



4th

Annual
Report

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MD	✓		BKC	✓
CS	✓		DPY	N/A
RO	✓		DIV	N/A
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		



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SABOO SODIUM CHLORO LTD.

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

SABOO SODIUM CHLORO LIMITED*Board of Directors :*

Shri M. L. Saboo	-	Chairman
Shri Girdhar Saboo	-	Managing Director
Shri Chandra Shekhar Saboo	-	Whole-Time Director
Smt. Lalita Saboo	-	Director
Shri Sunil Diwakar	-	Nominee Director (TDICI)

*Company Secretary :***SHRI MUKESH GOYAL***Manager Finance & Accounts :***SHRI R. K. GOYAL***Auditors :***M/S A. BAFNA & CO.**

Chartered Accountants

B-11, Vivekanand Marg, C-Scheme,
Jaipur-302 001*Secretarial Consultants :***M/S V. M. & ASSOCIATES**

Company Secretaries

309-310, Third Floor, Samod Tower, Dudu Bagh,
Sansar Chandra Road, Jaipur-302 001*Share Transfer Agent :***M/S HEM FINANCIAL
SERVICES LTD.**

203, Jaipur Tower, 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. Nagaur-341 509 (Raj.)

SABOO SODIUM CHLORO LIMITED**NOTICE**

Notice is hereby given that the 4th Annual General Meeting of the Members of Saboo Sodium Chloro Ltd., will be held on Thursday, the 25th day of September, 1997 at 3.00 p.m. at ICSI House, A-5VA, Institutional Area, Jhalana Dungri, JAIPUR 302 004 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1997, Profit and Loss Account for the year ended on that date, and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Chandra Shekhar Saboo, who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

Place : Jaipur

Date : August 07, 1997

By order of the Board

Girdhar Saboo
Managing Director

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 SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE TIME OF MEETING.
2. The Register of Members and Share-transfer Books of the Company will remain closed from Friday, 19th September, 1997 to Thursday the 25th September, 1997 (Both days inclusive).
3. All documents referred to in the Notice 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.

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT TO THE MEETING.

SABOO SODIUM CHLORO LIMITED

DIRECTORS' REPORT

To The Members

Your Directors have pleasure in presenting the 4th Annual Report with the Audited Statements of Accounts for the year ended on March 31st, 1997

FINANCIAL RESULTS :

	31/3/97 (Rs. in Lacs)	31/3/96 (Rs. in Lacs)
Sales	574.15	132.40
Other Income	16.55	15.51
Increase/Decrease in stock	22.01	19.46
	612.71	167.37
Less : Manufacturing & Other expenses (including prior period Adjustment)	547.31	132.52
Profit before Depreciation & Tax	65.40	34.85
Less : Depreciation	49.76	12.09
Profit before Taxation	15.64	22.76
Less : Provision for Taxation	2.02	-
Profit after Tax and carried to Balance Sheet	13.62	22.76

DIVIDEND :

In order to conserve profit, the Directors do not recommend payment of any dividend.

OPERATIONS :

During the year under review company's salt plant has recorded its full year of operation but could not achieve the projected level of production due to various technical bottlenecks which have been removed successfully. Ours being the first salt refinery based on lake salt various modifications have been successfully done for better brine circulation, and adding another stage of washing so as to remove smallest of impurities and other insolubles in order to improve the quality of the product as per the International Standards. Aforesaid modifications have brought the tremendous effect on the operation of the plant and quality of the product and now the production and quality has almost been stabilised. The Company has also commenced Industrial Salt Plant with capacity of 50,000 TPA during the year successfully with satisfactory results.

HIGHLIGHTS FOR THE CURRENT YEAR :

(1) INNOVATIONS IN PACKING :

Company has introduced innovations in the Packing Section resulting in automatic filling of the refined salt into the pouches directly so as to keep the product under total hygienic conditions. Further various sizes of packing have been introduced in the market.

SABOO SODIUM CHLORO LIMITED

(2) ADVERTISEMENT CAMPAIGN:

The Company has made significant inroads into the marketing of "SURYA SALT" and "SABOO SALT". Further the Company has introduced a popular brand by the name 'TOTA SALT' which has got tremendous response from the market. In order to establish the Company's brands and popularize the lake salt in comparison to sea salt, effective and impressive campaign for TV have been worked out. Company proposes to advertise aggressively on Doordarshan, ZEE TV, SONY TV & EL TV.

(3) MARKETING:

The Company has been successful in marketing its products in the States of Rajasthan, Haryana, Punjab, Delhi, Himachal Pradesh, Jammu & Kashmir, U.P., M.P., West Bengal & Bihar. The Company is also getting a lot of enquiries from the Southern markets of Kerala, Karnataka, Tamil Nadu and Andhra Pradesh. The Company therefore proposes to establish a Depot in that area so that salt can be transported by rail which is much cheaper than transportation by trucks.

(4) ATTA PROJECT:

The Company has commenced implementation of its Atta Project with the initial capacity of 50 TPD which is likely to commence production by November 1997.

FUTURE PLANS:

The Company is contemplating expansion in the capacity of salt refinery in view of huge domestic and export demand and ready response to its product from market. The capacity of Atta project is also proposed to be expanded substantially. Further company is planning to diversify into manufacturing of spices, pulses etc. and marketing the same in its established brand names.

DIRECTORS:

Shri Chandra Shekhar Saboo, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

During the year Shri R. Sampath, Nominee Director of TDICI resigned. The Board places on record its appreciation for the valuable guidance received from Shri R. Sampath during his tenure as Director. In his place Shri Sunil Diwakar was appointed as Nominee Director of TDICI w.e.f. 25-5-97.

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 explanation.

PARTICULARS OF EMPLOYEES:

Information in accordance with Sub-Section (2A) of Section 217 of the Companies Act, 1956 as amended read with Companies (Particulars of Employees) Rules, 1975 is Nil.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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SABOO SODIUM CHLORO LIMITED

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 nor renewed any Fixed Deposits during the year under review.

PROMISE V/S PERFORMANCE:

In terms of listing agreement, your Directors give below the actual performance for the year 1997 against the projection made in the prospectus.

	1997	
	Projected	Actuals
	(Rs. in Lacs.)	
Total Income	1327.00	590.70
Profit before Tax	250.00	15.64
Profit after Tax	213.00	13.62
Paid-up Equity Share Capital	838.01	838.01
EPS (Rs.)	2.54	0.16
Dividend (%)	20.00	NIL

ACKNOWLEDGEMENT:

Your Directors wish to place on record their sincere appreciation of dedicated efforts by officers, staff and employees of the Company at all levels. Your Directors also place on record their gratefulness to the Financial Institution, Banks, Investors and Government agencies for their support and look forward to their continued support.

For and on behalf of the Board of Directors

Place : Jaipur
Date : August 07, 1997

Girdhar Saboo
Managing Director

M.L. Saboo
Chairman

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ANNEXURE 'A' TO THE DIRECTORS' REPORT CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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

A. Conservation of Energy

Energy conservation measures have been implemented wherever possible and the company is using improved operational methods in order to optimise the use of energy. The Company has also installed power capacitors, which also contribute to conservation of energy, power and fuel consumption.

B. Technology Absorption

a) *Research and Development*

1. Specific areas in which R & D carried out by the Company : The Company does not have a specific R & D Department, however, it is constantly trying to improve the quality of its products by adhering to strict international quality control procedures.
2. Benefits derived as a result of the above R & D : Reduction in cost of output, marked improvement in quality and better marketability.
3. Future Plan of action : The above activities shall continue. The Company proposes to concentrate on the use of development process know how which will eliminate/reduce wastage.
4. Expenditure on R & D : The technology is being modernised and improved along with production itself without incurring additional expenses on research.

b) *Technology Absorption, Adaptation & Innovation*

1. The efforts in brief towards technology absorption, adoption and innovation. The Company has fully absorbed the technology for the manufacture of Salt.
2. Benefits to be derived as a result of above efforts e.g. output improvement, cost reduction, product development, import substitution will be reflected in coming year's working.

c). *Details of Imported Technology :*

The Company is using most modern & sophisticated PLC controlled Rovema FFS Machines.

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DETAILS OF POWER AND FUEL CONSUMPTION

1.	Electricity	1996-97	1995-96
a)	Purchases		
	Unit (Lakh KWH)	2.87	-
	Total amount (Lakh Rs.)	10.11	-
	Rate/unit (Rs.)	3.52	-
b)	Own generation		
	Through diesel generator		
	Unit (Lakh KWH)	8.54	4.68
	Unit per-ltr. of diesel oil (KWH)	3.20	3.42
	Cost/Unit (Rs.)	2.30	2.20
2.	Furnace Oil		
	Quantity (Lakh Ltrs.)	3.10	0.23
	Total Amount (Lakh Rs.)	22.60	1.14
	Average Rate (Rs.)	7.28	5.05
3.	Consumption per kg.		
	Electricity (Units)	0.0465	0.08
	Furnace Oil (Ltrs.)	0.0126	0.004

DETAILS OF FOREIGN EXCHANGE EARNINGS AND OUTGO.

1.	Foreign Exchange earnings during the year (in Lacs.)		
	Export Sales (F.O.B.)	0.36	
2.	The Foreign Exchange used during this period was as under :		
a)	On import of Raw Material & Capital Goods (in Lacs .)	NIL	142.22
	(On CIF basis and custom assessed value)		
b)	On Foreign Travels (in Lacs.)	4.25	2.23