

# 13<sup>TH</sup>

**Annual Report**  
**2005 - 2006**



**SABOO SODIUM CHLORO LIMITED**



**SABOO SODIUM CHLORO LIMITED**

## **BOARD OF DIRECTORS**

<b>Shri Girdhar Saboo</b>	-	<b>Managing Director</b>
<b>Shri Raghuvir Singh Rathore</b>	-	<b>Director</b>
<b>Smt. Randeep Singh Shekhawat</b>	-	<b>Director</b>
<b>Dr. Soumitra Bhardwaj</b>	-	<b>Director</b>

### **Statutory Auditors**

**N. Kataria & Associates**

Chartered Accountants

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

### **Corporate Advisor**

**V. M. & Associates**

309-310, Samod Tower, S.C. Road, Jaipur - 302001

### **SHARE TRANSFER AGENT**

**BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.**

Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre

Near Dada Harsukhdas Mandir, New Delhi-62.

Tel: 011-29961281 / 82, Fax: 011-29961284

E-mail : [beetal@beetalfinancial.com](mailto:beetal@beetalfinancial.com)

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### **BANKERS**

**H.D.F.C. BANK**

**INDUSIND BANK**

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**Registered Office :** "Surya House" L-5, B-II, Krishna Marg, C-Scheme, Jaipur - 302001

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



**SABOO SODIUM CHLORO LIMITED**

## NOTICE

**NOTICE** is hereby given that the 13<sup>th</sup> Annual General Meeting of **M/s SABOO SODIUM CHLORO LIMITED**, will be held on Thursday 21<sup>st</sup> September, 2006 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 31<sup>st</sup> March, 2006 and the Balance Sheet as on that date, and the Report of Directors and Auditors thereon
2. To appoint a Director in place of Dr. Soumitra Bhardawaj, who retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

**BY ORDER OF THE BOARD**

**PLACE: JAIPUR**  
**DATE: 30.06.2006**

**Sd/**  
**(GIRDHAR SABOO)**  
**MANAGING DIRECTOR**

### NOTES

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 Monday 18<sup>th</sup> September 2006 to Thursday 21<sup>st</sup> September 2006. (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.



**SABOO SODIUM CHLORO LIMITED**

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, 3<sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi-62.

**BY ORDER OF THE BOARD**

**PLACE: JAIPUR**  
**DATE: 30.06.2006**

**Sd/**  
**(GIRDHAR SABOO)**  
**MANAGING DIRECTOR**

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# SABOO SODIUM CHLORO LIMITED

## DIRECTORS' REPORT

To,  
The Members  
Your Directors have pleasure in presenting the 13<sup>th</sup> Annual Report of your Company along with Audited Accounts for the year ended 31<sup>st</sup> March 2006.

### OPERATIONS

The financial performance of the Company for the year ended on 31<sup>st</sup> March, 2006 as compared to last year is as follows:

Particulars	Rs. in Lacs 2005 - 2006	Rs. in Lacs 2004 - 2005
Turnover	1259.79	870.65
Other Income	89.96	4.28
Increase / (Decrease) in the stock	(79.37)	55.82
Total Expenditure	1164.52	854.50
Profit before Depreciation & Tax	105.86	76.25
Depreciation	58.03	61.34
Profit Before tax	47.83	14.91
Prior Period Adjustment	2.33	16.95
Provision for Tax	1.30	2.44
Provision for Fringe Benefit Tax	0.55	—
Profit After Tax	48.31	29.42

### EXPLANATION

The profit of the current year has been increased upto 1.98% of the turnover (turnover include other income) as compared to the last year because decreased in manufacturing & other expenses upto 13.77% and depreciation upto 2.71% and in taxation upto 0.41% of the turnover as compared to the last year and also increased in manufacturing cost upto 14.43% as compared to figure of corresponding last year. 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 increased by 0.21% as compared to the last year. The performance of the Company is though satisfactory, the management of the Company intends to accelerate the growth of the Company in the coming years ahead.

### DIRECTORS

Dr. Soumitra Bhardawaj, 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.



## SABOO SODIUM CHLORO LIMITED

### AUDITORS & AUDITORS' REPORT

M/s N. Kataria & Associates, Chartered Accountants, Jaipur Statutory Auditor 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 do not recommend the dividend for the year ended 31<sup>st</sup> March 2006 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:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any.
- ii) The directors had selected such accounting policies and applied them consistently and made judgment 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 Financial Year and of the profit and loss of the Company for that period.
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
- iv) The Directors 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

### 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 Companm 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.

## ACKNOWLEDGEMENT

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.

FOR AND ON BEHALF OF THE BOARD

PLACE: JAIPUR  
DATE: 30.06.2006

Sd/  
(RAGHUVIR SINGH RATHORE)  
DIRECTOR

Sd/  
( GIRDHAR SABOO )  
MANAGING DIRECTOR



**SABOO SODIUM CHLORO LIMITED**

## **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. Specific areas in which R&D carried out by the company. The company does not have specific R&D Department, it is constantly trying to improve the quality of its product, by adhering to strict international 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 company product development, import substitution will reflect in coming years working.
2. Details of Imported Technology: The company is using most modern & sophisticated PLC controlled Rovema FFS machines, however it is not working satisfactorily




**SABOO SODIUM CHLORO LIMITED**
**DETAILS OF POWER AND FUEL CONSUMPTION**
**2005 - 2006**
**2004 - 2005**
**1. Electricity**

Through Diesel Generator

Qty. (Ltrs.)

3.90

3.23

Total Amount (Rs. in Lacs)

101.15

72.34

Cost/Unit (Rs.)

25.94

22.40

**2. Furnace Oil**

Quantity (Ltrs. in Lacs)

2.71

2.18

Total Amount (Rs. Lacs)

50.54

31.48

Average Rate (Rs.)

18.65

14.44

**FOREIGN EXCHANGE EARNINGS & OUTGO :**
**1. Foreign Exchange earnings during the year**

Export Sale (F.O.B.) (Rs. in Lacs)

28.25

0.51

**2. The Foreign Exchange used during this period was as 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)

NIL

NIL



# SABOO SODIUM CHLORO LIMITED

## 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)

- The composition of the Board of Directors of the company fulfills the requirements of clause 49 of the Listing Agreement as on 31.03.2006. The details of the directors and their attendance is given hereunder:

Name of the Directors	Attendance at the Last AGM	Category of Director	No of Directorship in other Public Limited Companies	No. of other Board Committees of which the Director is a Member / Chairman
Shri Girdhar Saboo	YES	ED	NIL	Nil
Shri Randeep S. Shekhawat	YES	NED & IND	NIL	Nil
Shri Raghuvir Singh Rathore	YES	NED & IND	NIL	Nil
Dr. Soumitra Bhardawaj	YES	NED AND IND	NIL	Nil

NED & IND – Non- Executive and independent Director, ED - Executive Director