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6th Annual Report

1998-99

Certified True Copy
For Saboo Sodium Chloro Ltd.
Authorised Signatory

सबूं नमक

SABOO SODIUM CHLORO LTD.

D-5, KALWAD SCHEME, BEHIND GOPAL BARI,
JAIPUR - 302 001

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Board of Directors

Shri M.L. Saboo	–	Chairman
Shri Girdhar Saboo	–	Managing Director
Smt. Lalita Saboo	–	Director

Managing Director & Company Secretary

SHRI MUKESH GOYAL

Auditors

M/S. A. BAFNA & CO.
Chartered Accountants
K-2, Keshav Path, Ahinsa Circle,
C-Scheme, Jaipur - 302 001

Share Transfer Agent

M/S. OCTAL DATAMATICS PVT. LTD.
Investor Service Division,
421, Ganpati Plaza, M.I. Road, Jaipur - 302 001

Bankers

PUNJAB NATIONAL BANK
Panch Batti
Jaipur - 302 001

Registered Office : D-5, Kalwad Scheme, Behind Gopal Bari, Jaipur - 302 001
Works : Village Govindi, Nawa City, Distt. : Nagour - 341 509 (Raj.)

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NOTICE

Notice is hereby given that the 6th Annual General Meeting of the Members of Saboo Sodium Chloro Ltd., will be held on Wednesday, the 15th day of September, 1999 at 3.30 P.M. at the Registered office (D-5, Kalwad Scheme, Behind Gopal Bari, Jaipur - 302 001) of the company, to transact the following Business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1999, Profit and Loss Account for the period ended on that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Smt. Lalita Saboo, who retires by rotation being eligible, offers herself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

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

4. **As a Special Resolution**
   "RESOLVED THAT pursuant to provisions of Section 149 (2A) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the commencement of the business by the Company as given in para 5, 13, 27 & 39 of Sub-clause (C) of clause III of the Memorandum of Association of the Company i.e. :

5. To plant, cultivate, produce, raise, make marketable, import, export, sell, buy, act as agent, stockiests, distributors, or otherwise deal in all kind of food grains, oil cakes, tea, coffee, jute, sugar, sugar cane and other type of produce of land. To manufacturer, process, Import, export, sell or otherwise deal in fertilizers of all varieties, DDT and other insecticidal and fungicidal sprays.

13. To carry on the business of Wine, Spirit and Liquor merchants, Brewers, Distillers, Importers, exporters and Manufacturers of ~~Aerated~~ Mineral & Artificial waters or caterers for public amusement or entertainment.

27. To process, machine, grind, extract, grow, buy, sell, manufacture, refine, prepare, crush or otherwise deal in all kinds of oil seeds, wheat, rice and rice brans and other agricultural products and oleaginous and saponaceous substances and all kind of by-products or ingredients thereof, ghee from whatever source and method including oil seeds, oil cakes, rice bran and other oil containing medias de-oiled cakes, de-oiled meals for consumption, balanced food and baby food.

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39. To Carry on the business of manufacturing, importing, exporting, marketing, distributing of all food stuff, mineral water and grinding of cereals, pulses, spices and all kind of agriculture products and by products.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take all the necessary steps to give effect to this resolution."

5. As a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309 and Schedule XIII and other applicable provisions of the Companies Act, 1956, (Including any statutory modification or re-enactment there-of, for the time being in force), consent of the Company be and is hereby accorded to the Re-appointment of Mr. Girdhar Saboo as Managing Director of the Company with effect from 1st October, 1999, for a period of five years on the remuneration and perquisites payable to him in accordance with Schedule XIII of the Companies Act, 1956 during the period of his appointment and on such terms & conditions as set out in the draft agreement placed at this meeting and detailed in the Explanatory Statement annexed to this notice of the meeting and that, such remuneration and perquisites be the minimum remuneration payable to him in the event of absence or inadequacy of profits in any year during the period of his appointment."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and hereby authorised to vary the terms and conditions of appointment of Mr. Girdhar Saboo including the remuneration payable to him subject to such approvals as may be required from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take such steps as may be necessary, to give effect to this resolution."

By **Order of the Board**

(Girdhar Saboo)
Managing Director

Place : Jaipur
Dated : 31 July, 1999

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF MEETING.

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2. The Register of Members and Share-transfer Books of the Company will remain closed from Thusday, 2nd September, 1999 to Wednesday 15th September, 1999 (Both Days inclusive).

3. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all days except Saturdays, Sundays and Public Holidays; between 11.00 a.m. and 1.00 p.m. up to the date of the Annual General Meeting.

4. Shareholders desiring any information as regards to the Accounts are requested to write to the Company at an early date to enable the management to keep the information ready.

5. The members are requested to :

   a. Intimate changes, if any, in their registered address at an early date.

   b. Quote ledger folio number in all their correspondence.

   c. Intimate about consolidation of folios, if shareholdings are under multiple folios.

   d. Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.

   e. Mail their correspondence directly to Share transfer agent of the Company i.e. Octal Datamatics Pvt. Ltd., Investor Service Division, 421, Ganpati Plaza, M.I. Road, JAIPUR - 302 001.

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ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173 of the Companies Act, 1956

Item No. 4 :

The Company intends to diversify in the business of manufacturing of wide range of FMCG i.e. whole wheat Atta (Flour), Spices, Pulses and Miniral water. For the purpose your company installed a plant having capacity of 50 TPD for whole wheat Atta (Flour) and also keen to set up plants for Spices and Mineral Water. Company would also like to enter in the business of trading of Mineral water and Spices i.e. Turmeric Powder and Chilli Powder.

In terms of Section 149 (2A) of the Companies Act, 1956, Your Directors wish to obtain your approval and recommended this resolution for your approval.

None of the Director of the Company, is in anyway, except as a Director of the Company, interested in the said resolution.

Itme No. 5

Shri Girdhar Saboo has been associated with the business of the company since its inception. He has been appointed as the Managing Director of the company for the period of Five year with effect from 1st October, 1994, as his term of appointment will last on 30th September, 1999, and he is eligible for re-appointment as Managing Director as per Provisions of Schedule XIII of the Companies Act, 1956, the Board of Director have felt that it would be in the best interest of the Company to re-appoint him as Managing Director of the Company. Consequently, the Board of Directors at its meeting held on 31st July, 1999 has appointed Shri Girdhar Saboo as Managing Director of the Company, for a period of Five years with effect from 1st October, 1999, in terms of Schedule XIII of the Companies Act, 1956, Shri Girdhar Saboo is eligible for re-appointment as Managing Director.

The Agreement entered into by the Company with Shri Girdhar Saboo in respect of his appointment, inter alia, contains the following terms & Conditions.

Name & Designation	:	Shri Girdhar Saboo, Managing Director
Period	:	5 Years with effect from 01.10.1999

Remuneration :

Remuneration payable to Shri Girdhar Saboo as Managing Director of the company is as follows, subject to maximum limits as prescribed by Schedule XIII of the Companies Act, 1956 (Including any statutory modifications or re-enactment there of for the time being in force).

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Salary : Rs. 45,000/- per month including dearness allowance and all other allowances.

Perquisites :

1. Rent Free furnished accommodation.
2. Telephone and Internet facility at residence for use on company's business.
3. Car for use on Company's business.
4. Fees of clubs subject to maximum of two clubs.
5. Electricity, Water & Gas Charges.
6. Medical reimbursement for Managing Director and family.
7. Company paid holiday with family once in year.

The terms and conditions of appointment as set out in the agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed the limits as specified in Schedule XIII of the Companies Act, 1956 (Including any statutory modifications or re-enactment thereof for the time being in force), or any amendment made thereto.

This may be treated as an abstract of the terms and conditions governing the appointment and remuneration of the Managing Director, pursuant to Section 302 of the Companies Act, 1956.

Shri M.L. Saboo and Smt. Lalita Saboo, being relatives and Shri Girdhar Saboo himself, may be deemed to concerned or interested in the resolution.

Your Directors recommended this resolution for your approval.

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By **Order of the Board**

Certified True Copy
For Saboo Sodium Chloro Ltd.
Authorised Signatory

–Sd–
(Girdhar Saboo)
Managing Director

Place : JAIPUR
Dated : 31 July, 1999

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DIRECTOR'S REPORT

To,
The Members,
Saboo Sodium Chloro Limited

Your Directors have pleasure in presenting the 6th Annual Report with the Audited Statements of Accounts for the year ended on March 31st, 1999.

FINANCIAL RESULTS :

	31/03/99 (Rs. in Lacs)	31/03/98 (Rs. in Lacs)
Sales	372.89	508.76
Other Income	2.92	1.83
Increase/(Decrease) in stock	(4.65)	33.89
	371.16	544.48
Less : Manufacturing & Other expenses (including prior period adjustments)	442.56	489.33
Prfit/(Loss) before Depreciation & Tax	(71.40)	55.15
Less : Depreciation	56.02	54.82
Profit/(Loss) before Taxation	(127.42)	0.33
Less : Provision for Taxation	–	–
Profit/(Loss) After Tax and carried to Balanace Sheet	(127.42)	0.33

DIVIDEND :

In View of the working performance of the Company, the Board of Directors do not recommend any dividend.

DIRECTORS :

Smt. Lalita Saboo, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for reappointment.

During the year ICICI Venture Fund Management Copany limited (Formerly Known as TDICI Limited) withdrawn the nomination of Shri Sunil Diwakar from the Board.

During the year Shri Channdra Shekhar Saboo has resigned from the Board due to pre-occupation.

AUDITORS AND AUDITORS REPORT :

M/s. A. Bafna & Co., Chartered Accountants, Jaipur, the Statutory Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for reappointment.

The notes to the accounts referred to in the Auditor's Report are self-explanatory and, therefore do not call for any further comments.

PARTICULARS OF EMPLOYEES :

The Company does not have any employee drawing remuneration as stipulated under Sub-Section (2A) of Section 217 of the Companies Act, 1956 as amended, read with Companies (Particulars of Employees) Rules, 1975.

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CONSERVATION OF ENERGY RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Particulars regarding foreign exchange earnings and outgo alongwith the other particulars as per the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are as per ``Annexure `A' to this Report".

FIXED DEPOSITS :

The Company has neither invited, accepted not renewed any fixed Deposits during the year under review.

PROMISE V/S PERFORMANCE :

In term of listing Agreement, Your Directors give below the actual performance for the year 1999 against the projection made in the prospectus.

	1999 (Rs. in Lacs)	
	Projected	**Actual**
Total Income	1735.00	375.81
Profit/(Loss) before Tax	420.00	(127.42)
Profit/(Loss) after Tax	318.00	(127.42)
Paid-up Equify share Capital	838.01	838.01
EPS (Rs.)	3.80	NIL
Dividend (%)	20.00	NiL

REASONS FOR VARIATIONS :

1. Production loss due to Slow Down and Strike by workers, during the year.
2. General Economic depression in the market.
3. Non Availability of bulk transport facility through Railway Rakes. However now the matter is settled with the Railway Deptt. and we are availing this facility.

YEAR 2000 (Y2K) :

The Company had already made a plan to mitigate the risk associated with Year 2000 issue. Detailed inventory of equipment have already been made and step have been taken to made them Year 2000 compliant. The Company is confident of ensuring compliance by 30th September, 1999. The Company is also putting into place a contingency plan to minimise the risk from any external agency in supply chain not achieving the desired status of Year 2000 readiness.

ACKNOWLEDGEMENT :

Your Direcotrs place on record their gratefulness to the Financial institution, Banks and Government agencies for their support and look forward to their continued support. Your Director also wish to place on record their sincere appreciation of the devotion and dedicated efforts put in by the executives, staff and employees of the Company at all levels.

For and on behalf of the Board.

Place : Jaipur	(Girdhar Saboo)	(M.L. Saboo)
Dated : July31, 1999	Managing Director	Chairman

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