

SHABA CHEMICALS LIMITED

30th

**ANNUAL REPORT FOR THE
F.Y. 2016-17**

SHABA CHEMICALS LIMITED

CIN: L24111MP1986PLC003741

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

BOARD OF DIRECTORS

Mr. Ritesh Jain, Whole time Director

Mrs. Sangeeta Neema, Managing Director

Mr. Bharat Neema, Independent Director

Mr. Jay Kisan Nema, Independent Director

Mr. Indrakumar Mahajan, Independent Director

AUDITORS

M/s S.N. Kabra & Company

Chartered Accountants

207 C Block, Silver Mall, Rabindranath Tagore Marg,

Indore (M.P.)-452001

Contact no.: 0731 252 8638

SECRETARIAL AUDITOR

M/s Ramesh Chandra Bagdi & Associates

Company Secretaries

31, Shraddhanand Marg, Chhawani, Indore (M.P.)-452001

Contact no.: 0731- 2528933

REGISTERED OFFICE OF THE COMPANY

101, Rajani Bhawan, 569/2, M. G. Road,

Indore, (M.P.)-452001

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Notice is hereby given that the 30th Annual General Meeting of the Members of SHABA CHEMICALS LIMITED will be held on Saturday, 30th day of September, 2017 at 04.00 P.M. at the registered office of the Company at 101, Rajani Bhawan, 569/2, M. G. Road, Indore, (M.P.)-452001 to transact the following business:

ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31st March, 2017 together with the reports of the Board and the Auditors thereon.
- 2) To Appoint a Director in place of Mr. Bharat Neema (DIN No. 00382051) who retires by rotation and, being eligible, offers himself for re-appointment.

3) Ratification of appointment of Messrs S.N. Kabra & Co, Chartered Accountants as the Statutory Auditors

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 142 of the Companies Act, 2013 read with Rule 3 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time M/s. S.N. Kabra & Co., Chartered Accountants, (having FRN No. 003539C) be and is hereby re-appointed as the Statutory Auditors of the Company for the financial year 2016-2017 and to hold office from the conclusion of this Annual General Meeting until the conclusion of sixth Annual General Meeting (subject to annual ratification by the Members at the Annual General Meeting), and on such remuneration, fee and out of pocket expenses as shall be fixed by the board of Directors of the Company in consultation with Auditors."

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



DATE: 08TH SEPTEMBER, 2017
PLACE: INDORE

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 22nd September, 2017 to 30th September, 2017 (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 2016-17 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 a permitted mode.

For and on behalf of the Board of Directors

SHABA CHEMICALS LIMITED

Ritesh Jain

RITESH JAIN
CHAIRMAN

(DIN: 01499443)

DATE: 08TH SEPTEMBER, 2017

PLACE: INDORE

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

S. No.	PARTICULARS	DIRECTORS
1	Name	Mr. Bharat Neema
2	Date of Birth	11.02.1966
3	Qualification	Chartered Accountant
4.	List of Directorship held excluding Private companies	NIL
5.	Chairman/Member of the committee of Board of the director of the company	NIL
6.	Chairman/Member of the committee of Board of the director of the other companies	NIL

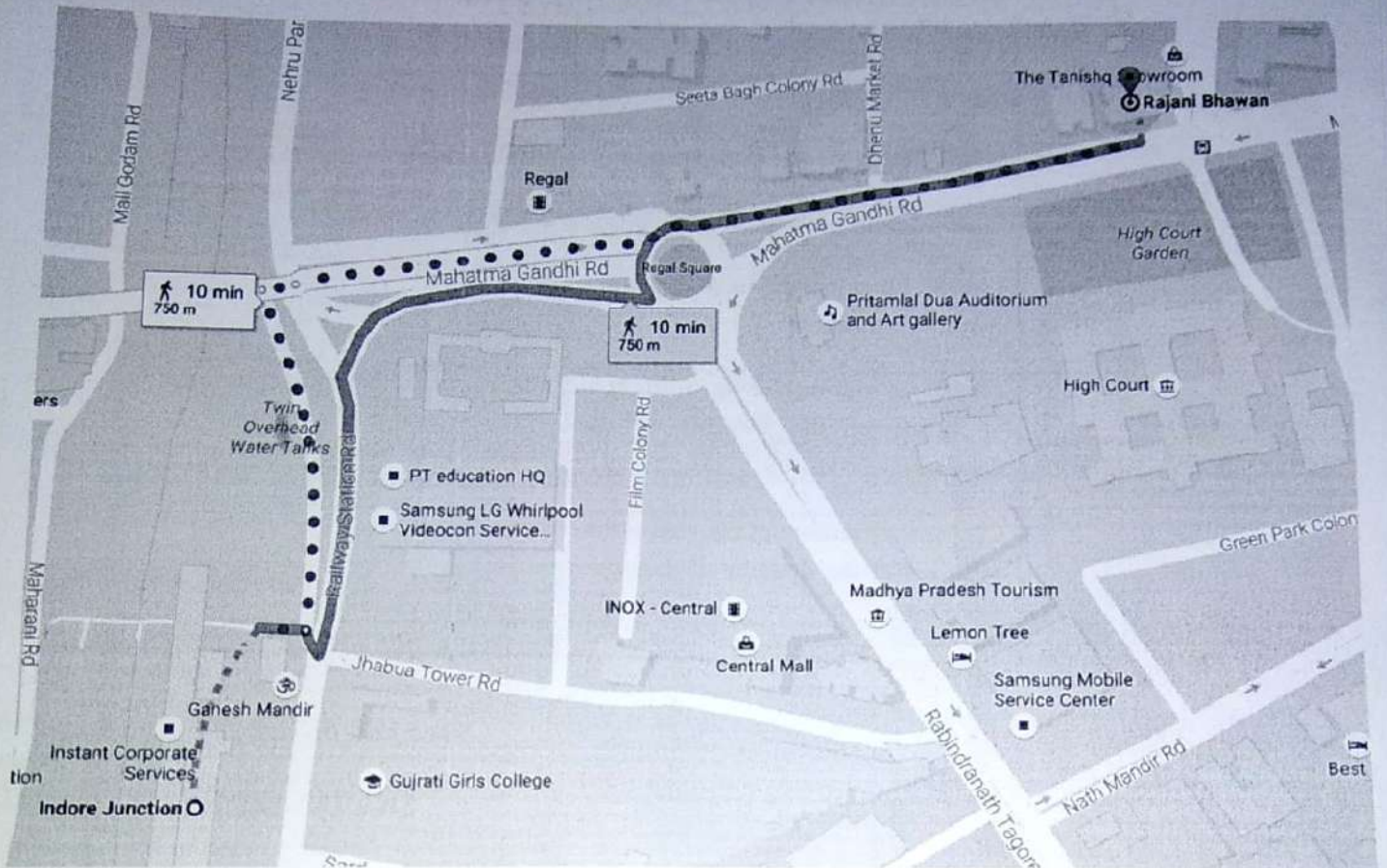
For and on behalf of the Board of
Directors
SHABA CHEMICALS LIMITED

Ritesh Jain

RITESH JAIN
CHAIRMAN
(DIN: 01499443)

DATE: 08TH SEPTEMBER, 2017
PLACE: INDORE

ROUTE MAP



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30TH BOARD REPORT

To,

The Members

SHABA CHEMICALS LIMITED

Your Directors are pleased to present their 30th Annual Report together with the audited accounts of the Company for the year ended on 31st March 2017 along with the Report of the Auditors thereon.

FINANCIAL RESULTS

Particulars	31.03.2017 (In Rs.)	31.03.2016 (In Rs.)
Turnover	0	0
Other Income	1,41,200	2,62,500
Profit / (Loss) before Depreciation	7,200	12,960
Less: Depreciation	0	0
Income Tax Earlier Years	0	0
Net profit(Loss) For the year	7,200	12,960

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

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

EXTRACT OF ANNUAL RETURN

The extract of Annual Return MGT-9 for the year ended 31st March, 2017 as required under the listing agreement with the Stock Exchanges is enclosed at **Annexure II'**.

AUDITORS

Pursuant to the provisions of Section 139 of the Act and the rules framed there under, the appointment of M/s S.N. Kabra & Co., Chartered Accountants were ratified as Statutory auditors from the conclusion of the Annual General Meeting (AGM) of the company held on 30th September, 2016 till the conclusions of the AGM to be held in the year 2017.

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 2018 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 2017-18 has been placed in the Notice calling this AGM.

SECRETARIAL AUDIT REPORT

The Board has appointed M/s Ramesh Chandra Bagdi & Associates as the Secretarial Auditor of the for the Financial Year 2016-17 in place of the M/s Rao Saklecha & Co., Company Secretaries, Indore.

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 M/s. Ramesh Chandra Bagdi & Associates, Practicing Company Secretaries, Indore, having ICSI Certificate of Practice No. 2871 to undertake the Secretarial Audit of the Company for Financial Year 2016-2017. The Secretarial Audit Report in Form MR-3 is enclosed as **Annexure 'III'**.

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 himself 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:

- a.) in the preparation of the Annual Accounts for the financial year ended 31st March, 2017; the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- b.) 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;
- c.) 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;
- d.) the Directors have prepared the Annual Accounts for the financial Year ended 31st March, 2017 on a 'going concern' basis;
- e.) 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
- 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.

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:

- i). The Company has not been 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.
- ii). During the year Vigil Mechanism has been adopted by the Company also details are given somewhere before in this report.
- iii). 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.
- iv). Due to the No substantial profitability no person is interested to become Internal Auditor and company secretary of the Company. However the Company is in process to appoint both.
- v). The amount of creditor increased because of provisions regarding Audit Fee.
- vi). Due to negligible profitability the Company can't afford services of external RTA. However, the Company is having in House Share Transfer Facility.
- vii). Since the Company has not performed any business activity since long management is of the view that no specific laws are applicable to the Company.

DECLARATION BY INDEPENDENT DIRECTORS:

The Board of Directors of the company hereby confirms that all the Independent Directors duly appointed by the Company have given the declaration and they meet the criteria of independence as provided under section 149(6) of the Companies Act, 2013 have been attached as **Annexure IV**.

INDEPENDENT DIRECTORS MEETING

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

The management has suspended the audit of the company.

FAMILIARISATION PROGRAMME

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

RELATED PARTY TRANSACTIONS

As per Section 188(1) of the Companies Act, 2013, the company has not entered any transactions with its related party. The format has been prescribed in the Form AOC-2 AND annexed as **annexure-V**

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 31.03.2017 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 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