

# **SHABA CHEMICALS LIMITED**

29<sup>th</sup>

ANNUAL REPORT

# SHABA CHEMICALS LIMITED

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

**E-Mail ID:** ritesh271109@rediffmail.com **Contact:** 0731-4299232, 98270-39432

**Website:** shabachemicals.com

**CIN:** L24111MP1986PLC003741

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**Notice** is hereby given that the 29<sup>th</sup> Annual General Meeting of the Members of SHABA CHEMICALS LIMITED will be held on Friday , 30<sup>TH</sup> day of September, 2016 at 11.30 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 Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2016 together with the reports of the Board and the Auditors thereon.
- 2) To Appoint a Director in place of Mrs. Sangeeta Neema (DIN No. 01871324) who retires by rotation and, being eligible, offers herself for re-appointment.
- 3) To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
“**RESOLVED THAT** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the appointment of M/s. S.N. Kabra & Co., Chartered Accountants (Partnership firm Reg. No 003539C) made by members up to the AGM of the Company to be held in the year 2017, be and is hereby ratified for the FY 2016-17 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

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

**Date:** 29/08/2016  
**Place:** Indore

**Sd/-  
RITESH JAIN  
Chairman  
(DIN: 01499443)**

#### NOTES:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act), wherever applicable.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.**  
The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from 22<sup>nd</sup> September, 2016 to 30<sup>th</sup> September, 2016 (both days inclusive).
4. Members holding shares are requested to intimate all changes pertaining to their power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to company. Changes intimated to the company will then be automatically reflected in the Company's records which will help the Company to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the company.
5. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
8. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the company.

10. E-voting: As per section 108 of the Companies Act, 2013, the rules notified there under and the Circular No. CIR/CFD/POLICY CELL/2/2014 issued by SEBI, dated 17th April, 2014 the provisions of voting through electronic mode are applicable on the company. Your company is in the process of complying with the provisions of voting through electronic means and it shall intimate the same to its shareholders via an permitted mode.

**For and on behalf of the Board of Directors**

**SHABA CHEMICALS LIMITED**

**Sd/-**

**RITESH JAIN**

**Date: 29/08/2016**

**Chairman**

**Place: Indore**

**(DIN: 01499443)**

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING FOR APPOINTMENT OR RE-  
APPOINTMENT AT THE ANNUAL GENERAL MEETING:**

<b>S. No.</b>	<b>PARTICULARS</b>	<b>DIRECTORS</b>
1	NAME	Mrs. Sangeeta Neema
2	Date of Birth	08.01.1970

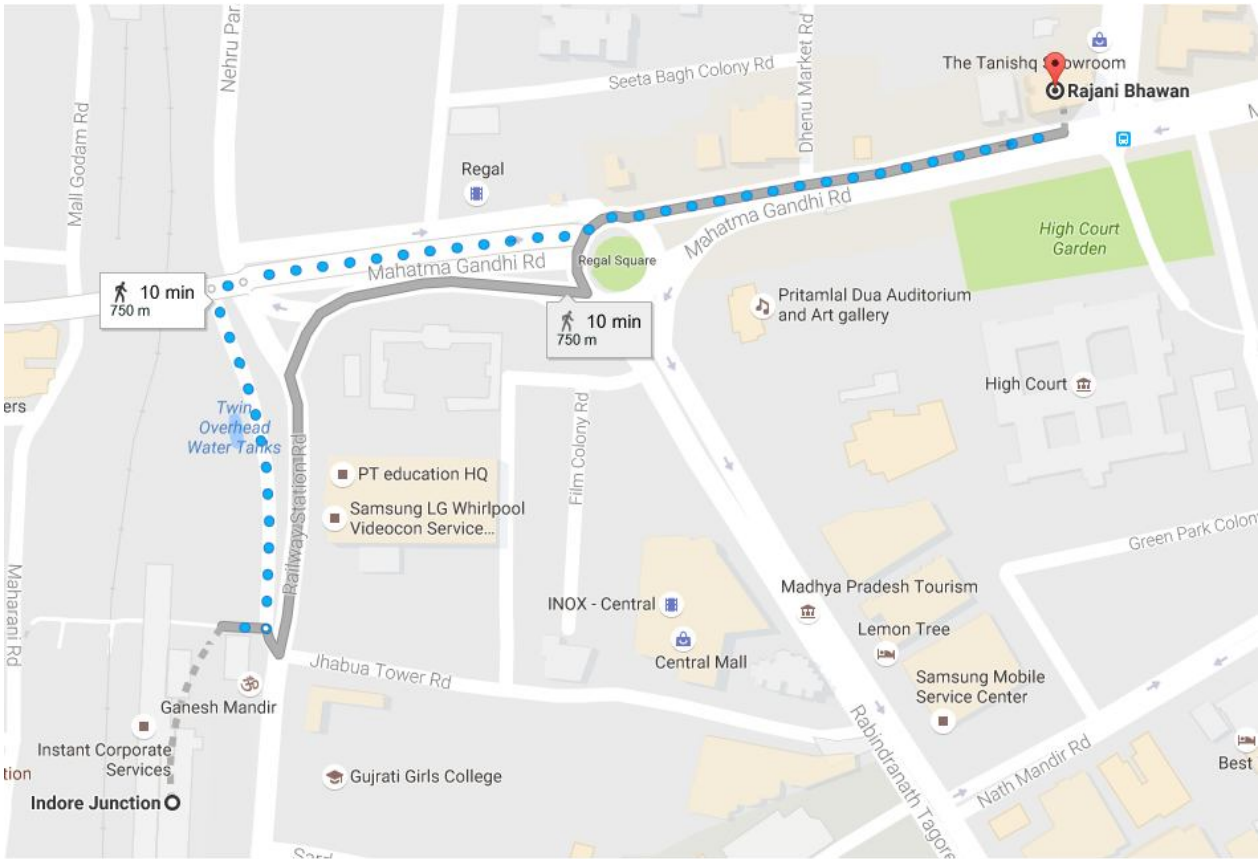
3	Qualification	B.Com
4.	List of Directorship held excluding Private companies	NIL
5.	Chairman/Member of the of the committee of Board of the director of the company	NIL
6.	Chairman/Member of the of the committee of Board of the director of the other companies	NIL

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

**Date: 29/08/2016  
Place: Indore**

**Sd/-  
RITESH JAIN  
Chairman  
(DIN: 01499443)**

# ROUTE MAP



# **SHABA CHEMICALS LIMITED**

## **29<sup>th</sup> Board Report**

To,  
The Members  
SHABA CHEMICALS LIMITED

Your Directors are pleased to present their 30<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended on 31st March 2016 along with the Report of the Auditors thereon.

### **FINANCIAL RESULTS**

Particulars	31.03.2016 (in Rs.)	31.02.2015 (in Rs.)
Turnover	0	0
Other Income	262500	255082
Profit / (Loss) before Depreciation	12960	8712
Less: Depreciation	0	0
Income Tax Earlier Years	0	0
Net profit(Loss) For the year	12960	8712

### **REVIEW OF BUSINESS PERFORMANCE**

The Company has not performed any business activities during the year under review.

### **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.

### **NATURE OF BUSINESS**

There is no change in the nature of business of the Company during the year.

### **DIVIDEND**

During the year under review the Company has not performed any business activity and also not earned any profit and in view of the same no dividend has been recommended by the Board during the year.

### **PUBLIC DEPOSITS**

During the year under review the company has neither accepted nor invited any public deposits within the meaning of section 73 of the companies Act, 2013 read with the companies (Acceptance of Deposits) rules 2014. Also there are no outstanding Public Deposits.

### **RESERVES**

Board has not proposed any amount to be carried to any reserve.

### **MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

### **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return MGT-9 as required under the listing agreement with the Stock Exchanges is enclosed at Annexure 'A'.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

### **SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report in Form MR-3 is enclosed as Annexure 'C'.

### **DIRECTOR**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Bharat Neema, the Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment.

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of Board's knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- in the preparation of the Annual Accounts for the financial year ended 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- the Directors 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 and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the Annual Accounts for the financial Year ended 31st March, 2016 on a 'going concern' basis;
- the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and

No material changes and commitments affecting the financial position of the company occurred during the year under review.

#### **STATUTORY AUDITOR**

M/s. S.N. Kabra & Co, Chartered Accountants, the statutory auditors of the Company, was appointed as Statutory Auditor of the Company held at the last AGM to hold the office till the conclusion of the AGM to be held in 2017 subject to ratification by the members at every AGM. Accordingly, the resolution for ratification for appointment of M/s S.N. Kabra & Co, Chartered Accountants, for the FY 2016-17 has been placed in the Notice calling this AGM.

#### **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Rao Saklecha & Co., Company Secretaries, Indore, having ICSI Certificate of Practice No.: - 6434 to undertake the Secretarial Audit of the Company for Financial Year 2015-2016.

#### **BOARD'S COMMENT ON QUALIFICATION OF AUDITOR'S REPORT**

##### **Statutory Auditor Report:**

No qualification, reservations and observations were reported by Statutory Auditor in its report. However, the Financial Statements and Notes appended thereto are self-explanatory and do not need any comments.

##### **Secretarial Auditor Report:**

- The Company has not performing any business operation since long and has no profit and in view of no business the Company can't afford newspaper advertisement costs. However remaining all the compliances regarding Listing Agreement has been complied with.
- During the year Vigil Mechanism has been adopted by the Company also details are given somewhere before in this report.
- Company's net worth has been eroded. However, your Directors are trying to find out alternate business possibilities so that the Company can perform operations.
- Due to the No substantial profitability no person is interested to become Internal Auditor of the Company. However the Company is in process to appoint an Internal Auditor.
- The amount of creditor increased because of provisions regarding Audit Fee.
- Due to negligible profitability the Company can't afford services of external RTA. However, the Company is having in House Share Transfer Facility.

f.) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **DECLARATION OF DIRECTORS:**

As per the declaration received under section 164(2) of the Companies Act, 2015 and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, none of the Directors of the Company is disqualified from being appointed as Director.

#### **INDEPENDENT DIRECTORS MEETING**

A separate meeting of Independent Director has been conducted by the Company without the attendance of any other Director.

#### **FAMILIARISATION PROGRAMME**

During the year under review a familiarization programme was held for Independent Directors to grow a better understanding of the Company.

#### **PERFORMANCE EVALUATION**

The Independent Directors in their meeting have reviewed the performance of Non-Independent Directors and Board as a whole including reviewing the performance of the Chairperson of the company taken into account the views of Executive Directors and Non-Executive Directors.

#### **PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY AND ASSOCIATE COMPANIES**

During the year under review and as on date; the company is neither having any Subsidiary Company nor any Associate Company.

#### **SHARE CAPITAL**

During the year under review, the Company, neither increased nor decreased its Equity Share Capital.

As on 31.03.2016 Company's Share Capital are as under:

Authorized Capital stood as 3500000 Equity Shares of Rs. 10/- each totaling an amount of Rs. 35000000/-

Issued Capital stood as 3000000 Equity Shares of Rs. 10/- each totaling an amount of Rs. 30000000/-

Paid-up Capital stood as 2927200 Equity Shares of Rs. 10/- each totaling to an amount of Rs. 29163500 (less calls in arrears of Rs. 108500/-).

#### **REVISION IN FINANCIAL STATEMENTS OR BOARD'S REPORT U/S 131(1) OF THE ACT**

No revision in the Financial Statements and Board's Report has been made during any of the three preceding financial years.

#### **PARTICULARS OF LOANS GIVEN , GUARANTEES PROVIDED OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not given any Loans not provided any



- Since the Company has not performed any business activity since long management is of the view that specific laws reported are not applicable to the Company.

Guarantees and also not made any Investments under Section 186 of the Companies Act, 2013, during the year under review.

### **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.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

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.

### **RISK MANAGEMENT**

The Audit Committee and the Board of Directors of the Company reviewed the risks, if any, involved in the Company from time to time, and took appropriate measures to minimize the same.

### **ORDER(S) PASSED BY REGULATOR(S), COURT(S), TRIBUNAL(S) IMPACTING THE GOING CONCERN STATUS AND COMPANY STATUS**

During the year under review, no order was passed by any Regulator(S), Court(S), Tribunal(S) that could affect the going concern status of the Company and the Company is operating in an efficient manner.

### **CORPORATE SOCIAL RESPONSIBILITY**

The provision is not applicable to the Company during the year.

### **VIGIL MECHANISM**

The Company has adopted Vigil Mechanism Policy during the year as per the requirements of the Companies Act, 2013 and SEBI (LODR) Reg., 2015.

### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has a proper internal control system, which provides adequate safeguards and effective monitoring of the transactions and ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition.

### **MANAGERIAL REMUNERATION**

No remuneration has been provided to any Director.

### **EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS**

The company has not issued any shares with differential voting rights.

### **DETAILS OF SWEAT EQUITY SHARES**

The company has not issued any sweat equity shares.

### **DETAILS OF EMPLOYEES STOCK OPTION**

The company has not granted stock options.

### **COMMISSION RECEIVED BY DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY**

The Company neither has any holding nor is any subsidiary company.

### **DISCLOSURE OF VOTING RIGHTS NOT EXERCISED**

The company has not made any provision of money for the purchase of, or subscription for, shares in the company or its holding company, if the purchase of, or the subscription for, the shares by trustees is for the shares to be held by or for the benefit of the employees of the company and accordingly the provisions of Chapter IV (Share Capital and Debentures) of the Companies Act, 2013 and rules framed there under are not applicable for the year.

### **BUY BACK OF SECURITIES**

The company has not bought back any of its securities.

### **BONUS SHARES**

The company has not issued any bonus shares.

### **PAYMENT OF LISTING FEE AND DEPOSITORY FEE**

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. And due to no revenue the Company has not paid the Fee till date. But the same will be paid soon.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

No employee has been employed by the Company during the year.

### **DEMATERIALISATION**

The Company's shares are in physical form.

### **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.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review Company has not entered any contract or arrangement with related parties.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company has adopted good practices under its Code of Conduct with respect to its responsibility towards society. However, the Company was neither required to constitute the Corporate Social Responsibility Committee nor was required to contribute any amount on Corporate Social Responsibility Initiatives as the said provisions are not applicable to the company.

## **CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION AND CODE OF CONDUCT UNDER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015**

Pursuant to Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors has formulated and adopted the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (Code of Fair Disclosure) of the Company. The Board has also formulated and adopted "Code of Conduct for Prohibition of Insider Trading" (Code of Conduct) of the Company as prescribed under Regulation 9 of the said Regulations.

## **SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

the Company neither had any Subsidiaries nor Joint Ventures nor Associate Companies.

## **DISCLOSURE OF FRAUDS IN THE BOARD'S REPORT U/S 143 OF THE COMPANIES ACT, 2013**

The Company has not been encountered with any fraud or fraudulent activity during the Financial Year 2015-2016.

## **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 and ASE. The Company has paid the annual Listing Fee for the financial year 2013-14 to Bombay Stock

## **Board Meetings:**

Date	Directors entitled to Attend	Directors Attended	No. of Directors attended last AGM
13/05/2015	5	5	5
12/08/2015	5	5	5
04/09/2015	5	5	5
23/10/2015	5	5	5
11/02/2016	5	5	5

## **Audit Committee Composition:**

Sr. No.	Name	Category	Designation
1	Mr. Jay Kishan Neema	Non-Executive/Independent	Director
2	Mr. Bharat Neema	Non-Executive/Independent	Director
3	Mr. Indrakumar Mahajan	Non-Executive/Independent	Director

## **Audit Committee Meetings:**

Date	Directors entitled to Attend	Directors Attended
13/05/2015	3	3
12/08/2015	3	3
04/09/2015	3	3
23/10/2015	3	3