

SHABA CHEMICALS LIMITED

CIN NO.L24111MP1986PLCO03741

Regd. Office: 101, Rajani Bhawan, 569/2, M.G. Road. Indore

Corporate Office: 713, Iskon Emporio, B/s. Star India Bazar, Near Jodhpur, Cross Road, Satellite,
Ahmedabad-380051, **Contact:** 07314299232, 9409054403,

Email Id: shabachemicals@gmail.com

Website: shabachemicals.com

28th July, 2022

To,
The Department of Corporate Services
BSE Limited
Ground Floor, P. J. Tower
Dalal Street,
Mumbai - 400 001

Ref: Scrip Code: 524546

Dear Sir/Madam,

Sub: Submission of Annual Report for FY 2021-22

With reference to above, please find copy of Annual Report for Financial Year 2021-2022 in compliance in with Regulation 34 of SEBI (Listing obligation and Disclosure Requirement) Regulations, 2015.

Kindly take the same on your records and acknowledge the receipt thereof.

Thanking You,

For Shaba Chemicals Limited

Sangeeta Neema
Managing Director
DIN: 01871324

Encl.: As above

Annual Report of

**SHABA CHEMICALS
LIMITED**

For The Year

2021-2022

BOARD OF DIRECTORS

Name of Director	Category of Director
Ms. Sangeeta Neema	Managing Director
Mr. Indrakumar Mahajan	Director
Mr. Dipakkumar Shah	Independent Director
Mr. Jay Kishan Nema	Chief Financial Officer/Director
Mr. Radheshkumar Mevada	Independent Director
Mr. Gaurav Sitaram Mevada	Independent Director
Mr. Falguni Malay Patel	Company Secretary

SECRETARIAL AUDITOR

PCS Rupal Patel

FCS No. 6275, COP NO. 3803,
Address: 303, Prasad Tower, Opp. Jain
Derasar, Nehrunagar Char Rasta,
Ahmedabad, Gujarat- 380015.
Tel. No. (M) 9825507376

AUDITORS

For S.N. KABRA & CO.

Chartered Accountant, Indore
207- C, Silver Mall, R.M.T. Marg,
Indore-452001

REGISTERED OFFICE

101, Rajani Bhawan 569/2,
M.G. Road, Indore, 452001
Mail Id: shabachemicals@gmail.com
Website: www.shabachemicals.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of **SHABA CHEMICALS LIMITED** will be held on Monday, 25th July, 2022 at 11.00 A.M. at registered office of the company situated at 101, Rajani Bhawan 569/2, M.G. Road Indore 452001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2022 and the Statements of Profit & Loss for the year ended on that date together with the reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Sangeeta Neema, Managing Director (DIN-01871324) who retires by rotation and being eligible, offers herself for reappointment.

SPECIAL BUSINESS

3. **Regularization of Additional Director Mr. Dipakkumar Shah as an Independent Director of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Dipakkumar Shah (DIN: 08234203), who was appointed as Additional Director on 05th March, 2022 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a period of five years.

“**RESOLVED FURTHER THAT** Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

4. **Regularization of Additional Director Mr. Radheshkumar Mevada as an Independent Director of the Company:**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Radheshkumar Mevada (DIN: 09527514), who was appointed as Additional Director on 05th March, 2022 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a period of five years.

“RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

5. Regularization of Additional Director Mr. Gaurav Mevada as an Independent Director of the Company:

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Gaurav Mevada (DIN: 09527566), who was appointed as Additional Director on 05th March, 2022 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a period of five years.

“RESOLVED FURTHER THAT Directors/Company Secretary of the Company, be and is hereby severally authorized to file necessary returns/forms to the Registrar of Companies and to do all such acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

6. Re-appointment of Ms. Sangeeta Neema, as Managing Director of the Company:

To consider and, if thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the rules made there under, as amended from time to time, read with Schedule V to the Act, and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Members of the Company be and is hereby accorded to re-appoint Ms. Sangeeta Neema, as Managing Director of the Company for a period of 5 Years with effect from conclusion of this AGM upon the terms and conditions as decide by the board of director of the company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

**For & on behalf of the Board of Director of
Shaba Chemicals Limited**

Date: 21/06/2022

Place: Indore

**Sangeeta Neema
Managing Director**

NOTES:

1. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Business to be transacted at the Annual General Meeting ("Meeting") is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 19th July, 2022 to 25th July, 2022 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
4. Relevant documents referred to in the Notice are open for inspection by the members at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will be also available for inspection by members at the Meeting.
5. The dividend on equity shares, if declared at the Meeting, will be credited / dispatched within a week from the conclusion of the Meeting to those members whose names appear on the Company's Register of Members on the Record Date fixed for the purpose; in respect of the shares held in dematerialized mode, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
6. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
7. Securities and Exchange Board of India ("SEBI") has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, the Company/MCS has stopped accepting any fresh lodgment of transfer of shares in physical form. Members holding shares in physical form are advised to avail of the facility of dematerialization.
8. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or

Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM

9. Voting through Electronic means:

Pursuant to Section 108 of the Companies Act, 2013, read with the Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014 in pursuance with the directions issued by SEBI vide Circular No. CIR/CFD/DIL/6/2012 dated 13th July, 2014, the Company is pleased to provide the facility to Members to exercise their right at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL).

A. The instructions for members for voting electronically are as under:-

- (i) The voting period begins on 22nd July, 2022 at 09:00 A.M. and ends on 24th July, 2022 at 05:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18th July, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the Indo Credit Capital Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for all mobile users. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

- B. The Voting Rights Of The Members Shall Be In Proportion To Their Shares Of The Paid Up Equity Share Capital Of The Company As On The Cut-Off Date Of 18th July, 2022.
- C. A Copy Of This Notice Has Been/ Shall Be Placed On The Website Of The Company And The Website Of CDSL.
- D. Ms. Rupal Patel, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- E. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
- F. In terms of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is sent along with this Notice. A member desiring to exercise vote by Ballot shall complete the said Ballot Form with assent (for) or dissent (against) and send it to Ms. Rupal Patel, Scrutinizer, having office address at 303, Prasad Apartment, Opp. Jain Derasar, S.M. Road, Nehrunagar cross Road, Ahmedabad -380015, E-mail: roopalcs2001p@gmail.com so as to reach her on or before 28th July, 2022 by 5.00 p.m. Any Ballot Form received after the said date and time shall be treated as if the reply from the Members has not been received.
- G. The facility for voting through ballot shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e- voting/ ballot shall be able to exercise their voting right at the meeting.
- H. The members who have casted their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- I. The Results shall be declared on or after the Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website within 48 (Forty Eight) hours of conclusion of the annual general meeting and will be communicated to BSE Limited, who are required to place them on their website. The same shall also be placed on the website of CDSL.

**For & on behalf of the Board of Direct of
Shaba Chemicals Limited**

Date: 21/06/2022

Place: Indore

**Sangeeta Neema
Managing Director
DIN: 01871324**

Annexure to the Notice

Explanatory Statement under Section 102(1) of the Companies Act, 2013:

ITEM NO.2

Details of Director seeking reappointment at Annual General Meeting:

Name	:	Ms. Sangeeta Neema
Date of birth	:	08/01/1970
Qualification	:	Graduate
Director of the Company since	:	01/08/2006
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil

ITEM NO. 3

Regularization of Mr. Dipakkumar Shah as an Independent Director

Mr. Dipakkumar Shah was appointed as an Additional Independent Director with effect from 5th March, 2022, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuring Annual General Meeting of the Company.

The Board is of the view that the appointment of Mr. Dipakkumar Shah on the Company Board is desirable and would be beneficial to the Company and hence it recommends the said resolution No 3 for approval by the members of the Company. None of the Directors / Key Managerial Personnel of the Company / their relatives, in any way concerned or interested, in the said resolution. The board recommends the said resolution to be passed as an **ordinary resolution**.

Brief profile of Mr. Dipakkumar Shah is given below for reference of the member:

Name	:	Mr. Dipakkumar Shah
Date of birth	:	13/12/1954
Director of the Company since	:	05/03/2022
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil
Expertise	:	Management, Administration

ITEM NO. 4

Mr. Radheshkumar Mevada was appointed as an Additional Independent Director with effect from 5th March 2022, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuring Annual General Meeting of the Company.

The Board is of the view that the appointment of Mr. Radheshkumar Mevada on the Company Board is desirable and would be beneficial to the Company and hence it recommends the said resolution No 4 for approval by the members of the Company. None of the Directors / Key Managerial Personnel of the Company / their relatives, in any way concerned or interested, in the said resolution. The board recommends the said resolution to be passed as an ordinary resolution.

Brief profile of Mr. Radheshkumar Mevada is given below for reference of the member:

Name	:	Mr. Radheshkumar Mevada
Date of birth	:	03/05/1988
Director of the Company since	:	05/03/2022
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil
Expertise	:	Management, Administration

ITEM NO. 5

Mr. Gaurav Mevada was appointed as an Additional Independent Director with effect from 5th March 2022, in accordance with the provisions of Section 161 of the Companies Act, 2013 read with the Articles of Association. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuring Annual General Meeting of the Company.

The Board is of the view that the appointment of Mr. Gaurav Mevada on the Company Board is desirable and would be beneficial to the Company and hence it recommends the said resolution No 5 for approval by the members of the Company. None of the Directors / Key Managerial Personnel of the Company / their relatives, in any way concerned or interested, in the said resolution. The board recommends the said resolution to be passed as an ordinary resolution.

Brief profile of Mr. Gaurav Mevada is given below for reference of the member:

Name	:	Mr. Gaurav Mevada
Date of birth	:	16/09/1986
Director of the Company since	:	05/03/2022
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil
Expertise	:	Management, Administration

ITEM NO. 6

Ms. Sangeeta Neema was appointed as Managing Director of the Company by the members for a period of 5 years. The period of five has been elapsed. Hence a Special Resolution is proposed at Item No. 6 of the Notice. She has been actively involved in the operations of the Company. He has rich and varied experience of many years. It would be in the interest of the Company to continue the employment of Ms. Sangeeta Neema as Managing Director. She has guided the Company through decade of diversification and growth. None of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, in any way, in this resolution. The Board recommends the Special Resolution for approval by the members.

Details of Director seeking reappointment as Managing Director at Annual General Meeting:

Name	:	Ms. Sangeeta Neema
Date of birth	:	08/01/1970
Qualification	:	Graduate
Director of the Company since	:	01/08/2006
Directorship in other public limited companies	:	Nil
Membership of Committees of other public limited companies	:	Nil
No. of Shares held in the Company	:	Nil

**For & on behalf of the Board of Director of
Shaba Chemicals Limited**

Date: 21/06/2022

Place: Indore

**Sangeeta Neema
Managing Director
DIN: 01871324**

DIRECTOR'S REPORT

To the Members,
Shaba Chemicals Limited

Your Directors took pleasure in presenting the Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2022.

1) **FINANCIAL RESULTS**

The Company's financial performance for the year under review along with previous year figures is given hereunder:

(Amount in Rs)

Particulars	Year Ended 31.03.2022 (Amt in Rs.)	Year Ended 31.03.2021 (Amt in Rs.)
Gross Sales/Income	72400	62200
Profit Before depreciation & tax	3500	1700
Less Depreciation	-	-
Profit/(Loss) before Tax	3500	1700
Taxes/Deferred Taxes	1050	-
Income Tax for Earlier Years	-	-
Profit/(Loss) After Taxes	2450	1700
P& L Balance b/f	2450	1700

2) **BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR:**

During the year under review, even in the mid of sluggish market condition and pandemic COVID - 19, the company has tried to penetrate in the market and, your company has achieved gross turnover of Rs.72,400/- during FY 2021-22 and net profit (PY net profit Rs. 1700/-).

3) **CHANGE IN THE NATURE OF BUSINESS:**

There was no change in the nature of the business of the Company during the year under review.

4) **DIVIDEND:**

The Company has not declared any dividend for the year under review.

5) **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:**

The company does not have any amount which required to be transferred to the Investor Education and Protection Fund (IEPF).

6) **TRANSFER TO RESERVES:**

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

7) CHANGES IN SHARE CAPITAL

During the year under review, the company has not changed its capital.

A) Issue of equity shares with differential rights:

During the year under review, the Company has not issued any shares with differential voting rights.

B) Issue of sweat equity shares:

During the year under review, the Company has not issued any sweat equity shares.

C) Issue of employee stock options:

During the year under review, the Company has not issued any sweat equity shares.

D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees:

The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

8) FINANCE:

The Company has not borrowed loan from any Bank or Financial institution during the year under review.

9) DETAILS PERTAINING TO SHARES IN SUSPENSE ACCOUNT:

The Company does not have any shares in the demat suspense account or unclaimed suspense account. Hence, Disclosures with respect to demat suspense account/ unclaimed suspense account are not required to mention here.

10) MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. Sangeeta Neema (DIN: 01871324), Director retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

a) Key Managerial Personnel:

The following are the Key Managerial Personnel of the Company:

Ms. Sangeeta Neema	Managing Director
Mr. Jay Kishan Nema	Chief Financial Officer
Mr. Falguni Malay Patel	Company Secretary cum Compliance officer

During the year under review the following Directors and Key Managerial Personnel were appointed and resigned:

Name and Designation	Date of Appointment	Date of Resignation
Ms. Falguni Malay Patel Company secretary -Compliance Officer	07/03/2022	-
Mr. Gaurav Sitaram Mevada	05/03/2022	-
Mr. Dipakkumar Hasmukhlal Shah	05/03/2022	-
Mr. Radheshkumar Sitaram Mevada	05/03/2022	-

11) NUMBER OF MEETINGS OF BOARD OF DIRECTORS:

The meetings of the Board of Directors are held at periodical intervals and are generally at the registered office of the Company, Indore. The meeting dates are decided well in advance and the agenda and notes on agenda are circulated in advance to the directors. All material information is incorporated in the notes on agenda for facilitating meaningful and focused discussion at the meeting. Where it is not perusable to attach supporting or relevant documents to the agendas, the same is tabled before the meeting. In case of business exigencies or urgency of matters, resolutions are passed by circulation. Senior Management persons are often invited to attend the Board Meetings and provide clarifications as and when required.

During the year 2021-22, 06 (Six) Board Meetings were convened and duly held on:

20/05/2021	29/06/2021	04/08/2021	12/11/2021
12/02/2022	05/03/2022		

The Board of Directors of the Company were present at the following Board Meeting held during the year under review:

Name of Director	Board Meeting Held	Meetings attended	Attendance at last AGM
Ms. Sangeeta Neema	6	6	Yes
Mr. Indrakumar Mahajan	6	6	Yes
Mr. Jay Kishan Nema	6	6	Yes
Mr. Dipakkumar Hasmukhlal Shah	-	-	NA
Mr. Radheshkumar Sitaram Mevada	-	-	NA
Mr. Gaurav Sitaram Mevada	-	-	NA

12) STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE AND THAT OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees.

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

13) PARTICULARS OF EMPLOYEES & EMPLOYEE REMUNERATION:

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as "**Annexure- A**" to the Board's report.

None of the employees of the Company drew remuneration of Rs.1,02,00,000/- or more per annum and Rs.8,50,000/- or more per month during the year. No employee was in receipt of remuneration during the year or part thereof which, in the aggregate, at a rate which is in excess of the remuneration drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company. Hence, no information is required to be furnished as required under Rule, 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

14) EMPLOYEE RELATIONS:

Employee relations throughout the Company were harmonious. The Board wishes to place on record its sincere appreciation of the devoted efforts of all employees in advancing the Company's vision and strategy to deliver good performance.

15) REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

The Company does not have any Subsidiaries, Associate and Joint Venture Companies. Hence, details for the same are not required to mention here.

16) CHANGE OF NAME:

The Company has not changed its name during the year under review.

17) STATUTORY AUDITORS:

The Auditors, M/s S. N. Kabra, Chartered Accountants, Indore were appointed in the Annual General Meeting [AGM] held in the year 2018 till the conclusion of Annual General Meeting of the company to be held in the year 2023.

18) COST AUDITORS:

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, since, the cost audit is not applicable to the Company.

19) 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 Rupal Patel Practicing Company Secretary, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as "**Annexure -B**".

Reply to the qualification Remarks in Secretarial Audit Report:

- a) The company has informed to the promoters about the mandatory requirement of their holding shall be in dematerialized mode only as per Regulation 31 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.
- b) Though the Company has not published notice for Financial Result, the company has uploaded the same on Website of the company and also submitted to Bombay Stock Exchange of India Limited.

20) RESPONSE TO AUDITOR'S REMARKS:

There were no qualifications, reservations or adverse remarks made by Auditors in their respective reports. Observation made by the Statutory Auditors in their Report are self explanatory and therefore, do not call for any further comments under section 134(3) (f) of the Companies Act, 2013.

21) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year under review, the company retained external audit firm to review its existing internal control system with a view of tighten the same and introduce system of self certification by all the process owners to ensure that internal controls over all the key business processes are operative. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

22) AUDIT COMMITTEE:

The Audit Committee of the Board of Directors of the Company comprises 3 Members. as well as those in section 177 of the Companies Act, 2013 and include the reviewing of quarterly, half-yearly and annual financial statements before submission to the Board, ensure compliance of internal control systems and internal audit, timely payment of statutory dues and other matters.

During the year under review, 4 meetings of the committee were held on 29/06/2021, 04/08/2021, 12/11/2021 and 12/02/2022. The composition of committee and attendance at its meetings is given below:

Sr. No.	Name	Position	Category	Number of meeting Attend
1	Mr. Dipakkumar Shah	Member	Non-Executive Independent Director	*
2	Mr. Indrakumar Mahajan	Chairman	Non-Executive Independent Director	4
3	Mr. Gaurav Mevada	Member	Non-Executive Independent Director	*

**Mr. Dipakkumar Shah and Mr. Gaurav Mevada was included in the Audit Committee w.e.f. 05/03/2022*

The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

23) VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.shabachemicals.com.

24) NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors of the company have constituted a Nomination & Remuneration Committee of Directors mainly for the purposes of recommending the Company's policy on Remuneration Package for the Managing/Executive Directors, reviewing the structure, design and implementation of remuneration policy in respect of key management personnel.

The Nomination & Remuneration Committee consisted of 3 Directors. During the year under review, 1 meetings of the committee were held on 05/03/2022. The name of members, Chairman and their attendance at the Remuneration Committee Meeting are as under Committee of Board:

Sr. No.	Name	Position	Category	Number of meeting Attend
1	Mr. Dipakkumar Shah	Member	Non-Executive Independent Director	*
2	Mr. Indrakumar Mahajan	Chairman	Non-Executive Independent Director	1
3	Mr. Gaurav Mevada	Member	Non-Executive Independent Director	*

**Mr. Dipakkumar Shah and Mr. Gaurav Mevada was included in the Nomination and Remuneration Committee w.e.f. 05/03/2022*

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is also available on the Company's website at www.shabachemicals.com.

25) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee consisted of 3 Directors. During the year under review, 4 meetings of the committee were held on 05/04/2021, 13/07/2021, 16/10/2021 and 06/01/2022. The name of members, Chairman and their attendance at the Stakeholders Relationship Committee are as under Committee of Board:

Sr. No.	Name	Position	Category	Number of meeting Attend
1	Mr. Dipakkumar Shah	Member	Non-Executive Independent Director	*
2	Mr. Indrakumar Mahajan	Chairman	Non-Executive Independent Director	4
3	Mr. Gaurav Mevada	Member	Non-Executive Independent Director	*

**Mr. Dipakkumar Shah and Mr. Gaurav Mevada was included in the Stakeholders Relationship Committee w.e.f. 05/03/2022*

The status of shareholders' complaints received so far/ number not solved to the satisfaction of shareholders/number of pending share transfer transactions (as on 31st March, 2022 is given below):-

Complaints Status: 01.04.2021 to 31.03.2022	
Number of complaints received so far	1
Number of complaints solved	1
Number of pending complaints	0

Compliance Officer:

Ms. Falguni Malay Patel, was Compliance Officer of the company for the purpose of complying with various provisions of Securities and Exchange Board of India (SEBI), Listing Agreement with Stock Exchanges, Registrar of Companies and for monitoring the share transfer process etc.

a) Share Transfer System:

All the transfers are received and processed by share Transfer agents and are approved by share transfer committee. Share Transfer requests received in physical form are registered within 30 days and demat requests are confirmed within 15 days.

b) Dematerialization of shares and liquidity:

Details of Registrar and Share Transfer agent of the Company for dematerialization of shares:

Name : Skyline Financial Services Pvt. Ltd
Address : D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020.
Tel : 01140450193
Email : info@skylinerta.com

26) STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

Risk management is embedded in your company's operating framework. Your company believes that managing risk helps in maximizing returns. The company's approach to addressing business risk is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. Some of the risks that the company is exposed to are:

Commodity Price Risks

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. The company proactively manages these risks through forward booking, Inventory management and proactive vendor development practices. The Company's reputation for quality, product differentiation and service, coupled with existence of powerful brand image with robust marketing network mitigation the impact the impact of price risk on finished goods.

Regulatory Risks

The company is exposed to risks attached to various statues and regulations including the company Act. The company is mitigating these risks through regular review of legal compliances carried out through internal as well as external compliance audits.

Human Resources Risks

Retaining the existing talent pool and attracting new talent are major risks. The company has initialed various measures including rolling out strategic talent management system, training and integration of learning and development activities.

Strategic Risks

Emerging businesses, capital expenditure for capacity expansion, etc., are normal strategic risk faced by the company. However, the company has well-defined processes and procedures for obtaining approvals for investments in new business and capacity expansion etc.

27) EXTRACT OF ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as "**Annexure-C**".

28) MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

There is no Material changes occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report.

29) DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the year under review.

30) DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adequate and proper internal financial controls with reference to the Financial Statements during the year under review.

31) PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

No related party transaction has been entered into during the financial year. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

32) PUBLIC DEPOSIT:

During the year under review the Company has not accepted any deposits to which the provisions of section 73, 74 of the Companies Act, 2013 read with Acceptance of Deposits Rules, 2014 as amended are applicable.

33) PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

No loans, guarantees or investment under Section 186 of the Companies Act, 2013 have been given by the company.

34) CORPORATE GOVERNANCE:

As per SEBI circular no: CFD/POLICYCELL/7/2014 dated 15th September, 2014, (Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall not be mandatory to the following class of companies:

a) Companies having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crore, as on the last day of the previous financial year;

Provided that where the provisions of (Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 becomes applicable to a company at a later date, such company shall comply with the requirements of (Regulation 27(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within six months from the date on which the provisions became applicable to the company.

Accordingly, it may be noted that the paid up share capital of the Company is below Rs. 10 crore and Net Worth of the Company has not exceeded Rs.25 crore, as on 31st March, 2022 and hence, Corporate Governance is not applicable to the Company.

35) MANAGEMENT DISCUSSION AND ANALYSIS:

Management discussion and analysis Report, pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, forms part of this Report and the same is annexed as "Annexure-D".

36) DETAIL OF FRAUD AS PER AUDITORS REPORT:

There is no fraud in the Company during the Financial Year ended 31st March, 2022. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the financial year ended 31st March, 2022.

37) OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under.

During the financial year 2021-22, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31st March, 2022.

38) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is Nil.

39) CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Provision of Section 135 of the Company Act, 2013 are not applicable since the company does not fall under Category of Rule 9 of the Corporate Responsibility Rules 2014.

40) DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) that in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

41) SECRETARIAL STANDARDS:

The Directors State that applicable Secretarial Standards i.e. SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and General Meetings', respectively, have been duly followed by the Company.

42) LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2021-2022 to BSE

where the Company's Shares are listed.

43) PREVENTION OF INSIDER TRADING:

In January 2015, SEBI notified the SEBI (Prohibition of Insider Trading) Regulation, 2015 which came into effect from May, 2015. Pursuant thereto, the Company has formulated and adopted a new code for Prevention of Insider Trading.

The New Code viz. "Code of Internal Procedures and Conduct for regulating, Monitoring and reporting of Trading by Insiders" and "Code of Practices and Procedures for fair Disclosure of Unpublished price Sensitive Information" has been framed and adopted. The Code requires pre-clearance for dealing in the Company's shares and prohibits purchase or sale of Company shares by the Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company is Responsible for implementation of the Code.

44) ACKNOWLEDGEMENTS:

The management is grateful to the government authorities, Bankers, Vendors for their continued assistance and co-operation. The directors also wish to place on record the confidence of members in the company

For Shaba Chemicals Limited

Date: 21/06/2022
Place: Indore

Sangeeta Neema
(Managing Director)
DIN: 01871324

Jay Kishan Nema
CFO/Director
DIN:06749729

CEO/CFO Certification

We the undersigned, in our respective capacities as managing Director and Chief Financial Officer of Shaba Chemicals Limited ("the Company") to the best of our knowledge and belief certify that:

We Certify that --

- a) We have reviewed the financial statements and the cash flow statement for the year 2021-22 and that to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2021-22 which are fraudulent, illegal or violative of the Company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - Significant changes in internal control over the financial reporting during the year 2021-22
 - Significant changes in accounting policies during the year 2021-22 and that the same have been disclosed in the notes to the financial statements; and
 - Instances of significant fraud of which we have become aware and the therein, if any, of the management or an employee having a significant role in the Company's internal control system over the financial reporting.

For Shaba Chemicals Limited

Date: 21/06/2022
Place: Indore

Sangeeta Neema
(Managing Director)
DIN: 01871324

Jay Kishan Nema
CFO/Director
DIN:06749729

CERTIFICATE ON FINANCIAL STATEMENTS

To,
The Members,
SHABA CHEMICALS LIMITED

We have hereby certify that:

1. We have reviewed the financial statements and the cash flow statements of Shaba Chemicals Limited for the financial year 2021-22 and to the best of our knowledge and belief, we state that:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs for the period presented in this report and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in internal control over financing reporting during the year;
 - b. significant changes in accounting policies made during the year and that the same have been disclosed suitably in the notes to the financial statements; and
 - c. that there were no Instances of significant fraud that involves management or other employees who have a significant role in the Company's internal control system over financial reporting.

For Shaba Chemicals Limited

Date: 21/06/2022
Place: Indore

Sangeeta Neema
(Managing Director)
DIN: 01871324

Jay Kishan Nema
CFO/Director
DIN:06749729

PARTICULARS OF EMPLOYEE

(i) INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Remuneration paid to whole-time directors

Name of the Director and KMP	Designation	Ratio of remuneration of each Director/ KMP to the Median Remuneration of Employees	Percentage increase in Remuneration in the Financial year 2021-22
Ms. Sangeeta Neema	Managing Director	-	-
Mr. Jay Kishan Nema	Director/CFO	-	-
Mr. Indrakumar Mahajan	Independent Director	-	-
Mr. Dipakkumar Hasmukhlal Shah	Independent Director	-	-
Mr. Gaurav Sitaram Mevada	Independent Director	-	-
Ms. Falguni Malay Patel	Company Secretary and Compliance officer	1:12	-

Ratio/Percentage increase in remuneration is not reported as they were holding respective office(s) for part of the financial year 2021-22.

Note:

1. Percentage increase in remuneration indicates annual total compensation increase, as recommended by the Nomination and Remuneration Committee and duly approved by the Board of Directors of the Company.
2. The percentage increase in the median remuneration of employees in the financial year 2021-22 was Nil.
3. There were 1 permanent employees on the rolls of the Company as on March 31, 2022.
4. Average percentage increase made in the salaries of employees other than the KMP in the previous financial year was Nil, whereas the average percentage increase in remuneration of the KMP was Nil. The average increase of remuneration every year is an outcome of the Company's market competitiveness as against similar Companies. The increase of remuneration this year is a reflection of the compensation philosophy of the Company and in line with the benchmark results.
5. It is hereby affirmed that the remuneration paid to all the Directors, KMP, Senior Managerial Personnel and all other employees of the Company during the financial year ended March 31, 2022, were as per the Nomination and Remuneration Policy of the Company.

SECRETARIAL AUDIT REPORT

Form No. MR - 3

FOR THE FINANCIAL YEAR ENDED 31st March, 2022

[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 Limited
(CIN: L24111MP1986PLC003741)
101, Rajani Bhawan
569/2, M. G.road
Indore, 452001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shaba Chemicals Limited** (hereinafter called "the company") for the audit period covering the financial year ended on 31st March, 2022. 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 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2022** 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, for the financial year ended on 31st March, 2022, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under and the Companies Act, 1956, to the extent it is applicable.
 - (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, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(not applicable to the company during the audit period)*;
- (d) 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;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (effective from 01st December, 2015);
- (f) We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances of other specific 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.

We have also examined compliance with applicable Clause of the following with regards-

- (i). Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (effective from 01st July, 2015); under the provisions of Companies Act, 2013;

We have relied upon the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under applicable Acts, Laws and Regulations to the Company, as identified and confirmed by the management of the company and listed below:

On the basis of our examination and representation made by the Company, we report that during the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above and there are no material non-compliances that have come to our knowledge except non-compliance in respect of:

- a) 100% promoter holding is not in demat form as required under Regulation 31(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) The Company has not published notice of meeting of the board of directors in newspaper where financial results shall be discussed and financial results, as required under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

We Further Report that, there were no actions/ events in pursuance of:

- a) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- c) Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Requiring compliance thereof by the Company during the period under review

We 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 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.

Decisions at the meetings of the Board of Directors of the Company were carried through on the basis of majority. There were no dissenting views by any member of the Board of Directors during the period under review.

We 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.

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs.

We further report that the script code of the company is suspended due to Company has not paid Annual Listing Fees and is in violation of SEBI & Exchange Regulations.

Place: Ahmedabad

Name of Practicing Company Secretary: Rupal Patel

C. P. No.: 3803

M. No.: 6275

UDIN: F006275D000530513

Note: This report is to be read with our letter of even date which is annexed as ANNEXURE- I and forms an integral part of this report.

Annexure I

To,
The Members,
Shaba Chemicals Limited
(CIN: L24111MP1986PLC003741)
101, Rajani Bhawan
569/2, M. G. road
Indore, 452001

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Ahmedabad

Name of Practicing Company Secretary: Rupal Patel
C. P. No.: 3803
M. No.: 6275
UDIN: F006275D000530513

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2022
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24111MP1986PLC003741
2.	Registration Date	31/12/1986
3.	Name of the Company	Shaba Chemicals Limited
4.	Category/Sub-category of the Company	Company Limited by Shares
5.	Address of the Registered office & contact details	101,Rajani Bhawan 569/2, M. G. Road Indore MP 452001
	Website	www.shabachemicals.com
	Phone	+09409054403
	Email id	shabachemicals@gmail.com
6.	Whether listed company	Yes.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Skyline Financial Services Pvt. Ltd Address : D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi, Delhi 110020 Contact No. : 011 26812683

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.N	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	NIL		

c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
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 (HUF)	-	-	-	-	-	-	-	-	-
NRI/OCB	-	67100	67100	2.29	-	67100	67100	2.29	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	1351700	1351700	46.18	-	1351700	1351700	46.18	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	1351700	1351700	46.18	-	1351700	1351700	46.18	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2927200	2927200	100	-	2927200	2927200	100	-

B) Shareholding of Promoter-

S. N.	Share holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Anwer 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	-	-
	Total	1575500	53.82	-	1575500	53.82	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	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					

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	Top 10 Shareholders	Shareholding at the beginning of the year		Details of Change		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Increase or Decrease in Shareholding	Reason	No. of shares	% of total shares of the company
1	Kotawala Fin. Consultancy Pvt. Ltd.	84900	2.90	No Change		84900	2.90
2	Shreyash Securities & Finance Ltd.	43700	1.49	No Change		43700	1.49
3	Rajesh Desai	24800	0.85	No Change		24800	0.85
4	Anil Mehta	24300	0.83	No Change		24300	0.83
5	Farhat Abbas	23300	0.80	No Change		23300	0.80
6	Shyam Babu Agrawal	20000	0.68	No Change		20000	0.68
7	Singhal Leasing & Construction Pvt. Ltd.	20000	0.68	No Change		20000	0.68
8	S.K. Lakhani	16300	0.56	No change		16300	0.56
9	Ram Babu Agrawal	16000	0.55	No Change		16000	0.55
10	Lalchand Agrawal	15000	0.51	No Change		15000	0.51

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	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
	Nil	Nil	Nil	Nil	Nil
	At The Beginning Of The Year	----	----	----	----
	Date Wise Increase / Decrease In Promoters Shareholding During The Year Specifying The Reasons For Increase / Decrease (E.G. Allotment /Transfer / Bonus/ Sweat Equity Etc.):	----	----	----	----
	At The End Of The Year	----	----	----	----

F) INDEBTEDNESS -

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(Amount in Rs.)

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

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The company has not given any remuneration to any director of the company during the year under review.

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Executive Directors	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil
	Commission	Nil	Nil
	Others, please specify	Nil	Nil
	Total (1)	Nil	Nil

B. Remuneration to other directors:

(Amount in Rs)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors		
	Fee for attending board	Nil	Nil

	committee meetings				
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil
	Total Remuneration	Nil	Nil	Nil	Nil

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

The company has given Rs. 12,500 as a remuneration to the Company Secretary of the company for March, 2022 month during the year under review.

VI. 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)
A. COMPANY					
Penalty					
Punishment	Nil				
Compounding					
B. DIRECTORS					
Penalty					
Punishment	Nil				
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment	Nil				
Compounding					

For Shaba Chemicals Limited

Date: 21/06/2022
Place: Indore

Sangeeta Neema
(Managing Director)
DIN: 01871324

Jay Kishan Nema
CFO/Director
DIN: 06749729

MANAGEMENT DISCUSSION AND ANALYSIS

1) 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.

2) OPPORTUNITIES 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 line.

3) SEGMENT-WISE PERFORMANCE:

The Company has identified its activities as single segment. Hence, the Company's performance is to be viewed as a single segment company operating in the business of Chemicals.

4) RISK AND CONCERNS:

The company has already closed the SSP operation and struggling to stay in the chemical market.

5) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate system of internal control in order to ensure that all transactions are authorized, recorded and reported correctly. Regular internal audit checks are carried out to ensure that adequate systems are in place. The management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business. The emphasis of internal control prevails across functions and processes covering the entire activities of the company.

6) FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

Other matters such as operational and financial performance have been discussed under the respective heads in the Directors' Reports.

7) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT:

Our employees continue to be the backbone of our organization. Our efforts are towards instilling a level of competency in the work force. The human resource has to be more dynamic and result oriented in the present day business environment.

8) CAUTIONARY STATEMENT:

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

9) 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 2021-22 in the pharmaceutical sector and this will have a positive impact in the future opportunity for the company. Commodities prices have maintained their high volatility, marking it difficult to take long term view on prices.

For Shaba Chemicals Limited

Date: 21/06/2022

Place: Indore

**Sangeeta Neema
Managing Director
DIN: 01871324**

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF,
Shaba Chemicals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Shaba Chemicals Limited**, (the "Company") which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2022 and its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management

Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high

level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A** statement on the matters specified in paragraph 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.
 - (C) The Balance Sheet, Statement of Profit and Loss including other comprehensive income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained.
 - (D) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (E) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (F) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**."
 - (G) With respect to other matter to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :

- (1) The Company does not have any pending litigation which would impart its financial position.
- (2) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (3) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.

Place: Indore
Date: 13th May, 2022

For S.N.KABRA & CO.
Chartered Accountants
(Firm Registration NO. 03439C)

CA S. N. KABRA
Partner
M. No. 072497
(UDIN: 22072497AIXOAO8971)

“ANNEXURE A” TO AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS

Referred to in Paragraph 1 of the Report on Other Legal & Regulatory requirements of Independent Auditors’ Report of Even date

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report to the extent:

- (i) In respect of its Property, Plant and Equipment and Intangible Assets:
 - a) The company has not any Property, Plant and Equipment and Intangible Assets therefore has not required to maintain records of Property, Plant and Equipment.
 - b) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or Intangible Assets during the year ended March 31, 2022.
 - c) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) The inventories has been physically verified by the management at reasonable interval. In our opinion, the frequency of verification is reasonable and the coverage and procedure for such verification is appropriate. No material discrepancies were noticed on such physical verification.
- (iii)
 - a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
 - b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
 - c) The Company has not granted loans and advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) (c)(d) ,(e) and (f) of the Order is not applicable to the Company.
- (iv) According to information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that there are no investments, loans, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to that extent to the Company.
- (v) The Company has not accepted any deposits from public except franchise deposits within the meaning of section 73 and section 76 during the year of the Companies Act, 2013 and rules framed there under to the extent notified. Therefore the provisions of clause 3(v) of the Companies (Auditor’s Report) Order, 2020 are not applicable to the company.

- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products manufactured by the company.
- (vii) (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Cess, Goods & Services Tax and any other statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2022 for a period of more than six months from the date they become payable;
- (b) According to the information and explanations given to us by the management, there are no dues of income tax or service tax or goods & service tax or duty of custom or duty of excise or value added tax or cess which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not raised term loans during the year. Hence, the requirement to report on clause 3 (ix)(c) of the Order is not applicable to the Company
- (d) On an overall examination of the financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its Subsidiary.
- (f) The Company has not raised loans during the year on the pledge of securities held in its Subsidiary. Hence, the requirement to report on clause 3 (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company, so Nidhi Rules, 2014 are not applicable to it. Therefore, the provisions of clause 3(xii)(a) (b) and (c) of the Companies (Auditors' Report) Order, 2020 are not applicable to the company.
- (xiii) According to the information and explanations given to us, no any transactions with the related parties as mentioned in Section 177 and 188 of the Companies Act, 2013. Hence, the details have not been required to be disclosed in the Financial Statements as required under Accounting Standard 18, related party disclosure specified under section 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given to us, company has not entered into any non-cash transactions with directors or person connected with him. Therefore the provisions of clause 3(xv) of the Companies (Auditor's Report) Order, 2020 are not applicable to the company.
- (xvi) (a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtaining a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (b)The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (c) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) (a) There are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act. This matter has been disclosed in note 33B to the financial Statements.
- (b) There are no unspent amount as mentioned under section (5) of Section 135 of Companies Act, hence, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.

Place: Indore
Date: 13th May, 2022

For S.N.KABRA & CO.
Chartered Accountants
(Firm Registration NO. 03439C)

CA S. N. KABRA
Partner
M. No. 072497
(UDIN: 22072497AIXOAO8971)

“Annexure B” To Auditors’ Report of even date on the Financial Statement.

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of Shaba Chemicals Limited as at 31st March 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial control system over financial reporting.

Meaning of internal financial controls over financial reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial

reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Indore
Date: 13th May, 2022

For S.N.KABRA & CO.
Chartered Accountants
(Firm Registration NO. 03439C)

CA S. N. KABRA
Partner
M. No. 072497
(UDIN: 22072497AIXOAO8971)

SHABA CHEMICALS LIMITED (CIN: L24111MP1986PLC003741)
Statement of Assets and Liabilities for the year ended 31st March, 2022

(Amount in Rs.)

Particulars	Note No.	As at 31-03-2022	As at 31-03-2021
ASSETS			
Non Current Assets			
Property, Plant and Equipment		-	-
Capital Work in Progress		-	-
Financial Assets	1	-	29,600
Investments		-	-
Loans & Advances		-	-
Other Non Current Assets		-	-
Current assets			
Current investments		-	-
Inventories		-	-
Financial Assets		-	-
Trade Receivables	2	-	-
Cash and Cash Equivalents	3	153,799	190,698
Loans & Advances	4	-	-
Other Current Assets		-	-
TOTAL ASSETS		153,799	220,298
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	5	29,163,500	29,163,500
Other Equity	6	(29,324,367)	(29,326,817)
Liabilities			
Non Current Liabilities			
Financial Liabilities			
Borrowings		-	-
Deferred Tax Liabilities (Net)		-	-
Current Liabilities			
Financial Liabilities			
Borrowings	7	-	10,000
Trade Payables	8	313,615	313,615
		-	-
Short-Term Provisions	9	1,050	-
Other Current Liabilities	10	-	60,000
TOTAL EQUITY AND LIABILITIES		153,799	220,298
Notes Forming Parts of Accounts			
	17		

**As per our report of even date
For S. N. KABRA & CO.
Chartered Accountants**

S. N. KABRA
PARTNER
M.No. 072497
Date :- 13/05/2022
Place :- Indore

UDIN: 22072497AIXOAO8971

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

sd/-
INDRAKUMAR MAHAJAN
Director
DIN: 05152196

sd/- JAY KISHAN NEMA DIN: 06749729 Director Date :- 13/05/2022 Place :- Indore	sd/- SANGEETA NEEMA DIN: 01871324 Managing Director
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SHABA CHEMICALS LIMITED (CIN: L24111MP1986PLC003741)
Statement of Profit & Loss Account for the year ended 31st March, 2022

Amount in (Rs.)

	PARTICULARS	Note No.	Year Ended 31.03.2022	Year Ended 31.03.2021
I	Revenue from Operations	11	72,400	-
II	Other Income	12	-	62,200
III	Total Income (I+II)		72,400	62,200
IV	EXPENSES			
	(1) Cost of Materials Consumed	13	-	-
	(2) Purchase of Stock-In-Trade		-	-
	(3) Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade		-	-
	(4) Employee Benefits Expense	14	21,000	12,000
	(5) Finance Cost	15	-	-
	(6) Depreciation and Amortisation Expense		-	-
	(7) Other Expenses	16	47,900	48,500
	Total Expenses (IV)		68,900	60,500
V	Profit before Exceptional Items and Tax (III-IV)		3,500	1,700
VI	Exceptional Items			
VII	Profit before Tax		3,500	1,700
VIII	Tax Expense			
	(1) Current Tax		1,050	-
	(2) Prior Period Taxation		-	-
	(3) Deferred Tax		-	-
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		2,450	1,700
X	Profit/(Loss) from discontinued operations			
XI	Tax Expense of discontinued operations			
XII	Profit (Loss) from discontinuing operations (after tax) (X-XI)		-	-
XIII	Profit (Loss) for the period (IX-XIII)		2,450	1,700
XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	B (i) Items that will be reclassified to profit or loss			
	(ii) Income tax relating to items that will be reclassified to profit or loss			
XV	Total Comprehensive Income for the Period (XIII+XIV)		2,450	1,700
XVI	Earnings Per Equity Share			
	(1) Basic		0.00	0.00
	(2) Diluted		0.00	0.00
	Notes Forming Parts of Accounts	17		

As per our report of even date
For S. N. KABRA & CO.
Chartered Accountants

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

INDRAKUMAR MAHAJAN
DIN: 05152196

S. N. KABRA
PARTNER
M.No. 072497
Date :- 13/05/2022
Place :- Indore
UDIN: 22072497AIXOAO8971

JAY KISHAN NEMA SANGEETA NEEMA
DIN: 06749729 DIN: 01871324
Director Managing Director
Date :- 13/05/2022
Place :- Indore

SHABA CHEMICALS LIMITED (CIN: L24111MP1986PLC003741)		
Cash Flow Statement for the year ended 31st March, 2022		
Particulars	(Amount in Rs.)	
	For the period ended on 31.03.2022	For the period ended on 31.03.2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	3,500	1,700
Adjustments for:		
Depreciation	-	-
Preliminary Exps. Written off	-	-
Finance Cost	-	-
Operating Profit before Working Capital Changes	3,500	1,700
Movements in Working Capital :		
Decrease / (Increase) in Inventories	-	-
Decrease / (Increase) in Sundry Debtors	-	-
Decrease / (Increase) in Loans and Advances	29,600	-
Decrease / (Increase) in Current Assets	-	-
Decrease / (Increase) in Non-Current Assets	-	-
(Decrease) / Increase in Trade Payables	-	-
(Decrease) / Increase in Short Term Provisions	1,050	-
(Decrease) / Increase in Current Liabilities	(60,000)	-
(Decrease) / Increase in Other Current Liabilities	-	10,000
Cash (used in) / generated from operations	(25,850)	11,700
Direct Taxes Paid (net of refunds)	1,050	-
Net cash (used in) / generated from operating activities (A)	(26,900)	11,700
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase) of Fixed Assets	-	-
Sale / Disposal of Fixed Assets	-	-
Profit on sale of Investment / Assets	-	-
Net cash (used in) / generated from investing activities (B)	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayment) / Proceeds From Long Term Borrowings	(10,000)	-
(Repayment) / Proceeds From Short Term Borrowings	-	-
Proceeds from Issue of Shares	-	-
Interest Expense	-	-
Dividend	-	-
Dividend Distribution Tax	-	-
Net cash (used in) / generated from financing activities (C)	(10,000)	-
D.NET INCREASE IN CASH AND CASH EQUIVALENTS (D)=(A+B+C)	(36,900)	11,700
Cash and cash equivalents at the beginning of the year	190,698	178,998
Cash and cash equivalents at the end of the year	153,799	190,698
Components of cash and cash equivalents		
Cash and cheques on hand	140,362	190,698
With Scheduled Banks		
- in Current Account	13,437	-
- in Term Deposit Accounts	-	-
	153,799	190,698

Notes

- 1) The figures in brackets represent outflows.
- 2) Previous periods' figures have been regrouped / reclassified , wherever necessary, to confirm to current year

As per our report of even date
For S. N. KABRA & CO.
Chartered Accountants

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

S. N. KABRA
PARTNER
M.No. 072497
Date :- 13/05/2022
Place :- Indore

INDRAKUMAR MAHAJAN
DIN: 05152196

JAY KISHAN NEMA
DIN: 06749729

Date :- 13/05/2022
Place :- Indore

SHABA CHEMICALS LIMITED (CIN: L24111MP1986PLC003741)
Notes to the Financial Statements for the Year ended 31st March, 2022

(Amount in Rs.)

Note	Particulars	As at March 31,2022	As at March 31,2021
NON CURRENT ASSETS			
	FINANCIAL ASSET		
1	LONG TERM LOANS AND ADVANCES		
	Other assets (including other receivables etc.)	-	29,600
	Advances receivable in cash or in kind or for value to be received	-	-
Total		-	29,600
CURRENT ASSETS			
	FINANCIAL ASSET		
2	TRADE RECEIVABLES		
	(Unsecured considered good)		
	Over Six Months	-	-
	Others	-	-
Total		-	-
CURRENT ASSETS			
	FINANCIAL ASSET		
3	CASH AND CASH EQUIVALENT		
	Cash on Hand	140,361	190,698
	Balance with Scheduled Banks		
	a. in Current Accounts	13,437	-
	b. in Term Deposit Accounts		
Total		153,798	190,698
CURRENT ASSETS			
	FINANCIAL ASSET		
4	LOANS AND ADVANCES		
	Capital Assets Loss & Gain	-	-
	Preliminary Expenses	-	-
	BSE Direct Listing Expenses	-	-
	Unallocated Capital Expenses	-	-
	Settlement Amount	-	-
	Less: Written Off	-	-
	Prepaid Custodial Charges	-	-
	DTA	-	-
	Tax deducted at source	-	-
	Other deposit assets	-	-
	GST Refund receivables	-	-
Total		-	-

Particulars		As at March 31,2022	As at March 31,2021
6 OTHER EQUITY			
	Reserves & surplus		
	Retained Earnings (capital reserve)	1,356,430	1,356,430
	General reserves (P&L Balance)	(30,680,797)	(30,683,247)
	Total	(29,324,367)	(29,326,817)
Current Liabilities			
	Financial Liabilities		
7 BORROWINGS			
	Long Term Borrowing		
	Unsecured	-	10,000
	ICD	-	-
	Total	-	10,000
Current Liabilities			
	Financial Liabilities		
8 TRADE PAYABLES			
	Sundry Creditors	313,615	313,615
	Total	313,615	313,615
8.1	Under the Micro, Small & Medium enterprise development act, 2006, certain disclosures are required to be made relating to Micro & small enterprise. The company is in the process of compiling relevant information from its supplier about their coverage under the said act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in view of the management, the impact of interest, if any, that may be payable in accordance with the provision of the this act is not expected to be material. This has been relied upon by the auditors.		
9 SHORT TERM PROVISION			
	Provision for Tax	1,050	-
	Provisions	-	-
	Provision for Dividend	-	-
	Provision for Dividend Distribution Tax	-	-
	Provision for GST	-	-
	Total	1,050	-
10 OTHER CURRENT LIABILITIES			
	Audit fees payable	-	60,000
	Provision for the Service Tax/Swachha Bharar Cess	-	-
	Duties and Taxes		
	TDS Payable	-	-
	Unpaid Dividend	-	-
	Unpaid Exp	-	-
	Total	-	60,000

SHABA CHEMICALS LIMITED (CIN: L24111MP1986PLC003741)
Statement of Change in Equity for the year ended on 31st March, 2022

(A) EQUITY SHARE CAPITAL

(Amount in Rs.)

Particulars	As at 31st March,2022	As at 31st March,2021
Balance as at the beginning of the year	29,163,500	29,163,500
Issued during the year	-	-
Balance as at the end of the year	29,163,500	29,163,500

(B) OTHER EQUITY

Particulars	Share Application Money Pending For Allotment	Reserves & Surplus					Equity Instrument measured through OCI	Total
		Retained Earnings	General reserves	Capital reserves	Security Premium	Revaluation reserve		
Balance as on 01.04.2021		(30,683,247)	-	1,356,430	-	-	-	(29,326,817)
Addition During the Year								-
Profit For the year		2,450						2,450
Transfer to Reserves								
Other Comprehensive Income		-					-	-
Prior Period Loss		-						-
Dividend		-						-
Dividend Distribution Tax		-						-
Balance as on 31.03.2022	-	(30,680,797)	-	1,356,430	-	-	-	(29,324,367)
Balance as on 01.04.2020		(30,684,947)		1,356,430	-		-	(29,328,517)
Profit For the year		1,700						1,700
Transfer to Reserves								
Other Comprehensive Income		-					-	-
Dividend		-						-
Dividend Distribution Tax		-						-
Balance as on 31.03.2021	-	(30,683,247)		1,356,430	-		-	(29,326,817)

As per our report of even date
For S. N. KABRA & CO.
Chartered Accountants

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

S. N. KABRA
PARTNER
M.No. 072497
Date :- 13/05/2022
Place :- Indore

Date :- 13/05/2022
Place :- Indore

JAY KISHAN NEMA
DIN: 06749729
Director

INDRAKUMAR MAHAJAN
DIN: 05152196
Director

SANGEETA NEEMA
DIN: 01871324
Managing Director

SHABA CHEMICALS LIMITED (CIN: L24111MP1986PLC003741)
Notes to the Financial Statements for the Year ended 31st March, 2022

(Amount in Rs.)

Note	Particulars		As at 31 st March, 2022	As at 31 st March, 2021
5	Share Capital			
	Authorised share capital :- 35000000 (3500000) Equity Shares of Rs. 10 each		35,000,000	35,000,000
			35,000,000	35,000,000
	Issued Share Capital:- 35000000 (3500000) Equity Shares of Rs. 10 each		30,000,000	30,000,000
	Subscribed & Paid-up Share Capital:- 29163500 (2916350) Equity Shares of Rs. 10 each		29,163,500	29,163,500
			29,163,500	29,163,500

5.1 List of Share Holders having more than 5% holding

Sr. No.	Name of Shareholder	As at 31 March, 2022		As at 31 March, 2021	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Ratlam Straw Board Mills Pvt. Ltd.	254,000	8.68%	254,000	8.68%
2	Shaba Securities & Finn Services Pvt. Ltd.	982,700	33.57%	982,700	33.57%

5.2 The Reconciliation of the number of shares outstanding is set out below :

Particulars		As at 31st March, 2022	As at 31st March, 2021
Balance as at the beginning of the year		29,163,500	29,163,500
Issued during the year		-	-
Balance as at the end of the year		29,163,500	29,163,500

5.3 Terms and Rights attached to equity Shares

The company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Company has not declare dividend for FY 2021-22.

5.4 The company has not issued any Right/ Bonus shares during any preceding year.

SHABA CHEMICALS LIMITED (CIN: L24111MP1986PLC003741)
Notes to the Financial Statements for the Year ended 31st March, 2022

(Amount in Rs.)

Note	Particulars	for the year ending on March 31, 2022	for the year ending on March 31, 2021
11	<u>REVENUE FROM OPERATIONS</u>		
	Revenue from Operations	72,400	-
	Other operating revenues		-
	Total	72,400	-
12	<u>OTHER INCOME</u>		
	Interest		-
	Misc. Income		62,200
	Total	-	62,200
13	<u>COST OF STOCK IN TRADE AND OPERATING EXP.</u>		
	Opg Stock	-	-
	Add : Purchase of Stock in Trade	-	-
	Less : Closing Stock	-	-
	Raw Material consumed during the year (A)	-	-
	<u>Other Operating Expenses</u>		
	Work Contract Charges	-	-
	Labour Charges	-	-
	Electric Power, Fuel	-	-
	Freight Inward, Loading and unloading charges	-	-
	Repairs & Maint. Exp	-	-
	Other Operating Exp (B)	-	-
	Total	-	-
14	<u>EMPLOYEE BENEFIT EXPENSES</u>		
	Salaries, Wages, Allowances and Bonus	21,000	12,000
	Director Sitting Fees	-	-
	Staff Welfare Expenses		-
	Total	21,000	12,000
15	<u>FINANCE COST</u>		
	Bank Charges	-	-
	Interest Exp	-	-
	Other Borrowing Costs	-	-
	Total	-	-
16	<u>OTHER EXP</u>		
	Misc Exps	-	-
	Other Expenses		38,500
	Professional Fees Exps	-	-
	Consultancy Fees	5,000	
	Printing Charges	20,500	-
	Courier And Xerox Exp	-	-
	ROC Fees	12,400	0
	Annual Maintenance Charges	-	-
	Admission Processing Charges	-	-
	Listing fees	-	-
	Administrative Expenses	-	-
	Advertisement Expenses	-	-
	Office Expenses	-	-
	Issuer Fees	-	-
	Travelling Expenses	-	-
	Conveyance & Petrol Expenses	-	-
	Total	37,900	38,500
16.1	<u>PAYMENT TO AUDITORS :</u>		
	Statutory Audit Fees	10,000	10,000
	Total	47,900	48,500

Note No.17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF FINANCIAL STATEMENTS:

1. CORPORATE INFORMATION:

Shaba Chemicals Limited is a listed public limited company incorporated in 1986. Its shares are listed on BSE Limited. The Company operates in business of trading of agricultural produce and chemical. These financial statements were approved for issue by the Company's Board of Directors on May 14, 2022.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING POLICIES:

2.1 Statement of Compliance:

These financial statements have been prepared in accordance with Ind AS as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and other provisions of the Companies Act, 2013 as amended from time to time.

2.2 Basis of preparation:

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

2.3 Accounting Estimates:

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions, that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the years presented. Actual results may differ from these estimates.

2.4 Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and 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 duty. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognized.

Value added tax (VAT)/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are stated exclusive of VAT/ Goods and Service Tax (GST).

Interest income

Interest Income is accrued on a time proportion basis using the effective interest rate.

2.5 Property, Plant & Equipments:

The company has not any Property, Plant & Equipment's at the end of financial year 2021-2022.

2.6 Impairment of Assets:

The company has not any non-current Assets. Hence, no any assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.7 Investments:

Investments are in equity shares of unlisted company being Non-Current in nature, are stated at cost.

2.8 Foreign Currency Transactions:

Foreign currency transactions, if any, are recorded at the exchange rates prevailing on the date of the transaction. Gains and losses arising out of subsequent fluctuations are accounted for on actual payment or realisation. Monetary items denominated in foreign currency as at the balance sheet date are converted at the exchange rates prevailing on that day. Exchange differences are recognised in the statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.9 Borrowing Cost:

Borrowing cost, if any, directly attributable to qualifying assets, which take substantial period to get ready for its intended use, are capitalized to the extent they relate to the period until such assets are ready to be put to use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

2.10 Inventories:

Stock and operating supplies are valued at lower of cost and net realizable Value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition, Cost is determined on a first in first out basis. Net realizable value is the estimated selling price in the

ordinary course of business less estimated cost of completion and estimated costs necessary to make sale.

2.11 Employees' Benefits:

Termination benefits are recognized as an expense as and when incurred.

2.12 Taxes on Income:

Taxes on Income are accounted in the same period to which the revenue and expenses relate.

Provision for current income tax is made on the basis of estimated taxable income, in accordance with the provisions of the Income Tax Act, 1961 and rules framed there under.

Deferred tax is the tax effect of timing differences. The timing differences are differences between the taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods.

2.13 Earning Per Share (EPS):

Basic earnings per share are computed by dividing the profit/ (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share.

2.14 Contingencies and Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are recognized only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of obligation cannot be made. Contingent assets are not recognized in the financial statements.

2.15 Statement of Cash Flow:

Cash flows are reported using the indirect method, whereby profit/(loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

2.16 Financial Instruments:

Financial Assets and Financial Liabilities are recognized when the Company becomes party to the contractual provisions of the financial instrument. Financial Assets are derecognized when the rights to receive benefits have expired or been transferred, and the Company has transferred substantially all risks and rewards of ownership of such financial asset. Financial liabilities are derecognized when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expired. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on trade date i.e. the date when the Company commits to purchase or sale the asset.

3. NOTES TO ACCOUNTS:

- 3.1** Some of the Balances of sundry creditors, sundry debtors, loans & advances and other liabilities are subject to confirmation and reconciliation.
- 3.2** In the opinion of the Board of Directors, Current Assets, Loans & Advances are approximately of the value at which they are stated in the Balance Sheet, if realized in the ordinary course of business.
- 3.3** The Company operates in one segment i.e. trading of agricultural produce and chemical and within one geographical segment i.e. India.
- 3.4** The Company manages its capital to ensure that it will be able to continue as a going concern. The structure is managed to provide ongoing returns to shareholders and service debt obligations, whilst maintaining maximum operational flexibility.
- 3.5** The carrying amounts of trade payables, other financial liabilities, cash and cash equivalents, other bank balances, trade receivables and other financial assets are considered to be the same as their fair values due to their short term nature.
- 3.6** The Company opines that no provision for expected credit loss is required.
- 3.7** There is no significant market risk or liquidity risk to which the Company is exposed.
- 3.8** The disclosure of transactions with the related parties is given below:
 - (i) Parties where control exists: NIL
 - (ii) Subsidiary Companies: NIL
 - (iii) Fellow Subsidiary Companies: NIL
 - (iv) Key Management Personnel: Sangeeta Neema - Managing Director, Mr. Jay Kishan Nema - CFO and Ms. Falguni Patel - Company Secretary

Terms and conditions of transactions with related parties: NIL

There have been no guarantees provided or received for any related party receivables and payables for the year ended March 31, 2022 and for the year ended March 31, 2021.

(Amount in Rs.)

		Current Year	Previous Year
		2021-22	2020-21
3.9	Earning Per Share		
	Profit (Loss) After Tax (PAT)	2450	1700
	Less: Preference Dividend & Tax	NIL	NIL
	Profit / (Loss)	2450	1700
	Number of Equity Shares of Rs. 10/- each	2,91,63,500	2,91,63,500
	Weighted Average Number of Equity Shares of Rs. 10/- each	2,91,63,500	2,91,63,500
	Basic EPS	0.00	0.00
	Diluted EPS	0.00	0.00
3.10	Contingent Liabilities and Commitments (To the extent not provided for)		
	(i) CONTINGENT LIABILITES		
	(a) Claim against the company not acknowledged as debts	NIL	NIL
	(b) Guarantees	NIL	NIL
	(c) Other Money for which the company is contingently liable	NIL	NIL
	(ii) COMMITMENTS		
	(a) Estimated amount of Contract remaining to be executed on capital account (net of advances) and not provided for	NIL	NIL
	(b) Uncalled liability on Shares and Other Investments partly paid	NIL	NIL
	(c) Other Commitments	NIL	NIL
3.11	Payment to Auditors:		
	a) Audit Fees	10,000	10,000
	b) Other Services	0	0
	c) Tax Audit Fees	0	0
	d) Taxation Work	0	0
	e) Out of Pocket Expenses	0	0
	Total	10,000	10,000
3.12	Foreign Currency Transactions:		
	a.	NIL	NIL
	b.	NIL	NIL
	c.	NIL	NIL

3.13 No amount remained due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprise Development Act, 2006” as identified on the basis of information collected by the management.

3.14 The Company has re grouped and re-classified the previous year’s figures in accordance with the requirements applicable in the current year. In view of this, certain figures of the current year are not strictly comparable with those of the previous year.

3.15 Notes 1 to 17 form integral part of accounts.

3.16 ADDITIONAL DISCLOSURES:

- (i) Previous year figures have been regrouped and reclassified where ever necessary.
- (ii) Expenditure and earning in foreign currency: Nil
- (iii) Expenditure incurred on employees who are in receipt of remuneration which is less than the prescribed limit. for the year,
- (iv) In the opinion of the board the value on realization of current assets and loans and advance in ordinary course of business will not be less than the amount at which they are stated in the balance sheet.
- (v) All amounts in the financial statements are presented in Rupees except per share data and as otherwise stated.
- (vi) Amount due from / to various parties, Trade receivables, unsecured loans from directors and other debit & credits balances as on 31.03.2022 are subject to confirmation and reconciliation.
- (vii) The closing stock of land is taken at cost price except this no other inventories is there as on 31/03/2022.
- (viii) Undisclosed Income:
Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.
- (ix) Details of Crypto Currency or Virtual Currency:
Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (x) Figures have been rounded off to the nearest Rupee.
- (xi) The **Financial of Ratios** are as under:

Sr. No.	Particulars	Numerator	Denominator	As at 31.03.2022	As at 31.03.2021	#Variance
1	Current Ratio	Current Assets	Current Liabilities	1.538/3.15 .49	1.908/3.836 ..4973	(17.32%) (.0073)

2	Debt-Equity Ratio	Total Debts	Total Equity	No any debts NIL	NO any debts NIL	-
3	Debt service coverage Ratio	Earnings before Interest, Tax, depreciation & amortization and exceptional items	Interest and Principal Repayment of Long Term Debt within one year	NA	NA	-
4	Interest Service Coverage Ratio (In times)	Earnings before Interest, Tax and exceptional items	Interest Expenses	NA	NA	-
5	Return on Equity Ratio	Profit for the year	Total Equity	0.024	0.017	(35.29%)
6	Inventory Turnover Ratio (In Times)	Revenue from Operation	Average Inventory	No inventory N.A.	No inventory N.A.	
7	Trade Receivables turnover ratio (In Times)	Revenue from Operation	Average Trade Receivable	No trade	No trade	(41.90%)
8	Trade payable turnover ratio (In Times)	Total construction material consumed & sub-contracting charges and other expenses	Average Trade Payable	NA	NA	-
9	Net capital turnover ratio (In Times)	Revenue from Operation	Working Capital	No trade	No trade	
10	Net Profit ratio (In %)	Profit after Tax	Revenue from Operation	.024/.72 0.033%	.017/0.62 2.74%	0.56%
11	Return on Capital employed (In %)	Profit before tax and Finance	Capital Employed	0	0	0

		Cost				
12	Return on investments (In %)	Income Generated from Investments	Average Investments	NA	NA	-

Explanation for variance more than 25%: Lower revenue income and no exceptional income during the current year as compare to previous year. Accordingly the above variations occurred in the year

- (xii) There is no any amount payable to the suppliers of Micro, Small and Medium Enterprises as on March 31, 2022. Hence no need of disclosure as per Micro, small and Medium Enterprises development Act, 2006.
- (xiii) As Per Accounting Standards 18, the disclosure of transactions with the related parties is given below: No transaction with any related parties.
- (xiv) Transactions during the year with related parties:
There are no any transactions with the related parties during the current financial year ended on 31st March 2022.

**As per our report of even date
For, S.N. Kabra & Co.
Chartered Accountants
(Firm Registration No. 03439C)**

**For and on behalf of the Board
Shaba Chemicals Limited**

**CA S. N. Kabra
(Partner)
M. No.: 072947
(UDIN: 22072497AIXOAO8971)**

**Sangeeta Neema
Director
DIN: 01871324**

**Indrakumar Mahajan
Director
DIN: 06749729**

**Jay Kishan Nema
CFO**

**Place: Indore
Dated: 14th May, 2022**

SHABA CHEMICALS LIMITED
ATTENDANCE SLIP

ANNUAL GENERAL MEETING-- July 25th, 2022 at 11:00 A.M.

DP Id.		Client Id. / Ben. A/c.	
Folio No.		No. of Shares	

I certify that I am a registered shareholder/Proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the **ANNUAL GENERAL MEETING** of the Company being held on **July 25th, 2022 at 11:00 A.M.** at **101, Rajani Bhawan 569/2, M. G.Road Indore, 452001.**

Full Name of the Shareholder / Proxy (In Block Letter)

Signature

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Skyline Financial Services Pvt. Ltd
Address: D-153/A, 1st floor, Phase I,
Okhla Industrial Area,
New Delhi, 110020
Contact No. : 011 26812683

Route Map of the Register Office of the Company -

