

# 16<sup>TH</sup>

**Annual Report  
2008-2009**



**SABOO SODIUM CHLORO LIMITED**

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



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# **SABOO SODIUM CHLORO LIMITED**

## **BOARD OF DIRECTORS**

- |                                    |   |   |
|------------------------------------|---|---|
| <b>Shri Girdhar Saboo</b>          | - | <i>Managing Director (Executive)</i>                |
| <b>Shri Raghuvir Singh Rathore</b> | - | <i>Director (Non-Executive)</i>                     |
| <b>Shri Pradeep Saxena</b>         | - | <i>Director (Non-Executive)</i>                     |
| <b>Shri Bikash Kumar Lakhota</b>   | - | <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



## **NOTICE**

Notice is hereby given that 16<sup>th</sup> 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



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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.



8. The register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 2<sup>nd</sup> day of September 2009 to Friday, the 11<sup>th</sup> 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 Lakhotia 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 Lakhotia as a Director of the Company in terms of Section 257 of the Companies Act, 1956. If appointed, Shri Bikash Kumar Lakhotia 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 Lakhotia 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 1<sup>st</sup> October, 1994 and was reappointed for a period of five years on 1<sup>st</sup> October, 1999 and on 1<sup>st</sup> October, 2004, for the reason of expiry of his term of appointment. As, his present term lasts on 30<sup>th</sup> 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 1<sup>st</sup> October 2009 in terms of schedule XIII of the Companies Act, 1956, Shri Girdhar Saboo is eligible for re- appointment as Managing Director.



### 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.



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(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)



**ANNEXURE TO THE NOTICE OF 16<sup>TH</sup> AGM**

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

<b>Name of Directors</b>	<b>Mr. Pradeep Saxena</b>	<b>Mr. Bikash Kumar Lakhotia</b>	<b>Mr. Girdhar Saboo</b>
<b>Date of Birth</b>	14.01.1957	07.08.1975	23.09.1969
<b>Date of Appointment</b>	31.07.2008	30.01.2009	20.07.2004
<b>Designation</b>	Director	Director	Managing Director
<b>Qualifications</b>	Graduate	Graduate	Chemical Engineer
<b>Directorship held in other Public Limited companies</b>	Nil	Nil	Nil
<b>Membership/Chairmanship of Committees of other public companies</b>	Nil	Nil	Nil

**DIRECTORS' REPORT**

To,  
The Members,  
Saboo Sodium Chloro Ltd.,

Your Directors are pleased to present the 16<sup>th</sup> 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.



In accordance with the provisions of the Companies Act, 1956, and the Articles of Association of the Company, Shri Bikash Kumar Lakhotia, 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 recommends his re-appointment.

Shri Girdhar Saboo, Managing Director of the company was re-appointed for a period of five years from 1<sup>st</sup> October, 2004 to 30<sup>th</sup> September, 2009, seeks reappointment for the further period of five years.

### **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 section 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.

### **LISTING AT STOCK EXCHANGE**

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

### **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 exchange is set out as Annexure B to the Director's Report.



**CORPORATE GOVERNANCE REPORT**

The Company has complied with all the mandatory requirements of Corporate Governance specified by Securities & Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement. As required by the said clause, a separate Report on Corporate Governance forms part of the Annual Report of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of provisions of Section 217(2AA) of the companies Act, 1956, your Directors confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed, along with proper explanation relating to material departure.
2. The Directors have selected such accounting policies & applied them consistently & made judgment & estimates that are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company at the end of the financial year & of the Profits of the Company for the year.
3. The Directors have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company & for preventing & detecting fraud & other irregularities.
4. Directors have prepared the annual accounts on a going concern basis.

**ACKNOWLEDGEMENT**

Your Directors would like to express their grateful appreciation for the co-operations received from its Bankers, Government 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 services of the executive, staff and workers of the Company.

**CONCLUSION**

Your Company's Board and employees are inspired by their vision of sustaining the position of the Company as a dynamic and valuable Company through world class performance, creating enduring value for all stakeholders, including the shareholders and the Indian Society. The Company is continuously engaged in upgrading strategic capability to effectively address the challenge of growth in an increasingly competitive market. The vision of enlarging your Company's contribution to the Indian economy is manifest in the creation of unique business models that foster international competitiveness. Propelled by this vision and powered by the internal vitality, your Directors look forward to the future with confidence.

**For and on behalf of the Board of Directors**

Date : 30.06.2009

Place : Jaipur

Sd/-

**PRADEEP SAXENA**

(Director)

Sd/-

**GIRDHAR SABOO**

(Managing Director)



**ANNEXURE "A" TO THE DIRECTOR'S REPORT:**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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 is continuously doing research and development regarding production of highest quality salt to meet the demands of its high profile customers. The Company has taken R.S.E.B. connection and is now drawing electricity from the state grid at the cost of approximately Rs. 5.5/- per unit as against Rs. 15/- per unit it was spending on its own captive diesel generation sets.

The Company has done substantial export of salt to Kuwait, Dubai, Mauritius and as of now the Company is the largest exporter of salt to the Kuwait market. The Foreign Exchange Earning has been US\$ 2,12,436/- and Foreign Exchange Outgo has been nil on account of any imports etc.

**ANNEXURE "B" TO THE DIRECTOR'S REPORT:**

**MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Saboo Sodium Chloro Limited is the largest salt refinery in North India producing Surya Iodized Salt, Tota iodized Salt, Tiger Iodized salt and all types of Industrial Salt. The Company is the most prominent and the largest manufacturer of salt in North India. Looking at the rapid economy growth of the Country and rising living standard there is good growth in the consumption of refined iodized salt and we feel that every year the refined iodized salt market is growing by 20%. People who are using unbranded nonrefined common salt are now switching rapidly to triple refined free flow iodized salt due to more awareness of health issues and television advertising.

As per mentioned in our previous year report, we are under process of setting up another Salt refinery of capacity 100000 tones per annum in Gandhidham, Gujarat. The civil work of this new project is almost complete and we are under the process of Commissioning Plant and Machinery.

The Company is diversifying into **Tourism and Hotel** related business. For this purpose Company is planning to set up hotels in Jaisalmer, Jodhpur, Jaipur, Pushkar and Udaipur and a **Ropeway Project** is being set up at Jaipur between Jal Mahal and the Jaigarh Fort. All these projects will take 2 -3 years to complete and result in substantial revenue to the present turn-over and earnings of the Company.

**INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company proposed to capture the growth potential in FMCG products by entering in retailing of the same.

**OUTLOOK**

Company continues to enjoy strong support from its promoters. As the Company has entered into the manufacturing of spices and Industrial Salt arena, the business is poised to grow well in to the future. The Company is also planning to enter in the retail market by retailing the FMGC products.



## **OPPORTUNITIES, THREATS, RISK AND CONCERNS**

In the current age of liberation and globalization your board considers it appropriate to explore new business areas / opportunities to broad base investment and industry presence, to attain its main purpose of delivering long term value to the shareholders of new improved mean as etc. hence your Company has diversified its line of business to manufacturing industries by commencement of new business of manufacturing the spices and industrial salt. Also looking towards the high growth in the retailing sectors in the coming years ahead the company is also planning to enter in the retail market of FMCG products.

As Company planning to enter into the food item business at a large scale the business is poised to grow well in the future.

However, due to increase in the rate of interest and lack of Government support in the food business areas, and due to the uncertainties in the Government Policies, the market of the food business is not as promising as previously thought of.

## **CHALLENGES**

Now the Company is working on building its own brand image. The Company is also setting up its own network for marketing and selling its spices and industrial salt. The brand building image will require recruitment of high quality manpower and setting up of distribution network on large scale. The management is also contemplating of taking steps for cost reduction in order to improve the financial position.

## **INTERNAL CONTROL SYSTEM**

The company remains committed to ensure an effective internal control that provides assurance on the efficiency of operations and security of assets. Your company's well established and robust internal audit processes, both at business and corporate levels, continuously monitor the effectiveness of the internal control environment across the company and the status of compliance with operating systems, internal policies and regulatory requirements.

The company has also undertaken steps to implement new control measures in line with best global practices.

## **HUMAN RESOURCE DEVELOPMENT**

Of all the resources available to the Company, Human Resource is the only asset that appreciates with time. In its continued efforts to nurture the best human talent, during the year the management continued with its strategy of imparting professional training to the executives and staff at various levels with a view to upgrade their competency and remove all levels of inefficiency in order to make the Company more competitive. This is not a luxury, but a necessity, if the Company has to survive in a globally competitive market, providing better product at better cost requires additional efforts to develop skills and efficiency in the new appointees to face the challenge.



## **REPORT ON CORPORATE GOVERNANCE**

### **1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

Corporate Governance is about promoting corporate fairness, transparency, accountability and integrity of the management. It also aims to align, as nearly as possible, the interests of individuals, corporations and society and thereby enhancing the stakeholders' value. Good corporate governance practices have always been an integral part of the Company's philosophy. The commitment to good corporate governance practices predates the laws and mandates of the Securities and Exchange Board of India (SEBI) and the stock exchanges through Clause 49 of their listing agreements. Given below are the Company's corporate governance policies and practices:

### **2. BOARD OF DIRECTORS**

The Board of Directors provides strategic direction and thrust to the operations of the Company, thereby enhancing the value of the stakeholders.

#### **➤ Composition**

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement with the stock exchange, in which the Company's shares are listed. The composition of the Board as on March 31, 2009 was as under:

1. Promoter & Executive Chairman
2. Non-Executive & Independent Directors

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 committees across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

#### **➤ Details of meeting Held**

The Board met 5 times on the following dates during the financial year 2008-09:

24<sup>th</sup> April, 2008; 21<sup>st</sup> June, 2008; 31<sup>st</sup> July, 2008; 25<sup>th</sup> October, 2008 and 30<sup>th</sup> January, 2009.

#### **➤ Category and Attendance of Directors**

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2008-09 and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other Public Limited Companies as on March 31, 2009 are as follows:



Name of Directors	Status	Board Meetings attended during the year	Attendance at last AGM	Number of Directorship Held in other public companies	Board Committees Membership/Chairmanship held in other Public companies
Shri Girdhar Saboo	Executive Director	5	Yes	NIL	NIL
Shri Raghuvir Singh Rathore	Non-Executive Director and Independent	5	Yes	NIL	NIL
Shri Pradeep Kumar Saxena	Non-Executive Director and Independent	2	Yes	NIL	NIL
Dr. Saumitra Bharadwaj	Non-Executive Director and Independent	3	No	NIL	NIL
Shri Randeep Singh Shekhawat	Non-Executive Director and Independent	2	No	NIL	NIL

- Shri Bikash kumar Lakhotia appointed to be an additional Director of the Company w.e.f. 30<sup>th</sup> January, 2009.

Shareholding of Non-Executive Directors as on March 31, 2009 is as under:

S.No.	Name	No. of shares held	% of Paid-up Capital
1.	Shri Raghuvir Singh Rathore	NIL	-
2.	Shri Randeep Singh Shekhawat	NIL	-
3.	Shri Bikash Kumar Lakhotia	NIL	-

### 3. AUDIT COMMITTEE

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The terms of reference include:

- To investigate any activity within its terms of reference.
- To seek information from any employee/ records of the Company.
- To obtain outside legal or other professional advice.





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- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Major accounting entries based on exercise of judgment by management.
- Compliance with accounting standards
- Compliance with Stock Exchange and legal requirements concerning financial statements.
- Any changes in accounting policies and practices.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- Reviewing the adequacy of internal audit function.
- Discussion with internal auditor regarding any significant findings and follow up thereon.
- Discussion with external auditors before the audit commences the nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- Review the functioning of the Whistle Blower mechanism.
- Any other item referred to it by the Board.

### ➤ **Composition:**

<b>Name</b>	<b>Designation</b>	<b>Designation</b>
Shri Raghuvir Singh Rathore	Chairman	Non-Executive & Independent Director
Shri Pradeep Saxena	Director	Non-Executive & Independent Director
Shri Bikash Kumar Lakhotia	Director	Non-Executive & Independent Director

### ➤ **Meetings held :**

The committee met six times on the following dates during the financial year 2008-2009:

24<sup>th</sup> April, 2008; 21<sup>st</sup> June, 2008; 31<sup>st</sup> July, 2008; 25<sup>th</sup> October, 2008; 30<sup>th</sup> January, 2009; 6<sup>th</sup> February, 2009.

### ➤ **Category and Attendance of members:**

The names and categories of the Directors on the Committee, their attendance at the Meetings held during the Financial Year 2008-2009 are as follows

<b>Name</b>	<b>Category</b>	<b>Attendance</b>
Shri Raghuvir Singh Rathore	Non-Executive & Independent Director	6
Dr. Saumitra Bharadwaj	Non-Executive & Independent Director	3
Shri Randeep Singh Shekhawat	Non-Executive & Independent Director	4
Shri Pradeep Saxena	Non-Executive & Independent Director	2



Members of the Audit Committee have requisite financial and management expertise and have held or hold senior positions in other reputed organization.

The Statutory Auditors, Internal Auditors and the Compliance Officer are invited to attend and participate in the meeting of the Committee. The Compliance Officer acts as the Secretary to the Committee.

#### 4. REMUNERATION COMMITTEE

The terms of reference of the remuneration committee includes among others:

- To review, assess and recommend to the Board the appointment of the executive and non-executive Directors and the compensation payable to him.
- To consider and recommend human resource policies relating to the compensation and performance management.

#### ➤ Composition:

Name	Designation	Designation
Shri Raghuvir Singh Rathore	Chairman	Non-Executive & Independent Director
Shri Bikash Kumar Lakhotia	Director	Non-Executive & Independent Director

During the period under review, the committee met once

#### ➤ Category and Attendance of members:

The names and categories of the Directors on the Committee, their attendance at the Meetings held during the Financial Year 2008-2009 are as follows:

Name	Category	Attendance
Shri Raghuvir Singh Rathore	Non-Executive & Independent Director	1
Dr. Saumitra Bharadwaj	Non-Executive & Independent Director	1
Shri Randeep Singh Shekhawat	Non-Executive & Independent Director	1

The Non – Executive Directors do not draw any remuneration including the sitting fees. The details of the remuneration payable to the Managing Director (Executive) for the financial year 2008-09 are:

Salary	Rs. 11,70,000/-	per annum
Allowance	Rs. 6,30,000/-	per annum
Benefits Perquisites	Rs. 2,63,802/-	per annum

**5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

The Board of Directors constituted the shareholders/ investors' grievance committee to look into redressal of investors' complaints like share transfers, non-receipt of annual reports, issue of duplicate share certificate, transfer and transmission of shares and other allied transactions. Its scope also includes delegating the powers to the executives of Company/ share transfer agents to process share transfers etc.

**➤ Composition:**

Name	Designation	Category
Shri Raghuvir Singh Rathore	Chairman	Non-Executive & Independent Director
Shri Girdhar Saboo	Director	Promoter & Executive Director
Shri Bikash Kumar Lakhotia	Director	Non-Executive & Independent Director
Shri V.P. Gagrani	Compliance Officer	Compliance Officer

**➤ Meetings held:**

The Board Committee met 8 times on the following dates during the financial year 2008-09:

15<sup>th</sup> April, 2008; 21<sup>st</sup> April, 2008; 30<sup>th</sup> June, 2008; 4<sup>th</sup> September, 2008; 3<sup>rd</sup> November 2008; 16<sup>th</sup> January 2009; 6<sup>th</sup> February, 2009 and 14<sup>th</sup> March 2009.

**➤ Category and Attendance of members:**

The names and categories of the Directors on the Committee, their attendance at the Meetings held during the Financial Year 2008-2009 are as follows:

Name	Category	Attendance
Shri Raghuvir Singh Rathore	Non-Executive & Independent Director	8
Shri Girdhar Saboo	Promoter & Executive Director	8
Shri Randeep Singh Shekhawat	Non-Executive & Independent Director	3
Shri Bikash Kumar Lakhotia	Non-Executive & Independent Director	1

**➤ Status of Investor Complaints**

During the year under review, neither any complaint was pending as on 1<sup>st</sup> April, 2009 nor was any complaint received.

**6. GENERAL BODY MEETINGS**

The details of Annual General Meetings held in the last three years are given below:

<b>AGM/EGM</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>
AGM	21.09.2006	11.00 am	Surya House, L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.
AGM	20.09.2007	11.00 am	Surya House, L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.
EGM	28.11.2007	11.00 am	Surya House, L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.
AGM	25.09.2008	4.00 pm	Surya House, L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.

No Postal Ballot was conducted during the year to seek the approval of the shareholders in the financial year under review.

A special resolution for the re-appointment of the Managing Director for the period of five years has been proposed for the ensuing AGM.

In financial year ended 31<sup>st</sup> march 2006, the Company passed a Special Resolution to make the Preferential Allotment and it was submitted to the Stock Exchange for approval. However, due to a sluggish bearish market at the end of the financial year, the proposal was dropped in the best interest of the Company.

In financial year ended 31<sup>st</sup> march 2007, the Company has increased the authorized share capital by passing the ordinary resolution at the meeting of the members conducted on 28<sup>th</sup> November, 2007.

In financial year ended 31<sup>st</sup> march 2008, the Company passed a Special Resolution to enhancement of the remuneration of the Managing Director at the meeting of the members conducted on 25<sup>th</sup> September, 2008.

**7. CODE OF CONDUCT**

The Board has laid down a code of conduct for the Directors and the employees of the company.

**8. DISCLOSURES**

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their relatives etc. that may have potential conflict with the interests of the Company at large.

During the last three years, no penalties or strictures have been imposed on the Company



by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital market.

The Company has adopted a Whistle Blower policy and has established the necessary mechanism in line with clause 7 of Annexure 1D to Clause 49 of the Listing Agreement with the Stock Exchange, for employees to report concerns about unethical behaviors. No personnel have been denied access to the audit committee.

## **9. MEANS OF COMMUNICATION**

In compliance with the requirements of Listing Agreement, the Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges immediately after they are taken on record by the Board. Moreover, the said results were put up on the BSE website, apart from being published in "Dainik Samachar" and "Adhikar".

Management Discussion and Analysis Report forms part of the Annual Report.

## **10. GENERAL SHAREHOLDER INFORMATION**

### **a Annual General Meeting**

Annual General Meeting of the Company will be held on Friday, September 11<sup>th</sup>, 2009 at 11.00 A.M. at Surya House, L-5, B-II, Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.

No special resolution is proposed to be passed by Postal Ballot at the aforesaid Annual General Meeting.

### **b. Financial Calendar (Tentative)**

- |   |                         |
|---|-------------------------|
| • Result for the qtr ending June 30, 2009 | Last week of July, 2009 |
| • Result for the qtr ending Sep 30, 2009  | Last week of Oct, 2009  |
| • Result for the qtr ending Dec 31, 2009  | Last week of Jan, 2010  |
| • Result for the qtr ending Mar 31, 2010  | Last week of June, 2010 |

### **c. Book Closure Date**

The Share Transfer Register of the Company shall remain closed from 2<sup>nd</sup> September, 2009 to 11<sup>th</sup> September, 2009 (both days inclusive).

### **d. Dividend**

No dividend being recommended by the Board during the year.

### **e. Listing of Equity Shares in Stock Exchange**

The share of the Company are Listed at Jaipur, Ahmedabad, Delhi, Calcutta and Mumbai.



## SABOO SODIUM CHLORO LIMITED

**f. Demat ISIN exchange number in NSDL & CDSL for equity shares**

INE44C01016

**g. Stock Code.**

Bombay Stock Exchange Limited, Mumbai – 530461.

**h. Market Price data**

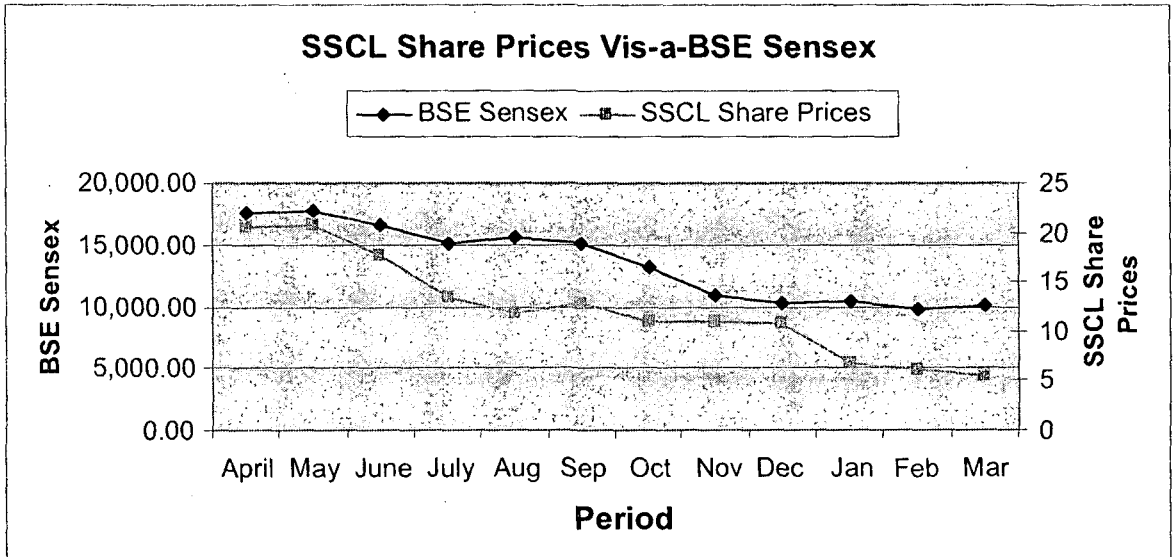
The high and low prices of every month during the financial year 2008-2009 are given below:

Month	High Price	Low Price	No. of Shares	No. of trades	BSE Sensex High
Apr-08	20.50	16.25	79081	637	17,480.74
May-08	20.65	14.65	93889	651	17,735.70
June-08	17.60	12.55	68261	537	16,632.72
Jul-08	13.50	9.15	201033	719	15,130.09
Aug-08	11.75	9.00	215621	766	15,579.78
Sep-08	12.79	7.50	194712	725	15,107.01
Oct-08	11.00	7.10	530512	637	13,203.86
Nov-08	11.00	6.11	2096122	5218	10,945.41
Dec-08	10.79	5.00	7004400	13635	10,188.54
Jan-09	6.80	4.33	649996	2574	10,469.72
Feb-09	6.15	4.55	338463	1368	9,724.87
Mar-09	5.50	4.25	262362	838	10,127.09

Source: BSE website



*Share Prices of SSCL Vs BSE Sensex for the year ending 31<sup>st</sup> March 2009.*



Source: BSE website

- i. REGISTRAR & SHARE TRANSFER AGENT**  
M/S Beetal Financial & Computer Services (P) Ltd  
Beetal house, 3rd floor, 99, Madangir  
Behind Local Shopping Centre  
Near Dada Harsukhdas Mandir, New Delhi-62  
Telephone no. 011 2996 1281/82  
Fax: 011 2996 1284
  
- j. SHARE TRANSFER SYSTEM**

With a view to expedite the process of share transfers, the Board of Directors of the Company has delegated the power of share transfer to Shareholders' & Investor Grievances Committee. As on date all the work related to the shares both held in physical and electronic form is handled by RTA. All correspondences are to be directed to the RTA at the address mentioned above. The correspondences may also be sent at the Company's address which will be sent by the Company to RTA. Share transfer is normally affected within the maximum period of 30 days from the date of receipt, if all required documentation is submitted.

**SABOO SODIUM CHLORO LIMITED****K. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2009**

<b>Shareholding of Nominal value</b>	<b>Number of Shareholders</b>	<b>% of Total</b>	<b>No. of Share</b>	<b>Amount in Rs.</b>	<b>% of Total</b>
Up to 5000	2,910	75.70	5,91,072	59,10,720	4.5704
5001 to 10000	439	11.42	3,76,965	37,69,650	2.9149
10001 to 20000	209	5.44	3,39,824	33,98,240	2.6277
20001 to 30000	96	2.50	2,41,911	24,19,110	1.8706
30001 to 40000	43	1.12	1,47,889	14,78,890	1.1435
40001 to 50000	36	0.94	1,71,492	17,14,920	1.3261
50001 to 100000	48	1.25	3,66,175	36,61,750	2.8314
100000 & Above	63	1.64	1,06,97,172	10,69,71,720	82.7154
<b>Total</b>	<b>3,844</b>	<b>100.00</b>	<b>1,29,32,500</b>	<b>12,93,25,000</b>	<b>100.00</b>



**SABOO SODIUM CHLORO LIMITED****I. Share Holding Pattern As ON 31st MARCH, 2009**

Category of Shareholder	No. of Share-holders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares		Share Pledged of otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of Share	As a % of Total No. of Shares
<b>(A) Shareholding of Promoter and Promoter Group</b>							
(1) Indian							
Individuals/ Hindu Undivided Family	5	7,001,839	4,971,839	54.14	54.14	-	-
Sub Total	5	7,001,839	4,971,839	54.14	54.14	-	-
(2) Foreign							
<b>Total Shareholding of Promoter and Promoter Group</b>	<b>5</b>	<b>7,001,839</b>	<b>4,971,839</b>	<b>54.14</b>	<b>54.14</b>	<b>-</b>	<b>-</b>
<b>(B) Public Shareholding</b>							
(1) Institutions							
Mutual Funds/UTI	5	38,200	-	0.30	0.30	-	-
<b>Sub Total</b>	<b>5</b>	<b>38,200</b>	<b>-</b>	<b>0.30</b>	<b>0.30</b>	<b>-</b>	<b>-</b>
(2) Non- Institutions							
Bodies Corporate	166	1,772,443	1,741,143	13.71	13.71	-	-
Individuals shareholders holding nominal share capital up to Rs. 1 lakh	3,605	1,930,927	1,480,710	14.93	14.93	-	-
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	36	2,136,773	1,971,673	16.52	16.52	-	-
<b>Any Others (Specify)</b>	<b>27</b>	<b>52,318</b>	<b>52,318</b>	<b>0.40</b>	<b>0.40</b>	<b>-</b>	<b>-</b>
Clearing Members	11	15,209	15,209	0.12	0.12	-	-
Non Resident Indians	16	37,109	37,109	0.29	0.29	-	-
<b>Sub Total</b>	<b>3,834</b>	<b>5,892,461</b>	<b>5,245,844</b>	<b>45.56</b>	<b>45.56</b>	<b>-</b>	<b>-</b>
<b>Total Public Shareholding(B)</b>	<b>3,839</b>	<b>5,930,661</b>	<b>5,245,844</b>	<b>45.86</b>	<b>45.86</b>	<b>-</b>	<b>-</b>
<b>Total (A)+(B)</b>	<b>3,844</b>	<b>12,932,500</b>	<b>10,217,683</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>	<b>-</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>							
<b>Total (A)+(B)+(C)</b>	<b>3,844</b>	<b>12,932,500</b>	<b>10,217,683</b>	<b>100.00</b>	<b>100.00</b>	<b>-</b>	<b>-</b>



**m. DEMATERIALISATION OF SHARES**

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). As on 31st March 2009, 10,217,683 equity shares of the Company forming 79.01% of the share capital of the Company stand dematerialized.

**LIQUIDITY OF SHARES**

The Equity Shares of the Company have been regularly traded at Mumbai Stock Exchange.

**n. OUTSTANDING GDRs/Warrants and Convertible Instruments**

The Company has not issued any GDRs/Warrants or any other instrument which is convertible into Equity Shares of the Company.

**o. PLANT LOCATIONS**

Village Govindi, Nawa City, Distt: Nagour 341509 (RAJ).

**p. ADDRESS FOR CORRESPONDENCE**

M/S Beetal Financial & Computer Services (P) Ltd  
Beetal house, 3rd floor, 99, Madangir  
Behind Local Shopping Centre  
Near Dada Harsukhdas Mandir, New Delhi-62  
Telephone no. 011 2996 1281/82  
Fax : 011 2996 1284

**Shareholders may also contact to:**

The Compliance officer: L-5, B - II  
Krishna Marg C-Scheme, Jaipur-302001,  
Rajasthan.

**11. SECRETARIAL AUDIT**

For each of the quarter in the financial year 2008-09, M/s V M & Associates, Company Secretaries, Jaipur carried out secretarial audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. The audit report confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**12. CIN**

The Corporate Identification Number ("CIN") of the Company as allotted by Ministry of Company Affairs is: L24117RJ1993PLC007830.



**13. CEO/CFO CERTIFICATE**

Certificate from CEO/CFO for the financial year ended March 31, 2009 has been given elsewhere in the Annual Report.

**For and on behalf of the Board of Directors**

Date : 30.06.2009  
Place: Jaipur

Sd/-  
**PRADEEP SAXENA**  
(Director)

Sd/-  
**GIRDHAR SABOO**  
(Managing Director)



**AUDITORS' REPORT ON CORPORATE GOVERNANCE  
UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

To,  
The Members,  
**SABOO SODIUM CHLORO LIMITED.**

We have examined the compliance of conditions of corporate governance by **SABOO SODIUM CHLORO LIMITED** for the year ended on 31st March, 2009, as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has generally complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per records maintained by the Shareholders'/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For N. Kataria & Associates**  
Chartered Accountants

**Nikhilesh Kataria, FCA**  
Proprietor  
Membership No. 79048

Place : Jaipur  
Date : 30.06.2009



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Management Personnel.

I confirm that the Company has, in respect of the financial year ended March 31, 2009, received from the members of the Board and the senior management team of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

Place: Jaipur  
Date : 30.06.2009

Sd/-  
**GIRDHAR SABOO**  
(Managing Director)



**CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) /  
CHIEF FINANCIAL OFFICER (CFO)**

We, Girdhar Saboo, Chief Executive Officer and V.P. Gagrani Chief Financial Officer of **Saboo Sodium Chloro Limited** certify:

That we have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2009 and that to the best of our knowledge and belief;

- These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading.
- These statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct;

We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation on internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies',

We have informed the auditors and the audit committee of:

- significant changes in internal control during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Place Jaipur  
Date: 30.06.2009

Sd/-  
**GIRDHAR SABOO**  
(Chief Executive Officer)

Sd/-  
**V.P. GAGRANI**  
(Chief Financial Officer)

**REPORT OF THE AUDIT COMMITTEE**

To,  
The Shareholders,  
**SABOO SODIUM CHLORO LIMITED,**  
JAIPUR

The Audit Committee of the Board of Directors comprises of 3 Directors (Non-Executive & Independent Directors) of the Company. The Committee operates under a written charter adopted by the Board of Directors, and has been vested with all the powers necessary to effectively discharge its responsibilities.

The committee has primary responsibility for the financial statements and reporting process including the systems of internal controls. During the year, the Committee discussed with the Company's auditors about the overall scope and plans for their audit. The Committee also discussed the result of their examination, their evaluation of the Company's internal controls and the overall quality of the Company's financial reporting.

In fulfilling its oversight responsibilities, the committee has reviewed and discussed the Company's audited financial statements with the management. Relying on the review and discussions with the management and the auditors, the Audit Committee believes that the Company's financial statements are fairly presented in all material aspects.

Further the Committee has recommended that for the year 2009-10, the Board re-appoint **M/s N.Kataria & Associates** as Statutory Auditors.

The Company's Code of Business Conduct and Ethics has the mechanism whereby no personnel intending to make a complaint relating to Securities and financial reporting shall be denied access to the Audit Committee.

Place: Jaipur  
Date : 30.06.2009

Sd/-  
**Raghuvir Singh Rathore**  
Chairman  
Audit Committee



## **Auditors' Report**

### **N. KATARIA & ASSOCIATES CHARTERED ACCOUNTANTS**

To,  
The Members,  
**Saboo Sodium Chloro Limited,**  
Jaipur

1. We have audited the attached balance sheet of M/s Saboo Sodium Chloro Ltd. as at 31<sup>st</sup> March 2009, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account ;
  - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;





## SABOO SODIUM CHLORO LIMITED

- (v) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- (a) in the case of balance sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2009;
- (b) in the case of profit and loss account, of the profit for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

**For N. Kataria & Associates**  
*Chartered Accountants*

Place : Jaipur

Dated : 30-6-2009

Sd/-  
**(Nikhilesh Kataria, FCA)**  
Proprietor  
M. No. 79048



**N. KATARIA & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**Annexure to the Auditor's Report**

*(as referred to in paragraph 3 of the said report)*

***(As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956)***

On the basis of the books and records examined by us in the normal course of audit on such test checks, as we considered necessary and to the best of our knowledge and belief, we state that:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The management has physically verified these fixed assets at reasonable intervals and no material discrepancies were noticed on such verification;
- (c) In our view, no substantial part of the fixed assets has been disposed off during the year.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification and even if there were any, the same was properly dealt with in the accounts.
- (iii) (a) The Company has not taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act except transactions on current account basis, if any.
- (b) The Company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act except transactions on current account basis, if any.
- (c) In our opinion, the rate of interest and other terms and conditions of loans/advance given or taken by the Company, secured or unsecured, are not prima facie prejudicial to the interest of the Company.



- (d) The Company is regular in repaying the principal amount of the loan/ advance.
- (e) There is no overdue amount of loans/ advances taken or granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act.
- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
- (v) (a) According to the information and explanation given to us, we are of the opinion that the transactions that need to be entered into a register in pursuance of section 301 of the Act, have been entered, as also explained to us by the management;
- (b) According to the information and explanation given to us, we are also of the opinion that each of these transactions has been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public as referred to in sections 58A and 58AA of the Companies Act, 1956. As such the relevant rules are not applicable to the Company, as explained by the management.
- (vii) We are of the opinion that the Company has an internal audit system commensurate with its size and nature of business.
- (viii) The Central Government has not prescribed for the maintenance of the cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the class of industry carried on by the Company, as explained to us by the management.
- (ix) (a) The Company is regular in depositing statutory dues including provident fund, income-tax, sales-tax, wealth tax, custom duty, cess etc. with the appropriate authorities
- (b) According to the information and explanations given to us, there were no undisputed amount outstanding in respect of provident fund, investor education and protection fund, income-tax, sales-tax, wealth tax, custom duty etc. for more than six months.
- (x) The accumulated losses of the Company did not exceed fifty per cent of its net worth and there are no cash losses in the current or previous financial year.
- (xi) As explained to us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.



## SABOO SODIUM CHLORO LIMITED

- (xii) In our opinion, adequate documents and records are maintained in cases where the Company has granted loans and advances on the basis of security, by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the provisions of any special statute like nidhi/mutual benefit fund/ societies etc. are not applicable to the Company.
- (xiv) We are of the opinion that the Company has maintained proper records of the transactions in the shares, securities, debentures and other investments held by the Company and timely entries have been made therein. Such shares/ securities has been held by the Company in its own name except 1000 shares of Hindustan Power Plus Ltd., which are still to be transferred in the name of the Company.
- (xv) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, term loans were applied for the purpose for which the loans were obtained, as also explained to us by the management.
- (xvii) According to the information and explanations given to us and on the basis of overall examination of the financial statement, we are of the opinion that the funds raised on short-term basis have not been used for long term investment. Similarly, no short-term investment has been made out of long-term funds raised during the year.
- (xviii) According to the information and explanations given to us, during the year under consideration, the Company has made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, the Company has not issued any debenture during the year under consideration.
- (xx) According to the information and explanations given to us, during the year under consideration, the Company has not raised any money by way of public issue. However preferential allotment has been made during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under consideration.

**For N. Kataria & Associates**  
*Chartered Accountants*

Place : Jaipur  
Dated : 30-6-2009

Sd/-  
**(Nikhilesh Kataria, FCA)**  
Proprietor  
M. No. 79048

**BALANCE SHEET AS AT 31ST MARCH 2009**

	Schedule	As at 31.3.2009 (in Rs.)	As at 31.3.2008 (in Rs.)
<b>SOURCES OF FUNDS:</b>			
<b>Shareholders Fund</b>			
Share Capital	1	129325000	83801000
Reserve & Surplus	2	11089059	3022900
Share Application Money (convertible warrant)		2020000	20819000
		142434059	107642900
<b>Loan Funds</b>			
Secured Loans	3	1238695	1602877
Unsecured Loans	4	0	4112756
		1238695	5715633
<b>Total</b>		143672754	113358533
<b>APPLICATION OF FUNDS:</b>			
Fixed Assets	5		
Gross Block		159644245	155874813
Less: Depreciation		99248328	93182208
		60395917	62692605
Capital work-in-progress		38922504	6076655
Investments	6	12719504	13983811
Deferred Tax Assets		2075550	1788544
<b>Current Assets, Loans &amp; Advances :</b>	7		
(a) Inventories		11631314	11722271
(b) Sundry Debtors		16294743	19290734
(c) Cash & Bank Balances		12871639	7366366
(d) Loans & Advances		12866418	11859639
		53664114	50239010
<b>Less : Current Liabilities &amp; provisions</b>	8	24344917	21422092
Net Current Assets :		29319197	28816918
Preliminary Exp. Not Written Off		240082	0
<b>Total</b>		143672754	113358533
Accounting Policies & Notes to The Accounts	9		
As per our Report of even date attached.			

**For N. Kataria & Associates**

Chartered Accountants

Sd/-

**Nikhilesh Kataria, FCA**

Proprietor

Place : Jaipur

Date : 30-06-2009

**For and on behalf of the Board**

Sd/-

**Pradeep Saxena**

Director

Sd/-

**Girdhar Saboo**

Managing Director

**SABOO SODIUM CHLORO LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2009**

	Schedule	Year Ended 31.03.2009 (in Rs.)	Year Ended 31.03.2008 (in Rs.)
<b>INCOME</b>			
Sales & Income from operation	10	122999407	116371131
Increase/(Decrease) in Stock	11	(2146203)	3362460
Other Income	12	848723	754067
		<b>121701927</b>	<b>120487658</b>
<b>EXPENDITURE</b>			
Material & Direct Cost	13	52625020	40899833
Manufacturing Expenses	14	17634834	16503057
Payment/ Prov. for Employees	14	9609106	8907871
Admn. & Other Expenses	14	26122231	32825734
Financial Expenses	15	470688	170096
		<b>106461879</b>	<b>99306590</b>
<b>Profit/(Loss) Before Depreciation &amp; Tax</b>		<b>15240048</b>	<b>21181067</b>
Depreciation	5	6066120	5699417
<b>Profit/(Loss) After Depreciation</b>		<b>9173928</b>	<b>15481650</b>
Provision for Income Tax		(1050000)	(1500000)
Provision for Fringe Benefit Tax		(35000)	(30000)
Deffered Tax Provision		287006	(2611486)
Provision for Taxation (Earlier year)		(309775)	
<b>Profit/(Loss) After Depreciation &amp; Taxes</b>		<b>8066159</b>	<b>11340164</b>
Profit /(Loss) Brought forward		1022900	(10317264)
<b>Balance Taken Over to Balance Sheet</b>		<b>9089059</b>	<b>1022900</b>
EPS		0.62	1.35

As per our Report of even date attached.

For N. Kataria & Associates  
Chartered Accountants

For and on behalf of the Board

Sd/-  
Nikhilesh Kataria, FCA  
Proprietor

Sd/-  
Pradeep Saxena  
Director

Sd/-  
Girdhar Saboo  
Managing Director

Place : Jaipur

Date : 30.06.2009

**Schedules 1 to 15 annexed to and forming integral part of the accounts for the year ended 31st March, 2009**

	As at 31.03.2009 (in Rs.)	As at 31.03.2008 (in Rs.)
<b>SCHEDULE 1: SHARE CAPITAL</b>		
<b>Authorized :</b>		
1,50,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/-each)	150000000.00	150000000.00
	<u>150000000.00</u>	<u>150000000.00</u>
<b>Issued Capital:</b>		
1,29,32,500 Equity Shares of Rs. 10/- each (Previous Year 83,80,100 Equity Shares of Rs. 10/-each)	129325000.00	83801000.00
	<u>129325000.00</u>	<u>83801000.00</u>
<b>Subscribed &amp; Paid Up Capital:</b>		
1,29,32,500 Equity Shares of Rs. 10/- each (Previous Year 83,80,100 Equity Shares of Rs. 10/-each)	129325000.00	83801000.00
	<u>129325000.00</u>	<u>83801000.00</u>
Share Application Money ( <i>convertible warrant</i> )	2020000.00	20819000.00
<b>SCHEDULE 2 : RESERVE &amp; SURPLUS</b>	2000000.00	2000000.00
Profit & Loss Account	9089059.19	1022900.16
( <i>transferred from Profit &amp; Loss Account</i> )	<u>11089059.19</u>	<u>3022900.16</u>
<b>SCHEDULE 3 : SECURED LOANS</b>		
Loan Against Purchase of Vehicle From		
A) ICICI Bank, Jaipur (Against hypothecation)	36485.00	
B) ABN AMRO JCB LOAN	1202210.00	1602877.00
	<u>1238695.00</u>	<u>1602877.00</u>
<b>SCHEDULE 4 : UNSECURED LOANS</b>		
Unsecured Loans	-	4112755.81
	<u>-</u>	<u>4112755.81</u>

	As at 31.03.2009 (in Rs.)	As at 31.03.2008 (in Rs.)
<b>SCHEDULE 6 : INVESTMENTS</b>		
<b>Non Trade Investments: In Govt. Securities</b>		
N. S. C.(Pledged with sales Tax authorities)	4000.00	4000.00
<b>Trade Investment : Quoted:</b>		
1000 Fully Paid Up Equity Shares of Rs. 10/- each of <b>Hindustan Power Plus Ltd.</b> (market value n.a.) (Previous year 1000 Sahres) (Above shares yet to beTransferred in the name of the company.)	72794.00	72794.00
1800 Fully Paid Up Equity Shares of Rs.10/- each of <b>Silktex Ltd.</b> (market value n.a.)	15335.00	15335.00
419000 Fully Paidup Share of Fortress Hotels & Resort Pvt. Ltd	12570000.00	12750000.00
2600 Fully Paid Up Equity Shares of Rs.10/- each of <b>Data Switch Gear</b> (market value n.a.)	57375.00	57375.00
HDFC Cash Management Fund - Savings Plus		1084307.15
	<b>12719504.00</b>	<b>3983811.15</b>

**SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES**

**A. Current Assets**

**(a) Inventories (As taken, Valued & Certified by the management )**

Raw Material	1831489	1988016
Stores & Spares	1121373	804506
Packing Material	4730839	2835935
Finished goods	3939462	6085664
Wastage & Salvage Goods	8150	8150

**Total (a)** **11631314** **11722271**

**(b) Sundry Debtors (Unsecured considered good)**

More than 6 Months	924001.00	1093890.20
Others	15370741.97	18196843.81

**Total (b)** **16294742.97** **19290734.01**



**SABOO SODIUM CHLORO LIMITED**

	As at 31.03.2009 (in Rs.)	As at 31.03.2008 (in Rs.)
<b>(c) Cash and Bank Balances :</b>		
Cash In hand	481872.00	314238.00
Interest Accrued on FDR	0.00	610439.57
<i>Balances with Scheduled Banks:In Current A/c</i>	5951976.01	4674145.98
In Fixed Deposits	6437791.13	1767542.03
<b>Total (c)</b>	<b>12871639.14</b>	<b>7366365.58</b>
<b>Total "A" (a+b+c)</b>	<b>40797696.43</b>	<b>38379370.69</b>

<b>B. Loans &amp; Advances :</b>		
(Unsecured considered good)]		
Advances Recoverable in cash or kind or for value to be received	9888554.88	8052950.38
Security Deposit	2175014.00	1642573.00
TDS, Advance Tax & VAT	799803.83	2161070.67
Interest accrued on N.S.C	3045.00	3045.00
<b>Total (B)</b>	<b>12866417.71</b>	<b>11859639.05</b>
<b>Total (A+B)</b>	<b>53664114.14</b>	<b>50239009.74</b>

**SCHEDULE 8: CURRENT LIABILITIES & PROVISIONS****A Current Liabilities****Sundry Creditors**

Creditors for Capital Goods	5777759.00	133326.20
Creditors for Goods	5310109.00	2774639.00
Creditors for Expenses	700298.84	6668642.55

**Total (a)** **11788166.84** 9576607.75

Advance & Deposits from Customers & Contractors	6221561.68	7093054.14
Other Liabilities	6335188.25	4752430.25

**Total (b)** **12556749.93** 11845484.39

**Total (a+b)** **24344916.77** 21422092.14

**SCHEDULE 10: SALES & INCOME FROM OPERATIONS**

Salt Sales	116371880.00	110269598.00
Less : Quantity Discount	1697420.00	2834160.00
Export Sales (including exports in Rupees )	8324947.00	8935693.00
<b>Total</b>	<b>122999407.00</b>	<b>116371131.00</b>



# SABOO SODIUM CHLORO LIMITED

	As at 31.03.2009 (in Rs.)	As at 31.03.2008 (in Rs.)
<b>SCHEDULE 11 : INCREASE/DECREASE IN STOCK</b>		
Closing Stock as on 31.3.2009		
Finished goods	<b>3939462.44</b>	6085665.00
Opening Stock as on 01.04.2008	<b>6085665.00</b>	2723205.30
Increase/(Decrease) in Stock	<b>(2146202.56)</b>	3362459.70
<b>SCHEDULE 12 : OTHER INCOME</b>		
Dividend On Investments	117.00	121700.60
Interest - Parties Etc.	25400.00	18589.00
Interest on FDR	522315.00	301193.85
Misc. Receipts	55518.75	66453.00
Profit on sale of Investment	0.00	7241.00
Rebate & Discount Received	40000.00	11176.00
Truck Freight Income	205372.00	139546.00
	<b>848722.75</b>	665899.45
<b>SCHEDULE 13: MATERIAL COSTS</b>		
<b>a) Raw salt Consumed</b>		
Opening Stock of Raw salt as on 1.4.2007	982174.52	1060692.86
Add-Purchase (including freight)	24252156.80	16789129.00
Less-Closing Stock as on 31.3.2009	140101.83	982174.52
	<b>25094229.49</b>	<b>16867647.34</b>
Potassium Iodate Consumed	970855.26	1007998.89
Packing Material Consumed (Total)	21915360.23	19679921.82
P.F.C. Consumed	97281.86	116357.49
Salt for Export	4547292.72	3227907.12
Wastage & Salvage Goods		
<b>Total : a</b>	<b>52625019.56</b>	<b>40899832.67</b>
<b>SCHEDULE 14: MANUFACTURING AND OTHER DIRECT EXPENSES</b>		
<b>(a) Manufacturing Expenses</b>		
Cartage Exp.	204455.00	1575.00
Electricity & Duty Exp.	4228417.00	436428.00
Input Vat Adjusted	611679.00	
Freight Inward (debited in cost of goods)	<b>63841.00</b>	-5341.00
Laboratory Expenses	11723.00	25459.00
Leakage Dent Etc.	16000.00	
Packing Expenses	0.00	23488.00

**SABOO SODIUM CHLORO LIMITED**

	As at 31.03.2009 (in Rs.)	As at 31.03.2008 (in Rs.)
Power & Fuel (diesel & furnace oil)	9889061.78	14288061.91
Raw Salt Kyar Exp.	0.00	97004.00
Research & Development Exp.	0.00	5400.00
Store & Spares	291632.00	365360.00
Building Repair & Maintenance	1296481.00	379597.00
Insurance	20558.00	0.00
Oil & Lubricants Exp.	160618.00	226180.00
Plant & Machinery Repair	691987.00	600002.00
Raw Salt Kyar Repair	18917.00	
Repair & Maintenance (D.G.Set)	59045.00	16428.00
Repair & Maintenance Of J.C.B.	70419.00	43415.00
<b>Total (a)</b>	<b>17634833.78</b>	<b>16503056.91</b>
<b>(b) Payment to &amp; Provision for Employees</b>		
Allowances on Salary	133200.00	240781.00
Salaries	332400.00	332088.00
Directors Remuneration & Perquisites	2063802.00	1772830.00
Allowances on Wages	1894370.00	1904628.00
Bonus	109367.00	98933.00
Canteen Exp.	28736.00	23707.00
Employer Contribution to P.F.	310983.00	94042.00
Gratuity	67038.00	60923.00
Leave encashment	3432.00	9100.00
Stipend to Apprentice	308531.00	
Wages	4318356.00	4079314.00
Workmen & Staff Welfare	38891.00	91525.00
<b>Total (b)</b>	<b>9609106.00</b>	<b>8907871.00</b>
<b>(c) Administrative Expenses</b>		
Administrative Charges on PF	27345.00	25855.00
Annual Custodial Fees	37080.00	11236.00
Auditors Remuneration	21000.00	15000.00
Computer Exp.	24387.00	17113.00
Contract Claim (Arbitration Ruling)	0.00	221440.00
Donation	75000.00	50000.00
Dr./Cr. Balances Written Off (net)	1232250.64	0.00
Electricity & Water	204506.00	390936.00
Environment Exp.	27190.00	1550.00
General Expenses	64155.00	37849.00

**SABOO SODIUM CHLORO LIMITED**

	As at 31.03.2009 (in Rs.)	As at 31.03.2008 (in Rs.)
Insurance	387604.00	359066.00
Legal & Professional charges	294649.00	918122.00
Listing Fees	213705.00	15300.00
Membership & Subscription	141500.00	120000.00
Postage Telegram & Telephone Expenses	220192.38	301673.70
Provision for Export Goods Damage & Claims	2438143.00	0.00
Printig & Stationery	91168.00	221424.00
Profit / Loss On Growth Fund	394743.74	0.00
Recruitment Expenses	148561.00	510786.00
Rent Rates & Taxes	600000.00	457152.00
Repair & Maintenance	2197693.00	382672.00
Share Transfer Expenses	35296.00	19052.00
Travelling & Conveyance	340890.35	398671.17
Truck Running Expenses	2224.00	2931.00
<b>Total (c)</b>	<b>9219283.11</b>	<b>4477828.87</b>
<b>(d) Selling &amp; Distribution Expenses</b>		
Advertisement Expenses	2436790.00	7892612.00
Discount & Rebate	545747.00	11542.00
Distribution & Retailing Exp.	785195.00	972943.00
Export Expenses	3336763.00	4568518.00
Freight Outward (Factory)	4989261.00	11504193.00
Freight Outward (Other)	3434009.00	977635.00
Loading & Unloading Exp.	19518.00	156293.00
Salary to Sales Staff	1015650.00	1620670.00
Sales Promotion Exp.	144747.00	658707.00
Travelling Exp.	195268.00	-15208.00
<b>Total (d)</b>	<b>16902948.00</b>	<b>28347905.00</b>
<b>Grand Total</b>	<b>(a+b+c+d)</b>	
	<b>53366170.89</b>	<b>58236661.78</b>
<b>SCHEDULE 15: FINANCIAL EXPENSES</b>		
Bank Commission & charges	54583.13	19747.12
Interest on income tax	99167.00	
Frank Charges, Stamp Duty Etc.	110000.00	
Foreign Exchange Rate Difference	11716.32	
InterestOn Bank Borrowing & Others	195222.00	150348.81
	<b>470688.45</b>	<b>170095.93</b>

**SCHEDULE – 9 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS  
(Annexed to the Balance Sheet for FY 2008-09)****A. Accounting Policies****1. General**

The accounts are prepared on the historical cost convention and in accordance with the Companies Act, 1956. The accounting policies not specifically referred to otherwise, are consistent and in consonance with Generally Accepted Accounting Principles accepted in India. These comprises, mandatory Accounting Standards & Guidelines issued by the Institute of Chartered Accountants of India, provisions of the Companies Act, 1956 and Securities and Exchange Board of India.

**2. Revenue Recognition**

Expenses and income, considered payable and receivable respectively, are generally accounted for on accrual basis except disputed claims & demands and discounts, rebates etc., which are accounted for on cash basis as per last year practice.

**3. Fixed Assets**

- (i) Fixed assets and capital work in progress are stated at their original cost of acquisition including taxes, freight and other incidental expenses related to acquisition and installation of the concerned assets.
- (ii) Expenditure and outlays of money on uncompleted plant & machinery, building etc., which are of a capital nature, are shown as capital work-in-progress until such time these projects are completed and are put in use.

**4. Depreciation**

Depreciation on fixed assets has been provided as per the rates provided in Schedule XIV of the Companies Act, 1956, on pro-rata basis commencing from the date when the assets are commissioned. However, on the assets costing up to Rs.5000/-, depreciation has not been provided at the rate of one hundred percent. In case of plant & machinery, written down value method and in case of other assets straight-line method has been followed as per last year practice. No depreciation is claimed on trademark.

**5. Inventories**

Inventories are valued on the weighted-average basis and taken at the lower of the cost or net realizable value. Unserviceable raw material, if any, is valued at net realizable value. The cost of manufactured finished goods and work-in-progress includes material cost determined on weighted-average basis and also includes an appropriate portion of allocable overheads. However, it do not include interest and administrative overheads which are indirect in nature. There is no change in the valuation method followed by the Company.



**6. Investments**

Investments are valued at cost.

**7. Contingent Liabilities**

Contingent liabilities have been taken on the basis of information and explanation provided by the management of the company. The same is provided for as per the principles laid down in the relevant AS issued by the ICAI.

**8. Retirement Benefits**

Gratuity is provided on accrual basis system. Leave encashment etc is accounted for on cash basis. Actuarial valuation of the retirement benefits were not available and the same has been provided with the method as has been followed in preceding years.

**9. Taxation**

- a. Current tax is the provision made for income tax liability, if any, on the profits calculated in accordance with the provisions of the Income Tax Act 1961.
- b. Deferred tax is recognized subject to the consideration of prudence on timing difference, being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. In any case, deferred tax assets and liabilities are measured using the tax rate and the Tax Law as applicable on the Balance Sheet date.

**B. Notes on Accounts.**

1. *Contingent Liability Provided for:* During the year under consideration, certain export consignment were made by the company to Jercy Foodstuff Inc. & Crescent Comm. Co. Ltd., Kuwait. Certain inferior quality claims have been made by the firms against the company and there is reasonable certainty that payment outstanding from Crescent Comm. Co. Ltd. would not recoverable and hence, Rs.6,36,929/- have been written off. Further, a provision has also been made to the tune of Rs.24,38,143/- to cover up any future liability on account of claim so made against the company.

*Contingent liability not provided for:* Guarantee given by bankers on behalf of the Company - Rs.17.72 lacs (previous year Rs.17.72 lacs).

2. Book debts, advances, creditors, deposits etc. have been taken at their book value awaiting respective confirmation and subject to reconciliation.
3. Loans and advances and debtors have been considered good in respect of which the Company holds no security other than the personal guarantee of the person concerned.
4. So far as the information received from the creditors/ suppliers and as explained by the



## SABOO SODIUM CHLORO LIMITED

management, there were no SSI undertakings to which the Company owes any amount together with interest outstanding for more than 30 days.

5. Prior Period Expenses is pertaining to earlier years, which could not be accounted for, for want of Bills/ information. Current year: *nil*
6. During the year under consideration, the company has issued warrants on preferential basis, which are convertible into equity shares, to be issued at par on the later date. The amount received against these convertible warrants are shown as share application money as appearing above
7. During the year under consideration, the company has raised a proforma invoice of Rs.30.95 lacs in March 2009 to Aziz & Ikram Gen. Trading and Container Co. However, neither the delivery of the goods have taken place nor any payment received and hence, considering the relevant accounting principles, the same has not been taken into consideration.

### 8. Auditor's Remuneration

Particulars	2008-09 Amount (in Rs.)	2007-08 Amount (in Rs.)
Audit fees	16,000	16,600
Tax Audit Fees	5,000	5,000
<b>Total</b>	<b>21,000</b>	<b>21,600</b>

### 9. Remuneration and perquisites paid to Managing Director

Particulars	2008-09 Amount (in Rs.)	2007-08 Amount (in Rs.)
M.D. remuneration	18,00,000	16,95,000
Benefits & Perquisites	2,63,802	77,830
<b>Total</b>	<b>2063802</b>	<b>17,72,830</b>

10. Additional information pursuant to para 3, 4 of the para II of schedule VI of the companies act, 1956 is given below (to the extent applicable):

**A Capacity**

Particulars	2008-09	2007-08
<b>Salt</b>		
Licensed capacity	-	-
Installed capacity	100000 MT	100000 MT
<b>Atta</b>		
Licensed capacity	-	-
Installed capacity	40000 MT	40000 MT

**B Details of opening stock turnover and closing stock (quantity in MT)**

**Refined Iodized Salt**

Particulars	2008-09		2007-08	
	Qty (in MT)	Amount (in Rs.)	Qty (in MT)	Amount (in Rs.)
Opening stock	3991	6085665	1677.00	27,23,205
Production	32163	-	35047.00	-
Turnover/ Shortage	36153	122999407	32733.00	11,63,71131
Closing Stock	2004	3939462	3991.00	60,85,665

**C Value of Raw Material Consumed**

Particulars	2008-09		2007-08	
	Percentage	Amount (in Rs.)	Percentage	Amount (in Rs.)
Raw material: Imported	-	-	-	-
Indigenous (Excl. Packing material)	100	30709659	100	4,08,99,833
Stores & Spares :Imported	-	-	-	-
Indigenous	100	1080693	100	804506





**D Raw Material Consumed**

Particulars	2008-09		2007-08	
	Qty.	Amount (in Rs.)	Qty.	Amount (in Rs.)
Raw Salt (MT) (Excl. salt used for exports)	39552	25094229	43766	1,68,67,647

**E CIF Value of Import** NIL NIL

**F Expenditure in Foreign Currency** NIL NIL

11. There is no expenditure incurred on employees who were in receipt of remuneration in the aggregate of not less than Rs. 24,00,000/- per annum, if employed throughout the year or Rs.2,00,000/- per month if employed for a part of the year.
12. The Company is engaged in manufacturing of salt, which, as per AS-17 "Segment Reporting" issued by the Institute of Chartered accountants of India, is considered the only reportable business segment of the Company.
13. Information pursuant to AS-18 related party disclosure is as under :

**KEY MANAGEMENT PERSONNEL & RELATIVES:**

- |    |                                 |                               |
|----|---------------------------------|-------------------------------|
| 1  | Shri Girdhar Saboo              | Managing Director             |
| 2  | Shri M.L. Saboo                 | Father of Managing Director   |
| 3  | Smt. Manjoo Saboo               | Relative of Managing Director |
| 4  | Shri C.S. Saboo                 | —do—                          |
| 5  | Smt. Archana Saboo              | —do—                          |
| 6. | Pradeep Saxena & Raguveer Singh | Directors                     |

**Particulars of Transactions during the year are as under:**

Nature of Transactions	Amount (In Rs.)	
	Key Management Personnel & Relatives (Rs. Lacs)	Related Parties & Associates Concerns (Rs. Lacs)
Director's Remuneration & Perquisites	20.63	-
Sales	-	64.03 (appx.)

**SABOO SODIUM CHLORO LIMITED**

14. Earnings per Share pursuant to AS 20 is as under :

Particulars	March 31, 2009	March 31, 2008
Net Profit/Loss after Tax	80,66,159	1,13,40,164
No. of Share	12932500	83,80,100
Face Value (Rs. Per Share)	10.00	10.00
EPS-Basic Rs. Per Share	0.62	1.35
EPS-Diluted	0.62	1.35

15. The Company has applied the AS-22 issued by the Institute of Chartered Accountants of India. Particulars pursuant to As-22 are as under :

Particulars	31.3.2009 Amount (In Rs.)	31.3.2008 Amount (In Rs.)
<b>Deferred Tax Liabilities</b>		
Difference in Book & IT Depreciation	25658373	3,04,78,413
<b>Deferred Tax Assets</b>		
B/F Depreciation losses	17909860	3,47,22,696
B/F Business losses	-	-
Provision for Gratuity	1051031	10,17,688
Net Amount	(6697482)	(52,61,971)
Deferred Tax Liabilities/ (Assets) @ 30.99%	(2075550)	(17,88,544)

**Note :** While calculating the above deferred tax assets, capital loss carried forward under IT Act has not been considered in view of future uncertainty about capital gains, as the same is allowable out of capital gains only as per the Income Tax Act 1961.

16. Previous year figures have been regrouped and rearranged wherever it is necessary.

17. Figures have been round off to nearest rupee.

**As per our Report of even date attached.**

For **N. Kataria & Associates**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**Nikhilesh Kataria, FCA**  
Proprietor  
Place : Jaipur  
Date : 30.06.2009

Sd/-  
**Pradeep Saxena**  
Director

Sd/-  
**Girdhar Saboo**  
Managing Director



**REPORT OF AUDITORS ON CASH FLOW STATEMENT**

To,  
The Board of Director's  
**Saboo Sodium Chloro Ltd.,**  
Jaipur

We have examined the attached Cash Flow Statement of Saboo Sodium Chloro Ltd. for the year ended 31.3.2009. The statement has been prepared by the Company with the requirements of the Listing Agreements and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

**For N. Kataria & Associates**  
*Chartered Accountants*

*Sd/-*  
**Nikhilesh Kataria, FCA**  
*Proprietor*

Date : 30.06.2009  
Place : Jaipur

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2009**  
(Annexed to the Balance Sheet for FY 2008-09)

<b>PARTICULARS</b>	<b>31.3.2009 (Rs. in lacs)</b>	<b>31.3.2008 (Rs. in lacs)</b>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before Tax and extraordinary items	<b>91.74</b>	51.28
<i>Adjustments for :</i>		
Secured Liability no longer required W/B	-	-
Prior Period Adjustments	-	(0.07)
Loss /(Profit) On Sale of Investments	-	-
Loss /(Profit) On Sale of Fixed Assets	-	(0.07)
Depreciation	<b>60.66</b>	55.45
Self Asst. Tax & FBT	<b>(19.00)</b>	(1.86)
Dividend received	-	(0.43)
Interest (Income)	<b>(4.11)</b>	(6.57)
Interest Expense	<b>2.94</b>	0.38
<b>Operating Profit before Working Capital Changes</b>	<b>32.23</b>	<b>98.11</b>
<i>Adjustments for :</i>		
Decrease (Increase) in Trade & Other Receivables	<b>29.96</b>	78.96
Decrease (Increase) in Inventories	<b>0.91</b>	29.70
Increase (Decrease) in Current Liability	<b>34.28</b>	(13.49)
Decrease (Increase) in Loans & Advances	<b>(10.07)</b>	(12.19)
Preliminary Exp. Not Written Off	<b>(2.40)</b>	
<b>Cash Generated From Operations</b>	<b>184.91</b>	181.08
Income Tax	-	
<b>Net Cash from Operating Activities</b>	<b>184.91</b>	<b>181.08</b>

**SABOO SODIUM CHLORO LIMITED**

<b>PARTICULARS</b>	<b>31.3.2009 (Rs. in lacs)</b>	<b>31.3.2008 (Rs. in lacs)</b>
<b><u>B. Cash Flow from Investing Activities</u></b>		
Purchase of Fixed Assets	(366.15)	(75.95)
Interest Received	4.11	6.57
Sale/ (Purchase) of Investments	12.64	(25.43)
Sale of Fixed Assets	-	0.43
Dividend Income	-	0.43
<b>Net Cash from Investing Activities</b>	<b>(349.40)</b>	<b>(93.95)</b>
<b><u>C. Cash Flow from Financing Activities</u></b>		
Proceeds/(Repayment) of Long Term Borrowings	(3.64)	1.98
Proceed/(Repayment) of Short Term Borrowings	(41.13)	(96.91)
Issue of Share Capital/ Share Application Money	267.25	-
Interest paid	(2.94)	(0.38)
<b>Net Cash from Financing Activities</b>	<b>219.54</b>	<b>(95.30)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>55.06</b>	<b>(8.17)</b>
Cash and Cash Equivalents at the Beginning of the year	73.66	38.11
<b>Cash and Cash Equivalents at the end of the year</b>	<b>128.72</b>	<b>29.94</b>

For **N. Kataria & Associates**  
Chartered Accountants

Sd/-  
**Nikhilesh Kataria, FCA**  
Proprietor

For and on behalf of the Board

Sd/-  
**Pradeep Saxena**  
Director

sd/-  
**Girdhar Saboo**  
Managing Director

Place : Jaipur  
Date : 30.06.2009



# SABOO SODIUM CHLORO LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Additional Information as required under Schedule VI to the Companies Act, 1956)

### 1. REGISTRATION DETAILS

Registration No. : 17-07830  
 State Code : 17  
 Balance Sheet Date : 31.3.2009

### 2. CAPITAL RAISED DURING THE YEAR

(Rs. in lacs)

Public Issue : Nil  
 Right Issue : Nil  
 Bonus Issue : Nil  
 Private Placement/ Share Application Money : 455.24

### 3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities : 1436.73  
 Total Assets : 1436.73

#### SOURCES OF FUNDS

Paid up Capital 1293.25  
 Reserve & Surplus 110.89  
 Secured Loans 12.39  
 Unsecured Loans 0.00  
 Private Placement/ Share Application Money 20.20

#### APPLICATION OF FUNDS

Net Fixed Assets 993.18  
 Investments 127.20  
 Net Current Assets 293.19  
 Deferred Tax Assets 20.76  
 Accumulated Losses  
 Preliminary Exp. 2.40

### 4. PERFORMANCE OF COMPANY

Turnover (Including Other Income) : 1238.48  
 Total Expenditure : 1146.74  
 Profit/(Loss) before Tax : 91.74  
 Earning per Share (Rs.) : 0.62  
 Dividend Rate (%) : Nil

### 5. GENERIC NAME AND PRINCIPAL PRODUCT OF THE COMPANY

(as per monetary terms )

Item Code No. (ITC Code) 250100.01  
 Product Description Refined Iodised salt

For **N. Kataria & Associates**  
 Chartered Accountants

For and on behalf of the Board

Sd/-  
**Nikhilesh Kataria, FCA**  
 Proprietor

Sd/-  
**Pradeep Saxena**  
 Director

Sd/-  
**Girdhar Saboo**  
 Managing Director

Place : Jaipur  
 Date : 30.06.2009



# SABOO SODIUM CHLORO LIMITED

## SABOO SODIUM CHLORO LIMITED

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

### PROXY FORM

Master Folio No.	DP ID	Client ID

I/We.....  
of .....being a member/members  
of Saboo Soidium Chloro Limited, appoint Mr./Ms.....  
or failing him.....of .....  
as my/our proxy to vote for me / us and on my/our behalf at the 16th Annual General Meeting to be held  
on Friday, the 11<sup>th</sup> September, 2009 at 11.00 A.M. at Surya House, L-5, B -II Krishna Marg, C-Scheme,  
Jaipur-302001, Rajasthan or at any adjournment thereof.

Signed this.....day of .....2009

Signature of member

Affix 1 Ruppee Revenue Stamp
---------------------------------------

**Note :** The Proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not be a member of the Company

Tear here \_\_\_\_\_

## SABOO SODIUM CHLORO LIMITED

Registered office: Surya House, L- 5, B - II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan

### Attendance Slip

Name and Address of the Share Holder : .....

No. of shares held : .....

Master Folio No.....DP ID.....Client ID.....

I, hereby record my presence at the 16th Annual General Meeting of the Company held on Friday, the 11<sup>th</sup> day of September, 2009 at 11.00 A.M. at Surya House, L-5, B-II, Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.

Name of the Member or Proxy\*

\*Strike out whichever is not applicable.

Please fill in attendance slip and hand it over at the entrance of the meeting hall. Joint share holders may obtain additional attendance slip on request.

**BOOK-POST**  
**PRINTED MATTER**

**If Undelivered Please return to :**  
**SABOO SODIUM CHLORO LIMITED**  
**"Surya House", L-5, B-II, Krishna Marg,**  
**C-Scheme, Jaipur - 302 001**