

17TH

**Annual Report
2009-2010**



SABOO SODIUM CHLORO LIMITED

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



Contents

Page No.

1. Board of Directors	2
2. Notice	3
3. Directors' Report	7
4. Report on Corporate Governance	13
5. Auditors' Report on Corporate Governance	25
6. Auditors' Report	28
7. Balance Sheet	34
8. Profit & Loss Account	35
9. Proxy Form	54



SABOO SODIUM CHLORO LIMITED

BOARD OF DIRECTORS

- | | | |
|---------------------------|---|---|
| Shri Girdhar Saboo | - | <i>Managing Director</i> |
| Shri Mahendra Kumar | - | <i>Non-Executive Independent Director</i>
(w.e.f 31.10.2009) |
| Shri Pradeep Saxena | - | <i>Non-Executive Independent Director</i> |
| Shri Bikash Kumar Lakhota | - | <i>Non-Executive Independent Director</i> |
| Shri V. P. Gagrani | - | <i>Compliance Officer</i> |

STATUTORY AUDITORS

N. Kataria & Associates
Chartered Accountants
109-110, Pinkcity Towers,
Nr. Petal Factory,
Jhotwara Road, Jaipur-302012

CORPORATE ADVISORS

V. M. & Associates
Company Secretaries
403, Royal World,
Sansar Chandra Road,
Jaipur-302 001

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

BANKERS

HDFC Bank Ltd.
INDUSIND Bank Ltd.

REGISTERED OFFICE

'Surya House', L-5, B - II,
Krishna Marg, C-Scheme,
Jaipur 302001 (RAJASTHAN)

Factory & Work Address

Village Govindi, Nawa City,
Nagour - 341509 (RAJ.)



NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that 17th Annual General Meeting of the members of **Saboo Sodium Chloro Limited** will be held on Saturday, the 18th day of September, 2010 at 11:00 A.M. at Surya House, L-5, B - II, Krishna Marg, C-Scheme, Jaipur, Rajasthan – 302 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010, 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 Bikash Kumar Lakhotia 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

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

“RESOLVED THAT Shri Mahendra Kumar, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 on 31st October, 2009 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.”

BY ORDER OF THE BOARD

Place : JAIPUR

Date: 31.07.2010

Sd/-
GIRDHAR SABOO
MANAGING DIRECTOR



SABOO SODIUM CHLORO LIMITED

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF SUCH MEMBER AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
The duly stamped, filled and signed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.
3. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.
4. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
6. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 14th September, 2010 to Saturday, 18th September, 2010 (both days inclusive).
7. 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.
8. 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.
9. The shareholders, who have not converted their shares in demat form, are requested to do so.
10. 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.
11. 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.
12. 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

ITEM NO. 4

Shri Mahendra Kumar was appointed as an Additional Director of the Company in the Board Meeting held on 31st October, 2009. As per the provisions of Section 260 of the Act read with Article 78 of the Articles of Association of the Company, the director shall hold office only upto the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as a Director.

The Company has received a Notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Shri Mahendra Kumar for the office of Director of the Company, under the provisions of Section 257 of the Companies Act, 1956 (the Act).

It will be in interest of the Company that Shri Mahendra Kumar is appointed as Non-Executive Director, who if appointed, shall be liable to retire by rotation, in accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company.

Save and except Shri Mahendra Kumar, as appointee, none of the other Directors of the Company are in any way, concerned or interested in this Resolution.

The Board recommends the Ordinary Resolution for approval.

Place: JAIPUR

BY ORDER OF THE BOARD

Date: 31.07.2010

Sd/-
GIRDHAR SABOO
MANAGING DIRECTOR



ANNEXURE TO THE NOTICE OF 17TH AGM

Details of Directors seeking appointment/re-appointment in the Annual General Meeting to be held on Saturday, the 18th day of September, 2010, pursuant to Clause 49 of Listing Agreement:

Name of Directors	Shri Mahendra Kumar	Shri Bikash Kumar Lakhotia
Date of Birth	14.07.1963	07.08.1975
Date of Appointment	31.10.2009	30.01.2009
Designation	Director	Director
Qualifications	Engineer	Graduate
Directorship held in other Public Limited companies	Nil	Nil
Membership/Chairmanship of Committees of other public companies	Nil	Nil

Place: JAIPUR

BY ORDER OF THE BOARD

Date: 31.07.2010

Sd/-
GIRDHAR SABOO
MANAGING DIRECTOR

**DIRECTORS' REPORT**

To,
The Members,
Saboo Sodium Chloro Ltd.,
Jaipur.

Your Directors are pleased to present the 17th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2010.

1. FINANCIAL PERFORMANCE

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

Particulars	(Rs. in lacs)	
	Financial Year 2009-10	Financial Year 2008-09
Total Income	99,834,782	121,701,927
Profit before Depreciation & Taxation	68, 70,074	1, 52, 40,048
Depreciation	53, 59,623	60, 66,120
Profit before tax	15, 10,451	91, 73,928
Taxation (including FBT & Deferred Taxation)	79,21,694	11,07,769
Profit / (Loss) after Tax	(64, 11,243)	80, 66,159

2. TURNOVER, PROFITS & FUTURE PROSPECTS

The total income during the year under review was Rs. 99,834,782/- as against Rs 121,701,927/- in the previous year. The Financial performance of the Company has slumped in the financial year 2009-10 as compared to the financial year 2008-09, because of the overall economic turndown.

3. DIVIDEND

In view of the losses incurred by the Company during the current financial year, your Directors do not recommend payment of any dividend for the year ended on 31st March, 2010.



4. BOARD OF DIRECTORS

Retire by Rotation

In accordance with the provisions of the Companies Act, 1956 and Article No. 89 of the Articles of Association, Shri Bikash Kumar Lakhota retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Appointment of Additional Director

Shri Mahendra Kumar was appointment as an Additional Director w.e.f 31st October, 2009. The Board received a notice u/s 257 of the Companies Act, 1956 from a member proposing the candidature of Shri Mahendra Kumar as a Director.

In view of this the Board recommends his appointment as a regular Non-Executive Independent Director of the Company liable to retire by rotation.

The Details are furnished in Explanatory Statement annexed to the Notice calling AGM.

Resignation of Director

During the financial year 2009-10 Shri Raghuvir Singh Rathore ceased to be Director of the Company w.e.f 31st October, 2009 by tendering his resignation to the Board of Directors of the Company.

5. 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 re-appointment.

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.

6. LISTING AT STOCK EXCHANGE

The Equity Shares of the Company are listed at JSE, ASE, DSE, CSE and BSE.

7. 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.



8. 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.

9. 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.

10. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The report on Management Discussion and Analysis as required under the Listing Agreements with the Stock exchange, forms part of the Annual Report of the Company.

11. 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.

12. 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 had been followed, along with proper explanation relating to material departures.
2. the Directors had selected such accounting policies & applied them consistently & made judgments & estimates that are reasonable & prudent so to as give a true & fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2010 and of the Profits of the Company for the year.
3. the Directors had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud & other irregularities.
4. the Directors had prepared the annual accounts on a going concern basis.



13. 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 executives, staff and workers of the Company.

14. 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

Place: JAIPUR

Sd/-
PRADEEP SAXENA
Director

Sd/-
GIRDHAR SABO
Managing Director

Date: 31.07.2010

ANNEXURE "A" TO THE DIRECTORS' 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 Foreign Exchange Earning has been US\$ 15712.43 and Foreign Exchange Outgo has been nil. The company has been in quest of exporting more and more in the foreign countries to stamp a place for itself all around the world. The company has been consistently getting good response from the foreign countries. The company with all the exports made in the last few years has emerged as the largest exporter of salt to the Kuwait market.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Saboo Sodium, the most prominent and the largest manufacturer of salt in Northern region of the country continues to possess the largest salt refinery in North India producing Surya Iodized Salt, Tota Iodized Salt, Tiger Iodized salt and all types of Industrial Salt. The signs that the Indian economy coming out of the financial slump is quite apparent and with this it is obvious that the standard of living of people will rise. The company is under process of setting up another Salt refinery of capacity 100000 tones per annum in Gandhidham (Gujarat) This project is almost ready and will be launched in coming financial year.

INDUSTRY STRUCTURE AND DEVELOPMENTS

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

OUTLOOK

The promoters of the Company have continued to give their strong support to the Company. The future of the Company looks bright with the entry of the company in the field of manufacturing of spices and Industrial Salt arena. The Company is of the view that there are lot of avenues in the retail sector. In view of the same it is planning to enter in the retail sector.

OPPORTUNITIES, THREATS, RISK AND CONCERNS

In the current age where the main focus of all the Companies is to build a better brand image for itself and to take full advantage of the untouched sectors, the company has diversified its line of business. The company need to continue the good work in market for years to come as there is cut throat competition in the market. In this scenario the principle of survival is perfectly valid because whoever tightens the grip on its customers will end up making a strong market base for itself.

The basic earnings of the company are from the sale of salt produced in the company's salt refineries. The future is unforeseen, one cannot predict it. Fluctuations in the foreign exchange rates are a big concern for the company as it is exporting its products in the foreign countries. Increase in the rate of interest and lack of Government support in the food business areas is also a concern for the company.

CHALLENGES

The biggest challenge for the company is to maintain its position and brand equity in the market. It is comparatively easy to reach one of the top positions but the real challenge is to maintain the position. 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 of the Company.



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

Human Resource is the most Important and vital factor of economic development or it can be said that humans are the agents of development. The effective human resources are vital for the growth of the business. The human resources are the most important resources as it is they who run the enterprises in efficient manner. The Company has set adequate systems in place for the recruitment of the talented and efficient employees in the organization. When there are good quality human resources in the organization the positive effect of the same is quite evident. With the best people working in the organization, it is obvious that the organization will grow leaps and bounds. The Company is having proper systems in place to provide the best working environment to the employees. The company is of the belief that if it will support its employees and motivate them, it will serve the objective of both the employees and the enterprise.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically. Corporate Governance aims to align, as nearly as possible, the interests of individuals, corporations and society and thereby enhancing the stakeholders' value. Your company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Good corporate governance practices have always been an integral part of your 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 Agreement.

In terms of Clause 49 of the Listing Agreement of the stock exchanges, the details of compliance are as follows:

2. BOARD OF DIRECTORS

In keeping the commitment of the management for the principal of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of non-independent and independent directors to maintain the independence of the Board and to Separate Board functions of governance and management.

*** 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 Company has 1 (one) Promoter and Executive Director and 3 (three) 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 meetings held**

The Board met 5 times on the following dates during the financial year 2009-10:

24th April, 2009, 30th June, 2009, 31st July, 2009, 31st October, 2009 and 30th January, 2010

*** 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 2009-10 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, 2010 are as follows:



Name of Directors	Status	No. of Board Meetings held	Board Meetings Attended	Attendance at last AGM	Number of Directorship Held in other public companies	Board Committee Membership/ Chairmanship held in other Public companies
Shri Girdhar Saboo	Executive Director	5	5	Yes	NIL	NIL
Shri Pradeep Saxena	Non-Executive Independent Director	5	5	Yes	NIL	NIL
Shri Bikash Kumar Lakhotia	Non-Executive Independent Director	5	3	No	NIL	NIL
Shri Raghuvir Singh Rathore*	Non-Executive Independent Director	4	4	Yes	NIL	NIL
Shri Mahendra Kumar**	Non-Executive Independent Director	2	2	N.A.	NIL	NIL

* Shri Raghuvir Singh Rathore upto 31st October, 2009.

** Shri Mahendra Kumar w.e.f. 31st October, 2009.

* **Shareholding of Non-Executive Directors as on March 31, 2010 is as under:**

S.No.	Name	No. of shares held	% of Paid-up Capital
1.	Shri Pradeep Saxena	NIL	-
2.	Shri Bikash Kumar Lakhotia	NIL	-
3.	Shri Mahendra Kumar	NIL	-

3. AUDIT COMMITTEE

The Constitution of the Audit Committee is 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,
- Overseeing 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** (as on 31st March, 2010):

Name	Designation	Category
Shri Pradeep Saxena	Chairman	Non-Executive & Independent Director
Shri Bikash Kumar Lakhotia	Member	Non-Executive & Independent Director
Shri Mahendra Kumar	Member	Non-Executive & Independent Director

➤ **Meeting held :**

The committee met 5 times on the following dates during the financial year 2009-2010:

24th April, 2009, 30th June, 2009, 31st July, 2009, 31st October, 2009 and 30th January, 2010

The meetings were scheduled well in advance. In addition to the members of the audit committee, these meetings were attended by the heads of finance and statutory auditors of the Company, and those executives who were considered necessary for providing inputs to the committee.



➤ **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 2009-2010 are as follows:

Name	Category	Attendance	Meetings held
Shri Raghuvir Singh Rathore*	Non-Executive & Independent Director	4	4
Shri Mahendra Kumar**	Non-Executive & Independent Director	1	1
Shri Pradeep Saxena	Non-Executive & Independent Director	5	5
Shri Bikash Kumar Lakhotia	Non-Executive & Independent Director	2	5

* Shri Raghuvir Singh Rathore upto 31st October, 2009.

** Shri Mahendra Kumar w.e.f. 31st October, 2009.

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

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 remuneration packages payable to them.
- To consider and recommend human resource policies relating to the compensation payment and performance management.

➤ **Composition** (as on 31st March, 2010):

Name	Designation	Category
Shri Pradeep Saxena	Chairman	Non-Executive & Independent Director
Shri Bikash Kumar Lakhotia	Member	Non-Executive & Independent Director
Shri Mahendra Kumar*	Member	Non-Executive & Independent Director

* Shri Mahendra Kumar w.e.f. 31st October, 2009.

During the period under review, the committee met once on 30th June, 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 2009-2010 are as follows:

Name	Category	Attendance	Meetings held
Shri Raghuvir Singh Rathore*	Non-Executive & Independent Director	1	1
Bikash Kumar Lakhotia	Non-Executive & Independent Director	1	1
Pradeep Saxena	Non-Executive & Independent Director	1	1
Mahendra Kumar**	Non-Executive & Independent Director	N.A	Nil

* Shri Raghuvir Singh Rathore upto 31st October, 2009.

** Shri Mahendra Kumar w.e.f. 31st October, 2009.

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 2009-10 are:

Particulars	Amount in Rs.
MD Remuneration	18,00,000/-
Benefits & Perquisites	2,42,668/-
Total	20,42,668/-

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 (as on 31st March, 2010) :**

Name	Designation	Category
Shri Girdhar Saboo	Chairman	Promoter & Executive Director
Shri Mahendra Kumar*	Member	Non-Executive & Independent Director
Shri Bikash Kumar Lakhotia	Member	Non-Executive & Independent Director
Shri V.P. Gagrani	Compliance Officer	Compliance Officer

* Shri Mahendra Kumar w.e.f. 31st October, 2009.



➤ **Meetings held:**

The Board met 6 times on the following dates during the financial year 2009-10:

21st April, 2009, 16th May, 2009, 22nd July, 2009, 4th September 2009, 27th October, 2009 and 8th February, 2010.

➤ **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 2009-2010 are as follows:

Name	Category	Attendance	Meetings held
Shri Girdhar Saboo	Promoter & Executive Director	6	6
Shri Raghuvir Singh Rathore**	Non-Executive & Independent Director	4	5
Shri Mahendra Kumar*	Non-Executive & Independent Director	1	1
Shri Bikash Kumar Lakhotia	Non-Executive & Independent Director	4	6

** Shri Raghuvir Singh Rathore upto 31st October, 2009.

* Shri Mahendra Kumar w.e.f. 31st October, 2009.

➤ **Status of Investor Complaints**

During the year under review, neither any complaint was pending as on 31st March, 2010 nor was any complaint received.

6. GENERAL BODY MEETINGS

Annual General Meeting

Date	Time	Venue	Special Resolution Passed
20.09.2007	11.00 A.M	Surya House, L-5, B-II, Krishna Marg, C-Scheme, Jaipur, Rajasthan	No Special Resolution was passed
25.09.2008	04.00 P.M.	Surya House, L-5, B-II, Krishna Marg, C-Scheme, Jaipur, Rajasthan	Special Resolution for increase in remuneration of Shri Girdhar Saboo as the Managing Director of the Company.
11.09.2009	11.00 A.M	Surya House, L-5, B-II Krishna Marg, C-Scheme, Jaipur, Rajasthan	Special Resolution for re-appointment of Shri Girdhar Saboo as Managing Director of the Company for a period of 5 years w.e.f 1 st October, 2009.



Extra Ordinary General Meeting during the last three years

During the financial year 2007-08, an Extra-Ordinary General Meeting of the members of the Company was held on 28th November 2007 for the purpose of increase in Authorised Share Capital of the Company.

Postal Ballot

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

7. CODE OF CONDUCT

The Board has laid down a code of conduct for the Directors and employees of the Company. The code is being followed in true letter and spirit.

8. DISCLOSURES

- **Board:** The Chairman of Saboo Sodium Chloro Limited is Shri Girdhar Saboo. He is an executive director and maintains Chairman's office in the Company.
- **Related Party Transactions:** 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.
- **Details of non-compliance, penalty imposed on the company by stock exchange, SEBI or any other statutory authorities:** 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.
- **Whistle Blower Policy:** 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.
- **Audit Qualifications:** The auditors have not qualified the financial statements.
- **Training of Board Members:** The company believes that the board be continuously empowered with the knowledge of the latest developments in the Company's businesses and the external environment affecting the industry as a whole. The company has taken various steps to train the board members with the best of the methods and procedures in order to enhance their knowledge.



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 Saturday, 18th September, 2010 at 11.00 A.M. at Surya House, L-5, B-11 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 quarter ending June 30 th 2010	Within 45 days from the end of the quarter
Result for the quarter ending September 30 th 2010	Within 45 days from the end of the quarter
Result for the quarter ending December 31 st 2010	Within 45 days from the end of the quarter
Result for the quarter ending March 31 st 2011	Within 45 days from the end of the quarter

c. Book Closure Date

The Share Transfer Books of the Company shall remain closed from Tuesday, 14th September, 2010 to Saturday, 18th September, 2010 (both days inclusive).

d. International Securities Identification number

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialised equity shares of the Company. The ISIN of the equity shares of the company is INE44C01016.

e. Dividend

No dividend being recommended by the Board during the year.

f. Listing of Equity Shares in Stock Exchange

The share of the Company are Listed at JSE, ASE, DSE, CSE and BSE

g. Stock Code.

Bombay Stock Exchange Limited, Mumbai – 530461



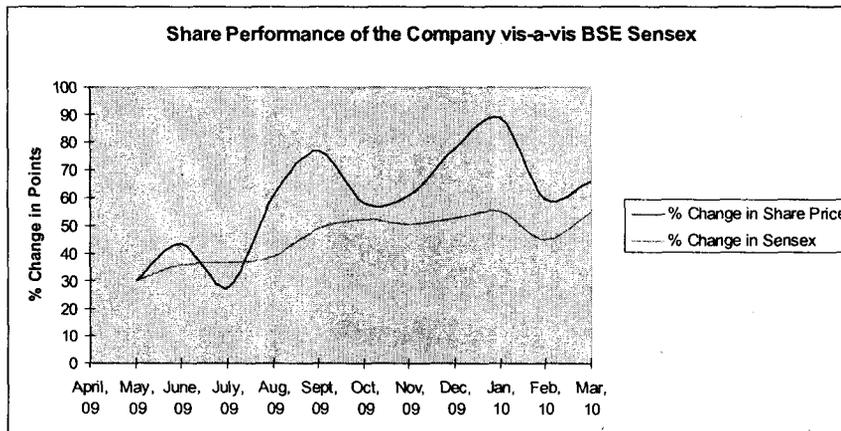
h. Market Price data

The monthly high and low quotations as well as shares traded at BSE during 2009-10:

Month	Stock Prices			BSE SENSEX	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
April, 09	6.90	4.10	401150	11,492.10	9,546.29
May, 09	8.99	4.60	651449	14,930.54	11,621.30
June, 09	9.90	6.51	797710	15,600.30	14,016.95
July, 09	8.80	5.51	692173	15,732.81	13,219.99
Aug, 09	11.10	6.80	1202047	16,002.46	14,684.45
Sept, 09	12.20	8.50	1498239	17,142.52	15,356.72
Oct, 09	10.90	9.10	503666	17,493.17	15,805.20
Nov, 09	11.10	8.95	226414	17,290.48	15,330.56
Dec, 09	12.27	9.03	585791	17,530.94	16,577.78
Jan, 10	13.00	9.28	488165	17,790.33	15,982.08
Feb, 10	11.00	8.80	144234	16,669.25	15,651.99
Mar, 10	11.45	8.40	134294	17,793.01	16,438.45

Source: BSE website

i. Share prices of Saboo Sodium Chloro Limited V/S BSE Sensex for the year ending 31st March, 2010





- j 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
Tel : 011 2996 1281/82 Fax : 011 2996 1284

k. 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

l. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2010

Shareholding of Nominal value	Number of Shareholders	% of Total	No. of Share	Amount in Rs.	% of Total
Up to 5000	2612	77.83	5,20,783	5,20,7830	4.0269
5001 to 10000	345	10.28	293562	2935620	2.2700
10001 to 20000	177	5.27	291000	2910000	2.2501
20001 to 30000	85	2.53	220043	2200430	1.7015
30001 to 40000	23	0.69	79843	798430	0.6174
40001 to 50000	29	0.86	137207	1372070	1.0609
50001 to 100000	33	0.98	255894	2558940	1.9787
100000 & Above	52	1.55	11134168	111341680	86.0945
Total	3356	100	12932500	129325000	100

**SABOO SODIUM CHLORO LIMITED****m. SHARE HOLDING PATTERN AS ON 31ST MARCH, 2010**

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Share held in Dematerialized Form	Total Shareholding as of total No. of Shares		Total Shareholding as a % of Total No. of Shares	
				As a % of A+B	As a % of (A+B+C)	Number of Shares	As a % of total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals/ Hindu Undivided Family	3	7,001,839	7,001,839	54.14	54.14	-	-
Sub Total	3	7,001,839	7,001,839	54.14	54.14	-	-
(2) Foreign							
Total Shareholding of Promoter and Promoter Group	3	7,001,839	7,001,839	54.14	54.14	-	-
(B) Public Shareholding							
(1) Institutions							
Mutual Funds/UTI	5	38,200	-	0.30	0.30	-	-
Sub Total	5	38,200	-	0.30	0.30	-	-
(2) Non- Institutions							
Bodies Corporate	140	2148485	2117185	16.61	16.61	200	0.01
Individuals							
Individual shareholders holding nominal share capital upto Rs.1 lakh	3148	1553956	1115939	12.02	12.02	1100	.07
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	33	2165213	2100113	16.74	16.74	-	-
Any Others (Specify)	27	52,318	52,318	0.40	0.40	-	-
Clearing Members	14	8584	8584	0.07	0.07	-	-
Non Resident Indians	13	16223	16223	0.13	0.13	-	-
Sub Total	3,348	5,892,461	5358044	45.56	45.56	1300	.02
Total Public Shareholding(B)	3,353	5,930,661	5358044	45.86	45.86	1300	.02
Total (A)+(B)	3,356	12,932,500	12,359,883	100.00	100.00	1300	.01
(C) Shares held by Custodians and against which Depository Receipts have been issued							
	-	-	-	-	-	-	-
Total (A)+(B)+(C)	3,356	12,932,500	12,359,883	100.00	100.00	1300	.01



n. 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 31 March 2010, 1,23,59,883 Equity Shares of the Company forming 95.57% of the share capital of the Company stand dematerialized.

LIQUIDITY OF SHARES

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

o. 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

p. PLANT LOCATIONS

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

q. 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 2009-10, 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, 2010 has been given elsewhere in the Annual Report.

For and on behalf of the Board of Directors

Place: JAIPUR

Date: 31.07.2010

Sd/-
PRADEEP SAXENA
Director

Sd/-
GIRDHAR SABO
Managing Director



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

To,
The Members,
Saboo Sodium Chloro Limited,
Jaipur

We have examined the compliance of conditions of corporate governance by **SABOO SODIUM CHLORO LIMITED** for the year ended on 31st March, 2010, 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

Sd/-

Place: Jaipur

Date: 31.07.2010

Nikhilesh Kataria, FCA
Proprietor
Membership No. 79048



SABOO SODIUM CHLORO LIMITED

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, 2010, 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

Sd/-

Date: 31.07.2010

GIRDHAR SABOO
Managing Director



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

To,
The Board of Directors
Saboo Sodium Chloro Limited
Jaipur

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 31st March, 2010 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.

Sd/-

Sd/-

Place: JAIPUR
Date: 31.07.2010

GIRDHAR SABOO
Chief Executive Officer

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 2010-11, 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.

Sd/-

Place: JAIPUR
Date:31.07.2010

Pradeep Saxena
Chairman
Audit Committee



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 31st March 2010, 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 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 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 31st March 2010;
 - (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: 30-6-2010

(Nikhilesh Kataria, FCA)
Proprietor
M. No. 79048



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.
- (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. Commissioner of Custom has levied a penalty of Rs.50 lacs during the year on account of non-fulfillment of export obligations. The same has been disputed by the company and the matter is pending.
- (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 not 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 except short term parking of the funds.
- (xviii) According to the information and explanations given to us, during the year under consideration, the Company has not 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.
- (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: 30-6-2010

(Nikhilesh Kataria, FCA)
Proprietor
M. No. 79048

**SABOO SODIUM CHLORO LIMITED****BALANCE SHEET AS AT 31ST MARCH 2010**

	Schedule	As at 31.03.2010 (in Rs.)	As at 31.03.2009 (in Rs.)
SOURCES OF FUNDS:			
Shareholders Fund			
Share Capital	1	129,325,000	129,325,000
Reserve & Surplus	2	4,677,816	11,089,059
Share Application Money (convertible warrant)		<u>2,020,000</u>	<u>2,020,000</u>
		136,022,816	142,434,059
Loan Funds			
Secured Loans	3	70,878,212	1,238,695
		70,878,212	1,238,695
Deferred Tax Liability		5,346,144	-
Total		<u>212,247,172</u>	<u>143,672,754</u>
APPLICATION OF FUNDS :			
Fixed Assets	4		
Gross Block		178,338,866	159,644,245
Less: Depreciation		102,679,890	99,248,328
		75,658,976	60,395,917
Capital work-in-progress		92,468,580	38,922,504
Investments	5	18,730,457	12,719,504
Deferred Tax Assets		-	2,075,550
Current Assets, Loans & Advances : 6			
(a) Inventories		12,885,540	11,631,314
(b) Sundry Debtors		5,314,625	16,294,743
(c) Cash & Bank Balances		10,823,171	12,871,639
(d) Loans & Advances		<u>14,085,342</u>	<u>12,866,418</u>
		43,108,678	53,664,114
Less : Current Liabilities & provisions	7	18,393,887	4,344,917
Net Current Assets		24,714,791	29,319,197
Preliminary Exp. Not Written Off		674,368	240,082
Total		<u>212,247,172</u>	<u>143,672,754</u>
Accounting Policies & Notes to The Accounts	8		
As per our Report of even date attached.			

For N. Kataria & Associates

Chartered Accountants

Nikhilesh Kataria, FCA

Proprietor

Place : Jaipur

Date : 30-06-2010

For and on behalf of the Board**Pradeep Saxena**

Director

Girdhar Saboo

Managing Director

**SABOO SODIUM CHLORO LIMITED****PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31st MARCH, 2010**

	Schedule	Year Ended 31.03.2010 (in Rs.)	Year Ended 31.03.2009 (in Rs.)
INCOME			
Sales & Income from operation	9	96,464,010	122,999,407
Increase/(Decrease) in Stock	10	1,567,420	(2,146,203)
Other Income	11	1,803,352	848,723
		99,834,782	121,701,927
EXPENDITURE			
Material & Direct Cost	12	48,882,368	52,625,020
Manufacturing Expenses	13	12,681,812	17,634,834
Payment/ Prov. for Employees		10,366,222	9,609,106
Admn. & Other Expenses		19,891,282	26,122,231
Financial Expenses	14	1,143,024	470,688
		92,964,708	106,461,879
Profit/(Loss) Before Depreciation & Tax		6,870,074	15,240,048
Depreciation	4	5,359,623	6,066,120
Profit/(Loss) After Depreciation		1,510,451	9,173,928
Provision for Income Tax		(500,000)	(1,050,000)
Provision for Fringe Benefit Tax		-	(35,000)
Deffered Tax Provision		(7,421,694)	287,006
Provision for Taxation (Earlier year)		-	(309,775)
Profit/(Loss) After Depreciation & Taxes		(6,411,243)	8,066,159
Profit /(Loss) Brought forward		9,089,059	1,022,900
Balance Taken Over to Reserve & Surplus		2,677,816	9,089,059
EPS (before deferred taxes)		0.08	0.63

As per our Report of even date attached

For N. Kataria & Associates
Chartered Accountants

Nikhilesh Kataria, FCA
Proprietor

Place : Jaipur

Date : 30-06-2010

For and on behalf of the Board

Pradeep Saxena
Director

Girdhar Saboo
Managing Director

**SABOO SODIUM CHLORO LIMITED****Schedules 1 to 1Y annexed to and forming integral part of the accounts
for the year ended 31st March, 2010**

	As at 31.03.2010 <i>(in Rs.)</i>	As at 31.03.2009 <i>(in Rs.)</i>
SCHEDULE 1 : SHARE CAPITAL		
Authorized :		
1,50,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,50,00,000 Equity Shares of Rs. 10/-each)	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
Issued Capital:		
1,29,32,500 Equity Shares of Rs. 10/- each	129,325,000	129,325,000
	<u>129,325,000</u>	<u>129,325,000</u>
Subscribed & Paid Up Capital:		
1,29,32,500 Equity Shares of Rs. 10/- each	129,325,000	129,325,000
	<u>129,325,000</u>	<u>29,325,000</u>
Share Application Money (<i>convertible warrant</i>)	2,020,000	2,020,000
SCHEDULE 2 : RESERVE & SURPLUS		
State Capital Investment Subsidy	2,000,000	2,000,000
Profit & Loss Account (<i>transferred from Profit & Loss Account</i>)	2,677,816	9,089,059
	<u>4,677,816</u>	<u>11,089,059</u>
SCHEDULE 3 : SECURED LOANS		
Loan Against Purchase of Vehicle From		
A) ICICI Bank, Jaipur (Against hypothecation)		36,485
B) ABN AMRO JCB LOAN	741,301	1,202,210
SBI Term Loan	70,136,911	
	<u>70,878,212</u>	<u>1,238,695</u>

SCHEDULE 4: FIXED ASSETS

PARTICULARS	Gross Block			As at 31 Mar-10	Depreciation			Net Block		
	As at 31Mar-09	Addition/ Transfer during the year	Deletions/ Transfer during the year		As at 31 Mar-09	For the Year	Adjust- ments/ deletions	As at 31 Mar-10	As at 31 Mar-10	As at 31 Mar-09
1. Development	5830632	20166511	0	25997143	0	0	0	0	25997143	5830632
2. Building	44313040	161200	0	44474240	15380540	1405270	0	16785810	27688430	28932500
3. Plant & Machinery	99248499	385551	1312045	98322005	77432545	3284338	1312045	79404838	18917167	21815954
4. Furniture & Fixture	2351142	25105	0	2376247	1670754	148850	0	1819604	556643	680388
5. Vehicles	5990127	0	842551	5147576	3590590	375845	616016	3350419	1797157	2399537
6. Office Equipments	1797205	106250	0	1903455	1173899	145320	0	1319219	584236	623306
7. Trade Mark	113600	4600	0	118200	0	0	0	0	118200	113600
Total	159644245	20849217	2154596	178338866	99248328	5359623	1928061	102679890	75658976	60395917
Capital WIP	38922504	53546076		92468580				0	92468580	38922504
Total	198566749	74395293	2154596	270807446	99248328	5359623	1928061	102679890	168127556	99318421
Previous Year	161951468	36615281	0	198566749	93182208	6066120	0	99248328	99318421	68769260



	As at 31.03.2010 (in Rs.)	As at 31.03.2009 (in Rs.)
SCHEDULE 5 : INVESTMENTS		
Non Trade Investments : In Govt. Securities		
N. S. C.(Pledged with sales Tax authorities)	4,000	4,000
Trade Investment:		
1000 Fully Paid Up Equity Shares of Rs. 10/- each of Hindustan Power Plus Ltd. (market value n.a.) (Above shares yet to be Transferred in the name of the company.)	72,794	72,794
1800 Fully Paid Up Equity Shares of Rs.10/- each of Silktex Ltd. (market value n.a.) 480850 Fully Paidup Share of Fortress Hotels & Resort Pvt. Ltd	15,335	15,335
2600 Fully Paid Up Equity Shares of Rs.10/- each of Data Switch Gear (market value n.a.) Reliance Money Manager	11,065,500 57,375 7,515,453	12,570,000 57,375
	<u>18,730,457</u>	<u>12,719,504</u>

SCHEDULE 6 : CURRENT ASSETS, LOANS & ADVANCES**A. Current Assets****(a) Inventories (As taken, Valued & Certified
by the management)**

Raw Material	2,045,153	1,831,489
Stores & Spares	672,377	1,121,373
Packing Material	4,642,978	4,730,839
Finished goods	5,506,882	3,939,462
Wastage & Salvage Goods	18,150	8,150

Total (a)12,885,54011,631,314**(b) Sundry Debtors (Unsecured considered good)**

More than 6 Months		924,001
Others	5,314,625	15,370,742

Total (b)5,314,62516,294,743

**SABOO SODIUM CHLORO LIMITED**

	As at 31.03.2010 (in Rs.)	As at 31.03.2009 (in Rs.)
(c) Cash and Bank Balances :		
Cash In hand	601,796	481,872
Balances with Scheduled Banks:In Current A/c	3,895,047	5,951,976
In Fixed Deposits	6,326,328	6,437,791
Total (c)	10,823,171	12,871,639
Total "A" (a+b+c)	29,023,336	40,797,696
B. Loans & Advances :		
(Unsecured considered good)		
Advances Recoverable in cash or kind or for	11,278,116	9,888,555
Security Deposit	2,211,078	2,175,014
TDS, Advance Tax & VAT	593,103	799,804
Interest accrued on N.S.C	3,045	3,045
Total (b)	14,085,342	12,866,418
Total (A+B)	43,108,678	53,664,114
SCHEDULE 7 : CURRENT LIABILITIES & PROVISIONS		
A : Current Liabilities		
Sundry Creditors		
Creditors for Capital Goods	436,180	5,777,759
Creditors for Goods	6,925,917	5,310,109
Creditors for Expenses	1,326,588	700,299
Total (a)	8,688,685	11,788,167
Advance & Deposits from Customers & Contractors	4,454,906	6,221,562
Other Liabilities	5,250,296	6,335,188
Total (b)	9,705,202	12,556,750
Total (a+b)	18,393,887	24,344,917
SCHEDULE 9 : SALES & INCOME FROM OPERATIONS		
Salt Sales	93,330,332	116,371,880
Less : Quantity Discount	386,868	1,697,420
Export Sales (including exports in Rupees)	3,520,546	8,324,947
Total	96,464,010	122,999,407

**SABOO SODIUM CHLORO LIMITED**

	As at 31.03.2010 (in Rs.)	As at 31.03.2009 (in Rs.)
SCHEDULE 10 : INCREASE/DECREASE IN STOCK		
Closing Stock as on 31.3.2010		
Finished goods	5,506,882	3,939,462
Opening Stock as on 01.04.2009		
Finished goods	3,939,462	6,085,665
Increase/(Decrease) in Stock	<u>1,567,420</u>	<u>(2,146,203)</u>
SCHEDULE 11 : OTHER INCOME		
Dividend On Investments	30,757	117
Interest - Parties Etc.	135,987	25,400
Interest on FDR	587,631	522,315
Misc. Receipts	69,645	55,519
Profit on sale of Investment	10,215	-
Profit on sale of Fixed Assets	153,465	-
Sundry Balances Written Off	558,470	-
Rebate & Discount Received	150,422	40,000
Truck Freight Income	106,759	205,372
	<u>1,803,352</u>	<u>848,723</u>
SCHEDULE 12 : MATERIAL COSTS		
a) Raw salt Consumed		
Opening Stock of Raw salt as on 1.4.2009	140,102	982,175
Add-Purchase (including freight)	17,012,710	24,252,157
Less-Closing Stock as on 31.3.2010	1,945,312	140,102
	<u>15,207,500</u>	<u>25,094,229</u>
Potassium Iodate Consumed	1,144,251	970,855
Packing Material Consumed (Total)	29,354,838	21,915,360
P.F.C. Consumed	68,991	97,282
Salt for Export	3,106,788	4,547,293
Total : a	<u>48,882,368</u>	<u>52,625,020</u>



	As at 31.03.2010 (in Rs.)	As at 31.03.2009 (in Rs.)
SCHEDULE 13 : MANUFACTURING AND OTHER DIRECT EXPENSES		
(a) Manufacturing Expenses		
Cartage Exp.	-	204,455
Electricity & Duty Exp.	2,804,333	4,228,417
Input Vat Adjusted	-	611,679
Freight Inward	11,252	63,841
Laboratory Expenses	11,371	11,723
Leakage Dent Etc.	-	16,000
Power & Fuel (diesel & furnace oil)	8,181,241	9,889,062
Store & Spares	680,300	291,632
Building Repair & Maintenance	511,887	1,296,481
Insurance	-	20,558
Oil & Lubricants Exp.	110,011	160,618
Plant & Machinery Repair	275,950	691,987
Raw Salt Kyar Repair	6,730	18,917
Repair & Maintenance (D.G.Set)	46,247	59,045
Repair & Maintenance Of J.C.B.	42,490	70,419
Total (a)	12,681,812	17,634,834
(b) Payment to & Provision for Employees		
Allowances on Salary	145,750	133,200
Salaries	745,380	332,400
Directors Remuneration & Perquisites	2,042,668	2,063,802
Allowances on Wages	1,933,253	1,894,370
Bonus	135,983	109,367
Canteen Exp.	39,581	28,736
Employer Contribution to P.F.	382,042	310,983
Gratuity	82,731	67,038
Leave encashment	3,306	3,432
Stipend to Apprentice	422,998	308,531
Wages	4,324,525	4,318,356
Workmen & Staff Welfare	108,005	38,891
Total (b)	10,366,222	9,609,106

**SABOO SODIUM CHLORO LIMITED**

	As at 31.03.2010 (in Rs.)	As at 31.03.2009 (in Rs.)
(c) Selling & Distribution Expenses		
Advertisement Expenses	6,503,618	2,436,790
Discount & Rebate	105,906	545,747
Sales Distribution & Retailing Exp.	2,391,048	1,800,845
Export Expenses	1,050,992	3,336,763
Freight Outward (Factory)	5,204,689	4,989,261
Freight Outward (Other)	40,850	3,434,009
Loading & Unloading Exp.	3,120	19,518
Sales Promotion Exp.	559,303	144,747
Travelling Exp.	113,249	195,268
Total (c)	15,972,775	16,902,948
(d) Administrative Expenses		
Administrative Charges on PF	33,596	27,345
Annual Custodial Fees	67,283	37,080
Auditors Remuneration	27,000	21,000
Computer Exp.	66,414	24,387
Donation	96,000	75,000
Bad Debts Written Off	39,297	1,232,251
Electricity & Water	297,680	204,506
Environment Exp.	3,160	27,190
Excise duty	14,000	-
General Expenses	175,597	64,155
Insurance	410,986	387,604
Legal & Professional charges	709,116	294,649
Listing Fees	44,120	213,705
Membership & Subscription	27,224	141,500
Postage Telegram & Telephone Expenses	192,775	220,192
Provision for Export Goods Damage & Claims	-	2,438,143
Printing & Stationery	102,011	91,168

**SABOO SODIUM CHLORO LIMITED**

	As at 31.03.2010 (in Rs.)	As at 31.03.2009 (in Rs.)
Profit / Loss On Growth Fund	-	394,744
Recruitment Expenses	136,390	148,561
Rent Rates & Taxes	5,515	600,000
Rating Exp	172,986	-
Repair & Maintenance	394,138	2,197,693
Share Transfer Expenses	23,084	35,296
Travelling & Conveyance	876,465	340,890
Truck Running Expenses	3,670	2,224
Total (d)	3,918,507	9,219,283
Grand Total (a+b+c+d)	42,939,316	53,691,839
SCHEDULE 14 : FINANCIAL EXPENSES		
Bank Commission & charges	55,596	54,583
Interest on income tax	156	99,167
Frank Charges, Stamp Duty Other Govt. Duty	29,980	110,000
Foreign Exchange Rate Difference	21,423	11,716
Processing Fees on Bank Loan	931,302	-
Interest On Bank Borrowing & Others	104,567	195,222
	1,143,024	470,688



**SCHEDULE – 8 ACCOUNTING POLICIES AND NOTES ON ACCOUNTS
(Annexed to the Balance Sheet for FY 2009-10)**

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 consistent 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 does 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. Wherever applicable, the same is provided for as per the principles laid down in the relevant AS issued by the ICAI.

8. Retirement Benefits

Leave encashment etc is accounted for on cash basis. Post retirement benefits have not been provided for as per actuarial valuation or other prescribed method. To this extent AS-15 not stood complied with, however, impact on profit is not ascertainable.

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 incomes 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: nil

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 management, there were no SSI undertakings to which the Company owes any amount together with interest outstanding for more than 30 days.
5. The company is in the process of setting up a new production unit at Gandhidham (Gujarat). The plant is yet to be commissioned and as such all the capital expenses related thereto has been capitalized and shown as capital work in progress.
6. Following the AS-16 on Borrowing Costs, interest incurred on term loan has been capitalized as reduced by the interest received on temporary parking of such borrowed funds

**7. Auditor's Remuneration**

Particulars	2009-10 Amount (in Rs.)	2008-09 Amount (in Rs.)
Audit fees	16000	16000
Tax Audit Fees	11000	5000
Total	27000	21000

8. Remuneration and perquisites paid to Managing Director

Particulars	2009-10 Amount (in Rs.)	2008-09 Amount (in Rs.)
M.D. remuneration	18,00,000	18,00,000
Benefits & Perquisites	2,42,668	2,63,802
Total	2042668	2063802

9. 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	2009-10 Amount (in Rs.)	2008-09 Amount (in Rs.)
Salt		
Licensed capacity	-	-
Installed capacity	100000 MT	100000 MT
Atta		
Licensed capacity		--
Installed capacity	40000 MT	40000 MT

**SABOO SODIUM CHLORO LIMITED****B Details of opening stock turnover and closing stock (quantity in MT)****Refined Iodized Salt**

Particulars	2009-10		2008-09	
	Qty (in MT)	Amount (in Rs.)	Qty (in MT)	Amount (in Rs.)
Opening stock	2004	3939462	3991	6085665
Production	25029		32163	-
Turnover/ Transfer (sale price)	25329	96464010	36153	122999407
Closing Stock	1714	5506882	2004	3939462

C Value of Raw Material Consumed

Particulars	2009-10		2008-09	
	Percentage (in Rs.)	Amount (in Rs.)	Percentage	Amount
Raw material : Imported	-	-	-	-
Indigenous (Excl. Packing material)	100	19527530	100	30709659
Stores & Spares (incl. fuel cost) : Imported	-	-	-	-
Indigenous	100	8861541	100	1080693

D Raw Material Consumed

Particulars	2009-10		2008-09	
	Qty.	Amount (in Rs.)	Qty.	Amount (in Rs.)
Raw Salt (MT) (Excl. salt used for exports)	33983	15207500	39552	25094229

E CIF Value of Import NIL NIL**F Expenditure in Foreign Currency** NIL NIL

10. 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.



SABOO SODIUM CHLORO LIMITED

11. 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.
12. 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	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	20.43	-
Purchase of shares	16.80	-

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

Particulars	March 31, 2010	March 31, 2009
Net Profit/Loss	1010451	9173928
No. of Share	12932500	12932500
Face Value (Rs. Per Share)	10.00	10.00
EPS-Basic Rs. Per Share	(0.08)	0.63
EPS-Diluted	(0.08)	0.63

**SABOO SODIUM CHLORO LIMITED**

14. 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	Amount (In Rs.)
Deferred Tax Liabilities	
Difference in Book & IT Depreciation	24106709
Deferred Tax Assets	
B/F Depreciation losses	5737360
B/F Business losses	-
Provision for Gratuity	1118158
Net Amount	17251191
Deferred Tax Liabilities/ (Assets) @ 30.99%	5346144

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.

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

Nikhilesh Kataria, FCA
Proprietor
M. No. 79048
Place : Jaipur
Date : 30-06-2010

Pradeep Saxena
Director

Girdhar Saboo
Managing Director

**SABOO SODIUM CHLORO LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31.3.2010**

(Annexed to the Balance Sheet for FY 2009-10)

PARTICULARS	31.3.2010 (Rs. in lacs)	31.3.2009 (Rs. in lacs)
A. Cash Flow from Operating Activities		
Net Profit before Tax and extraordinary items	15.10	91.74
<i>Adjustments for :</i>		
Secured Liability no longer required W/B	-	
Prior Period Adjustments	-	
Loss /(Profit) On Sale of Investments	(0.10)	-
Loss /(Profit) On Sale of Fixed Assets	(1.53)	
Depreciation	53.60	60.66
Self Asst. Tax & FBT	-	(19.00)
Dividend received	(0.31)	
Interest (Income)	(7.24)	(4.11)
Interest Expense	1.05	2.94
Operating Profit before Working Capital Changes	60.57	132.23
<i>Adjustments for :</i>		
Decrease (Increase) in Inventories	(12.54)	0.91
Decrease (Increase) in Trade & Other Receivables	109.80	29.96
Increase (Decrease) in Current Liability	(53.92)	34.28
Decrease (Increase) in Loans & Advances	(12.19)	(10.07)
Preliminary Exp. Not Written Off	(4.34)	2.40
Cash Generated From Operations	87.37	184.91
Income Tax	(10.59)	-
Net Cash from Operating Activities	76.78	184.91
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(743.95)	(365.15)
Interest Received	7.24	4.11
Sale/ (Purchase) of Investments	(60.01)	12.64
Sale of Fixed Assets	3.80	-
Dividend Income	0.31	-
Net Cash from Investing Activities	(792.62)	(349.40)



SABOO SODIUM CHLORO LIMITED

C. Cash Flow from Financing Activities

Proceeds/(Repayment) of Long Term Borrowings	696.40	(3.64)
Proceed/(Repayment) of Short Term Borrowings	-	(41.13)
Issue of Share Capital/ Share Application Money	-	267.25
Interest paid	(1.05)	(2.94)
Net Cash from Financing Activities	695.35	219.54
Net Increase (Decrease) in Cash and Cash Equivalents	(20.49)	55.06
Cash and Cash Equivalents at the Beginning of the year	128.72	73.66
Cash and Cash Equivalents at the end of the year	108.23	128.72

For N. Kataria & Associates
Chartered Accountants

For and on behalf of the Board

Nikhilesh Kataria, FCA
Proprietor

Pradeep Saxena
Director

Girdhar Saboo
Managing Director

Place : Jaipur

Date : 30-06-2010



SABOO SODIUM CHLORO LIMITED

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 31.3.2010. 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

Nikhilesh Kataria, FCA
Proprietor

Date : 30th June, 2010
Place : Jaipur



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		31.3.2010	
2. CAPITAL RAISED DURING THE YEAR		<i>(Rs. in lacs)</i>	
Public Issue		Nil	
Right Issue		Nil	
Bonus Issue		Nil	
Private Placement/ Share Application Money	0.00		
3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS			
Total Liabilities		2122.47	
Total Assets		2122.47	
SOURCES OF FUNDS			APPLICATION OF FUNDS
Paid up Capital	1293.25	Net Fixed Assets	1681.28
Reserve & Surplus	46.78	Investments	187.30
Secured Loans	708.78	Net Current Assets	247.15
Deffered Tax Liabilities	53.46	Deferred Tax Assets	0.00
Private Placement/ Share Application Money	20.20	Accumulated Losses/	0.00
		Preliminary Exp.	6.74
4. PERFORMANCE OF COMPANY			
Turnover (Including Other Income)		982.67	
Total Expenditure		967.57	
Profit/(Loss) before Tax		15.10	
Earning per Share (Rs.)		0.08	
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

Nikhilesh Kataria, FCA
Proprietor

For and on behalf of the Board

Pradeep Saxena
Director

Girdhar Saboo
Managing Director

Place : Jaipur

Date : 30-06-2010



SABOO SODIUM CHLORO LIMITED

SABOO SODIUM CHLORO LIMITED
Registered office: Surya House, L- 5, B - II Krishna Marg, C-Scheme, Jaipur, Rajasthan

PROXY FORM

Master Folio No.	DP ID	Client ID

I/We.....
ofbeing 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 17th Annual General Meeting to be held on Saturday, the 18th September, 2010 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 of2010

Affix Revenue

Stamp

Affix 1
Rupee
Revenue
Stamp

Signature of member

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, 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 17th Annual General Meeting of the Company held on Saturday, the 18th day of September, 2010 at 11.00 A.M. at Surya House, L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.

Name of the Member / P*oxy*

*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