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12TH

ANNUAL REPORT
2004-2005



सूर्या नमक

SABOO SODIUM CHLORO LIMITED

'Surya House' L-5, B-II, Krishna Marg, C-Scheme, Jaipur-302 001

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MANAGING DIRECTOR	Shri Girdhar Saboo
DIRECTORS	Shri Raghuvir Singh Rathore Shri Randeep Singh Shekhawat Shri Dr. Soumitra Bhardwaj
BANKERS	HDFC Bank IndusInd Bank
AUDITORS	N. Kataria & Associates 109-110, Pink City Tower, Peetal Factory, Jaipur
CORPORATE ADVISOR	V. M. & Associates, 309-310, Samod Tower, S.C. Road, Jaipur-302001.
REGISTERED OFFICE	'Surya House' L-5, B-II, Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.
WORKS	Village- Govindi, Nawa City, Distt. : Nagour-341509 (Rajasthan)
SHARE TRANSFER AGENT	**BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.** Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-62. Tel: 011-29961281 / 82, Fax: 011-29961284 E-mail : beetal@rediffmail.com

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NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of **M/s SABOO SODIUM CHLORO LIMITED,** will be held on Monday 12th September, 2005 at the registered office of the Company at 'Surya House' L-5, B-II, Krishna Marg, C- Scheme, Jaipur at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS

1 To receive, consider and adopt the Audited Profit and Loss Account for the year ended on 31st March, 2005 and the Balance Sheet as on that date, and the Report of Directors and Auditors thereon.

2 To appoint a Director in place of Shri Randeep Singh Shekhawat , who retire by rotation and being eligible , offer himself for re-appointment .

3 To appoint Auditors and to fix their remuneration.

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By order of the Board

Sd/-
(Girdhar Saboo)
Managing Director

Date : 13th August 2005
Place : Jaipur

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NOTES (Forming part of the notice)

1. **A member, who is entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself, a proxy need not be a member.**
2. **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.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 09th September, 2005 to Monday 12th September, 2005. (Both Days inclusive).
4. Shareholders desiring any information with regard 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 DP ID 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) Ltd.** Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-62.

By order of the Board

Sd/-
(Girdhar Saboo)
Managing Director

Date : 13th August 2005
Place : Jaipur

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DIRECTORS REPORT

To,

The Members

Your Directors have pleasure in presenting the 12th Annual Report of your Company along with Audited Account for the year ended 31st March 2005.

OPERATIONS

The financial performance of the Company for the year ended on 31st March, 2005 as compared to last year is as follows:

Particulars	**Rs. In Lacs**	
	2004-05	**2003-04**
Turnover	870.65	1000.46
Other Income	4.28	5.68
Increase / (Decrease) in the stock	55.82	(17.22)
Total Expenditure	854.50	876.22
Profit before Depreciation & Tax	**76.25**	**112.70**
Depreciation	61.34	65.68
Profit Before tax	**14.91**	**47.02**
Prior Period Adjustment	16.95	(3.57)
Provision for Tax	2.44	--
Profit After Tax	**29.42**	**43.45**

EXPLANATION

The profit of the current year has been reduced up to 3.19% of the turnover as compared to last year because of increase in material cost to the extent 1.46%, manufacturing and other expenses to the extent of 1.00%, increase of 0.48% in depreciation and 0.28% in taxation as compared to figures of the corresponding last year. Profit of the current year also includes prior period adjustment of Rs. 16.95 lacs. The Company does not have any long-term debt and as such it doesn't have adverse financial bearing on the selling price of the product. The percentage of the financial expenses to the sales has been reduced by 0.03% as compared to the last year. The performance of the Company is though satisfactory, the management intends to accelerate the growth of the Company in the coming years ahead.

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DIRECTORS

Shri Randeep Singh Shekhawat, Director who retires by rotation in terms of Article of Association of the Company in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

During the financial year Ajay D. Saxena resigned from the directorship with effect from 13th August, 2005

AUDIT & AUDITORS' REPORT

M/S N. Kataria & Associates, Chartered Accountants, Jaipur Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting. 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 recommended by the Audit Committee are proposed to be reappointed as auditors of the Company at the ensuing Annual General Meeting. The notes on accounts referred to in the audit report are self-explanatory and therefore do not call for any further comments.

DIVIDEND

Your Directors intends to conserve the resources and therefore does not recommend the dividend for the year ended 31st March 2005 in order to improve the financial position of the Company.

DIRECTORS' 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 had been followed along with proper explanation relating to material departures;

b) They had 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 had 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 had 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

The particulars regarding foreign exchange earning and expenditure, Conversation of energy, research and development Activities and Technological Absorption are as per Annexure A to this Report.

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 the Annual Report.

ACKNOWLEDGMENT

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, Your 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.

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For and on behalf of the Board

Sd/-	**Sd/-**
(Raghuvir Singh Rathore)	**(Girdhar Saboo)**
Director	**Managing Director**

Place : Jaipur
Date : August 13th, 2005

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ANNEXURE 'A'

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 & Development

1. The company does not have specific R&D Department, it is constantly trying to improve the quality of its product, by adhering to strict inter national 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.
3. Plan and action: The above activities shall continue. The company proposed to concentrate on the use of development process like know how which will eliminate/ reduces 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 effort in brief toward technology absorption, adoption & innovation: The development in companies product & reduce dependence on the import machinery will be reflected in coming year.
2. Details of Imported Technology: The company is using most modern & sophisticated PLC controlled Rovema FFS machines, however it is not working satisfactory.

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DETAIL OF POWER AND FUEL CONSUMPTION

		2004-05	2003-04
1.	**Electricity**		
	Own Generated		
	Through Diesel Generator		
	Qty. (Ltrs. In Lacs)	3.23	3.36
	Total amount (Rs. In Lacs)	72.34	62.50
	Cost / Unit (Rs.)	22.40	18.60
2.	**Furnace Oil**		
	Qty. (Ltrs. In Lacs)	2.18	3.15
	Total Amount (Rs. Lacs)	31.48	40.98
	Average Rates (Rs.)	14.44	13.08

FOREIGN EXCHANGE EARNING AND OUTGO

1. Foreign Exchange earning during the year Export Sale (F.O.B.) (Rs. in Lacs)	0.51	-
2. The foreign Exchange used during this period was under		
(a) On import of Raw material & capital Goods (On CIF basis and custom Assessed value) (Rs. in Lacs)	NIL	NIL
(b) On Foreign Travels (Rs in Lacs)	2.06	NIL

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REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

The company firmly believes in and has consistently practiced good Corporate Governance, the primary objective is to create and adhere to a corporate culture of accountability, professionalism, transparency and openness. The company will endeavor on these aspects on ongoing basis. The company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced accountable manner.

2. COMPOSITION OF BOARD OF DIRECTORS

- The Board of Directors comprises of Four Directors, apart from the Managing Director, all the other Three directors are Non Executive and Independent Directors.

Shri Girdhar Saboo	Managing Director (Executive)
Shri Raghuvir Singh Rathore	Director (Non-Executive)
Shri Randeep Singh Shekhawat	Director (Non-Executive)
Dr. Sumitra Bhardwaj	Director (Non-Executive)

- Shri Ajay D. Saxena ceased to be a Director of the Company w.e.f. 13th August 2005
- Details of Board Meeting held for the period 1st April 2004 to 31st March 2005.

S.No.	Date	Presence of Directors
1	30-04-2004	All
2	09-06-2004	All
3	31-07-2004	All
4	30-10-2004	All
5	31-01-2005	All

3. AUDIT COMMITTEE

Shri Ajay D. Saxena who was the Chairman of the Audit Committee has resigned from the Chairmanship with effect from 30-10-2004 and Shri Raghuveer Singh Rathore has been elected as the Chairman of the said Committee. Presently, it comprises of three independent non-executive directors of whom Shri Raghuvir Singh Rathore is the Chairman of the committee and Dr. Soumitra Bhardwaj and Shri Randeep Singh Shekhawat are the members of the committee. Compliance Officer of the company is the secretary of the committee.

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