

Annual Report 2003-2004



SABOO SODIUM CHLORO LTD.

L-5 B-II, Krishna Marg, C-Scheme, JAIPUR

## \*\*\*\*\*\*\*\*\*\*\*\*\* SABOO SODIUM CHLORO LTD. \*\*\*\*\*\*\*\*

#### **BOARD OF DIRECTORS**

Shri Girdhar Saboo Shri Raghuvir Sing Rathore Shri Ajay D. Saxena Shri Dr. Soumitra Bhardwaj Shri Randeep Singh Shekhawat Managing Director

Director Director

Director

Director

# MANAGER (ACCOUNTS & FINANCE) R.K. Goel COMPANY SECRETARY Hans Kumar Shyara

#### **Auditors**

### N. Kataria & Associates

Chartered Accountants
102, Mayur Complex
A-45, Shastri Nagar, Jaipur

#### SHARE TRANSFER AGENT

# BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.

321-S, Chirag Delhi, Near Shahid Bhagat Singh College New Delhi-110017 Ph.: 29251990, 29250390

#### **BANKERS**

#### H.D.F.C BANK

Ashok Marg C-Schem, Jaipur CITI BANK

Church Road Jaipur

Registered Office: L-5, B-II, Krishna Marg, C-Scheme, Jaipur Works: Village Govindi, Nawa City, Distt.: Nagour-341 509 (Raj.)

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#### NOTICE

NOTICE is hereby given that the 11<sup>th</sup> Annual General Meeting of M/s SABOO SODIUM CHLORO LIMITED, Will be held on Tuesday, 20<sup>th</sup> July, 2004 at the registered office of the Company at L-5, B-II, Krishna Marg, C- Scheme, Jaipur at 11:00 A.M. to transact the following business:-

#### ORDINARY BUSINESS

- To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2004 and the Balance Sheet as that date, and the report of Directors and Auditors thereon
- 2. To appoint a Director in place of Shri Raghuvir Singh Rathore, who retire by rotation and being eligible, offer himself for re-appointment.
- 3. To appoint Auditors and fix their remuneration.

#### **SPECIAL BUSINESS**

To consider and if thought fit to pass, with or without modifications, following resolution

#### As an Ordinary Resolution: -

- 4. "RESOLVED THAT Dr. Soumitra Bhardwaj, who was appointed as an additional director in the board meeting held on 31/03/2004 and holds office upto the date of ensuing Annual General Meeting of the Company, and is eligible for appointment and in respect of whom the Company has received notice in writing from member under the provisions of section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as director of the Company. His appointment is subject to retirement by rotation.
- 5. "RESOLVED THAT Shri Randeep Singh Shekhawat, who was appointed as an additional director in the board meeting held on 31/03/2004 and holds office upto the date of ensuing Annual General Meeting of the Company, and is eligible for appointment and in respect of whom the Company has received notice in writing from member under the provisions of section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as director of the Company. His appointment is subject to retirement by rotation.

#### AS A SPECIAL RESOLUTION

6. "RESOLVED THAT pursuant to the provisions of Section 269, 198, 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956, (Including any statutory modification or re-enactment thereof, 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, 2004, for a period of five years on the terms and conditions including remuneration as are set out in the agreement to be entered into between the Com-



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pany and Shri Girdhar Saboo, a draft whereof is placed before this meeting which agreement is hereby specifically sanctioned with liberty to the Board of Directors (herein after referred as "The Board "which term shall be deemed to include the Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and /or remuneration and /or agreement, subject to the same not exceeding the limits specified in Schedule XIII to the Companies, Act 1956. Including any statutory modification or re-enactment thereof for the time being in force or as may be agreed to between the Board and Shri Girdhar Saboo.

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

By order of the Board

Date: June 9th, 2004 Place: Jaipur

(Girdhar Saboo)

Managing Director

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#### **NOTES**

- 1. A MEMBER IS ENTITLED TO ATTEND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, A PROXY NEED NOT BE A MEMBER .THE PROXY FORM DULY COMPLETED AND SIGNED SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2. The Register of Members and Share Transfer of the Company will remain closed from Saturday 17th July 2004 to Tuesday 20th July, 04 (Both Days inclusive).
- 3. Shareholders desiring any information at regards to the Accounts are requested to write to the Company at any early date to enable the management to keep the information ready.
- The members are requested to :
  - a) Intimate changes, if any, in there registered address at an early date.
  - b) Quote Ledger folio number in all their correspondence.
  - c) Intimate about consolidation of folios, if shareholding 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. M/S Beetal Financial & Computer Services (P) Limited, 321-S, Chirag Delhi, Shahid Bhagat Singh Road, New Delhi-17
  - f) The explanatory statement setting out the material facts concerning the special business mentioned under item No. 4 to 6 of the Notice as required under section 173 (2) of the Companies Act, 1956 is annexed hereto.
- 5. EXPLANATORY STATEMENT IN PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 TO ITEM NO 4 to 6.

#### Item no 4

The Board of Director appointed Dr. Soumitra Bhardwaj as an additional Director in the meeting of the Board of director held on 31/03/2004. The Company has received a notice under section 257 of the Companies Act, 1956 and deposited Rs. 500 member proposing him as the director to the company.

The board of director of your company recommended passing of above resolution. None of the director except Dr. Soumitra Bhardwaj is concern or interested in the said resolution.

#### Item No.5

The Board of Director appointed Shri Randeep Singh Shekhawat as an additional Director in the meeting of the Board of director held on 31/03/2004. The Company has received a notice under section 257 of the Companies Act, 1956 and deposited Rs. 500 member proposing him as the

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director to the company.

The board of director of your company recommended passing of above resolution, None of the director except Shri Randeep Singh Shekhawat is concern or interested in the said resolution.

#### Item No. 6

Shri Girdhar Saboo has been associates with the business of the company since its incorporation. He has appointed as Managing Director of the company for a period of five year with effect from 1st October, 1994 and reappointed for further five year on 1st October, 1999, as his terms of appointment last on 30th September, 2004 and he is eligible to reappointment as Managing Director for the further period of five year as per the provision 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 reappoint him as Managing Director of the Company, Consequently, the Board of Director of the Company, seeks approval of shareholders for re-appointment of Shri Girdhar Saboo as Managing Director of the Company, for period of 5 years with effect from 1st October, 2004 in terms of schedule XIII of the Companies Act, 1956, Shri Girdhar Saboo eligible for re-appointment as Managing Director.

Except Shri Girdhar Saboo none of the director is interest in the above resolutions.

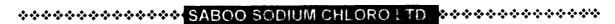
By order of the Board

Date: June 9th, 2004

Place: Jaipur

(Girdhar Saboo)

Managing Director



#### **DIRECTORS REPORT**

To.

The Members

Your Directors have pleasure in presenting the Eleventh Annual Report of your Company along with Audited Account for the year ended 31st March, 2004.

#### **OPERATION**

The financial performance of the Company for the year ended on 31st March, 2004 as compared to last year are as follows:

| Particulars                              | Rs. In lakhs |           |
|------------------------------------------|--------------|-----------|
|                                          | 2003-04      | 2002-2003 |
| Turnover                                 | 1000.46      | 1124.18   |
| Other Income                             | 5.68         | 8.01      |
| Increase/(decrease ) in stock in trade   | (17.22)      | (38.88)   |
| Total Expenditure                        | 876.22       | 1044.30   |
| Profit before , Depreciation and Tax     | 112.70       | 49.01     |
| Depreciation                             | 65.68        | 314.91    |
| Profit & Loss after depreciation         | 47.02        | (265.89)  |
| Secured liability no longer required W/O | IGG OH . G   | 283.90    |
| Prior period adjustment                  | (3.57)       | (28.84)   |
| Profit /(Loss) after Tax                 | 43.45        | (10.84)   |

Your Company has always focused on enhancing in competitive edges in cost reduction, brand strength and introducing new value added products, which has a favourable impact on the working of the Company and in spite of reduction in gross turnover by 11% the company had achieved a net profit of Rs. 43.45 Lacs. Compared to net loss of Rs. 10.84 in last year.

#### **DIRECTORS**

Shri Girdhar Saboo, Managing Director of the Company was appointed for five year from 1-10-1999 five year will be end on 30<sup>th</sup> Sept. 2004 seek for reappointment of the further period of Five Year.

Dr. Soumitra Bhardwaj & Shri Randeep Singh Shekhawat appointed as Additional Director of the company during the year and sought to be appointed as Director the company has received a Notice u/s 257 of the Companies Act, 1956 proposing their appointment as Director. Both the directors are independent directors.



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Shri Raghuvir Singh Rathore, Director retires by rotation in terms of Article of Association of the Company at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

#### **AUDITORS & AUDIT REPORT**

Company has received resignation from M/s A. Bafna & Co., Chartered Accountants auditors of the company due to his busyness with other clients the company fill the vacancy so arise in the General Meeting held on 30/04/2004 and appointed M/S N. Kataira & Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

Accordingly the said Auditors are proposed to be reappointed as auditors of the Company at the ensuing Annual General Meeting. The notes of the accounts referred to in the audit report are self-explanatory and therefore do not call for any further comments.

#### DIVIDEND

Company incurred losses so the director do not recommended payment of dividend for the year ended 31st March, 2004.

#### DIRECTOR RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, Your Directors hereby confirms that::

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation to material departure, if any.
- b) They have selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the period.
- c) To the best of their knowledge and information, they have taken proper and sufficient care for the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- d) They have prepared the annual accounts on a going concern basis.

# PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956

There are no employees with the Company whose particulars are required to be disclosed under section 217(2A) of the Companies Act, 1956 read with the rules framed thereunder.



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#### **FIXED DEPOSIT**

During the year under review, your company has not invited any fixed deposit from public in terms of provisions of section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

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

During the year Company has not make any expenditure for Conservation of energy, research and development and Foreign earnings and outgo.

#### CORPORATE GOVERNANCE

Your Company has successfully implemented the Corporate Governance Practices during the year. A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of Listing Agreement with Stock Exchange, form part of this Annual Report.

#### **ACKNOWLEDGEMENT**

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

#### By and on behalf of the Board

Place: June 9th, 2004 (Raghuvir Singh Rathore) (Girdhar Saboo)
Date: Jaipur Director Managing Director



ANNEXURE Á '

# CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

In accordance with the Companies (Disclosure of Particulars in the Report of the Directors) Rules 1988, the details of conservation of Energy, Technology absorption and Foreign Exchange Earning and Outgo are given below:

#### Conservation of Energy

Energy conservation measures have been implemented wherever possible and company is using improved operational method in order to optimize the consumption of energy per unit. The company has also installed capacitors and introduced better housekeeping and preventive maintenance, which also contribute to conservation of energy power and fuel consumption. Detail annexed herewith

#### **Technology absorption**

#### (a) Research and Development

- 1. Specific areas in which R&D carried out by the Company. The Company does not have specific R&D Department, it is constantly trying to improve the quality of its product, by adhering to strict international quality control procedure.
- 2. Benefits derived as a result of the above R&D reduction in cost of output by improving recovery ratio, market, improvement in quality and better marketability.
- Plan and action: The above activities shall continue. The company proposes to concentrate in the use of development processes know how which will eliminate/ reduce wastage.
- 4. Expenditure on R&D: The technology is being modernized and improved along with production itself without incurring additional expenses on research.

#### (b) Technology absorption, adaptation & innovation

- 1. The efforts in brief toward technology absorption, adoption innovation: The Company product development, import substitution will reflected in coming years working.
- Details of Imported Technology
   The Company is using most modern & sophisticated PLC controlled Rovema FFS Machines, however it is not working satisfactorily.

#### **DETAIL OF POWER AND FUEL CONSUMPTION**

| 1. Electricity    | 2003-04 | 2002-03 |
|-------------------|---------|---------|
| a Purchases       | -       | -       |
| Unit ( KWH lacs ) | -       | -       |
| Total amount      | -       | -       |
| Rate/ Unit (Rs.)  | -       | -       |

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