

15TH

**Annual Report
2007-2008**

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SABOO SODIUM CHLORO LIMITED



SABOO SODIUM CHLORO LIMITED

BOARD OF DIRECTORS

Shri Girdhar Saboo	- <i>Managing Director (Executive)</i>
Shri Raghuvir Singh Rathore	- <i>Director (Non-Executive)</i>
Shri Randeep Singh Shekhawat	- <i>Director (Non-Executive)</i>
Dr .Soumitra Bharadwaj	- <i>Director (Non-Executive)</i>
Shri Pradeep Saxena	- <i>Director (Non-Executive)</i> (w.e.f 31.07.2008)

COMPLIANCE OFFICER

Shri V.P. Gagrani

STATUTORY AUDITORS

N. Kataria & Associates

Chartered Accountants

109-110, Pinkcity Towers, Nr Peetal Factory,
Jhotwara Road, Jaipur

CORPORATE ADVISOR

V. M. & Associates

Company Secretaries

403, Royal World, Sansar Chandra Road,
Jaipur-302 001

REGISTERED OFFICE

'Surya House', L—5, B – II, Krishna Marg, C-Scheme, Jaipur 302001, RAJASTHAN

WORKS

Village Govindi, Nawa City, Nagour - 341 509 (Raj.)

BANKERS

HDFC Bank Ltd

INDUSIND Bank

REGISTRAR & 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 2996 1281/82 Fax: 011 2996 1284

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SABOO SODIUM CHLORO LIMITED

NOTICE

NOTICE is hereby given that 15TH Annual General Meeting of the members of **Saboo Sodium Chloro Limited** will be held on Thursday, the 25th day of September, 2008 at 4:00 P.M. at Surya House, L-5, B - II, Krishna Marg, C-Scheme, Jaipur, Rajasthan.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2008, Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Randeep Singh Shekhawat who retires by rotation, and being eligible offers himself for re-appointment.
3. To appoint M/s. N. Kataria & Associates, Chartered Accountants, the retiring Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT Shri Pradeep Saxena, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office upto the date of this Annual General Meeting and in respect of whom Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to Sections 198, 269, 309, 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof, and all other statutory provisions, if any, the consent of the Company be and is hereby accorded for revision and amendments in the existing remuneration payable to Mr. Girdhar Saboo, who was appointed as Managing Director for a period of five years w.e.f. October 01, 2004, as being furnished in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and /or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

Notes :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF SUCH MEMBER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members and Proxies are requested to bring their admission slips duly filled in for attending the meeting.
3. Beetal Financial & Computer Services (P) Ltd is the Registrar and Share Transfer Agent (RTA) for physical shares and is also the depository interface of the Company with both CDSL and NSDL.



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4. Shareholders holding shares in the certificate form are requested to notify/send the followings to Beetal
 - Financial & Computer Services (P) Ltd to facilitate better servicing;
 - any change in their address/ mandate/ bank details,
 - particulars of their bank account, in case the same have not been furnished earlier, and
 - Share certificates held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholdings into a single account.
5. The shareholders, who have not converted their shares in demat form, are requested to do so.
6. The documents referred to in the proposed resolutions are available for inspection at the registered office of the Company during working hours between 10.00 a.m. to 1.00 p.m. except on holidays.
7. Queries on accounts and operations may please be sent to the Company 7 days in advance of the Annual General Meeting so that the answers may be made available at the meeting.
8. The register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 16th September, 2008 to Thursday, 25th September, 2008 (Both days inclusive).
9. Members are requested to bring their personal copy of Annual Report at the Meeting.

Explanatory Statement Pursuant To Section 173(2) Of the Companies Act, 1956

ITEM NO. 4

The Board of Directors of the Company appointed Shri Pradeep Saxena as an Additional Director in its meeting held on 31.07.2008. The aforesaid appointment was made as per the provisions of Section 260 of the Companies Act, 1956 read with Article 78 of the Articles of Association of the Company. He holds office up to the date of ensuing Annual General Meeting. The Company has received notice in writing from a member along with deposit of Rs. 500/- signifying his intention to propose Shri Pradeep Saxena as a Director of the Company in terms of Section 257 of the Companies Act, 1956. If appointed, Shri Pradeep Saxena will act as a non- executive Director liable to retire by rotation.

Necessary details regarding Shri Pradeep Saxena and his brief resume has been given in the Annexure attached to the Notice keeping in view the experience and expertise, his appointment as Director of the Company is recommended.

None of the Directors of the company other than Shri Pradeep Saxena is concerned or interested in the above Resolution.

ITEM NO.5

At the Annual General Meeting held on July 20, 2004 Mr. Girdhar Saboo was appointed as Managing Director of the Company w.e.f. October 01, 2004 for five years on the Remuneration package as per Schedule XIII and other applicable provisions of the Companies Act, 1956.

Considering the present inflationary trend and substantial increase in business activities of the Company resulting in increase in the work and responsibilities of Mr. Girdhar Saboo, the Remuneration Committee reviewed his remuneration and has recommended to the Board of Directors to increase his remuneration. The Board has accordingly at its Meeting held on July 31st, 2008 has revised the Remuneration payable to Mr. Girdhar Saboo as recommended by the Remuneration Committee, subject to the approval of Members of the Company.

The salary of Mr. Girdhar Saboo be revised from Rs.1,47,736/- to a sum not exceeding Rs. 2,50,000/- per month w.e.f. April 01, 2008.

The proposed remuneration is within the permissible limits as laid down under Section 198, 309 and schedule XIII annexed to the Companies Act, 1956.



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The information required to be furnished to the Shareholders in terms of revised Schedule XIII are being furnished here in below:

- (A) **General Information:** Saboo Sodium Chloro Limited was incorporated as Public Limited Company on November 22nd, 1993 under the Companies Act, 1956 with the Registrar of Companies, Rajasthan at Jaipur with the main object to manufacture Quality Salt. The Company started its commercial production w.e.f. December, 1995. No foreign collaborator of any type is presently involved in the project.

Financial Performance

Particulars	March 31, 2008	March 31, 2007	March 31, 2006
Sales	11,63,71,131	11,30,52,349	12,59,79,230
Net Profit after Tax	1,13,40,164	88,58,186	48,30,877

- (A) **Information about Mr. Girdhar Saboo:** Mr. Girdhar Saboo, 38 years is a Chemical Engineer. He joined Saboo Sodium Chloro Limited in 1993, as Managing Director. He has to his credit over 14 years of rich experience in General Management, Production and Marketing. He has served as Managing Director in Saboo Sodium Chloro Limited.
- (B) **Nature of Duties** Mr. Girdhar Saboo, Managing Director, is responsible for overall supervision and control of affairs of the business. He is also the Chief Executive officer of the Company. He shall perform and disclose all such duties and responsibilities as may from time to time be assigned and entrusted to him by the Board.
- (C) **Comparative Remuneration in the Industry:** No such data is available with the Company but the Board is of the view that the Remuneration paid /proposed to be paid by the Company is totally in line with his responsibilities and his involvement in business activities.
- (D) **Pecuniary Relationship with the Company and Other Managerial Person in the Company:** Mr. Girdhar Saboo is the Promoter of the Company thus he has Pecuniary Relationship with the Company.
- (E) **Remuneration:** During the year 2007-08, Mr. Girdhar Saboo was paid Rs. 1,47,736/-. He shall be entitled to the following emoluments, benefits and perquisites during the period of his employment subject to the ceiling limits laid down in Sections 198, 309 and Schedule XIII annexed to the Companies Act, 1956:
- (I) **Basic Salary :** Rs 1,50,000/- p. m.
 - (II) **Perquisites:** In addition to salary the following Perquisites not exceeding the overall ceiling prescribed under schedule XIII, annexed to the Companies Act, 1956 will be provided to the Managing Director:
 - (III) In addition to the salary, perquisites and allowances as above, Mr. Girdhar Saboo Shall also be entitled to receive commission on export turnover, as may be fixed by the Board of Directors within the permissible limits specified in the Companies Act, 1956.

CATEGORY (A)

- a) **Housing :**

The Company may provide own / leased free furnished residential accommodation to the Managing Director. Where the Company does not provide residential accommodation to the Managing Director, House Rent Allowance will be paid by the Company @ 60% of the Basic Salary.

- b) **Medical Expenses Reimbursement**

Expenses incurred for self and his family subject to a ceiling of Rs. 50,000/- in a year.



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c) Club Fee

Reimbursement of Club Fees and Admission Fees, subject to a maximum of two clubs and a ceiling of Rs. 20,000/- p. a.

CATEGORY (B)

- (i) Free use of Company's Car with driver for use on Company's business and telephone at residence will not be considered as perquisite.
- (ii) Personal long distance calls and use of Car for private purpose shall be billed by the Company to the Managing Director.
- (iii) Reimbursement of entertainment, traveling and all other expenses, actually and properly incurred for the business of the Company.
- (iv) No sitting fees shall be payable to the Managing Director for attending the Meetings of the Board of Directors or Committee thereof.

CATEGORY (C)

The following perquisites shall also be allowed and they will not be included in the computation of ceiling on perquisites mentioned above as permissible by law:

- (i) Contribution to Provident Fund / Superannuation Fund or Annuity Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity payable shall not exceed half a month's Basic Salary for each completed year of service.
- (iii) Encashment of leave at the end of the tenure.

The terms & conditions, as above, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to Mr. Girdhar Saboo in accordance with Schedule XIII annexed to the Companies Act, 1956 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard.

III Other Terms & Conditions:

- (i) Mr. Girdhar Saboo will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- (ii) Either party giving the other party one-month's prior notice in writing to that effect may terminate the agreement.
- (iii) The said Revision of Remuneration of Mr. Girdhar Saboo as referred above is subject to approval of the General Body Meeting."

In compliance with the applicable provisions of the Companies Act, 1956 Special Resolution as set out in Item no. 5 of the accompanying notice is now being placed before the members in the General Meeting for their approval.

None of the Directors except Mr. Girdhar Saboo is concerned or interested in the said Special Resolution. This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

BY ORDER OF THE BOARD

Sd/-

GIRDHAR SABOO
Managing Director

Date: 31.07.2008
Place: Jaipur


SABOO SODIUM CHLORO LIMITED
ANNEXURE TO THE NOTICE OF 15TH AGM

Details of Directors seeking appointment/re-appointment in the Annual General Meeting to be held on 25th September, 2008, pursuant to Clause 49 of Listing Agreement:

Name of Director	Mr. Randeep Singh Shekhawat	Mr. Pradeep Saxena	Mr. Girdhar Saboo
Date of Birth	15.08.1970	14.01.1957	23.09.1969
Date of Appointment	31.03.2004	31.07.2008	20.07.2004
Designation	Director	Director	Managing Director
Qualifications	Graduate	Graduate	Chemical Engineer
Directorship held in other Public Limited companies	Nil	Nil	Nil
Membership/Chairmanship of Committees of other public companies	Nil	Nil	Nil


SABOO SODIUM CHLORO LIMITED
DIRECTORS' REPORT

To,
The Members,

Your Directors are pleased to present the 15th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2008.

FINANCIAL RESULTS

The financial result of the Company for the period under review as compared to the previous year are summarized below:

Particulars	(Rs. in lacs)	
	Period ended 31.03.2008	Period ended 31.03.2007
Total Income	1171.25	1140.28
Profit before Depreciation & Taxation	211.81	106.72
Depreciation	(56.99)	55.45
Profit before Tax	154.81	51.27
Taxation (including FBT & Deferred Taxation)	(41.40)	37.38
Profit after Tax	113.41	88.58

TURNOVER, PROFITS & FUTURE PROSPECTS

The total income during the year under review was Rs1171.25 Lacs as against Rs 1140.28 Lacs in the previous year. The profit after tax is Rs113.41Lacs as against Rs 88.58 Lacs in the previous year. The Income increased by 2.72% during the year under review.

DIVIDEND

In view of the financial position of the Company and to conserve the profits for future expansion, your Directors do not recommend payment of any dividend for the year ended on 31st March, 2008.

BOARD OF DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the company, Mr. Randeep Singh Shekhawat retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the



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Company, Shri Pradeep Saxena, who was appointed as an Additional Director under Section 260 of the Act and is liable to hold office upto the ensuing Annual General Meeting, being eligible offers himself for re-appointment. The Company has received necessary notice under Section 257 of the Act. Your Board of Director recommend his re-appointment.

Dr. Soumitra Bhardawaj has resigned from the Directorship of the Company and his resignation has been accepted in the board meeting held on 31st July 2008.

AUDITORS

M/s N. Kataria & Associates, Chartered Accountants, Jaipur, Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

The Company has received the necessary certificate from them pursuant to 224 (1B) of the Companies Act 1956, regarding their eligibility for re-appointment. Accordingly, approval of members is being sought at the forthcoming Annual General Meeting.

The qualifications / observations of the Auditors are explained wherever necessary in appropriate notes to Accounts.

CHANGES IN SHARE CAPITAL

Pursuant to the Ordinary Resolution passed by the members of the Company at the Extra- ordinary General Meeting on 28th November, 2007 the Authorised Share Capital of the Company has increased from Rs 90,000,000 (Nine Crores) to Rs. 1,50,000,000 (Fifteen Crores).

LISTING AT STOCK EXCHANGE

The Equity Shares of the Company are listed at Jaipur, Ahmedabad, Delhi, Calcutta and Mumbai Stock Exchanges.

PARTICULARS OF EMPLOYEES

There are no Employees in the Company whose particulars are required to be disclosed under Section 217(2A) of the Companies Act, 1956 read with rules there under.

FIXED DEPOSITS

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The particulars regarding foreign exchange earning and expenditure, conservation of energy, research and development and technological absorption are set out in the 'Annexure A' to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The report on Management Discussion and Analysis as required under the Listing Agreements with the Stock exchanges is set out as Annexure B to the Directors' Report.