

**SHABA CHEMICALS LIMITED**

**32<sup>th</sup>**

**ANNUAL REPORT FOR THE  
F.Y. 2018-19**

# SHABA CHEMICALS LIMITED

CIN: L24111MP1986PLC003741

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

E-Mail ID: [bharatneema\\_col2@yahoo.com](mailto:bharatneema_col2@yahoo.com) Contact: 0731-4299232, 98270-39432

Website: [shabachemicals.com](http://shabachemicals.com)

To

07.09.2019

Compliance Department  
The Secretary,  
The Bombay Stock Exchange  
Phiroze Jeejeebhoi Towers,  
25<sup>th</sup>, Floor, Dalal Street,  
Mumbai

Dear Sir/ma'am,

Sub: - Annual Report adopted at 32<sup>nd</sup> AGM of The Company

**SHABA CHEMICALS LTD.**

We hereby inform you that the 32<sup>nd</sup> Annual General Meeting of the members of SHABA CHEMICALS LTD. for the Financial Year 2018-19 was hold on 30<sup>th</sup> September, 2019 at the registered office of the Company at 101, Rajani Bhawan, 569/2, M.G. Road, Indore (M.P.). Annual report adopted in the meeting is attached herewith for your record.

Thanking you,

Yours's faithfully

For SHABA CHEMICALS LTD.

Sd/-

AUTH. SIGNATORY





# **SHABA CHEMICALS LIMITED**

**CIN: L24111MP1986PLC003741**

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

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**Website: shabachemicals.com**

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## **BOARD OF DIRECTORS**

**Mrs. Sangeeta Neema, Managing Director**

**Mr. Jay Kisan Nema, 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**

**Contact no.: 0731-4299232**

# SHABA CHEMICALS LIMITED

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Notice is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Members of SHABA CHEMICALS LIMITED will be held on SATURDAY, 30<sup>th</sup> day of September, 2019 at 11.30A.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:

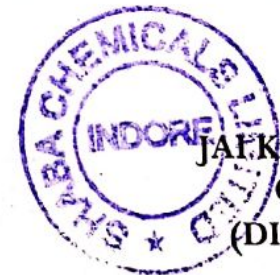
## ORDINARY BUSINESS:

- 1) To receive, consider and adopt the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2019 together with the reports of the Board and the Auditors thereon.
- 2) To Appoint a Director in place of Mrs. Sangeeta Neema (DIN No. 00382051) who retires by rotation and, being eligible, offers herself for re-appointment.
- 3) **Ratification of appointment of M/S 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. 03439C ) be and is hereby appointed as the Statutory Auditors of the Company for the financial year 2018-2019 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

S/d-



JAIKISAN NEMA  
CHAIRMAN  
(DIN: 06749729)

DATE: 04<sup>th</sup> SEPTEMBER, 2019  
PLACE: INDORE



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, 2019 to 29<sup>th</sup> September, 2019 (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 2018-19 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. Since your company's equity shares are in physical form 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



S/d-

KISAN NEMA  
CHAIRMAN

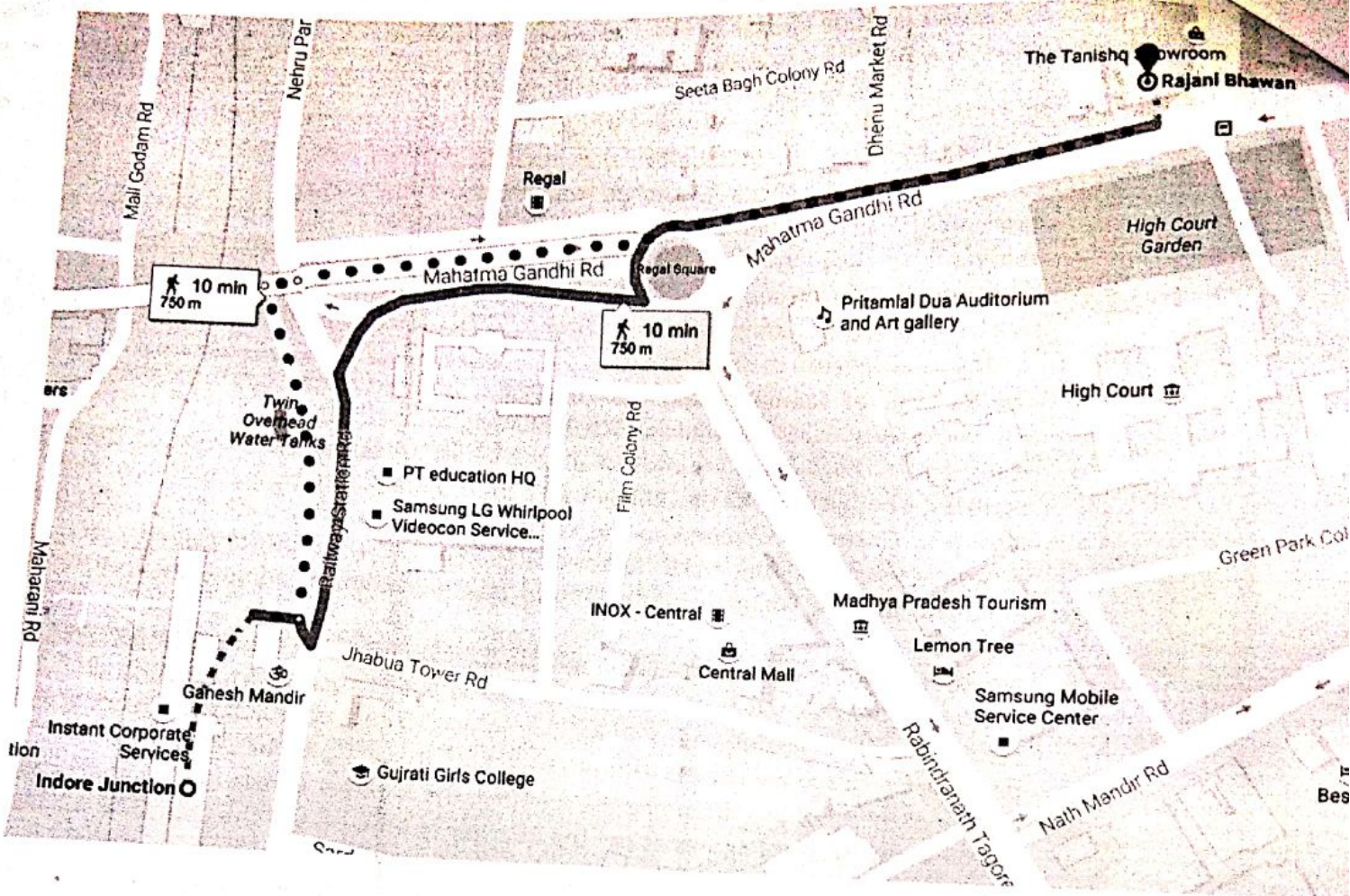
(DIN: 06749729)

DATE: 04/09/2019

PLACE: INDORE



# ROUTE MAP





# SHABA CHEMICALS LIMITED

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## 32<sup>nd</sup> Board Report

To,

**The Members  
SHABA CHEMICALS LIMITED**

Your Directors are pleased to present their 32<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended on 31<sup>st</sup> March 2019 along with the Report of the Auditors thereon.

### FINANCIAL RESULTS

Particulars	31.03.2019 (In Rs.)	31.03.2018 (In Rs.)
Turnover	0	0
Other Income	89,500	93,250
Profit / (Loss) before Depreciation	17,800	5,000
Less: Depreciation	0	0
Income Tax Earlier Years	0	0
Net profit(Loss) For the year	17,800	5,000

### 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) rules2014. 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

*Sang. '6* ✓

No material changes and commitments affecting the financial position of the company 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 31<sup>st</sup> March, 2019 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 29<sup>th</sup> September, 2018 till the conclusions of the AGM to be held in the year 2019.

**STATUTORY AUDITOR**

M/s. S.N. Kabra & Co, Chartered Accountants, the statutory auditors of the Company, was ratified 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 2019. Accordingly, the resolution for appointment of M/s S.N. Kabra & Co, Chartered Accountants, Chartered Accountants, for the FY 2018-19 has been placed in the Notice calling this AGM 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 each Annual General Meeting).

**SECRETARIAL AUDIT REPORT**

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,



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 and paucity of funds, no person is interested to become company secretary of the Company. However the Company is in process to appoint
- 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.

#### **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**

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During the year under review, the Company, neither increased nor decreased its Share Capital. As on 31.03.2019 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**

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 the form is annexed as **Annexure-V**.

**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.

**CORPORATE GOVERNANCE REPORT**

As per the SEBI (LODAR) Regulations, 2015, every listed Company whose Paid up capital is More than 10 Crore or more or whose net worth is 25 crore or more is required to file a Corporate Governance Report.

Thus, Company is not falling in the above threshold limit and is not required to file Corporate Governance Report.

**VIGIL MECHANISM**

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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 resumed during the year. And due to non-availability of 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.

#### **DEMATERIALIZATION**

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**

Sangit ✓



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 a Corporate Social Responsibility Committee nor was required to contribute any amount towards Corporate Social Responsibility Initiatives as the said provisions are not applicable to the company.

**CODE OF CONDUCT**

A declaration signed by the Chairman & Managing Director affirming compliance with the company's Code of Conduct by the Directors and Senior Management for the Financial Year 2018-19 as required under Regulation 34 of Listing Obligation and Disclosure Requirements Regulations Act, 2015 with Stock Exchanges is included in the this Board Report.

**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 2018-2019.

**LISTING AT STOCK EXCHANGES**

The equity shares of the company continue to be listed at Bombay Stock Exchange Ltd. (BSE) . The Company has not paid the annual Listing Fee for the financial year 2017-18 to Bombay Stock Exchange Ltd.

**DIRECTORS AND KEY MANAGERIAL PERSON**

S. No.	DIRECTOR NAME	DIN/PAN	DESIGNATION
1.	Sangeeta Neema	01871324	Managing Director
2.	Indrakumar Mahajan	05152196	Independent Director
3.	Jay Kishan Nema	06749729	Director

**BOARD MEETINGS FOR THE FINANCIAL YEAR 2018-19**

During the year under review the Board of Directors of the Company meets five times in a year and the Details of their composition and meetings are as follows:

**i). Board Composition:**

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

*Sangeeta*



Meetings for the financial year 2018-19 are as follows:

Date	Directors entitled to Attend	Directors Attended	No. of Directors attended last AGM
12/05/2018	3	3	
04/08/2018	3	3	
13/11/2018	3	3	
25/01/2019	3	3	

### **BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance. Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by (SEBI) under Regulation 4 of Listing Obligation & Disclosure Regulations Act, 2015.

The performance of the Board was evaluated by the Board after seeking from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

### **COMMITTEE MEETINGS FOR THE FINANCIAL YEAR 2018-19**

#### **a). AUDIT COMMITTEE MEETINGS**

During the year under review the Members of the Audit Committee meets four times in a year. Ms. Sangeeta Neema is being appointed as the Chairman of the Audit Committee Meetings. The details and composition of the Audit Committee and the Meetings of the Audit Committee are as follows are as follows:

#### **i). Audit Committee Composition:**

Sr. No.	Name	Category	Designation
1	Mr. Sangeeta Neema	Executive/ Non Independent	Member
2	Mr. Jay Kisan Nema	Non-Executive/ Non Independent	Member
3	Mr. Indrakumar Mahajan	Non-Executive/ Independent	Chairman

#### **ii). Audit Committee Meetings:**

Date	Directors entitled to Attend	Directors Attended
12/05/2018	3	3
04/08/2018	3	3
13/11/2018	3	3
25/01/2019	3	3

#### **b). NOMINATION & REMUNERATION MEETINGS FOR THE FINANCIAL YEAR 2018-19**

During the year under review the Members of the Nomination & Remuneration Committee meets one time in a year. Mr. Sangeeta Neema is being appointed as the Chairman of the Nomination & Remuneration Committee Meetings. The details and the Composition of the Nomination & Remuneration committee Meetings are as follows:

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**i) Nomination & Remuneration Committee Composition:**

Sr. No.	Name	Category	Designation
1	Mrs. Sangeeta Neema	Managing/Executive/ Director	Member
2	Mr. Jay Kisan Nema	Non-Executive/ Non Independent	Member
3	Mr. Indrakumar Mahajan	Non-Executive/ Independent	Chairman

**ii) Nomination & Remuneration Committee Meetings:**

Date	Directors entitled to Attend	Directors Attended
25/01/2019	3	3

**Remuneration Policy:**

The Remuneration Policy of the Company for managerial personnel is primarily based on the following criteria:

- i). Performance of the Company
- ii). Track record, potential and performance of individual managerial personnel.
- iii). External competitive environment.

**c) STAKEHOLDERS RELATIONSHIP COMMITTEE MEETINGS FOR THE FINANCIAL YEAR 2018-19**

During the year under review the Members of the Stakeholders Relationship Committee meets four times in a year. Mrs. Sangeeta Neema is being appointed as the Chairman of the meeting. The details and composition of the Nomination & Remuneration Committee Meetings are as follows:

**i) Stakeholders Relationship Committee Meetings Composition are as follows:**

Sr. No.	Name	Category	Designation
1	Mrs. Sangeeta Neema	Non-Executive/ Independent	Chairman
2	Mr. Jay Kisan Nema	Non-Executive/ Independent	Member
3	Mr. Indrakumar Mahajan	Non-Executive/ Independent	Member

**ii) Stakeholders Relationship Committee Meetings:**

Date	Directors entitled to Attend	Directors Attended
12/05/2018	3	3
04/08/2018	3	3
13/11/2018	3	3
25/01/2019	3	3

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**ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the Executives, staff and workers of the company

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

S/d-

**PLACE: INDORE  
DATE: 07<sup>th</sup>, SEPTEMBER, 2019**


**Jay Kisan Nema  
DIRECTOR  
DIN: 06749729**

*S/d-*  
*Sang:6*  
**SANGEETA NEEMA  
DIRECTOR  
DIN: 01871324**

**Declaration Regarding Code of Conduct**

I hereby declare that all the directors and Senior Management Personnel have affirmed compliance during the financial year 2018-19 with the provisions of Code of Conduct as adopted by the Company.

**DATE: 07/09/2019  
PLACE: INDORE**

  
*S/d-*  
*Sang:6*  
**SANGEETA NEEMA  
MANAGING DIRECTOR**



# **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. RISKS & CONCERS:**

The business of the company totally depends upon the changes taking place in the economy either it be relating to fluctuations in stock and capital market, regulations governing such markets, government policies, taxation policies, changes taking place in global economics, etc. The growth of industry provides necessary opportunities for the company to grow. However, the company is under constant pressure due to steep competition from unorganized sector and industrial scenario in the nearby areas.

The company's strength is built around domestic and international marketing network. The company has a network of 3 marketing offices in India as well as over 30 corporate customers and over 3 channel partners as a part of its domestic network which is comprised from various segments, allowing the company to de-risk its business.

## **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, Indian accounting standard on Segment Reporting (IND AS-34) issued by institute of Chartered Accountants of India does not apply.

Factors that may affect our results of the operations:

Our financial conditions and results of operations are affected by numerous factors which inter alia include as follows:

- Growth of unorganized sector and threat from local regional players;
  - Change in freight and forwarding charges;
  - General economic and business conditions;
  - Changes in political and social conditions in India;
  - Prices of raw materials the company consume and the products it manufactures;
  - Our company's ability to successfully implement our growth strategy;
  - Changes in laws and regulations relating to the industry in which we operate;
  - Any adverse outcome in the legal proceeding in which our Company is involved; and
  - Sudden change in global Commodity prices which may affect our outstanding position in commodities.
- The loss or shutdown of operations of our company at any time due to strike or labour unrest or any other reasons;

*Sangit*




**DISCLOSURE STATEMENT**


statements in this "Management Discussion and Analysis" describing the Company's objectives expectations or predictions are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied in the statements on various factors and circumstances.

**F. 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 sectors. Commodities prices have maintained their high volatility, marking it difficult to take long term view on prices,

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

S/d-   
SANGEETA NEEMA  
MANAGING DIRECTOR  
DIN: 01871324

S/d-   
JAY KISAN NEEMA  
DIRECTOR  
DIN: 06749729

DATE: 07/09/2019  
PLACE: INDORE



**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31<sup>st</sup> March, 2019**  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of  
The Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L24111MP1986PLC003741
- ii) Registration Date : 31/12/1986
- iii) Name of the Company : SHABA CHEMICALS LIMITED
- iv) Category / Sub-Category of the Company : Public Company/ Limited by Shares
- v) Address of the Registered office and contact details : 101, RAJANI BHAWAN 569/2, M.G.ROAD INDORE MP  
452001 E-Mail ID: ritesh271109@rediffmail.com  
Contact: 0731-4299232, 98270-39432
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : In-House Transfer Facility

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
NIL			

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	-	291300	291300	9.95	-	291300	291300	9.95	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt. (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1284200	1284200	43.87	-	1284200	1284200	43.87	-
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)</b>	-	1575500	1575500	53.82	-	1575500	1575500	53.82	-
(1):-									
(2) Foreign	-	-	-	-	-	-	-	-	-

*Sang. 16*



b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	-	1575500	1575500	53.82	-	1575500	1575500	53.82	-
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	-	298900	298900	10.21	-	298900	298900	10.21	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	1111600	1111600	37.97	-	1111600	1111600	37.97	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 Lakh	-	-	-	-	-	-	-	-	-
c) Others Clearing Members	-	-	-	-	-	-	-	-	-
NRI's/OCB's	-	67100	67100	2.29	-	67100	67100	2.29	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+</b>	-	1351700	1351700	46.18	-	1351700	1351700	46.18	-

Song: 6 ✓



(B)(2)								
Shares held by custodian for GDRs & ADRs					2927200	2927200	100.00	
<b>Grand Total (A+B+C)</b>		2927200	2927200	100.00				

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	A.N. Shahid	138000	4.71	-	138000	4.71	-	-
2	A.I. Abbasi	11500	0.39	-	11500	0.39	-	-
3	S.A. Faizy	16900	0.58	-	16900	0.58	-	-
4	Y.A. Jaiswala	19800	0.68	-	19800	0.68	-	-
5	Anwar Hussain	5000	0.17	-	5000	0.17	-	-
6	Ashok Printing Press	100	0.00	-	100	0.00	-	-
7	Batul Bai	17000	0.58	-	17000	0.58	-	-
8	Dilshad Faizy	10000	0.34	-	10000	0.34	-	-
9	Fehmida Shahid	7500	0.26	-	7500	0.26	-	-
10	Hamida Banoo Kapadia	500	0.02	-	500	0.02	-	-
11	Indo Mehta	400	0.01	-	400	0.01	-	-
12	Jamila Jaliwala	7500	0.26	-	7500	0.26	-	-
13	Kiran Jindal	500	0.02	-	500	0.02	-	-
14	Madalal Gaba	1000	0.03	-	1000	0.03	-	-
15	Madhu Saxena	1000	0.03	-	1000	0.03	-	-
16	Mustaq Ahmed Kapadia	1000	0.03	-	1000	0.03	-	-
17	Mumtaz Mahmood	500	0.02	-	500	0.02	-	-
18	Parveen Shahid	7500	0.26	-	7500	0.26	-	-
19	Shaishta Stationwala	18500	0.63	-	18500	0.63	-	-
20	Savitri Gaba	1000	0.03	-	1000	0.03	-	-
21	Sahil Pradhan	1000	0.03	-	1000	0.03	-	-
22	Sujata Mehra	400	0.01	-	400	0.01	-	-
23	S.A. Associate	17000	0.58	-	17000	0.58	-	-
24	Salma Bai	1000	0.03	-	1000	0.03	-	-
25	S.L. Jain	200	0.01	-	200	0.01	-	-
26	Shakila Sheikh	1000	0.03	-	1000	0.03	-	-
27	Shailendra Kumar Desai	500	0.02	-	500	0.02	-	-
28	Sakina Abbasi	5000	0.17	-	5000	0.17	-	-
29	Muli Metal Products	47500	1.62	-	47500	1.62	-	-
30	Ratlam Straw Board Mills Pvt. Ltd.	254000	8.68	-	254000	8.68	-	-
31	Shaba Securities & Finin Services Pvt. Ltd.	982700	33.57	-	982700	33.57	-	-
	<b>Total</b>	<b>1575500</b>	<b>53.82</b>	<b>-</b>	<b>1575500</b>	<b>53.82</b>	<b>-</b>	<b>-</b>

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Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

NO CHANGE

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Kotawala Fin. Consultancy Pvt.Ltd				
At the beginning of the Year	84900	2.90	84900	2.90
Change during the Year	NO CHANGE			
At the end of the Year			84900	2.90
Shreyash Securities & Finance Ltd.				
At the beginning of the Year	43700	1.49	43700	1.49
Change during the Year	NO CHANGE			
At the end of the Year			43700	1.49
Rajesh Desai				
At the beginning of the Year	24800	0.85	24800	0.85
Change during the Year	NO CHANGE			
At the end of the Year			24800	0.85
Anil Mehta				
At the beginning of the Year	24300	0.83	24300	0.83
Change during the Year	NO CHANGE			
At the end of the Year			24300	0.83
Farhat Abbas				
At the beginning of the Year	23300	0.80	23300	0.80
Change during the Year	NO CHANGE			
At the end of the Year			23300	0.80
Shyam Babu Agrawal				
At the beginning of the Year	20000	0.68	20000	0.68
Change during the Year	NO CHANGE			
At the end of the Year			20000	0.68
Singhal Leasing & Construction Pvt. Ltd.				
At the beginning of the Year	20000	0.68	20000	0.68
Change during the Year	NO CHANGE			
At the end of the Year			20000	0.68
S.K. Lakhani				
At the beginning of the Year	16300	0.56	16300	0.56
Change during the Year	NO CHANGE			
At the end of the Year			16300	0.56
Ram Babu Agrawal				
At the beginning of the Year	16000	0.55	16000	0.55
Change during the Year	NO CHANGE			
At the end of the Year			16000	0.55
Lalchand Agrawal				
At the beginning of the Year	15000	0.51	15000	0.51
Change during the Year	NO CHANGE			

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## (v) Shareholding of Directors and Key Managerial Personnel:

Name of Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL HOLDING				

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-

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S. No.		Particulars of Remuneration	Name of Directors				Total Amount
<b>B. REMUNERATION TO OTHER DIRECTORS:</b>							
Total (A)							
Ceiling as per the Act							
1		Independent Directors	-	-	-	-	-
		• Fee for attending board/ committee meetings	-	-	-	-	-
		• Commission	-	-	-	-	-
		• Others, please specify	-	-	-	-	-
		Total (1)	-	-	-	-	-
2		Other Non-Executive Directors	-	-	-	-	-
		• Fee for attending board/ committee meetings	-	-	-	-	-
		• Commission	-	-	-	-	-
		• Others, please specify	-	-	-	-	-
		Total (2)	-	-	-	-	-
		Total (B) = (1+2)	-	-	-	-	-
		Total Managerial Remuneration	-	-	-	-	-
		Overall Ceiling as per the Act	-	-	-	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (C)	-	-	-	-	-

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)

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**A. COMPANY**

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

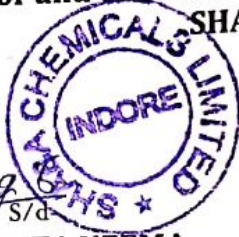
**B. DIRECTORS**

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**C. OTHER OFFICERS IN DEFAULT**

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

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

*Sangeeta*  
S/D  


**SANGEETA NEEMA**  
MANAGING DIRECTOR  
DIN: 01871324



**JAY KISHAN NEMA**  
DIRECTOR  
DIN: 06749729

**DATE: 07<sup>th</sup>, SEPTEMBER, 2019**  
**PLACE: INDORE**



**INDRAKUMAR MAHAJAN****C-43 Gouri Dham Colony Khargone Indore 451001 (M.P.)**

To,  
 The Board of Directors  
**Shaba Chemicals Limited**  
 101, Rajani Bhawan 569/2, M. G  
 Road Indore (M.P.) 452001

**Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.**

I, **Indrakumar Mahajan**, hereby certify that I am a Non-executive Independent Director of **Shaba Chemicals Limited**, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with my relatives 2% or more of the total voting power of the company; or
  - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.



**Declaration**

I undertake that I shall seek prior approval of the Board if and when I have any relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,  
Yours faithfully,

S/d-

**INDRAKUMAR MAHAJAN**

**DIN: 05152196**



**Jay Kisan Nema**  
**30, Gali Madan Mohan Path Sironj Distt Vidisha 464228**  
**(M.P.)**

To,  
The Board of Directors  
**Shaba Chemicals Limited**  
101, Rajani Bhawan 569/2, M. G  
Road Indore (M.P.) 452001

**Sub: Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.**

I, **Jay Kisan Nema**, hereby certify that I am a Non-executive Independent Director of **Shaba Chemicals Limited**, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

- I possess relevant expertise and experience to be an independent director in the Company;
- I am/was not a promoter of the company or its holding, subsidiary or associate company;
- I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
- Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
- none of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
  - b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
    - c. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - d. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with my relatives 2% or more of the total voting power of the company; or
  - d) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- I am not less than 21 years of age.



## Declaration

I undertake that I shall seek prior approval of the Board if and when I have any relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,  
Yours faithfully,

**JAY KISAN NEMA**  
**DIN: 06749729**



**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo [Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies Accounts Rules, 2014]**

**(A). Conservation of energy**

S.No.	Particulars	
i)	the steps taken or impact on conservation of energy;	All efforts are made to conserve and optimize use of
ii).	the steps taken by the company for utilizing alternate sources of energy;	NA
iii).	the capital investment on energy	NIL

**(B). Technology Absorption**

i).	the efforts made towards technology absorption	Updation of in house Technology is a Continuous process of absorption implemented in our Industry & Technology developed in house, This is fully absorbed for development in the existing product and new models.
ii).	the benefits derived like product improvement, cost reduction, product development or import substitution	The Company has been able to successfully indigenize the toolings to a large extent. Increased efficiency, better performance and wider product range.
iii).	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	NIL
a).	the details of technology imported	NA
b).	the year of import	NA
c).	whether the technology been fully absorbed	NA
d).	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NA
iv).	the expenditure incurred on Research and Development	NIL

**(C). Foreign Exchange Earnings and Outgo**

Year	31.03.2019	31.03.2018
Earnings	NIL	NIL
Outgo	NIL	NIL



# SHABA CHEMICALS LIMITED

CIN L24111MP1986PLC003741  
REGD ADD: 101, RAJANI BHAWAN 569/2, M. G. ROAD  
INDORE (M.P.) 452001  
Email id: bharatneema\_co12@yahoo.com

Form No. MGT-11  
Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No/ Clint Id:	
DP ID:	

I/ We being the member of .....Shares of the Shaba Chemicals Limited, holding, hereby appoint:

1. Name: .....

Address:

E-mail Id:

Signature: ....., or failing him

2. Name: .....

Address:

E-mail Id:

Signature: ..... or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 32<sup>nd</sup> Annual General Meeting of members of the Company, to be held on **Monday, 30<sup>th</sup> September, 2019 at 04.00 P.M.** at the registered office of the Company at **101, Rajani Bhawan 569/2 M.G. Road Indore MP 452001**, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions	For	Against
1	Adoption of the Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2019 together with Directors Report, Auditors Report and Cash flow statement along with their Annexure.		
2	Appointment of Director in place of Mr.Sangeeta Neemawho retires by rotation and being eligible offers himself for re-appointment.		
3	Ratification of appointment of Auditor M/s S.N. Kabra & Co. Chartered Accountant, Statutory Auditor of the company for the F.Y. 2018-19 and to authorized Board to fix their remuneration.		

Signed this ..... Day of.....2018

Signature of Shareholder:

Signature of Proxy holder(s):

Affix Revenue

Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.**

*Sangib*



# Independent Auditors' Report

TO THE MEMBERS OF  
SHABA CHEMICALS LIMITED  
INDORE

## AUDITOR'S OPINION

We have audited the accompanying Ind AS financial statements of **SHABA CHEMICALS LIMITED** ('the Company'), which comprise the Financial Statement Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Cash Flow and Statement of change in equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information. (Hereinafter refer as IND As Financial Statement)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

## Basis of Auditor's Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

We have discussed with management regarding business activity resulting to that we understand that the company is trying to find out suitable business and also company facing acute fund problem because capital of the company almost wiped up and become negative net worth

## Responsibility of those charged with Governance for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standard ("Ind AS") as

The Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility for the Financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and



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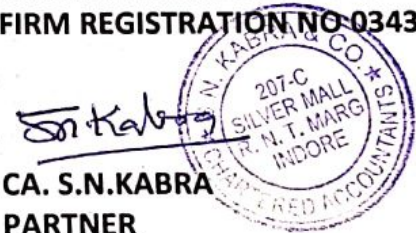
matters which are required to be included in the audit report under the provisions of the Companies Act, 2013 and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

FOR S.N.KABRA & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO-03439C



CA. S.N.KABRA  
PARTNER  
M. no. 072497

Place: Indore  
Date: 27<sup>th</sup> April, 2019



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") Issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (a) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (b) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (f) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as auditor in terms of Section 164(2) of the Act.
  - (c) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23(A) (i) to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - I. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Indore  
Date: 27<sup>th</sup> April, 2019

FOR S.N.KABRA & CO.  
CHARTERED ACCOUNTANTS

*S.N. Kabra*

CA. S.N.KABRA  
PARTNER  
FIRM REGISTRATION NO 03439C





- I. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. There is no any fixed asset in the company.
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the management is in the process of carrying out the physical verification and reconciling the same with the book records. Material discrepancies, if any, between the book records and the physical verification would be dealt with on completion of such reconciliation.
- II. In respect of its Inventories: No any inventories and operation in the Company. Hence not applicable.
- III. The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- IV. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- V. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- VI. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- VII. According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - (c) There are no amounts pending to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.





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rose by way of initial public offer or further public offer and term loans have been taken by the Company during the year. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.

- X. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- XI. No managerial remuneration has been paid or provided to any of the directors or managers, hence there has been no contravention of the provisions of Section 197 read with schedule 5 to the Companies Act, 2013.
- XII. This Company is not a NIDHI Company.
- XIII. There were no related party transactions reported and observed during the year, hence all transaction with the related party is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statement as required by the applicable Indian accounting standard.
- XIV. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- XV. The company has not entered into any non-cash transaction with the director or person concerned therefore the provision of Section 192 of Companies Act, 2013 has not been contravened.
- XVI. The company is not required to be registered under Section 45 IA of Reserve Bank of India Act, 1934.

FOR S.N.KABRA & CO.  
CHARTERED ACCOUNTANTS

Sd/-



CA. S.N.KABRA  
PARTNER  
(FIRM REG. NO. 003439C)

PLACE: INDORE  
DATE: 23<sup>rd</sup> MAY, 2019



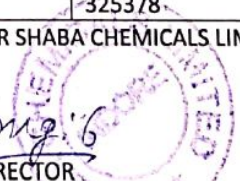
CIN L24111MP1988PL000741  
**Financial Statement of Balance sheet As at 31st March, 2019**

S. No.	Particulars	note no.	March 31, 2019	March 31, 2018
<b>I</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
(a)	Property, plant and equipment			
(b)	Capital work-in-progress			
(c)	Goodwill			
(d)	Other intangible assets			
(e)	Financial assets			
	(i) Investment	1	29600	29600
	(ii) Other Financial assets			
(f)	Deferred tax assets (net)			
(g)	Income tax assets (net)			
(h)	Other non-current assets			
	<b>Total non-current assets (1)</b>		<b>29600</b>	<b>29600</b>
	<b>Current assets</b>			
(a)	Inventories			
(b)	Financial assets			
	(i) Trade Receivables			
	(ii) Cash and cash equivalents	2	295778	290698
	(iii) Other balances with bank			
	(iv) Loans			
	(v) Other Financial assets			
(c)	Other current assets			
	<b>Total current assets (2)</b>		<b>295778</b>	<b>290698</b>
	<b>Total - Assets (1+2)</b>		<b>325378</b>	<b>320298</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
(a)	Equity Share capital	3	29163500	29163500
(b)	Other equity	4	-29329717	-29334817
	<b>Total Equity (1)</b>		<b>-166217</b>	<b>-171317</b>
	<b>Non-current liabilities</b>			
(a)	Financial Liabilities			
	(i) Borrowings	5	10000	10000
(b)	Provisions			
(c)	Other non-current liabilities			
	<b>Total non-current liabilities (2)</b>		<b>10000</b>	<b>10000</b>
	<b>Current liabilities</b>			
(a)	Financial Liabilities			
	(i) Borrowings			
	(ii) Trade payables	5	431615	431615
	(iii) Current maturities and other			
(b)	Other current liabilities	5	50000	50000
(c)	Provisions			
(d)	Income tax liabilities (net)			
	<b>Total current Liabilities (3)</b>		<b>481615</b>	<b>481615</b>
	<b>Total Equity and Liabilities</b>		<b>325378</b>	<b>320298</b>

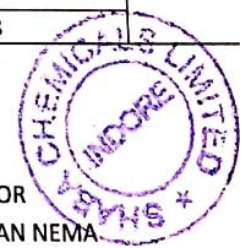
FOR S.N. KABRA & CO  
 CHARTERED ACCOUNTANTS  
  
 (S.N. KABRA)  
 PARTNER  
 PLACE :- INDORE  
 DATE :- 23-05-2019



FOR SHABA CHEMICALS LIMITED  
  
 DIRECTOR  
 SANGEETA NEEMA  
 DIN 01871324



DIRECTOR  
 JAY KISAN NEMA  
 DIN 06749729



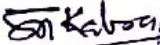


Statement Of Profit And Loss account For The Year Ended 31st March 2019

S. No.	Particulars	note no.	31-Mar-19	31-Mar-18
I	Revenue From operations			
II	Other income		0	0
III	<b>Total Income (I + II)</b>	6	89500	93250
IV	<b>Expenses</b>		89500	93250
	Cost of materials consumed			
	Purchase of traded goods			
	Changes in inventories of finished goods, work in progress and stock in trade			
	Excise duty (Refer note 8)	7	12000	12000
	Employee benefits expense	8	72420	76250
	Other Expenses			
	Depreciation and amortisation expense			
	Finance Cost			
	<b>Total Expenses (IV)</b>		84420	88250
3	<b>Profit before tax (1-2)</b>		5080	5000
4	<b>Tax expenses</b>			
	(a) Current tax		0	0
	(b) Deferred tax		0	0
	<b>Total Tax expenses</b>		0	0
5	<b>Net Profit after tax before share of loss from associates</b>			
6	Share of loss from associate		0	0
7	<b>Net Profit after tax and share of loss from associates</b>			
8	<b>Other Comprehensive Income</b>			
	Items that will not be reclassified subsequently to profit or loss		0	0
	Items that will be reclassified subsequently to profit or loss		0	0
	<b>Total other Comprehensive income</b>		0	0
9	<b>Total comprehensive income</b>		5080	5000
10	Paid up equity share capital (face value Rs...../-each)		29163500	29163500
11	<b>Other equity</b>			
12	Earnings per equity share (face value Rs. ..../-each)			
	-Basic		0.002	0.002
	-Diluted		0.002	0.002

FOR S.N. KABRA & CO.

CHARTERED ACCOUNTANTS

  
(S.N. KABRA)  
PARTNER


DATE :-23.5.2018

PLACE :-INDORE



FOR SHABA CHEMICALS LIMITED

  
DIRECTOR  
SANGEETA NEMA  
DIN 01871324

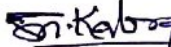

  
DIRECTOR  
JAY KISAN NEMA  
DIN 06749729



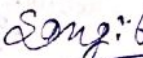
**SHABA CHEMICALS LIMITED**  
**CIN L24111MP1986PLC003741**  
**Cash Flow Statement**  
**For the year ended 31st march 2019**

	year ended 31st march, 2019	year ended 31st march, 2018
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	5100	5000
Profit before exceptional items and tax		
<i>Adjustments for</i>		
Depreciation and amortization expenses		
[Gain]/loss on sale of noncurrent assets held for sale		
Interest Income		
Dividend Income		
Fair value [gain]/loss on investment		
Interest Expenses		
Provision for expenses on employees stock options		
Impairment of non-current Investment		
Provision/[write back] doubtful debts and advances (net)		
bad debts/assets written off		
Mark to market [gain]/loss on derivative financial instruments		
<b>Cash generated from operations before working capital changes</b>	5100	5000
<i>Adjusted for</i>		
[Increase]/Decrease in trade Receivables		
Increase/[Decrease] in other current liabilities		10000
<b>Cash generated from operation</b>		
Taxes paid (net of refunds)		
<b>Cash flow before exceptional items</b>		
<b>Exceptional Items:</b>		
amount paid for other restructuring activities		
<b>Net cash [used in]/ generated from operating activities - [A]</b>	5000	15000
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment		
Sale proceeds of property, plant and equipment		
Cash flows before Exceptional Items		
<b>Exceptional items:</b>		
Consideration received on disposal of surplus property		
Consideration received on disposal of Subsidiary/business		
Taxes paid on Exceptional Items		
<b>Net cash [used in]/generated from Investing activities - [B]</b>	0	0
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid		
Dividend distribution tax paid		
Amount deposited in bank account towards unpaid dividends		
Interest paid		
Proceeds from share allotment under employees stock option/ performance share schemes		
<b>Net cash [used in]/generated from Financing activities - [C]</b>	0	0
<b>Net increase or decrease in Cash and Cash Equivalents- [A+B+C]</b>	5100	15000
Add: Cash and Cash Equivalents at the beginning of the year	290698	275698
<b>Cash and Cash Equivalents at the end of the year</b>	295698	290698

FOR S.N. KABRA & CO.

CHARTERED ACCOUNTANTS  
  
  
 (S.N. KABRA)  
 PARTNER  
 DATE :-23.5.2018  
 PLACE :-INDORE

FOR SHABA CHEMICALS LIMITED

  
 DIRECTOR  
 SANGEETA NEEMA  
 DIN 01871324

  
 DIRECTOR  
 JAY KISAN NEEMA  
 DIN 06749729



**Corporate Information**

**Accompanying notes to the Financial Statements for the year ended March 31, 2019**

**Note 1.1 Significant Accounting Policies**

**A Corporate Information**

Shaba Chemicals Ltd. is a Listed Public Company registered in India, under Companies Act 1956, and was incorporated in 1986. The Company is mainly engaged in the business of pharmaceutical chemicals. The registered office of the Company is located at Indore (M.P.) and a Corporate office is situated in Indore (Madhya Pradesh).

**B Basis of Preparation**

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements for all periods up to and including year ended March 31, 2018 were prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended March 31, 2018 are the first financial statements prepared by the Company in accordance with Ind AS. Refer note 2 for information on how the Company adopted Ind AS.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Company ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities. The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest millions (INR 000,000), except when otherwise indicated.

**C Accounting Estimates**

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



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### Deferred tax assets

In assessing the realisable ability of deferred income tax assets, management considers whether some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

### D Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at April 1, 2016 of its Property, Plant and Equipment and use that carrying value as the deemed cost.

### E Depreciation/ Amortisation

Depreciation/ Amortisation is provided as stated below:-

- i) Depreciation on all Fixed Assets is provided on 'Straight Line Method' at the rates and in the manner prescribed in the Schedule II of the Companies Act, 2013. Depreciations on additions & deletions made during the year is provided on pro-rata basis from & upto the date of acquisitions and deletions of assets respectively.
- ii) Leasehold improvement are written off over the non-cancellable period of lease.
- iii) Intangible assets are amortised over a period of four years.

### F Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:



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**Financial Assets at Amortised Cost**  
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

#### **Financial Assets Measured at Fair Value**

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss. Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

#### **Impairment of Financial Assets**

In accordance with Ind AS 109, the Company applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

#### **De-recognition of Financial Assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

#### **b) Equity Instruments and Financial Liabilities**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.



*Sangib* ✓



## Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

## Financial Liabilities

### 1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### 2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

#### Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

#### Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

### 3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

## G Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

## H Borrowing Costs

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs. Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

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Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the sale of goods or the rendering of services, in order to determine if it is acting as a principal or as an agent. Revenue is recognised, net of trade discounts, sales tax, service tax, VAT or other taxes, as applicable. Further Ind AS 115 has been considered for preparing Financial Statement.

- c Revenue in respect of operation and maintenance contracts is recognised on the basis of time proportion.
- d Revenue from domestic sales of goods is recognized when the significant risks and the rewards of ownership of the goods are passed on to the buyer (i.e. on dispatch of goods) except revenue from contracts in relation to government tenders which is recognised once the goods are supplied to the subcontractor at the site for installation. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances and discounts.
- e For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is recognized on a time proportion basis taking into account the amount outstanding. Interest income is included under the head "other income" in the Statement of Profit and Loss.
- f Dividend income is recognised when right to receive the payment is established.
- g Claims for insurance are accounted on receipts/ on acceptance of claim by insurer.

**J Taxes on Income**

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

**a Current Income Tax**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current Tax items are recognised in correlation to the underlying transaction either in Statement of Profit And Loss, other comprehensive income or directly in equity

**b Deferred Income Tax**



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Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets are recognised for all deductible temporary differences between the financial statement existing assets and liabilities and their respective tax base. Deferred tax assets are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Company will pay normal income tax during the specified period.

#### K Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

#### L Inventories

Inventories of Finished Goods, Raw-Material, and Work in Progress are valued at cost or net realizable value, whichever is lower. Stores & Spares and Packing Materials are valued at cost. Cost comprises of all cost of purchases and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on weighted average basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, slow moving, surplus and defective stocks are identified at the time of physical verification of stocks and where necessary, provision is made for such stocks.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.



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Trade payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

#### **N Earnings Per Share**

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

#### **O Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

#### **P Exceptional Items**

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

#### **Contingent Liabilities**

Company listed with Bombay stock exchange since long. Company is unable to pay listing fees since last 4 years and accumulated fee amount of Rs.10, 00,000/- the provision of the same has not been made by the company through profit and loss statement.



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## Notes to Account

	As on 31st march 2019	As on 31st march 2018
<b>1 OTHER FINANCIAL ASSETS</b>		
Unsecured considered good unless otherwise stated		
<b>NON-CURRENT</b>		
Investment in term deposits (with remaining maturity of more than twelve months)		
security deposits		
Other assets (includes other receivables etc.)	29600	29600
<b>Total (A)</b>	<b>29600</b>	<b>29600</b>
<b>CURRENT</b>		
Current account balances with group companies and joint venture		
Derivatives - foreign exchange forward contracts		
Other assets (includes other receivables etc.)s		
<b>Total (B)</b>		
<b>Total (A-B)</b>	<b>29600</b>	<b>29600</b>
<b>2 Cash and Cash Equivalents</b>	<b>As on 31st march 2019</b>	<b>As on 31st march 2018</b>
Cash on Hand	295798	275698
<b>Balance with Banks</b>		
In Current Account		
Term Deposits with Original Maturity of less than three months		
Short term, highly liquid Investments		
Treasury bills with a Original Maturity of less than three months		
	<b>295798</b>	<b>275698</b>



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**SHABA CHEMICALS LIMITED**

**CIN L24111MP1986PLC003741**

**REGD ADD: 101, RAJANI BHAWAN 569/2, M. G. ROAD INDORE (M.P.) 452001**

**Email id: bharatneema\_col2@yahoo.com**

**ATTENDANCE SLIP**

Shareholders attending the Meeting in person or Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall. Joint shareholder may obtain additional attendance slip at the venue.

I /We hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company held on Monday, 30<sup>th</sup> September, 2019 at 04.00P.M. at the Registered Office of the Company at 101, RAJANI BHAWAN 569/2, M. G. ROAD INDORE (M.P.) 452001.

Regd. Folio No.*	Name and Address of the Registered Shareholders
Client ID no & DP ID no	
No of shares held	

\*Applicable only if shares are held in physical form.

Full name of the Proxy (in Block Letters)

Signature of the Shareholder or Proxy

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# SHABA CHEMICALS LIMITED

CIN L24111MP1986PLC003741

REGD ADD: 101, RAJANI BHAWAN 569/2, M. G. ROAD  
INDORE (M.P.) 452001

Email id: bharatneema\_co12@yahoo.com

Form No. MGT-11  
Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered address:	
E-mail Id:	
Folio No/ Clint Id:	
DP ID:	

I/ We being the member of .....Shares of the Shaba Chemicals Limited, holding, hereby appoint:

1. Name: .....

Address:

E-mail Id:

Signature: ....., or failing him

2. Name: .....

Address:

E-mail Id:

Signature: ..... or failing him

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 32<sup>nd</sup> Annual General Meeting of members of the Company, to be held on Monday, 30<sup>th</sup> September, 2019 at 04.00 P.M. at the registered office of the Company at 101, Rajani Bhawan 569/2 M.G. Road Indore MP 452001, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolutions	For	Against
1	Adoption of the Financial Statements of the Company for the Financial Year ended 31 <sup>st</sup> March, 2019 together with Directors Report, Auditors Report and Cash flow statement along with their Annexure.		
2	Appointment of Director in place of Mr.Sangeeta Neemawho retires by rotation and being eligible offers himself for re-appointment.		
3	Ratification of appointment of Auditor M/s S.N. Kabra & Co. Chartered Accountant, Statutory Auditor of the company for the F.Y. 2018-19 and to authorized Board to fix their remuneration.		

Signed this ..... Day of.....2019

Signature of Shareholder:

Signature of Proxy holder(s):

Affix Revenue

Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.

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**SHABA CHEMICALS LIMITED**  
**CIN L24111MP1986PLC003741**  
**REGD ADD: 101, RAJANI BHAWAN 569/2, M. G. ROAD INDORE (M.P.) 452001**  
**Email id: bharatneema\_co12@yahoo.com**

**ATTENDANCE SLIP**

Shareholders attending the Meeting in person or Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall. Joint shareholder may obtain additional attendance slip at the venue.

I /We hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company held on Monday, 30<sup>th</sup> September, 2019 at 04.00P.M. at the Registered Office of the Company at 101, RAJANI BHAWAN 569/2, M. G. ROAD INDORE (M.P.) 452001.

Regd. Folio No.*	Name and Address of the Registered Shareholders
Client ID no & DP ID no	
No of shares held	

\*Applicable only if shares are held in physical form.

Full name of the Proxy (in Block Letters)

Signature of the Shareholder or Proxy

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# RAMESH CHANDRA BAGDI & ASSOCIATES

## COMPANY SECRETARIES

31, SHRADDHANAND MARG, CHHAWANI, INDORE (MP)-452 001

CS RAMESH C. BAGDI  
(M.Com, LLB(HONS), FCS  
PH-0731-4248442  
Mobile 98272-44043  
E-mail:-  
rcbagdlpcs@yahoo.in

### SECRETARIAL AUDIT REPORT

Form No. MR-3

For the financial year ended on 31st March, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
SHABA CHEMICALS LTD.,  
101, RAJANI BHAWAN,  
569/2, M.G.ROAD,  
INDORE(MP)-452001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SHABA CHEMICALS LTD.(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2019 according to the provisions of:





(i) The Companies Act, 2013 (the Act) and the Rules made there under and Companies Act, 1956 and Rules made there under to the extent applicable, except following -

- *Evoting facility u/s 108 read with Rule 20 of the Co.(MNGT. & ADMN.) Rules,2015 not provided to the shareholders by the company during the audit period. In this regard, Management is of the opinion that since entire share holding of the company is in physical form and RTA -M/S SKYLINE FINANCIAL SERVICES PVT. LTD., MUMBAI, SEBI APPROVED RTA has been appointed on 20/11/2018 and tripartite agreement among RTA, COMPANY AND CDSL/NSDL has been signed after 20/11/2018 and sofar dematerialization of shares of the company is under process hence Evoting facility is not possible for Annual General Meeting for F.Y.2018-2019. However, as per management representation, the company will start providing E-Voting facility to the stakeholders for AGM for F.Y. 2019-2020.*
- *Due to paucity of funds with company, the company has not published required periodical reports in News Papers. However, the Bombay Stock Exchange Ltd. Has been intimated in proper time period.*
- *The company's networth is eroded and thus the company is sick company presently but presently SICA and BIFR have been repealed.*
- *Whole time company secretary u/s 203 of the Act could not have been appointed in spite of honest effort made by company. In this regard, the company has received penalty letters from BSE also. Further due to non appointment, the necessary form INC-22 ACTIVE could not have been filed so far and the status of the company in MCA RECORD is still 'ACTIVE - NON-COMPLIANT' . However, the company is hopeful to get the suitable candidate during the F.Y. 2019-2020.*
- *Certain Forms are yet pending to be filed with ROC/MCA.*

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under. *(not applicable to the company during the audit period)*

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; *(not applicable to the company during the audit period)* ;





- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; *(not applicable to the company during the audit period)* ;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(not applicable to the company during the audit period)*;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(not applicable to the company during the audit period)*;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(not applicable to the company during the audit period)*;

(vi) We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. At present the company is not doing any business activity hence no specific Acts are applicable to the company.

I have also examined compliance with the applicable Clauses of the following with regard to :

- (i) The compliance of Secretarial Standards under Section 118 of the Companies Act, 2013 applicable during the period covered under the Audit.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges and SEBI(LODR) Regulation, 2015 except ;

*The company has not complied with certain clauses of LODR,2015 as regards publication of results, updation of web site of company, no listing fees paid to the BSE, 100% share holding of the promoters of the company is not dematerialized and is in physical form in spite of appointment of RTA and commencement of connectivity with CDSL/NSDL.*

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and subject to my comment wherever it was required.

**I further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors, if any, that took place during the period under review were carried out in compliance with the provisions of the Act.





Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that :**

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

**I further report that :**

During the audit period, there were no instances of:

- (i) Public/Rights/Preferential issue of Shares/debentures/ sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/ amalgamation/ reconstruction etc.
- (iv) Foreign technical collaborations.

For Ramesh Chandra Bagdi & Associates,  
Company secretaries,

*R. C. B.*

CS Ramesh Chandra Bagdi  
Proprietor  
FCS: 8276, C P No 2871



Place : Indore

Dated : 29, August, 2019

**Note: This report is to be read with our letter of even date which is annexed as Annexure herewith and forms and integral part of this report.**