. of Shares held	percentage of Holding
Private Corporate Bodies	180700	6.17
Indian Public –up to 1 lack	941900	32.18
- More then 1 lack	162000	5.53
NRI's	67100	2.29
Promoters and Persons Acting in concert	1575500	53.82
<b>Total</b>	<b>2927200</b>	<b>100.00</b>

### 10. Means of Communication:

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



# SHABA CHEMICALS LIMITED

## **11. Shareholders Information:**

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

Wednesday the 30<sup>th</sup> day of September 2011 at 11.00 AM at the registered office of the Company at 101, Rajani Bhawan, 569/2, M. G. Road, Indore (M.P.)-452001

### **(b) FINANCIAL CALENDER**

		Date of filing
Results for the quarter ending	31.03.2009	29.06.2009
Results for the quarter ending	30.06.2009	28.07.2009
Results for the quarter ending	30.09.2009	26.10.2009
Results for the quarter ending	31.12.2009	28.01.2010

### **(c) DATE OF BOOK CLOSURE**

26.09.2011 to 30.09.2011 (both days inclusive)

### **(d) LISTING OF SHARES ON STOCK EXCHANGE**

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

### **(e) STOCK CODE: Scrip Code: BSE 524546**

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

MONTH	HIGH	LOW
-----	-----	-----
July 09	19.95	19.00
Sep 09	20.90	18.95
Oct 09	18.05	18.05
Dec 09	18.95	17.20
Feb 10	18.05	18.05
Aug 10	18.95	17.15
Oct 10	19.85	18.05
Mar 11	19.85	19.85

### **(g) REGISTRAR OR TRANSFER AGENT**

Share Transfer and communications regarding share certificates.

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