

SHABA CHEMICALS LIMITED

28th

ANNUAL REPORT

SHABA CHEMICALS LIMITED

CIN NO. L24111MP1986PLC003741

101, RAJANI BHAWAN, 569/2 M. G. ROAD, INDORE

07314299232-ritesh271109@rediffmail.com

Website: shabachemicals.com

BOARD OF DIRECTORS

Managing Director
Mrs Sangeeta Neema

Whole time Director
Mr Ritesh Jain

Independent Director
Mr Jai Kishan Nema
Mr Bharat Neema
Mr Indra Kumar Mahajan

AUDIT COMMITTEE

Chairman
Mr Bharat Neema
Members
Mr Jalkishan Nema
Mr Ritesh Jain

AUDITORS

M/S S.N.KABRA & COMPANY
CHARTERED ACCOUNTANTS

REGISTRATERD OFFICE

101, RAJANI BHAWAN,
569/2, M.G.ROAD,
INDORE-452001, INDIA
Tel.(091) (731) 4299232
ritesh271109@rediffmail.com
Website : wwwshabachemicals.com

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CIN NO. L24111MP1986PLC003741

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Websit:shabachemicals.com

Notice

Notice is hereby given that the 28st Annual General Meeting of **Shaba Chemicals Limited** will be held on Wednesday, September 30th, 2015 at 11.00A.M. at its registered office at 101, Rajani Bhawan, 569/2 M.G. Road, Indore-452001, to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF FINAL ACCOUNTS

To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2015 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors AND Secretarial Audit thereon.

2. APPOINTMENT OF DIRECTOR

To appoint a Director in place of Mr. Ritesh Jain WTD (DIN 01499443), who retires by rotation and, being eligible, offers himself for re-appointment.

3. APPOINTMENT OF AUDITOR

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

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s S.N. Kabra & Co., Chartered Accountants (CA S.N. Kabra Firm Registration No.03439C), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the thirty-third AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. RE-APPOINTMENT OF MR. RITESH JAIN AS WHOLE TIME 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, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 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 shareholders of the Company be and is hereby accorded to re-appoint Mr. Ritesh Jain as Whole Time Director of the Company for a period of five years with effect from September 30, 2015".

"FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to perform and execute all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient to give effect to this resolution and for the matters connected herewith or incidental hereto."

**//BY ORDER OF THE BOARD\<\<
FOR SHABA CHEMICALS LIMITED
[CIN:L24111MP1986PLC003741]**

**PLACE:INDORE
DATE:04THSeptember 2015**

**RITESH JAIN
(DIN:01499443)
WHOLE TIME DIRECTOR**

Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item No. 4 to the Notice, is annexed hereto.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Transfer Books of the Company will be closed from Tuesday, September 22nd, 2015 to Tuesday, September 30th, 2015, both days inclusive.
4. Members holding shares in physical form are requested to send their email address as earlier to update the record.
5. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
8. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Company.
10. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and (4) Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL) on all the resolutions set forth in this Notice. Resolution(s) passed by Members through remote e-voting/ e-voting is deemed to have been passed as if they have been passed at the AGM.
11. Jai Kumar Doshi has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
12. The facility for voting, either through electronic voting system shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
13. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

14. A member may participate in the general meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again.
15. The chairman shall, at the general meeting at the end of discussion on the resolution on which voting is to be held, allow voting with assistance of scrutinizer, by e-voting system for all the members who are present at the general meeting but have not cast their votes by availing the remote e-voting facilities.
16. If a company opts to provide the same electronic system as used during the remote e-voting during the general meeting, the said facility shall be in operation till all the resolutions are considered and voted upon in the meeting and may be used for voting by the member attending the meeting and who have not exercised their vote through remote e-voting.

17. The instructions for e-voting are as under:

A. In case of members receiving e-mail:

- i. Log on to the e-voting website www.evotingindia.com.
- ii. Click on "Shareholders" tab to cast your votes.
- iii. Now, select the Electronic Voting Sequence Number - "EVSN" along with "Shaba Chemicals Limited" from the drop down menu and click on "SUBMIT"
- iv. If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- v. Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	NA	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	

*Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number :< ABCDE1234F> in the PAN Field.

- vi. After entering these details appropriately, click on "SUBMIT" tab.
- vii. Members holding shares in physical form will then reach directly the EVSN selection screen. provided that company opts for for remote e-voting / 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.
- viii. For members holdings shares in physical form, the details can be used only for remote e-voting / e-voting on the resolutions contained in this Notice.
- ix. Click on the relevant EVSN on which you choose to vote.
- x. 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.
- xi. Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- xii. 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.
- xiii. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xv. Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.

- xvi. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorised to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.
- B. In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy:** Please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.
- C. The voting period begins on **Saturday, September 26, 2015 (9.00 A.M.) and ends on Monday, September 28, 2015 (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 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- D. In case you have any queries or issues regarding remote e-voting / e-voting, you may refer the Frequently Asked Questions ("FAQs") and evoting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- E. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.cdsl.com.
- F. SCRUTINIZER REPORT**
- Jai Kumar Doshi has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.
 - The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, would 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 or a person authorised by him in writing who shall countersign the same
 - The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company within prescribed period.
 - Regarding any grievance with respect to e-voting, you may contact by email at bharatneema_co12@yahoo.com at the company

Additional Information required under clause 49 IV (G) of the Listing Agreement on Directors seeking for appointment or re-appointment at the Annual General Meeting:

S. No.	Particulars	Details	
1.	Name	Mr.Ritesh Jain	
2.	Date of Birth	27/07/1972	
3.	Qualification	Graduate	
4.	Date of appointment on Board	01/08/2006	
5.	List of other Directorship held excluding Private Companies	NIL	
6.	Chairman/Member of the Committee of Board of the Directors of the Company	Audit Committee Remuneration Committee Share Holders and investors grievance committee	
7.	Chairman/Member of the Committee of Board of the Directors of other Companies	NA	-
8.	No. of share held in the Company	NIL	NIL

EXPLANATORY STATEMENT

(Pursuant to section 102 of the Companies Act, 2013)

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 9 of the accompanying Notice:

1. ITEM NO. 4

The Board of Directors has re-appointed Mr. Ritesh Jian as WTD for a further period of five years, with effect from September 30, 2015, subject to the approval of the Members.

During his tenure, he formulated and successfully executed the Company's global strategy and several key strategic transitions.

Under his guidance, the Company has refined its corporate sustainability program to focus on education, environment and wellness.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, re-appointed him as Managing Director of the Company for a further period of five years with effect from September 30, 2015. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him with the prior approval of the Central Government or in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

The main terms and conditions of appointment of Mr. Ritesh Jain (hereinafter referred to as "WTD") are given below:

A. Tenure of Appointment:

The appointment of the WTD is for a period of five years, with effect from September 30, 2015

B. Nature of Duties:

The WTD shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the Company

C. Remuneration:

a. Basic Salary:

He shall be paid remuneration by way of salary, Dearness allowance, other allowances, perquisites, etc. as per the rules of the Company subject to a ceiling of Rs. 24000 per annum.

D. Other terms of Appointment:

- (i) He shall act in accordance with the guidance, directions and superintendence of the Board of Directors of the Company.
- (ii) He shall exercise substantial or the whole of the substantial powers of management in the day to day affairs of the Company.

Save and except above none of the Directors or Key Managerial Personnel and the relatives, are concerned or interested (financially or otherwise) in this Resolution. The details of which has been given as per listing agreement after notes.

The Board commends the Special Resolution set out at Item no. 4 for the approval of Members.

**//BY ORDER OF THE BOARD\<\
FOR SHABA CHEMICALS LIMITED
[CIN:L24111MP1986PLC003741]**

**PLACE:INDORE
DATE: 10TH May 2015**

**RITESH JAIN
(DIN:01499443)
WHOLE TIME DIRECTOR**

Board's Report

To,
The Members of
SHABA CHEMICALS LIMITED

Your Directors have pleasure in presenting the 28st Board's Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2015.

1. FINANCIAL HIGHLIGHTS

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The consolidated financial highlights of your Company for the Financial Year ended March 31, 2015 are summarized below:

Particulars	Current year	Previous Year	
Sales			
revenue From operations	-	-	
Other Income	255082	138500	
Total Income	255082	138500	
Expenses			
a. Purchase of stock in trade	0	0	
b. Changes in inventories of finish goods, work in progress and stock in trade.	0	0	
c. Employee benefit expenses	24000	24000	
d. Administration And Other Expense	219730	102114	
e. financial cost	2640	4866	
f. Depreciation and amortization expenses	0	0	
g. Other expenditure	0	0	
Total Expenses	246370	132980	
Profit from Operations before Other Income, Finance Cost and Exceptional Items	8712	5520	
Other Income	-	-	
Earlier year expenses	0	0	
Exceptional items	-	-	
Tax			
Current Tax		0	
Deferred Tax	0	0	
Profit/(Loss) after Tax	8712	5520	
Earnings per share (Rs.) :	Basic	0.0030	0.002

2. DIVIDEND

Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and grow the business of the Company. No final dividend has therefore been recommended for the year ended March 31, 2015.

3. STATE OF COMPANY'S AFFAIRS

The highlights of the Company's performance are as under:

- Revenue from operations remains from Rs NIL from the year 2013-14 to Rs. NIL in the year 2014-15.
- Income from other operating sources is Rs. 255082.
- Total Income of the Company was Rs. **255082/-** against Rs. **138500/-** in the previous year.
- Depreciation remains from Rs. NIL in the previous year to Rs. NIL in current year. Equity share capital remains unchanged at Rs. 29163500.
- The Company has earned a Profit after tax of Rs. **8712/-** compared to Rs. 5520/- in the previous year.
- Basic & diluted Earnings per share (EPS) is Rs. 0.003 per share compare to Rs. 0.002 per share in previous year

4. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management Discussion & Analysis Report, as required under the Listing agreement with the Stock Exchanges is enclosed as **Annexure I**.

5. CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The Corporate Governance Report, as stipulated under Clause 49 of the listing agreement, forms part of this Report. The requisite certificate from the Statutory Auditors of the Company, S.N.KABRA & Co., Chartered Accountants, confirming compliance with the conditions of corporate governance as stipulated under the aforesaid Clause 49, is attached to Corporate Governance Report as **Annexure II**.

6. ANNUAL RETURN

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 in Form MGT-9 is annexed herewith for your kind perusal and information as **Annexure III**.

7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- a) In the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) The Directors have selected such accounting policies and applied them consistently and made judgements and estimates 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, 2015 and of the profit of the Company for the year ended on that date;
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The Directors have prepared the annual accounts on a 'going concern' basis;
- e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. INTERNAL FINANCIAL CONTROL

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

9. DIRECTORS

S.No.	Director Name	DIN	Designation
1.	Sangeeta Neema	01871324	Managing Director
2.	Ritesh Jain	01499443	Whole time Director
3.	Jai Kishan Neema	06749729	Independent Director
4.	Bharat Neema	00382051	Independent Director
5.	Indra Kumar Mahajan I	05152196	Independent Director

10. KEY MANAGERIAL PERSON

S.No.	Director Name	DIN/PAN	Designation
1.	Ritesh Jain	01499443	Whole time director

11. DECLARATION BY INDEPENDENT DIRECTORS

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

12. MEETINGS OF THE BOARD OF DIRECTORS

The following Meetings of the Board of Directors were held during the Financial Year 2014-15:

SN	Date of Meeting	Board Strength	No. of Directors Present
1.	04/09/2015		
2.	13/05/2015	5	5
3.	15/01/2015	5	5
4.	15/11/2014	5	5
5.	25/07/2014	5	5
.			

13. BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

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

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

14. AUDITORS'

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, S.N.kabra & Company ,Chartered Accountants (Firm Registration Number 03439C), were appointed as statutory auditors of the Company from the conclusion of the current year Annual General Meeting (AGM) of the Company held on 30th September, 2015 till the conclusion of the Thirty Third AGM to be held in the year 2020, subject to ratification of their appointment at every AGM.

15. AUDITORS' REPORT

The Board has appointed S.N.Kabra & Company Chartered Accountantsto conduct the Statutory Audit for the year 2014-15. There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation. Further the Auditors' Report for the financial year ended, 31st March, 2015 is annexed herewith for your kind perusal and information.

16. SECRETARIAL AUDITOR'S REPORT

The Board has appointed M/sRao Saklecha & Co| Practising Company Secretary , to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure IV** to this Report. Comments on Secretarial Audit Report remarks are as under:-

- 1) Since there is no employee/ Operation in the company hence whistle blower policy and vigil ,mechanism policy have not been prepared. Company would take care in future.
- 2) News paper publication, since company is facing acute financial crises, company could not published their Annual meter how ever we are regularly submitting in our information and record with stock exchanges. Investor can see on the portal of BSE further we have noted for the same in future and we would take for the same.
- 3) Company is under process to appoint it's RTA. Company also facing financial crises.
- 4) Company become sick long back in 2002 and unit were closed. At present company is not having any Unit and . hence it is not applicable to the company.

17. NOMINATION AND REMUNERATION COMMITTEE

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 has also been disclosed in Corporate Governance Report which form part of Board Director as **Annexure V**.

18. SHAREHOLDERS' GRIEVANCES COMMITTEE

S.No.	Name	Designation
1.	Bharat Neema (Chaimen)	Independent Director
2.	Jay Kishan Nema	Independent Director
3.	Ritesh Jain	Whole Time Director

19. AUDIT COMMITTEE

S. No.	Name	Designation in Committee
1.	Bharat Neema (Chaimen)	Independent Director
2.	Jay Kishan Nema	Independent Director
3.	Ritesh Jain	Whole Time Director

20. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The are no any subsidiary company

21. LOANS, GUARANTEES AND INVESTMENTS

The Company has following Loans, Guarantee given and Investments made under section 186 of the Companies Act, 2013 for the financial year ended 31st March 2015:

SN	Date of Transaction	Particular/Purpose/Nature of Transaction	Amount of Transaction
		NIL	

22. DISCLOSURE REQUIREMENTS

- As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.
- As per Clause 55 of the listing agreements entered into with the stock exchanges, a business responsibility report is attached and forms part of this annual report.
- Details of the familiarization programme of the independent directors are available on the website of the Company (URL: www.shabachemicals.com).
- The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges (URL: www.shabachemicals.com)

23. CODE OF CONDUCT

A declaration signed by the Chairman & Whole Time Director affirming compliance with the Company's Code of Conduct by the Directors and Senior Management for the Financial Year 2014-15 as required under Clause 49 of the Equity Listing Agreement with Stock Exchanges is included in the Corporate Governance Report which forms part of Corporate Governance report.

24. RELATED PARTY TRANSACTIONS

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure VI** in Form AOC-2 and the same forms part of this report.

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

26. FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings and outgo during the year under review.

27. RISK MANAGEMENT

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

28. GENERAL:

Yours Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.
- b) For the financial year ended 31st March, 2015, Your Company has not transferred any amount to General Reserve out of profits available for appropriation.
- c) The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.
- d) The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

29. ACKNOWLEDGEMENT

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

**FOR & ON BEHALF OF THE BOARD OF
DIRECTORS
SHABA CHEMICLAS LIMITED**

RITESH JAIN

DATE: Indore

PLACE: 11th May 2015

**(01499443)
(WHOLE TIME DIRECTOR)**

ANNEXURE - I

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. OVERVIEW

The Indian economy has witnessed good steady recovery and continued to grow in the last fiscal year. Good monsoon in most part of the country and revival in manufacturing activity added to the optimism. This GDP growth has placed India firmly amongst the fastest growing economies of the world in the current year.

There has been no occurrence of any event or circumstance since the date of the last financial statements that may materially and adversely affect or is likely to affect the trading or profitability of our Company or the value of our assets or our ability to pay our liabilities.

B. INDUSTRY STRUCTURE AND DEVELOPMENT

The Company is mainly engaged in chemical business but due to shortage of funds company is not able to continue this business. Company is looking and enquiring about entering into share broking business and enquiring to get TCM membership of MCX, NCDEX.

C. OPPORTUNITY AND THREATS

The Company's strength is its director experience in marketing and commodity trading and company is enquiring for membership of NSE, MCX, NCDEX for the brokerage business.

The Company does face threats from financial arrangement and new emerging players in these product lines.

D. SEGMENT-WISE PERFORMANCE

The operation of the company consists of the single segment. Hence, Accounting slandered on Segment Reporting (AS-17) issued by institute of Chartered Accountants of India does not apply.

E. OUTLOOK

We are committed to deliver set up new strong network on a consistent basis , Our strategy has been to develop strong customer relationship and to be a customer driven Company.

The Indian economy ha shown substantial growth in the year 2006-07 and this will have a positive impact in all the sector.

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

Factors that may affect our results of the operations

Our financial conditions and results of operations are affected by numerous factors inter alia- Sudden change in global Commodity prices which may effect our outstanding position in commodities.

General economic and business conditions;

Our company's ability to successfully implement our growth strategy;

Changes in laws and regulations relating to the industry in which we operate;

Changes in political and social conditions in India;

Any adverse outcome in the legal proceeding in which our Company is involved; and

**FOR & ON BEHALF OF THE BOARD
OF DIRECTORS
SHABA CHEMICLAS LIMITED**

RITESH JAIN

DATE: Indore

PLACE: 11th May 2015

**(01499443)
(WHOLE TIME DIRECTOR)**

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement, a Report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy on corporate governance is aimed at the efficient conduct of its business and in meeting its obligation to shareholders. The company has adopted a codified Corporate Governance Charter, inter alia, to fulfill its corporate responsibilities and achieve its financial objectives.

The company believes in and has consistently practiced good Corporate Governance. The company creates an environment for the efficient conduct of the Business and to enable management to meet its obligations to all its stakeholders, including amongst others, shareholders, customers, employees and the community in which the company operates along with fulfillment of its objectives.

2. BOARD OF DIRECTORS:

- i. As on March 31, 2015, the Company has five directors out of the five Directors, One (i.e. 20%) are non-executive directors and three (i.e. 60%) are independent directors. The composition of the board is in conformity with Clause 49 of the Listing Agreements entered into with the stock exchanges.
- ii. None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2015 have been made by the directors. None of the directors are related to each other.
- iii. Independent directors are non-executive directors as defined under Clause 49(II)(B)(1) of the Listing Agreements entered into with the Stock Exchanges. The maximum tenure of the independent directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act.
- iv. The names and categories of the directors on the board, their attendance at board meetings held during the year and the number of directorships and committee chairmanships / memberships held by them in other public companies as on March 31, 2015 are given herein below. Other directorships do not include directorships of private limited companies, Section 8 companies and of companies incorporated outside India. Chairmanships / memberships of board committees shall include only audit committee and stakeholders' relationship committee.

Name of Director	Position	No. of Board meetings held	No. Of Board meetings attended	Attendance at the last AGM	Member of other Board Committees		No. of other Director-ships in other Boards excluding private companies
					Membership	Chairmanship	
Mr. Ritesh Jain [DIN 01499443] (Whole Time Director)	ED	5	5	Yes	3	-	-
Smt Sangeeta Neema [DIN 01871324]	NED	5	5	Yes	3	-	-
Jaikishan Nema [DIN 06749729]	NED & ID	5	5	Yes	3	-	-
Mr Bharat Neema [DIN 03518981]	NED & ID	5	5	Yes	3	-	-
Mr Indra Kumar Mahajan [DIN05152196]	NED & ID	5	5	Yes	3	-	-

NED – Non-executive Director

ID - Independent Director

ED – Executive Director

- v. Five board meetings were held during the year and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held on 25/07/2014, 15/11/2014, 15/10/2014, 13/05/2015, 04/09/2015.
- vi. The necessary quorum was present for all the meetings
- vii. During the year 2014-15, information as mentioned in Annexure X to Clause 49 of the Listing Agreements has been placed before the board for its consideration.
- viii. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company.

- ix. During the year a separate meeting of the independent directors was held inter-alia to review the performance of non-independent directors and the board as a whole.
- x. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company

3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements entered into with the stock exchanges read with Section 177 of the act.

3.1 Objective:

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The Committee oversees the work carried out by the management, internal auditors on the financial reporting process and the safeguards employed by them.

3.2 Brief description of the terms of reference:

The terms of reference of the Audit Committee are as follows:

- a. To oversee the Company's financial reporting process and the disclosure of its financial information and to ensure that the financial statements are correct, sufficient and credible.
- b. To recommend the appointment/ removal of the external Auditors, fixing their audit fees and to approve payments for any other services.
- c. To review with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any Changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management Qualifications in the draft Audit Report.
 - Significant adjustments arising out of Audit.
 - The going concern assumption.
 - Compliance with the Accounting Standards.
 - Compliance with Stock Exchanges and legal Requirements concerning financial Statements.
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- d. To review and approve annual accounts of the Company and recommended to the Board for consideration or otherwise.
- e. To review with the management; external and internal auditors and review the efficiency of internal control systems.
- f. To review the adequacy of internal audit function, including the structure of the internal Audit Department, Staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal Audit.
- g. To discuss with internal Auditors about any significant findings and follow-up thereon.
- h. To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i. To discuss with external auditors before the audit commences, the nature and scope of Audit as well as have post-Audit discussions to ascertain any area of concern.
- j. To review the Company's financial and risk management policies.

- k. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders.

3.3 Composition:

The Audit Committee comprising of Three Directors, viz.

Name of the Directors	Categories
Bharat Neema (Chairman)	Non-Executive & Independent Director
Jai Kishan nema	Non-Executive & Independent Director
Ritesh Jain	Whole Time Director

As per the provisions of the Companies Act, 2013 and amended Listing Agreement with the Stock Exchanges, the Audit Committee of the company comprised of two non-executive independent Directors. Further, Chairman of the Audit Committee is an Independent Director.

Meetings:

Five meetings of the Committee were held during the financial year under review on 25/07/2014, 15/11/2014, 15/01/2015, 13/05/2015, 04/09/2015.

S. No.	Name of Director	No. of Meeting	
		Held	Attended
1.	Bharat Neema (Chairman)	5	5
2.	Jai Kishan nema	5	5
3.	Ritesh Jain	5	5

Necessary quorum was present in all the above meetings.

4. REMUNERATION COMMITTEE:

The remuneration committee comprising of three members viz, Indra Kumar Mahajan as the Chairman of the Committee, Jai Kishan Nema and Mr. Bharat Neema.

The Committee determines and recommends to the Board, the remuneration payable to the Executive Directors. The Board of Directors approved the remuneration to the Executive Directors on the basis of their performance as well as Company's performance, subject to consents as may be required.

The Non Executive Directors are not paid any remuneration except for the sitting fees for attending the Board Meetings/ Committee Meetings.

The remuneration committee was constituted by Board of Directors at their meeting in accordance with the requirements of Schedule V of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges

i. Terms of reference:

The terms of reference / powers of the Remuneration Committee are as under:

- Administration and superintendence of Employee Stock Option Scheme (ESOS).
- Formulation of the detailed terms and conditions of the ESOS.
- Grant of stock options.
- Recommendation for fixation and periodic revision of compensation of the Managing Director and Executive Directors to the Board for approval.
- Review and approve compensation policy (including performance bonus, incentives, perquisites and benefits) for senior management personnel.

ii. The Company does not have any employee stock option scheme.

iii. Remuneration Policy:

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

- Performance of the Company.
- Track record, potential and performance of individual managerial personnel.
- External competitive environment.\

iv. Remuneration of Directors:

Remuneration of Executive Directors is decided by the Board, based on the recommendations of the Remuneration Committee as per the remuneration policy of the Company, within the ceilings fixed by the shareholders.

Remuneration of the Executive Directors for the year ended 31st March, 2015, was as follows:

(In Rs.)

Particulars	2013-14	2012-13	2011-12
Salary And Allowances	NIL	NIL	NIL
Contribution to PF, Superannuation and Gratuity Funds (Rs.)	-	-	-
Commission (Rs.)	-	-	-
TOTAL	NIL	NIL	NIL

v. Remuneration to Non-Executive Directors:

During the year ended 31st March, 2015, the Company has not paid any remuneration either in the form of commission or sitting fee to its non-executive Directors.

5. Shareholders' and Investors' Grievance Committee:

- The Committee has the mandate to look into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, etc. In addition, the Committee also looks into matters, which can facilitate better investor services and relations.
- The Committee is comprised of Mr. Bharat Neema (Chairman), Mr. Jai Kishan Nema and Mr. Ritesh Jain .
- As per the provisions of amended Listing Agreement with the Stock Exchanges, Shareholders and Investors Grievance Committee is under the chairmanship of a non-executive director.
- The Committee meets regularly for redressing shareholder's / investor's complaints like non-receipt of Balance Sheet transfer of shares, etc. The Committee oversees the performance of the Registrar and Transfer Agents and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated power for approving transfer of securities to Directors. The Committee focuses primarily on strengthening investor relations and ensuring rapid resolution of any shareholder or investor concerns. The Committee also monitors implementation and compliance of the Company's code of conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992. During the year ended 31st March 2015, no investor complaints were received and no complaint was pending for redressal as on date.
- The Company addresses all complaints, suggestions and grievances expeditiously and replies have been sent / issues resolved usually within 15 days, except in case of dispute over facts or other legal constraints.
- The Shareholders' / Investors' Grievance Committee reviews the complaints received and action taken.
- No requests for share transfers are pending except those that are disputed or sub-judice.

5.1 Compliance Officer:

Mr. Ritesh Jain is the Compliance Officer for complying with the requirements of the Listing agreement with the Stock Exchanges and for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992.

**A. 6. GENERAL BODY MEETINGS:
Annual General Meetings:**

- i. The last three Annual General Meetings of the company were held at the venue and time as under:

Financial Year	Date & Time	Venue	Special Resolution Passed
2011-12	29th September, 2012 At 11.00 A.M.	At the registered office of the company:	No Special Resolution passed
2012-13	30th September, 2013 At 11.00 P.M.	At the registered office of the company:	Special Resolution: Appointment of Bharat Neema and Jai Kishan Nema as a Director of the company
2013-14	30 th September, 2014 At 11:00 P.M.	At the registered office of the company:	No Special Resolution passed.

All resolutions moved at the last AGM were passed by show of hands by requisite majority of members who attended the Meeting except the resolution passed for alteration of object clause of memorandum of association.

B. Special Resolution passed through postal Ballot

No.

C. Extra Ordinary General Meeting.

No.

7. DISCLOSURES:

7.1 Related Party Transactions and Pecuniary Relationship of Directors:

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with the related parties set out in Notes on Accounts forming part of the Annual Report. The related party transactions are entered into based on considerations of professional expertise, to meet exigencies, better negotiation, etc.

All related party transactions are negotiated on arms length basis and are only intended to further the interests of the Company.

7.2 Disclosure of Directors' interest in transactions with the Company:

All the transactions with the Directors and their related parties i.e. the companies in which they are interested have been made under the authority of the Board of Directors and on an arm's length basis and the interested directors have duly disclosed their interest to the Board of Directors at the Board meeting. Such transactions have been done on an arm's length basis at the prevailing market rates and have been duly entered in the Register of Contracts maintained under section 189 of the Companies Act, 2013.

7.3 Compliance by the Company:

The Board periodically reviews at its meetings compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets. No Penalties, strictures have been imposed on the Company by any stock exchange or SEBI or any other authorities relating to capital markets.

7.4 Risk Management

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

7.5 Code of Conduct

The company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

8. Means of Communication:

The quarterly, half yearly and annual financial statements prepared in accordance with the Accounting Standards laid down by the Institute of Chartered Accountants of India are all the financial, vital and price sensitive official news releases are properly communicated to the concerned stock exchanges.

9. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting : Date, Time and Venue	Wednesday, the 30 th day of September, 2015 at 11.00 p.m. at the registered office of the Company at 101, RAJANI BHAWAN, 569/2, M.G.ROAD, INDORE.
Financial Calendar	The Company follows April to March as its financial year. The results for every quarter beginning from April will be declared within the time prescribed under Listing Agreement.
Date of Book Closure	Tuesday, 22 nd September to Wednesday , 30 th September, 2015, (both days inclusive).
Listing on Stock Exchanges	Bombay Stock Exchange Ltd., Mumbai Madhya Pradesh Stock Exchange Ltd., Indore
Stock Code	The Bombay Stock Exchange, Mumbai-530025 The Madhya Pradesh Stock Exchange, Indore-452001
Dematerialization of Shares	The shares of the Company are traded in physical form . The company is under process to get it's shares demate.
ISIN Number	N.A. (IN PHYSICAL FORM)
Corporate Identification Number	L24111MP1986PLC003741
Dematerialization of shares and Liquidity	N.A
Registrar and Transfer Agents	OWN COMPANY TRANSFER AT IT REGISTERED OFFICE
Share Transfer System	All the transfers received are processed by the company approved by the Share Transfer Committee.
Dividend Payment for financial year 2014-15	Nil
Address for correspondence	101, RAJANI BHAWAN, 569/2, M.G.ROAD, INDORE 452001- MADHYAPRADESH

Stock Price Data:

The following table gives the monthly high and low of Company's share price on the Stock Exchange, Mumbai.

Month	Company's share price on BSE		BSE Sensex	
	Monthly High (In Rs.)	Monthly Low (In Rs.)	High	Low
April, 2014	21.80	18.05	22,939.31	22,197.51
May, 2014	21.80	18.05	25,375.63	22,277.04
June, 2014	21.80	18.05	25,752.12	24,270.20
July, 2014	21.80	18.05	26,300.17	24,892.00
August, 2014	21.80	18.05	26,674.38	25,232.82
September, 2014	21.80	18.05	27,354.99	26,220.49
October, 2014	21.80	18.05	27,894.32	25,910.77
November, 2014	21.80	18.05	28,822.37	27,739.56
December, 2014	21.80	18.05	28,809.64	26,469.42
January, 2015	21.80	18.05	29,844.16	26,776.12
February, 2015	21.80	18.05	29,560.32	28,044.49
March, 2015	21.80	18.05	30,024.74	27,248.45

Shareholding Pattern as on 31st March, 2015:

Category	No. of Shares held	% of Shareholding
A. Shareholding of promoter and promoter group		
Indian Promoters :		53.82
Individuals / HUF	1575500	
Bodies Corporate	0	
Foreign Promoters		
Sub-total	1575500	53.82
B. Non-Promoter's Holding		
Institutional Investors	NIL	NIL
Mutual Funds and UTI	NIL	NIL
Banks, Financial Institutions, Insurance Companies [Central / State Govt. Institutions / Non-government Institutions]	NIL	NIL
FII s	NIL	NIL
Sub-total	NIL	NIL
C. Others		
Private Corporate Bodies	175700	6.17
Indian Public	1087200	37.71
NRIs / OCBs	67100	2.29
Any other		
-Clearing Member	NIL	NIL
- Hindu Undivided Families	NIL	NIL
Sub-total	1330000	46.18
Grand Total	2905500	100

Distribution of Shareholding as on 31st March, 2015:

<i>Distribution of Shares (In Rs.)</i>	<i>No. of Shareholders</i>	<i>Percentage to Total No. of Shareholders</i>	<i>No. of Shares held</i>	<i>Percentage to total Shares</i>
Up to 5000	1178	72.27	410500	14.13
5001 to 10000	283	17.34	245000	8.43
10001 to 20000	81	4.95	137300	4.73
20001 to 30000	23	1.40	80500	2.88
30001 to 40000	10	0.61	34300	1.18
40001 to 50000	16	0.98	92500	3.18
50001 to 100000	16	0.98	118100	4.06
100001 to above	24	1.47	1787300	61.50
Total	1631	100.00	2905500	100.00

WHOLE TIME DIRECTOR OF THE COMPANY HEREBY CERTIFY TO THE BOARD OF DIRECTORS OF THE COMPANY THAT:-

1. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2015 and that to the best of our knowledge and belief :

(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 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 violative 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 that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such 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 financial reporting during the year;
- (b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**//BY ORDER OF THE BOARD\\
FOR SHABA CHEMICALS LIMITED
[CIN:L24111MP1986PLC003741]**

**PLACE:INDORE
DATE:11THMay 2015**

**RITESH JAIN
(DIN:01499443)
WHOLE TIME DIRECTOR**

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from its Statutory Auditors Bharat Neema & Co., Chartered Accountants confirming compliance with the conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges. This Certificate is annexed to the Directors' Report for the year 2014-15. This certificate will be sent to the stock exchanges along with the annual report to be filed by the Company.

**FOR S.N.KABRA & CO.
CHARTERED ACCOUNTANTS**

**PLACE: INDORE
DATE: 11THMAY, 2015**

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

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirements of the amended clause 49 of the Listing agreement entered into with the Stock Exchanges, the Company has received a certificate from its Directors confirming and declaring that all the members of the Board of Directors and the senior management personnel have affirmed compliance with the code of conduct, applicable to them, for the Year ended 31st March, 2015.

**//BY ORDER OF THE BOARD\<\
FOR SHABA CHEMICALS LIMITED
[CIN:L24111MP1986PLC003741]**

**PLACE:INDORE
DATE: 11TH May 2015**

**RITESH JAIN
(DIN:01499443)
WHOLE TIME DIRECTOR**

ANNEXURE III
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :		
i)	CIN	L24111MP1986PLC003741
ii)	Registration Date	31/12/1986
iii)	Name of the Company	SHAB CHEMICALS LIMITED
iv)	Category / Sub-Category of the Company	
	1. Public Company	(✓)
	2. Limited by shares	(✓)
	3. Company having share capital	(✓)
v)	Address of the Registered office and contact details	101, RAJANI BHAWAN, 569/2, M.G.ROAD, INDORE
		Telephone : 0731-4299232
		Fax Number :
		Email : bharatneema_co12@yahoo.com
vi)	Whether listed company	Yes
vii)	Name and Address of Registrar & Transfer Agents (RTA)	There are no any appoint registrar and transfer agent.
	Name of Registrar & Transfer Agents	
	Address	
	Town / City	
	State	
	Pin Code	
	Telephone	
	Fax Number	
	Email Address	

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:-				
SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company	
1	Trading and manufacturing of pharماسuitical and chemicals		NIL	
2	Other Income		100%	

	Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	1575500	1575500	54.22	-	1575500	1575500	54.225	0.00
	B. Public Shareholding									
	1. Institutions									
	a) Mutual Funds	-	-	-	-	-	-	-	-	-
	b) Banks / FI	-	-	-	-	-	-	-	-	-
	c) Central Govt	-	-	-	-	-	-	-	-	-
	d) State Govt(s)	-	-	-	-	-	-	-	-	-
	e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
	f) Insurance Companies	-	-	-	-	-	-	-	-	-
	g) FIs	-	-	-	-	-	-	-	-	-
	h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
	i) Bodies Corporate	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
	2. Non-Institutions									
	a) Bodies Corp.									
	i) Indian	-	175700	175700	6.05	-	175700	175700	6.05	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
	b) Individuals	-	-	-	-	-	-	-	-	-
	i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	914000	914000	31.46	-	914000	914000	31.46	-
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	173200	173200	5.96	-	173200	173200	5.96	-
	c) Others (specify)									
	i) Non Resident Indians(Individuals)	-	67100	67100	2.31	-	67100	67100	2.31	0.00
	Sub-total (B)(2):-	-	1330000	1330000	45.78	-	1330000	1330000	45.78	0.00
	Total Public Shareholding (B)=(B)(1)+(B)(2)	-	1330000	1330000	45.78	-	1330000	1330000	45.78	0.00
	C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	-	2905500	2905500	100	-	2905500	2905500	100	0

B. Shareholding of Promoters									
	SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
			No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
	1	A.N.SHAHID	138000	4.75	0.00	138000	4.75	0.00	0.00
	2	A.I.ABBASI	11500	0.40	0.00	11500	0.40	0.00	0.00
	3	S.A. FAIZY	16900	.58	0.00	16900	.058	0.00	0.00
	4	Y.A.JALIWALA	19800	0.68	0.00	19800	0.68	0.00	0.00
	5	ANWAR HUSAIN	5000	0.17	0.00	5000	0.17	0.00	0.00
	6	RATLAM STRAW BOARD MILL PVT LTD	254000	8.74	0.00	254000	8.74	0.00	0.00
	7	SHABA SECURITIES AND FININ SERVICES PVT LTD	982700	33.82	0.00	982700	33.82	0.00	0.00
	8	MULTY METEL PRODUCTS	47500	1.63	0.00	47500	1.63	0.00	0.00
	9	ASHOK PRINTING PRESS	100	0	0.00	100	0	0.00	0.00
	10	BATUL BAI	17000	0.59	0.00	17000	0.59	0.00	0.00
	11	DILSHAD FAIZY	10000	0.34	0.00	10000	0.34	0.00	0.00
	12	FEHMIDA SHAHID	7500	0.26	0.00	7500	0.26	0.00	0.00
	13	HAMIDA BANU KAPADIYA	500	0.02	0.00	500	0.02	0.00	0.00
	14	INDU MEHTA	400	0.01	0.00	400	0.01	0.00	0.00
	15	JAMILA JALIWALA	7500	0.26	0.00	7500	0.26	0.00	0.00
	16	KIRAN JINDAL	500	0.02	0.00	500	0.02	0.00	0.00
	17	MADANLAL GABA	1000	0.03	0.00	1000	0.03	0.00	0.00
	18	MADHU SEXENA	1000	0.03	0.00	1000	0.03	0.00	0.00

	19	MUSHTAK AHMAD KAPADIYA	1000	0.03	0.00	1000	0.03	0.00	0.00
	20	MUMTAJ MEHMOOD	500	0.02	0.00	500	0.02	0.00	0.00
	21	PARVEEN SHAHID	7500	0.26	0.00	7500	0.26	0.00	0.00
	22	SHAIHTA STATIONWALA	18500	0.64	0.00	18500	0.64	0.00	0.00
	23	SAVITRI GABA	1000	0.03	0.00	1000	0.03	0	0
	24	SAHIL PRADHAN	1000	0.03	0.00	1000	0.03	0	0
	25	SUJATA MEHRA	400	0.01	0.00	400	0.01	0	
	26	S.A.ASSOCIATE	17000	0.59	0.00	17000	0.59	0	0
	27	SALMA BAI	1000	0.03	0.000	1000	0.03	0	0
	28	S.L.JAIN	200	0.01	0.00	200	0.01	0	0
	29	SHAKIL SHAIKH	1000	0.03	0.00	1000	0.03	0	0
	30	SHAIENDRA KUMAR DESAI	500	0.02	0.00	500	0.02	0	0
	31	SHAKINA ABBASI	5000	0.17	0.00	5000	0.17	0	0
		TOTAL	1575500	54.22	0.00	1575500	54.22	0.00	0.00

C. Change in Promoters' Shareholding (NO CHANGE)							
	SN	Name	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
-	-	-	-	-	-	-	-

D.	SN	For Each of the Top 10 Shareholders	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
		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):	ANNEXED AS ANNEXURE D			
		At the end of the year				

E. Shareholding of Directors and Key Managerial Personnel							
SN	Name	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	
1	RITESH JAIN		0	0	0	0	
2	SANGEETA NEEMA		0	0	0	0	
3	BHARAT NEEMA		0	0	0	0	
4	JAI KISHAN NEEMA		0	0	0	0	
5	INDRA KUMAR MAHAJAN		0	0	0	0	

V. INDEBTEDNESS :					
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial year					
i) Principal Amount	0	0	0		0
ii) Interest due but not paid	-	0	0		-
iii) Interest accrued but not due	-	0	0		-
Total (i+ii+iii)	0	0	0		0
Change in Indebtedness during the financial year					
Addition	-	0	0		-
Reduction	0	0	0		0
Net Change	-	0	0		-
Indebtedness at the end of the financial year					
i) Principal Amount	0	0	0		0
ii) Interest due but not paid		0	0		
iii) Interest accrued but not due		0	0		0
Total (i+ii+iii)	0	0	0		0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :									
A Remuneration to Managing Director, Whole-time Directors and/or Manager									
SN	Name of MD/WTD/ Manager	Gross salary	Stock Option	Sweat Equity	Commission	Others	Total	Ceiling as per the Act	

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):								
SN	For Each of the Top 10 Shareholders	Folio no	Name Of Shareholder's	As on DATE	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
					No. of Shares	% of total company	No. of share	% of total shares of the company
1	At the beginning of the year	K01061	KOTAWALA FINANCIAL CON	01/04/2014	84900	2.92	84900	2.92
	At the End of the year			31/03/2015	0	0.00	84900	2.92
2	At the beginning of the year	S001146	SHREYAS SECURITY AND FIN	01/04/2014	43700	1.50	43700	1.5
	At the End of the year		LIMITED	31/03/2015	0	0.00	43700	1.5
3	At the beginning of the year	R01208	RAJESH DESAI	01/04/2014	24800	0.85	24800	0.85
	At the End of the year			31/03/2015	0	0.00	24800	0.85
4	At the beginning of the year	A01087	ANIL MEHTA	01/04/2014	24300	0.84	24300	0.84
	At the End of the year			31/03/2015	0	0.00	24300	0.84
5	At the beginning of the year	F001017	FARHAT ABBAS	01/04/2014	23300	0.80	23300	0.80
	At the End of the year			31/03/2015	0	0.00	23300	0.80
6	At the beginning of the year	S01158	SHYAMBABU AGRAWAL	01/04/2014	20000	0.69	20000	0.69
	At the End of the year			31/03/2015	0	0.00	20000	0.69
7	At the beginning of the year	S01159	SINGHLE LEASING AND CON LTD	01/04/2014	20000	0.69	20000	0.69
	At the End of the year			31/03/2015	0	0.00	20000	0.69
8	At the beginning of the year	P01042	Proficient securities pvt ltd	01/04/2014	17700	0.61	17700	0.61
	At the End of the year			31/03/2015	0	0.00	17700	0.61
9	At the beginning of the year	S001155	S.K.LAKIHANI	01/04/2014	16300	0.56	16300	0.56
	At the End of the year			31/03/2015	0	0.00	16300	0.56
10	At the beginning of the year	R01090	RAM BABU AGRAWAL	01/04/2014	16000	0.55	16000	0.55
	At the End of the year			31/03/2015	0	0.00	16000	0.55

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :						
	Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
	A. COMPANY	NIL				
	Penalty					
	Punishment					
	Compounding					
	B. DIRECTORS					
	Penalty					
	Punishment					
	Compounding					
	C. OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

Form No.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2015

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST March, 2015

To,

The Members,

SHABA CHEMICALS LIMITED,

101,RAJANI BHAWAN,

569/2, M. G.ROAD, INDORE-452001 (M.P.)

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Shaba Chemicals Limited, CIN: L24111MP1986PLC003741 (hereinafter called the company). The 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 verifications of the Shaba Chemicals Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, forms and returns filed and other records maintained by the Shaba Chemicals Limited for the financial year ended on 31st March 2015 according to the provisions of:

I. The Companies Act, 2013 and the Rules made there under:

The Company has complied with the provisions of the Companies Act, 2013 and the Rules made there under except the following:

- (a) The Company has closed its Register of Members and Registers of Debenture holders. But the notice which is required to be published in the News papers at least seven days before such closure is not published in News papers. Thus, company has violated the provisions of Section 91(1) of the Companies Act, 2013. However, the company has given notice to Stock Exchange as required under Clause 16 of the Listing Agreement..***
- (b) Company is not having any system of whistle blower and vigil mechanism policy.***
- (c) Company's Networth is eroded and has become a sick company within the meaning of Section 3 (1) (o) of the The Sick Industrial Companies (Special Provisions) Act, 1985 and the company has failed to intimate the BIFR for the same as required under Section 15(1) of the said Act.***
- (d) The company has not appointed the internal auditor(s) and has violated the provisions of Section 138 of the Act.***
- (e) No activities have been carried out by the company during the year. However, from the balance sheet it is observed that the amount of creditors has been increased.***

II. The Securities Contract (Regulation) Act, 1956(SCRA) and the Rules made there under:

The Company has not issued any fresh securities during the year under review and therefore, question of complying with the provisions of Securities Contract (Regulation) Act, 1956 does not arise.

The company has complied with:

- (a) Rule 19A of the Securities Contract Regulation Rules with respect to continuous listing requirements with the Stock Exchange (s).
- (b) Rule 19(1) of SCRR with respect to filing of documents.
- (c) Rule 19(2) of SCRR with respect to minimum public shareholding.

III. The Depositories Act,1996 and the Regulations and Bye laws framed there under;

The company has complied with the clause 55A of SEBI (Depositors and Participants) Regulations, 1996 with respect to the reconciliation of share capital audit.

IV. Foreign Exchange Management Act,1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings:

The company has not received any foreign Direct Investments or any Overseas Direct Investment and has not made any External Commercial borrowings during the period under review.

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.

The company has not made any substantial acquisition of shares and takeovers during the period under review and therefore the question of complying with the provisions of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011 does not arise.

- b) The Securities and exchange Board of India(Prohibition of insider trading)Regulations,1992;

No events relating to unpublished price sensitive information took place during the year review except quarterly financial results and there are no transactions during the period when the quarterly results are considered by the Audit Committee and Board of Directors.

- c) The Securities and Exchange Board of India(Issue of capital and disclosure requirements)Regulations, 2009;

The company has not issued any share capital during the period under review and therefore the question of complying with the provisions of Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations, 2009 does not arise.

- d) The Securities and Exchange Board of India (Employee stock option scheme and employee stock purchase scheme) Guidelines, 1999.

The company has not made any offer to the employees under Employee stock option scheme and any employee stock purchase scheme during the period under review and therefore the question of complying with the provisions of The Securities and Exchange Board of India (Employees stock option scheme and Employee Stock Purchase Scheme) Guidelines1999 does not arise.

- e) The Securities and Exchange Board of India(Issue and listing of Debt securities)Regulations,2008:

The Company has not issued any debt securities during the period under review.

- f) The securities and Exchange Board of India (Registrars to an Issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client.

1. The company has not appointed an RTA in accordance with the SEBI regulations.

- g) The securities and Exchange Board of India(Delisting of Equity shares) Regulations,2009;
and

1. No action has been taken by the recognized stock exchange for compulsory delisting of equity shares.
2. The company has not initiated any action for the voluntary delisting of equity shares.

Hence, the question of complying with the provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise.

h) The Securities and Exchange Board of India (Buy back of securities) Regulations, 1998;

The company has not purchased its own shares during the period under review and therefore the question of complying with the provisions of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 does not arise.

I have examined compliance with the applicable clauses of the following:

- I. Since no secretarial standards were issued by the Institute of Company Secretaries of India till 31st March, 2015, question of complying with the standards does not arise.
- II. The Listing Agreements entered into by the company with stock exchanges, if applicable:
The company has complied with all clauses of the Listing Agreement except the observations made above.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the observations as stated above.

I further report that there are no adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable following specific laws:

1. Chemical Accidents Act, 1996
2. Indian Boilers Act, 1923
3. Environment (Protection) Act, 1986
4. The Essential Commodities Act, 1955

Place : Indore

Date : 11/05/2015

For Rao Saklecha & Co.

Company Secretaries

Pankaj K Saklecha

FCS No.6292

CP No.:6434

The Members,
SHABA CHEMICLAS LIMITED

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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. 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 and with which the management has conducted the affairs of the Company.

ANNEXURE V
NOMINATION & REMUNERATION POLICY

vi. Composition

Sr. No.	Name	Designation in Committee
1.	INDRA KUMAR MAHAJAN	Chairman
2.	BHARAT NEEMA	Member
3.	JAI KISHAN NEMA	Member

vii. Terms of reference:

The terms of reference / powers of the Remuneration Committee are as under:

- Administration and superintendence of Employee Stock Option Scheme (ESOS).
- Formulation of the detailed terms and conditions of the ESOS.
- Grant of stock options.
- Recommendation for fixation and periodic revision of compensation of the Managing Director and Executive Directors to the Board for approval.
- Review and approve compensation policy (including performance bonus, incentives, perquisites and benefits) for senior management personnel.

viii. The Company does not have any employee stock option scheme.

ix. Remuneration Policy:

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

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

x. Remuneration of Directors:

Remuneration of Executive Directors is decided by the Board, based on the recommendations of the Remuneration Committee as per the remuneration policy of the Company, within the ceilings fixed by the shareholders.

Remuneration of the Executive Directors for the year ended 31st March, 2015, was as follows:

Particulars	2013-14	2012-13	2011-12
Salary And Allowances	0	0	0
Contribution to PF, Superannuation and Gratuity Funds (Rs.)	-	-	-
Commission (Rs.)	-	-	-
TOTAL	0	0	0

(In Rs.)

Remuneration to Non-Executive Directors:

During the year ended 31st March, 2015, the Company has not paid any remuneration either in the form of commission or sitting fee to its non-executive Directors.

ANNEXURE VI
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis N.A.

S N	Name(s) of the related party and nature of relation ship	Nature of contracts /arrange ments/tr ans actions	Duration of the contracts / arrangemen ts / transactions	Salient terms of the contracts or arrangemen ts or transactions including the value, if any	Justification for entering into such contracts or arrangemen ts or transactions	Date(s) of approva l by the Board	Amoun t paid as advanc es, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
				NIL				

2. Details of material contracts or arrangement or transactions at arm's length basis N.A.

SN	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Natu re of Relat ion	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangement s or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any

AUDITOR'S CERTIFICATE

We have examined the compliance of the conditions of the Corporate Governance by **SHABA CHEMICLAS LIMITED** for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing agreement of the Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination has been limited to the review of the procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement. As informed to us, the records relating to investor grievances pending against the Company, if any, is maintained by the Registrar and Share Transfer Agent of the Company, who have certified that as at 31st March, 2015, no grievance was unattended / pending for more than 30 days.

We further state that such compliance is neither an assurance as to the further viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR S.N.KABRA & CO.
CHARTERED ACCOUNTANTS**

**PLACE: INDORE
DATE: 11TH MAY, 2015**

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

DECLARATION FOR CODE OF CONDUCT

I, Mr. Ritesh Jain, Managing Director of Samyak International Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Clause 49(1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges, for the year ended March 31, 2015.

**//BY ORDER OF THE BOARD\<\
FOR SHABA CHEMICALS LIMITED
[CIN:L24111MP1986PLC003741]**

PLACE:INDORE
DATE: 11TH May 2015

**RITESH JAIN
(DIN:01499443)
WHOLE TIME DIRECTOR**

Independent Auditors' Report

TO THE MEMBERS OF
SHABA CHEMICALS LIMITED
INDORE

Report on the Financial Statements

We have audited the accompanying financial statements of **SHABA CHEMICALS LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including

The Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 23(A)(i) to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR S.N.KABRA & CO.
CHARTERED ACCOUNTANTS**

**PLACE: INDORE
DATE: 11TH MAY, 2015**

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

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. There is no any fixed assets in the company.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, the management is in the process of carrying out the physical verification and reconciling the same with the book records. Material discrepancies, if any, between the book records and the physical verification would be dealt with on completion of such reconciliation.

(ii) In respect of its inventories: No any inventories and operation in the Company. Hence not applicable.

(iii) The Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) There are no amounts pending to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

(viii) There are Rs. 30716407/- accumulated losses of the Company at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.

(x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.

(xi) In our opinion and according to the information and explanations given to us, no term loans have been taken by the Company during the year.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**FOR S.N.KABRA & CO.
CHARTERED ACCOUNTANTS**

PLACE: INDORE

Date:

**CA. S.N.KABRA
PARTNER
(Firm Reg. No. 003439C)**

SHABA CHEMICALS LIMITED

Balance Sheet as at 31st March 2015

	Note		
Particulars	No.	AS ON	AS ON
		31.03.2015	31.03.2014
EQUITY AND LIABILITIES			
	-		
Share holder's Funds			
Share Capital	1	29163500	29163500
Reserve and Surplus	2	1356430	1356430
Non-Current Liabilities			
Long-term borrowings	3	10000	265082
Deferred tax liabilities		0	0
Current Liabilities			
Short-term borrowings	4	0	0
Other current liabilities	5	451615	339615
Short-term provisions		0	0
Total		30981545	31124627
Assets			
Non-current assets			
Fixed assets			
Tangible assets	6	0	0
Non-current investments	7	0	0
Long term loan advances	8	29600	29600
Current assets			
Inventories		0	0
Trade receivable	9	16500	16500
Cash and cash equivalents	10	219038	353408
Short-term loans and advances	11	0	0
Other current assets	12	0	0
Miscellaneous Expenditure	13	0	0
Profit and Loss Account	14	30716407	30725119
Total		30981545	31124627

As per our report of even date.

For S.N.KABRA & CO.
Chartered Accountants

For SHABA CHEMICALS LIMITED

(S.N.KABRA)
Partner
(Firm Reg. No. 003439C)
Place : INDORE

Director

Director

SHABA CHEMICALS LIMITED

Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
INCOME			
Revenue from operations	15	0	0
Other Income	16	255082	138500
Total Revenue		255082	138500
EXPENDITURE			
Employee benefit expenses	17	24000	26000
Adminstration & other expenses	18	219730	102114
Financial costs	19	2640	4865.65
Miscellaneous Expenses		0	0
Total Expenses		246370.00	132979.65
Profit/Loss before tax		8712.00	5520.35
Tax expense		0	0
Profit/Loss for the year		8712.00	5520.35
Earning per share		0	0.005

As per our report of even date.

For S.N.KABRA & CO.
Chartered Accountants

For SHABA CHEMICALS LIMITED

(S.N.KABRA)
Partner
(Firm Reg. No. 003439C)
Place : INDORE
Date : 11/05/2015

Director

Director

**SHABA CHEMICALS
LIMITED**

Notes on Financial Statements for the Year ended 31st
March, 2015

Particulars		31.03.2015	31.03.2014
Note No. 1			
Share Capital			
a. Authorised Share Capital:			
(35,00,000 Equity Shares of Rs. 10/- each)		35000000.0 0	35000000.00
b. Issued			
(30,00,000 Equity Shares of Rs. 10/- each)		30000000.0 0	30000000.00
c. Subscribed and paidup			
(29,27,200 Equity Shares of Rs. 10/- each)	2927200 0	29163500.0 0	29163500.00
Less: Call in Arrears	<u>108500</u>		
	Total	29163500.0 0	29163500.00
Par Value per Share (Rs)		0	10
Number of equity shares at the beginning of the year		2927200	2927200
Number of equity shares at the end of the year		2927200	2927200

(there is partaly paid up share of Rs. 108500 for 21700 shares.)

The number of equity shares at the begning of the year and end of the year is same and trhere is no change during the year

The company has only one class of equity shares. Each share has a paid up value of Rs. 10/- .

Every share holder is entitled to one vote per share

Number of shares held by share holders more than 5% of total shares

Name of shareholders	31.03.2015	31.03.2014
RATLAM STRAWBOARD MILLS PVT. LTD.		
No. of shares	254000	254000
% of Holding	8.74%	8.74%
SHABHA SECURITIES & FININ SERVICES PVT. LTD.		
No. of shares	982700	982700
% of Holding	33.82%	33.82%

Terms/Right/Restriction attached to shares:

The company has only one class of equity share has a paid up Value of Rs 10/-

Every shareholder is entitled to one vote per share

Note No. 2		
<u>Reserves and Surplus</u>		
a) Capital reserve	1356430	1356430
b) Capital redemption	0	0
c) Share premium reserve	0	0
d) Debenture redemption reserve	0	0
e) Revaluation reserve	0	0
f) Share option outstanding a/c	0	0
g) General reserve		
Opening balance	0	0
Add: Transferred from surplus in Statement of P&L	0	0
Less: Misc current assets Write off	0.00	0
Closing balance	0	0
Total	1356430	1356430

Note No. 3		
<u>Long term Borrowings</u>		
Secured	0	0
Unsecured	10000	265082
	10000	265082

(This is deposits from directors)

Note No. 4		
<u>Short term Borrowings</u>		
Secured	0	0
Unsecured	0	0
	0	0

Note No. 5		
<u>Other current liabilities</u>		
Trade payable	204100	204100
Sundries Creditors	227515.22	112515.22
Audit fees payable	20000	23000
	451615.22	339615.22

Note No. 7		
<u>Non-current investments</u>		
	0	0
	0	0

Note No. 8		
<u>Long term loan and advances</u>		
-		
Advances recoverable in cash or kind or value to be received	29600	29600
	29600	29600

Note No. 9		
<u>Trade receivable</u>		
Secured considered good		
Unsecured considered good	16500	16500
	16500	16500

Note No. 10		
<u>Cash and cash equivalents</u>		
Cash and Bank Balances		
Balance with banks	0	0
Cash in hand	219038	353408
	219038	353408

Note No. 11		
<u>Short-term loans and advances</u>		
Loans and advances to related parties	0	0
Other loans and advances		
Other (specify)		
	0	0

Note No. 12		
<u>Other current assets</u>		
Stamp a/c	0	0
	0	0

Note No. 13		
<u>Misc. Expenditure</u>		
Preliminary Exp.	0	0
	0	0

Note No. 15		
<u>Revenue from operations</u>		
-	0	0
	0	0

Note No. 14		
<u>Profit and Loss Account</u>		
-		
Balance as per last Balance Sheet	30725118.55	30730638.9
Add/(less) Current Year (Profit)/ loss	8712.00	5520.35
	30716406.55	30725118.55

Note No. 16		
<u>Other Income</u>		
-		
Interest Income	0	0
Bank interest	0	0
Brokrage income	0	0
Other income	255082	138500
	255082.00	138500.00

Note No. 17		
<u>Employee benefit expenses</u>		
<u>Salaries & wages</u>		
Salaries	24000	26000
Staff Welfare expenses	0	0
	24000	26000

Note No. 18		
<u>Administrative Expenses & Other expenses</u>		
professional & Legal Fees	32500.00	26500
Photocopy and Fax Exps	7450.00	4150
Postage, Telephone Exps	19500.00	11620
listing Fees	112360.00	17004
Misc Expenses	750.00	250
Filing Fees (R.O.C.)	5000.00	5000
Stationery	3420.00	2740
Audit Fees	10000.00	10000
Agm Exps	28750.00	24850
	219730.00	102114

Note No. 19		
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Financial Cost		
Other borrowings cost	0	0
Bank charges	2640	4865.65
	2640	4865.65

As per our report of even date.

For S.N.KABRA & CO.

Chartered Accountants

For SHABA CHEMICALS LIMITED

(S.N.KABRA)

Partner

(Firm Reg. No. 003439C)

Place : INDORE

Date : 11/05/2015

Director

Director

SCHEDULE 9

NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31.03.2015

1. SIGNIFICANT ACCOUNTING POLICIES:

i. Corporate Information :-

Shaba Chemicals Limited (the company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The company is engaged in the trading in Chemicals & other Business and other commodities. The company caters to domestic markets only.

ii. Basic of Accounting :-

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial standards notified under the Companies (Accounting Standards) Rule, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statement are consistent with those of the previous year. The company has prepared this financial statements to comply in all material respects with the Accounting Standard Notified under the relevant provision of the Company Act 2013. The previous year figure have also reclassified and regrouped.

iii. Revenue Recognition :-

1. Company is a trading Company, during the financial year. other income has been recognised on Accrual basis.

iv. Fixed Assets :-

There is no any Fixed Assets in the company.

v. Depreciation :-

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in schedule II to the company Act, 2013. However there is no any fixed assets in the Company.

2. Depreciation is provided on pro-rate basis from the day on which assets have been put to use or upto

vi. Investments/Stock in Trade :-

1. Investments are valued at cost.
2. Stock in trade is valued at cost or Realizable value whichever is lower on an individual scrip basis.
3. Stock in trade of the scrip's have been maintained on the basis of first in first out method.

ADDITIONAL DISCLOSURE

SUNDRY CREDITORS, LOANS & ADVANCES:

Companies' management periodically verify the outstanding balance of sundry creditors, loans, advances, etc. and

3. Contingent Liabilities-NIL

2. Previous year figure have been regrouped to make them comparable with current year figures.

SMALL SCALE UNDERTAKING

The company has not recd any information from any of the suppliers of their being small scale industrial unit.

3. Figures have been rounded off to the nearest rupee.

4. Managerial remuneration U/s 198 of the Companies Act, 1956.

	2013-14	2014-15
Salary	26000	24000

No commission is payable to any of the Director of the Company hence, computation as required under provision

5. Auditors Remuneration:

For this year Rs. 10000/- P.Y. Rs. 10,000/-

6. As the company has discontinued its manufacturing activities the information required under clause 2B(b)(i) applicable.

7. Differed Tax Liabilities: Company having a huge accumulated losses and management is not expecting any ear Accumulated losses was relevent to previous years which become more then 8 year old.

8. Segment Reporting: Company has discontinue its manufacturing activity and company doing trading in commo

Related party Disclosure: There is no any related parties transaction during the year.

For & on behalf of the Board
Shaba Chemicals Limited

FOR S.N.KABRA & KABRA
CHARTERED ACCOUNTANTS

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

S.N.KABRA
(PARTNER)
(Firm Reg. No. 003439C)

SHABA CHEMICALS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(Pursuant to the listing Agreement with Stock Exchange)

	2014-15	2013-14
	(Rs.)	(Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(loss) before Tax	8712	5520
	-	
ADJUSTMENT FOR –	-	
Depreciation	-	-
Sundry Balance written back	8712	5520
Operation (Profit)/ loss before working capital changes		-
ADJUSTMENT FOR –		
Decrease / (Increase) in Current Assets	-	223500
Decrease / (Increase) in Current Liabilities	112000	10000
	-----	-----
	120712	239020
Decrease / (Increase) in Net Current Assets	0	0
Cash flow before extra ordinary items	0	0
Extra ordinary items	-----	-----
	120712	239020
NET CASH USED IN OPERATING ACTIVITIES		
Taxes paid (net of refund)	-----	-----
	120712	239020
NET CASH GENERATED FROM OPERATING ACTIVITIES	-----	-----
CASH FLOW FROM INVESTING ACTIVITIE:		
B		
NET CASH RECEIVED FROM INVESTING ACTIVITIES	0	0

	CASH FLOW FROM FINANCING ACTIVITIES:	0	0
D	Loan Borrowed		
	NET CASH RECEIVED IN FINANCING ACTIVITIES	0-	0
		-----	-----
	Net increase / (Decrease) in Cash & cash equivalent (A+B+C)	120712	239020
	Cash & Cash equivalent at the beginning of the year	353408	114388
	Cash & Cash equivalent at the close of the year	219038	353408

For and on behalf of the Board

Shaba Chemicals Limited

Sd/-

Sd/-

Date: 11/05/2015

Mr. Ritesh Jain

Sangeeta Neema

Place: Indore

(W T DIRECTOR)

(DIRECTOR)

SHABA CHEMICALS LIMITED

Registered office: 101, Rajani Bhawan, 569/2,

PROXY FORM

L. F. No.-----No. of Shares

I/We -----of -----

being a member (s) of Shaba Chemicals Limited hereby appoint -----
-----of -----of failing him/her -----
-----of -----
-----as my/our proxy to attend and vote for me /us on my / our behalf at the 28th Annual
General Meeting of the company, to be held at 11 a.m. on Tuesday the 30th September, 2015 and/or at any
adjournment thereof.

Signed this ----- day of ----- 2013. -----

: affix Rs. 1/- :
: Revenue Stamp:
:-----:

Signature

NOTE:

The proxy must be returned so as to reach the registered office of he Company at 101, Rajani Bhawan, 569/2, M G Road, Indore (M. P.)- 452001 not less than FOURTY EIGHT HOURS before the time for holding the aforesaid meeting.

-----Tear here-----

SHABA CHEMICALS LIMITED

Registered office: 101, Rajani Bhawan, 569/2,
M G Road, Indore (M. P.)- 452001

ATTENDENCE SLIP

L.F. No.-----

Mr./Mrs./Miss.-----

(Shareholder's Name in Block Letters)

I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company. I/We hereby record my/our presence at the 28th annual General Meeting of the Company at the

**Registered office of the Company at 11 a.m. on Tuesday, the 30th
September 2015.**

.....
Shareholder's/proxy Signature

(If signed by Proxy, his/her name should be written in block letters)

Notes:

1. Shareholders/proxy holders are requested to bring the attendance slip with them and hand our same at the entrance, duly filled in and signed.

Shareholders are requested to bring their copy of the Annual Report, as copies of the Report will not be distributed again at the meeting in view of increase in the cost.