

# **SHABA CHEMICALS LIMITED**

**26<sup>th</sup>  
ANNUAL REPORT  
2012-2013**

# 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 26<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, 2013 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: -

## **ORDINARY BUSINESS**

- 1) To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 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 M/s S.N Kabra and Co. Chartered Accountants, Indore, as Auditors to hold office from the conclusion of the Annual General Meeting to the conclusion of the next general meeting and fix their remuneration.
- 4) Rajkumar Jain , Director Of the Company retiring by rotation from forthcoming Annual General Meeting.

## **SPECIAL BUSINESS**

- 5) To Appoint Mr. Bharat Neema as Director of the Company;

Resolved that Mr. Bharat Neema, be and is hereby appointed as Non-Executive Director of the Company w.e.f. from the date of this meeting, liable to retire by rotation.

- 6) To Appoint Mr. Jay Kishan Nema, be and is hereby appointed as Director of the Company w.e.f. from the date of this meeting, liable to retire by rotation.

Place: Indore  
Date: 07.08.2013

**For and on behalf of the Company**  
**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 27th September 2013 to 30th September 2013 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report to the Meeting.
5. Members / proxies should bring the attendance slips duly filled in and signed for attending the meeting.
6. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the Meeting.
7. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
8. members are requested to write their Folio Number in the attendance slip for attending the meeting.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Pursuant to the recommendation of SEBI Committee on Corporate Governance for reappointment of the retiring Directors, a statement of the details of the concerned directors is attached hereto

## 11. IMPORTANT COMMUNICATION TO MEMBERS

In view of the 'Green Initiative in Corporate Governance' introduced by the Ministry of Corporate Affairs (vide Circular Nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), which allows the paperless compliances by the companies and permits service of documents including Annual Report to its members through electronic modes. In the backdrop of this, the Company has given an option to the shareholders to receive the Annual Report through e-mail and is sending the Annual Report through e-mail to those members whose registered e-mail Ids were available with us.

Hence, the Company appeals to its shareholders who are yet to register their e-mail addresses, please Inform us their e-mail so that they can also become a part of the initiative and contribute towards a Greener environment.

**EXPLANATORY STATEMENT AND ADDITIONAL INFORMATION REQUIRED UNDER  
CLAUSE 49 IV (G) OF THE LISTING AGREEMENT ON DIRECTORS  
SEEKING FOR APPOINTMENT THE ANNUAL GENERAL MEETING:**

**For Item No. 5**

Shri Bharat Neema, aged 47 years, by profession practicing Chartered Accountant, proprietor of Bharat Neema & Company, Indore having vast experience and expertise of finance, taxation, capital market, commodity market and corporate planning. He is having experience of 20 years. Further your Directors suggest his name for appointment as the Director of the Company and of the opinion that Company will be get benefit of his expertise. His appointment will be in the interest of the company.

He does not hold any share in the Company.

Except Mrs. Sangeeta Neema, no other directors of the Company are concerned or interested in the aforesaid resolution and your board recommends your accord to the proposal in the interest of the Company.

**For Item No. 6**

Shri Jay Kishan Nema aged 48 years, and Educated upto M.COM . He is having good knowledge in the field of marketing and Management. . Further your Directors suggest his name for appointment as the Director of the Company and of the opinion that Company will be get benefit of his expertise. His appointment will be in the interest of the company.

He does not hold any share in the Company.

Except Mrs. Sangeeta Neema, no other directors of the Company are concerned or interested in the aforesaid resolution and your board recommends your accord to the proposal in the interest of the Company.

# SHABA CHEMICALS LIMITED

## DIRECTOR'S REPORT

To,  
The Members  
SHABA CHEMICALS LIMITED

Your Directors are pleased to present their 26<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended on 31st March 2012 along with the Report of the Auditors thereon.

## **FINANCIAL RESULTS**

	Year Ended 31 <sup>st</sup> March ,2013 (Rs. In Lacs)	Year Ended 31 <sup>st</sup> March ,2012 (Rs. In Lacs)
Turnover	0	29.74
Other Income	1.18	1.12
Profit / (Loss) before Depreciation	.16	.09
Less: Depreciation		
Income Tax Earlier Years		
Net profit(Loss) For the year	.16	.09

## **DIVIDEND**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **PUBLIC DEPOSITS**

During the year under review the company has neither accepted nor invited any public deposits within the meaning of section 58A of the companies Act, 1956 read with companies (Acceptance Of Deposits) rules 1975. Managing also there are no outstanding Public Deposits.

## **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.

## **DIRECTOR**

Mr. Rajkumar Jain Director of the Company retires by rotation at the ensuing Annual General Meeting and Mr. Bharat Neema (Chartered Accountant) proposed to be appointed as Director in forthcoming Annual General Meeting.

## **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:

- 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 2013 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 2013 on as a going concern basis.

## **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.

## **Auditors And Auditors Report:**

M/s. S.N. Kabra & Co., Chartered Accountants are statutory auditors of the Company for the financial year 2012-13. The Board of Directors of the Company has decided that the appointment of statutory auditors should be done on a rotational basis.

The Notes on Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments.

### **COMPLIANCE CERTIFICATE:**

In the terms of the provisions of Section 383A of the Companies Act, 1956, Compliance Certificate from M/s K.G. Mujawadia & Associates , Company Secretaries, 410, Ashirwad Appartment, 37 Kailash Park Colony Near Gita Bhawan, Indore . The report being self explanatory needs no comments.

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### **PARTICULARS OF EMPLOYEES**

There was no employee during the period drawing remuneration attracting the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars Of Employees) Rules, 1975.

### **CORPORATE GOVERNANCE**

Your Company is committed to maintain the highest standards of Corporate Governance and endeavors to maximize the wealth of shareholders by managing the affairs of the company with a pre-eminent level of accountability, transparency and integrity.

A report on Corporate Governance as required under clause 49 of the Listing Agreement is attached.

### **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. The Company has paid the annual Listing Fee for the financial year 2012-13 to Bombay Stock Exchange Ltd.

### **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.

### **FORIGN EXCHANGE EARNINGS AND OUTGO**

There is no exchange earnings and Outgo during the year.

## **AUDIT COMMITTEE**

As per the provision of the companies act,1956 and Listing Agreement with the stock Exchange, The Audit Committee of the Company is comprised of two Non-executive Director's

<b><u>Name Of Directors</u></b>	<b><u>Categories</u></b>
Mrs. Sangeeta Neema (Chairman)	Non-Executive & Independent Director
Mr. Rajkumar Jain	Non-Executive & Independent Director
Mr. Ritesh Jain	Whole Time Director & Executive Director

As per the provisions of the Companies Act,1956 and amended Listing Agreement with the Stock Exchanges, the Audit Committee of the Company comprised of two nonexecutive Independent Directors. Further, Chairman of the Audit committee is an Independent Director.

## **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.

## **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: 07.08.2013**

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

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

**Mrs. Sangeeta Neema  
(Director)  
Sd/-**



# 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, and 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 sector.

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 inter alia-

- Sudden change in global Commodity prices which may effect our outstanding position in commodities.
- General economic and business conditions;
- Our company's ability to successfully implement our growth strategy;
- Changes in laws and regulations relating to the industry in which we operate;
- Changes in political and social conditions in India;
- Any adverse outcome in the legal proceeding in which our Company is involved; and