

16TH

**Annual Report
2008-2009**



SABOO SODIUM CHLORO LIMITED

L-5, B - II, Krishna Marg, C-Scheme, JAIPUR - 302001


SABOO SODIUM CHLORO LIMITED
CONTENTS
Page No.

1. Board of Directors	2
2. Notice	3
3. Directors Report	9
4. Report on Corporate Governance	14
5. Auditors' Report on Corporate Governance	27
6. Declaration Regarding Compliance	28
7. Certificate by Chief Executive	29
8. Report of the Audit Committee	30
9. Auditors Report	31
10. Balance Sheet	36
11. Profit & Loss Account	37
12. Report of Auditors on Cash Flow Statement	50
13. Attendance Slip & Proxy Form	54



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 Pradeep Saxena	- <i>Director (Non-Executive)</i>
Shri Bikash Kumar Lakhotia	- <i>Director (Non-Executive) (w.e.f. 30.01.2009)</i>

COMPLIANCE OFFICER

Shri V.P. Gagrani

STATUTORY AUDITORS

N.Kataria & Associates

Chartered Accountants

109-110, Pinkcity Towers, Nr Petal 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
Ph. : 2375451, 2379483, Fax : 0141-2365888

BANKERS

State Bank of India
State Bank of Bikaner & Jaipur
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

**SABOO SODIUM CHLORO LIMITED****NOTICE**

Notice is hereby given that 16th Annual General Meeting of the members of **Saboo Sodium Chloro Limited** will be held on Friday, the 11th day of September, 2009 at 11:00 A.M. at Surya House, L-5, B - II, Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009, 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 Shri Pradeep Saxena 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

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution:-

4. **"RESOLVED THAT** Shri Bikash Kumar Lakhota, 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 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."

To Consider and if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:-

5. **"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, 2009 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 Company 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 and/or remuneration and/or agreement, subject to the same not exceeding the limits specified



SABOO SODIUM CHLORO LIMITED

in Schedule XIII to the Companies, Act 1956 including any statutory modifications 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 Directors of the Company be and are hereby authorized to take such steps as may be necessary, proper and expedite 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 HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, FILLED AND SIGNED, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

The Explanatory statement pursuant to Section 173 of the Companies Act, 1956 is given below and forms part of the Notice.

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.
4. Shareholders holding shares in the certificate form are requested to notify/send to facilitate better servicing the followings to Beetal Financial & Computer Services (P) Ltd:
 - 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.

**SABOO SODIUM CHLORO LIMITED**

8. The register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 2nd day of September 2009 to Friday, the 11th day of September 2009 (Both days inclusive).
9. Members are requested to bring their personal copy of Annual Report to the Meeting.

Explanatory Statement Pursuant To Section 173(2) Of the Companies Act, 1956 to item no. 4 and item No. 5.**ITEM NO. 4**

The Board of Directors of the Company appointed Shri Bikash Kumar Lakhota as an Additional Director in its meeting held on 30.01.2009. 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 Bikash Kumar Lakhota as a Director of the Company in terms of Section 257 of the Companies Act, 1956. If appointed, Shri Bikash Kumar Lakhota will act as a non- executive Director liable to retire by rotation.

The Board commends passing of the Resolution.

None of the Directors of the company other than Shri Bikash Kumar Lakhota is concerned or interested in the above Resolution.

ITEM NO. 5

Shri Girdhar Saboo has been associated with the business of the company since its incorporation. He was appointed as Managing Director of the company for a period of five year with effect from 1st October, 1994 and was reappointed for a period of five years on 1st October, 1999 and on 1st October, 2004, for the reason of expiry of his term of appointment. As, his present term lasts on 30th September, 2009 and he is eligible for reappointment as Managing Director for further period of five years as per the provisions of Schedule XIII of the Companies, Act 1956. The board of directors 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 of the Company, seeks approval of shareholders for re- appointment of Shri Girdhar Saboo as Managing Director of the Company, for period of five years with effect from 1st October 2009 in terms of schedule XIII of the Companies Act, 1956, Shri Girdhar Saboo is eligible for re- appointment as Managing Director.



SABOO SODIUM CHLORO LIMITED

Remuneration

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 Section 198, 309 and Schedule XIII annexed to the Companies Act, 1956 :

- (I) Basic Salary : Rs. 150000/- 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 of 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)

- (i) **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.
- (ii) **Medical expenses reimbursement**
Expenses incurred for self and his family subject to a ceiling of Rs. 50,000/- in a year.
- (iii) **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.
- (vi) No sitting fees shall be payable to the Managing Director for attending the Meeting 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.

**SABOO SODIUM CHLORO LIMITED**

(ii) Gratuity payable shall not exceed half a month's basis salary for each completed year of service.

(iii) Encashment of leave at the end of the tenure.

The terms and conditions, as above, may be altered/varied from time to time by the board of director 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.

Other Terms and 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 Director of the Company.

(ii) Either party giving the other party one-month's prior notice in writing to that effect may terminate the agreement.

The Board recommends passing of this resolution.

None of the Director except Mr. Girdhar Saboo is concerned or interested in the said special resolution.

This should be treated as an abstract of the terms of appointment and payment of remuneration to Shri Girdhar Saboo and a memorandum as to the nature of the concern or interest of the Director as required under section 302 of the Companies Act, 1956.

BY ORDER OF THE BOARD

Place : Jaipur

Date : 30.06.2009

Sd/-

GIRDHAR SABOO
(Managing Director)


SABOO SODIUM CHLORO LIMITED
ANNEXURE TO THE NOTICE OF 16TH AGM

Details of Directors seeking appointment/re-appointment in the Annual General Meeting to be held on 11th September, 2009, pursuant to Clause 49 of Listing Agreement:

Name of Directors	Mr. Pradeep Saxena	Mr. Bikash Kumar Lakhota	Mr. Girdhar Saboo
Date of Birth	14.01.1957	07.08.1975	23.09.1969
Date of Appointment	31.07.2008	30.01.2009	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,
Saboo Sodium Chloro Ltd.,

Your Directors are pleased to present the 16th Annual Report and the Audited Accounts of the Company for the year ended March 31, 2009.

FINANCIAL RESULTS

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

Particulars	(Rs. in lacs)	
	Period ended 31.03.2009	Period ended 31.03.2008
Total Income	1238.48	1171.25
Profit before Depreciation & Taxation	152.40	211.81
Depreciation	(60.66)	(56.99)
Profit before Tax	91.74	154.82
Taxation (including FBT & Deferred Taxation)	(11.08)	(41.40)
Profit after Tax	80.66	113.42

TURNOVER, PROFITS & FUTURE PROSPECTS

The total income during the year under review was Rs.1238.48 Lacs as against Rs. 1171.25 Lacs in the previous year. The profit after tax is Rs. 80.66 Lacs as against Rs. 113.41 Lacs in the previous year. The Income increased by 5.74% 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, 2009.

CONVERSION OF WARRANTS INTO EQUITY SHARES

The Company in the Extra Ordinary General meeting held on 30th July, 2007 issued convertible warrants to promoters and persons other than promoters. During the year under report, the Board allotted 45,52,400 equity shares of Rs. 10/- each at par on exercising of conversion option by the allottees.

BOARD OF DIRECTORS

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