

7th

Annual Report
1999-2000



SABOO SODIUM CHLORO LTD.

D-5, Kalwad Scheme, Behind Gopal Bari, Jaipur-302 001

SABOO SODIUM CHLORO LTD

Board of Directors

Shri M. L. Saboo	-	Chairman
Shri Girdhar Saboo	-	Managing Director
Smt. Lalita Saboo	-	Director

Auditors

M/S A. BAFNA & CO.

Chartered Accountants
K-2, Keshav Path, Ahinsa Circle,
C-Scheme, Jaipur-302 001

Share Transfer Agent
M/S OCTAL DATAMATICS PVT. LTD.

Investor Service Division
421, Ganpati Plaza, Jaipur-302 001

BANKERS
PUNJAB NATIONAL BANK
Panch Bari, Jaipur-302 001

Registered Office : D-5, Kalwad Scheme, Behind Gopal Bari, Jaipur-302 001

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

SABOO SODIUM CHLORO LTD

NOTICE

Notice is hereby given that the 6th Annual General Meeting of the Members of Saboo Sodium Chloro Ltd., will be held on Monday, the 25th day of September, 2000 at 3.30 P.M. at the Registered office (D-5, Kalwad Scheme, Behind Gopal Bari, JAIPUR 302 001) of the Company, to transact the following Business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000, Profit and Loss Account for the period ended on that date, and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri M.L. Saboo, who retires by rotation being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

To consider, and if thought fit, to pass, with or without modification(s) the following resolution:

4. As a Special Resolution

"RESOLVED THAT in accordance with the provisions of Section 198, 269,309, 314 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force), consent be and is hereby accorded to the appointment of Shri M.L.Saboo, as whole time Director of the Company, for a period of five years with effect from 1st April, 2000, on the terms and conditions including remuneration as are set out in the agreement between the Company and Shri M.L.Saboo, a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors to alter the terms and conditions of the said appointment and/or agreement so as not to exceed the limit specified in Schedule XIII of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendment and/or modification that may be made thereto by the Central Government or as may be agreed to between the Board of Directors and Shri M.L.Saboo.

'RESOLVED FURTHER THAT wherein any financial year closing on or after 31st March, 2001, the Company has no profit or its profits are inadequate, the Company may pay Shri M.L.Saboo, remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit of Section II of the Schedule XIII of the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII of the Companies Act, 1956 the Board of Directors be and is hereby authorised to vary or increase the remuneration, including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and Shri M.L.Saboo, be suitably amended to give effect to such modification, relaxation or variation..

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary, to give effect to this resolution"

5. As a Special Resolution

AMENDMENTS TO THE ARTICLES OF ASSOCIATION:

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

" RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

- a) Insert the following in Article 2 in alphabetical order :

"Beneficial Owner" shall mean beneficial owner as defined under Section 2(1) (a) of the Depositories Act, 1996.

"Depository" shall mean a Depository as defined under Section 2(1)(e) of the Depositories Act, 1996.

"Depositories Act" shall mean Depositories Act, 1996 and any rules, regulations and bye-laws made thereunder and any statutory modification or re-enactment thereof for the time being in force.

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“SEBI” means Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 (15 of 1992).

“The Register of Members” includes the Register of Beneficial Owners maintained by a Depository.”

b) After Article 17, the following heading and Article be inserted as Article 17(a):

Dematerialization of Securities:

- i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize/dematerialize its securities and to offer securities in a dematerialized form pursuant to The Depositories Act, 1996 and the Rules framed thereunder.
- ii) All securities held by a depository shall be dematerialized and be in fungible Form. Nothing contained in Sections 153, 153A, 153B, 187B and 187C of the Act shall apply to a depository in respect of the securities held by in on behalf of the beneficial owners.
- iii) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities on behalf of the beneficial owner.
Save as otherwise provided above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
- iv) Notwithstanding anything to the contrary contained in the Act or these Articles, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
- v) Nothing contained in Section 108 of the Act or these Articles shall apply to a Transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
- vi) Notwithstanding anything contained in the Act or these Articles where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
- vii) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
- viii) The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

By order of the Board

Place: JAIPUR

Dated: 4th July, 2000

(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. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY 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 Saturday, 23rd September, 2000 to Monday 25th September, 2000 (Both days inclusive).
3. All documents referred to in the Notice and Explanatory Statement 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.

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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.
5. The members are requested to :
 - a. Intimate changes, if any, in their registered address at an early date.
 - b. Quote ledger folio number in all their correspondence.
 - c. Intimate about consolidation of folios, if shareholdings 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. Octal Datamatics Pvt.Ltd., Investor Service Division, 421, Ganpati Plaza, M.I.Road, JAIPUR 302 001.



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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

Item No. 4

Shri M.L.Saboo has been associated with the business of the Company since its inception. The Board of Directors have felt that it would be in the best interest of the Company to reappoint Shri M.L.Saboo as Whole-Time Director of the Company. Consequently, the Board of Directors at its meeting held on 18th April, 2000 has reappointed Shri M.L.Saboo as Whole-Time Director for a period of five years with effect from 1st April, 2000. In terms of Schedule XIII of the Companies Act, 1956, Shri M.L.Saboo is eligible for appointment as Whole-Time Director.

The agreement entered into by the Company with Shri M.L.Saboo in respect of his appointment, inter alia, contains the following terms and conditions :

Name and Designation	:	Shri M.L.Saboo, Whole-Time Director
Period	:	5 (Five) Years with effect from 01.04.2000
Salary	:	Rs.9,000/- per month including dearness allowance, and all other Allowances.
Perquisites	:	Perquisites shall be allowed in addition to salary. Perquisites shall be restricted to an amount equal to the annual salary or Rs.4,50,000/- per annum, whichever is less.

PART – A

i. Housing :

- (a) The expenditure by the Company on hiring furnished accommodation will be subject to the ceiling of 60% of the salary, over and above 10% payable by the appointee.
- (b) If the Company does not provide accommodation to the appointee, he shall be entitled to House Rent Allowance subject to the ceiling laid down in (a) above.
- (c) If accommodation in the Company owned house is provided to the appointee, a deduction @ 10% shall be made from the salary.

Explanation : The expenditure incurred by the Company on gas, electricity, water and Furnishing shall be valued as per Income Tax Rules 1962. This shall, However be subject to the ceiling of 10% of salary of the appointee.

- ii. Medical reimbursement : Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- iii. Leave Travel Concession : Leave travel concession for self and family once in a
- iv. Year incurred in accordance with the rules of the Company.
- iv. Club Fee: Fees of clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.
- v. Personal accident insurance: Personal Accident Insurance of an amount, the
- vi. Annual premium of which shall not exceed Rs.4000/-

NOTE; For the purpose of perquisite stated hereinabove, 'family' means the spouse, the dependent children and dependent parents of the appointee.

PART – B

1. Contribution to the Provident Fund and Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of service.

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- ii. Earned Leave: On full pay and allowance as per the rules of the Company but not exceeding one month's leave for every eleven months of service. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

PART - C

Provision for use of Car for Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

The terms and conditions of appointment as set out in the agreement and remuneration herein may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit, so as not to exceed 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 any amendment made thereto.

The Agreement may be terminated by either party by giving to the other party six months' notice.

Shri Girdhar Saboo and Smt. Lalita Saboo, being relative and Shri M.L.Saboo himself, may be deemed to be concerned or interested in the resolution.

The agreement entered into by the Company and Shri M.L.Saboo, is available for inspection at the Registered Office of the Company on any working day excluding Saturday between 11.00 a.m. and 1.00 p.m.

This may be treated as an abstract of the terms and conditions governing the appointment and remuneration of the Whole-Time Director, pursuant to Section 302 of the Companies Act, 1956.

The Board recommends the proposed resolution for your approval.

Item No. 5

Consequent to enactment of the Depositories Act, 1996, and the introduction of depository system some of the provisions of the Companies Act, 1956 pertaining to issue, transfer, holding, dealing in etc. have been amended to facilitate holding of shares by the members in electronic form. The Company is contemplating to join a Depository, thereby offering dematerialisation of its securities in due course.

It has therefore become necessary to amend the Articles of Association of your Company so as to bring them in line with the relevant provisions of the Depositories Act, 1996.

Other amendments to the Articles of Association are consequent to the amendments to The Companies Act, 1956, through The Companies (Amendment) Act, 1999.

The Board recommends the proposed resolution for your approval.

None of the Directors of your Company is interested or concerned in the proposed resolution.

By order of the Board

Place: JAIPUR
Dated: 4th July, 2000

(Girdhar Saboo)
Managing Director