

23rd

ANNUAL REPORT  
2015-16



SABOO SODIUM CHLORO LIMITED  
L-5, B-II, KRISHNA MARG, C-SCHEME, JAIPUR-302001

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# SABOO SODIUM CHLORO LIMITED

## ANNUAL REPORT (2015-16)

### BOARD OF DIRECTORS

Shri Girdhar Gopal Saboo  
Managing Director (Executive)

Shri Bikash Kumar Lakhotia  
Director (Non-Executive)

Shri Neeraj Kumar Agarwal  
Director (Non-Executive)

Mrs. Archana Saboo (w.e.f.30.09.2015)  
Whole Time Director (Executive)

Shri Sanjay Sarna (w.e.f. 23.12.2015)  
Director (Non-Executive)

Mr. Vishnu Prakash Gagrani  
Chief Financial Officer (Executive)

Ms. Anjali Kumawat (w.e.f.26.12.2015)  
Company Secretary

### Statutory Auditor

N. Kataria & Associates  
Chartered Accountants  
710, Paris Point  
Collectorate Circle,  
Bani Park, Jaipur-302016

### Corporate Advisors

Naredi Vinod & Associates  
Company Secretaries,  
Plot No. 56, Rameshwar Dham,  
Near Kedia Place, Murlipura,  
Jaipur- 302013 Rajasthan

### Registered Office

L-5, B-II, Krishna Marg,  
C-Scheme, Jaipur-302001  
(Rajasthan)

### Bankers

State Bank of India  
State Bank of Bikaner & Jaipur  
HDFC Bank Limited  
Indusind Bank

### Registrar & Share Transfer Agent

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Centre  
Near Dada Harsukhdas Mandir, New Delhi-62  
Tel: 011 2996 1281/82  
Fax: 011 2996 1284

### Works

1. Village Govindi, Nawa City,  
Nagour (Rajasthan)
2. Survey No. 416, Village  
Moti Chirai, Taluka Bachau,  
Gandhidham (Gujarat)
3. Rajgarh, M.P.

### Important Communication to members

The ministry of Corporate Affairs has taken a "Green initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this Green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to registered their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants, Members who hold shares in Physical form are requested to registered their e-mail addresses with the Company.

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 23<sup>rd</sup> Annual General Meeting of the members of Saboo Sodium Chloro Limited will be held on Wednesday, 28<sup>th</sup> September, 2016 at 3:00 PM at the registered office of the Company at L-5, B-II, Krishna Marg, C-Scheme, Jaipur- 302001, Rajasthan to transact the following business.

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company as on 31<sup>st</sup> March, 2016, including any explanatory note annexed to, or forming part of the aforementioned documents, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint M/s N. Kataria & Associates, Chartered Accountants, the retiring Auditors of the Company, and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution is an **ordinary resolution**:

**“RESOLVED THAT** pursuant to the Section 139(2), 142(1) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2016 and other applicable rules, if any, M/s N. Kataria & Associates ( ICAI Firm Registration Number: 014941C) , Chartered Accountants, be and is hereby appointed by the members of the Company who shall hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the company at such remuneration as may be determined by the Board of Directors of the Company.”

### **SPECIAL BUSINESS**

3. To increase the remuneration of Mr. Girdhar Gopal Saboo [DIN:00364750], Managing Director:

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

**“RESOLVED THAT** Pursuant to the provisions of Section 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of Nomination and Remuneration Committee and Audit Committee, approval of the Company be and is hereby accorded for revision in the remuneration of Mr. Girdhar Gopal Saboo [DIN:00364750], Managing Director of the Company, on the terms and conditions including remuneration as mentioned below:

Sr. no.	Particulars
1.	Basic Salary Rs. 2,04,000 /- per month w.e.f. October 01, 2016.
2.	Allowances: Rs. 96,000/- per month w.e.f. October, 01, 2016
3.	Reimbursement of medical expenses incurred in India or abroad including hospitalisation, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
4.	Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
5.	Reimbursement of membership fees for a maximum of two clubs.
6.	Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.

7.	Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence for official purpose shall not be treated as perquisites.
8.	Other benefits like Gratuity, Provident Fund, Leave etc. as applicable to the employees of the Company.

**“RESOLVED FURTHER THAT** Board of Directors be and are hereby authorized to increase the remuneration of Mr. Girdhar Gopal Saboo, Managing Director of the company from time to time subject to the limit Rs. 84 Lakhs p.a. (Rupees Eighty Four Lakhs per annum) as per Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company and recommendation of Nomination and Remuneration Committee and Audit Committee.”

**By Order of the Board**

**Anjali Kumawat  
Company Secretary**

**03<sup>rd</sup> September, 2016  
Jaipur**

**NOTES:**

**A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE ON POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

1. The register of Members and Share Transfer Books of the Company will remain closed from 22<sup>nd</sup> September, 2016 to 28<sup>th</sup> September, 2016 (both days inclusive).
2. Non-Resident Indian Shareholders are requested to inform M/s Beetal Financial & Computer Services (P) Ltd., the Registrar and Share Transfer Agent of the Company immediately about:
  - (a) The change in the Residential status on return to India for permanent settlement.
  - (b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
3. Members requiring information on the accounts are requested to write to the Company at least 7 (Seven) days before the date of the meeting to enable the Company to furnish the information.
4. Members are requested to:
  - I) Intimate change in their Registered Addresses, if any, in respect of Equity Shares held in electronic form (Dematerialized form) to their Depository Participant(s).
  - II) Intimate the Registrar & Share Transfer Agent about any change in their Registered Addresses in respect of equity shares held in physical form.
  - III) Quote the registered folio number / DP-ID and CL-ID in all future correspondence.
  - IV) To address their grievances to the Company Secretary if any, at the Registered Office of the Company.
5. Members are requested to please bring their copies of Annual Report at the meeting.
6. Members and Proxies attending the meeting should bring the attendance slip duly filled in for attending the meeting.
7. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the Special Business mentioned under item no. 3 of the Notice is annexed hereto.
8. Members are informed that in case of Joint holders attending the meeting, only the joint holder higher in the order of the names will be entitled to vote.
9. Corporate members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
10. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 23<sup>rd</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):
- 11. The instructions for members for voting electronically are as under:-**
  - A. The voting period begins on 25<sup>th</sup> Sept., 2016 at 10:00 A.M and ends on 27<sup>th</sup> Sept., 2016 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> Sept., 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - B. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
  - C. The shareholders should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
  - D. Click on "Shareholders" tab.
  - E. Now, select the "Saboo Sodium Chloro Limited" from the drop down menu and click on "SUBMIT"
  - F. Now Enter your User ID
  - G. For CDSL: 16 digits beneficiary ID,
  - H. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - I. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - J. Next enter the Image Verification as displayed and click on Login.

- K. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- L. If you are a first time user follow the steps given below:

<b>PAN*</b>	<p><b>For Members holding shares in Demat Form and Physical Form</b></p> <p><b>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</b></p> <ul style="list-style-type: none"> <li>• <b>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digits sequence no in the PAN field.</b></li> <li>• <b>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</b></li> </ul>
<b>Dividend Bank Details#</b> <b>OR</b> <b>Date of Birth(DOB)</b>	<p><b>Enter the Dividend Bank Details or Date of Birth ( in dd/mm/yy format ) as recorded in your demat account or in the company records in order to login.</b></p> <p><b>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mention in instruction (vi).</b></p>

- (a) After entering these details appropriately, click on "SUBMIT" tab.
- (b) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (c) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (d) Click on the EVSN (Electronic Voting Sequence Number) of "Saboo Sodium Chloro Limited" to vote.
- (e) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (f) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions.
- (g) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (h) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (i) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (j) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code (Image Verification Code) and click on Forgot Password & enter the details as prompted by the system.
- (k) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users

can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(l) Note for Non-Individual Shareholders & Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (m) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
12. The voting period begins on September 25, 2016 at 10.00 A: M. and ends on September 27, 2016 at 5:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 21, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  13. The e-voting period ends on September 27, 2016 at 5:00 P.M. In case you have any queries or issues regarding e-voting, please contact [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  14. The Company has appointed Mr. Vinod Naredi, Company Secretary in whole time practice as Scrutinizer, for conducting the process in a fair and transparent manner.
  15. Voting rights will be reckoned on the paid-up value of the shares registered in the name(s) of the public shareholder(s) on the cut-off date i.e. September 21, 2016.
  16. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  17. The Scrutinizer will submit his report addressed to the Board of Directors of the Company, Mr. Sanjay Sarna, the Chairman appointed by the Company in this regard or to any other person duly authorized in this behalf by the Chairman, after completion of scrutiny of including e-voting in a fair and transparent manner. The results of the will be announced by the Chairman appointed by the Company in this regard or by the Person authorized in this behalf by the Chairman on the date of AGM September 28, 2016 at 3:00 P.M. at the Registered Office of the Company and will also be published in newspapers and communicated to the Stock Exchanges where the Company's shares are listed.
  18. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
  19. Notice of Annual General Meeting will be sent to those shareholders /beneficial owners, whose name will appear in the register of members/list of beneficiaries received from the depositories as on 26<sup>th</sup> day of August, 2016.
  20. The investors may contact the Company Secretary for redressed of their grievances/queries. For this purpose, they may either write to him at the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: [account@suryasalt.com](mailto:account@suryasalt.com)
  21. Queries on account 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.



## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF COMPANIES ACT, 2013**

### **Item no. 3:**

According to the new Act, director's responsibilities have increased. Keeping in view the enhanced role, responsibilities and duties of directors, it is considered appropriate that the remuneration payable to the Directors by the Company should be commensurate with their increased role, responsibilities and duties. In order to fulfil the same the company is adopting Schedule V of the Act which provides for payment of remuneration to the directors in case of inadequacy of profits.

Mr. Girdhar Gopal Saboo is a promoter and Managing Director of the company and experienced in the field of manufacturing products. He holds a degree in Chemical Engineering from Mayo College, Ajmer (Rajasthan). He has a excellent grasp and thorough knowledge and experience of not only engineering and technology but also of General management. His knowledge of various aspects relating to the company's affairs and long business experience, the Board of Directors is of the considered opinion that the remuneration of Mr. Girdhar Gopal Saboo be increased from Rs. 30 Lakhs to Rs. 36 Lakhs.

In the terms of provisions of the Companies Act, 2013 and the Articles of Association of the company, the Nomination and Remuneration Committee and Audit Committee of the company and Board of the Directors have at their meeting held on 12<sup>th</sup> August, 2016, recommended to revise the remuneration of Mr. Girdhar Gopal Saboo as Rs. 36 Lakhs p.a. (Rupees Thirty Six Lakhs per annum) w.e.f 01<sup>st</sup> October, 2016 in accordance with the provisions of Section 197 read with Schedule V of the Act.

<b>Sr. no.</b>	<b>Particulars</b>
1.	Basic Salary: Rs. 2,04,000 /- per month w.e.f. October 01, 2016.
2.	Allowances: Rs. 96,000/- per month w.e.f. October, 01, 2016
3.	Reimbursement of medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and family subject to ceiling of one month salary in a year.
4.	Reimbursements of actual travelling expenses for proceeding on leave with family to anywhere in India or abroad as per rules of the Company.
5.	Reimbursement of membership fees for a maximum of two clubs.
6.	Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum.
7.	Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence for official purpose shall not be treated as perquisites.
8.	Other benefits like Gratuity, Provident Fund, Leave etc. as applicable to the employees of the Company.

The Nomination and Remuneration Committee, Audit Committee of the company and Board of the Directors have at their meeting held on 12<sup>th</sup> August, 2016, also recommended to revise the remuneration of Mr. Girdhar Gopal Saboo from time to time the Nomination and Remuneration Committee and Audit Committee of the company and Board of the Directors have at their meeting held on 12<sup>th</sup> August, 2016, recommended to revise the remuneration of Mr. Girdhar Gopal Saboo Rs. 84 Lakhs p.a. (Rupees Eighty Four Lakhs per annum) as per Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), applicable clauses of the Articles of Association of the Company.

Your Directors recommend the proposed resolution for your approval.

Except Mr. Girdhar Gopal Saboo, none of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested in the resolution set out in the item no. 03.

#### DETAILS OF MANAGING DIRECTOR:

<b>Background Details</b>	Mr. Girdhar Gopal Saboo, is a Graduate a Chemical Engineer, who is a dynamic, ambitious and very aggressive young entrepreneur, is at the helm of affairs of SSCL as its Managing Director, In fact, the Company is his own brain wave.
<b>Past Remuneration.</b>	<b>Rs. 2,50,000/- Per Month</b>
<b>Recognition of Awards</b>	N.A.
<b>Job Profile and his suitability</b>	Mr. Girdhar Gopal Saboo ex-alumni of Mayo College, Ajmer and Chemical Engineering Graduate is a dynamic, ambitious and very aggressive young entrepreneur is at the helm of affairs of SSCL as its CMD.
<b>Pecuniary relationship with the managerial personnel of the Company</b>	NIL
<b>Directorship held in other Public Limited Companies</b>	Spectrum foods ltd.
<b>Members/Chairmanship of Committees of other public Companies</b>	Spectrum Foods Ltd.

#### GENERAL INFORMATION OF THE COMPANY:

<b>Nature of Industry</b>	Salt Manufacturing Industry FMCG
<b>Year of Commencement of Commercial Production</b>	1993
<b>Financial Performance</b>	Rs. 22,35,66,031
<b>Export Performance</b>	Rs. 19,13,835
<b>Foreign Investment</b>	Nil

#### OTHER INFORMATION:

##### 1) Reasons for Inadequate Profits:

The sale of Company's Food grade salt has declined during the year under purview though it has increased the sale of Industrial salt but it could not gain the expected profit during the year.

##### 2) Steps taken or proposed to be taken for improvement:

The company has undertaken stringent cost actions. The management continuous to explore new avenues to increase revenue of the company through judicious investments in capabilities. Your company is planning to set up new salt refinery and to add more FMCG products so that it can increase its productivity and profit too.

**3) Expected increase in productivity and profits:**

The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that the financial position of the company will improve further in near future.

**By Order of the Board**

**Anjali Kumawat  
Company Secretary**

**03<sup>rd</sup> September, 2016  
Jaipur**

## BOARD'S REPORT

**TO,  
THE MEMBERS,  
SABOO SODIUM CHLORO LIMITED,**

The Directors have pleasure in presenting before you the 23<sup>rd</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2016.

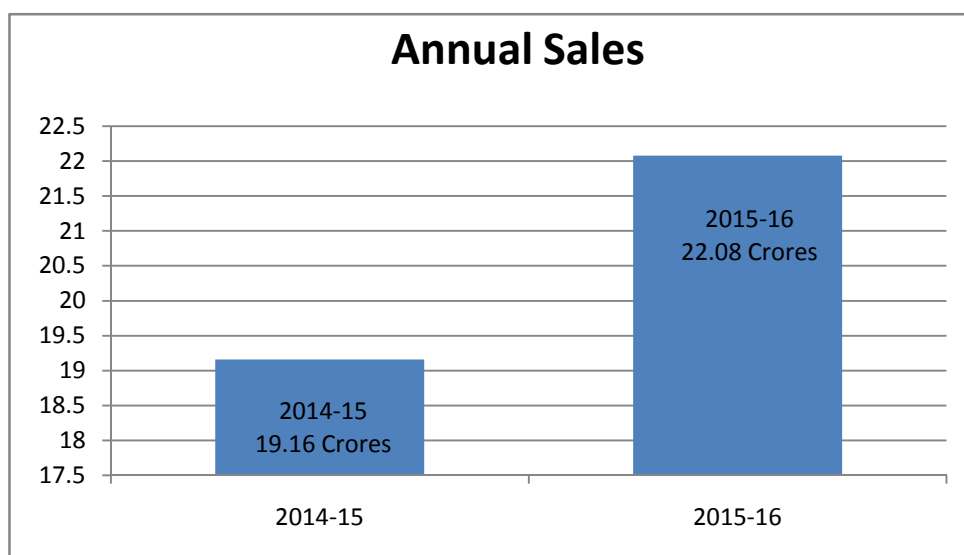
### FINANCIAL RESULTS

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

Particulars	Financial year ended 31 <sup>st</sup> March, 2016	Financial year ended 31 <sup>st</sup> March, 2015
Total Income	22,35,66,031	19,64,37,797
Profit before depreciation and taxation	2,55,76,147	3,27,20,777
Depreciation	2,18,78,855	2,90,25,685
Profit before tax	36,97,292	36,95,092
Taxation (including Deferred Taxation and Short/Excess Provision for Earlier year)	(59,05,743)	(11,17,5890)
Profit /loss after Tax	95,18,941	48,94,950

### TURNOVER, PROFITS & FUTURE PROSPECTS

The total income during the year under review is Rs. 22, 35, 66,031/- as against Rs. 19, 64, 37,797/- in the previous year. The company gain profit of Rs. 95,18,941/- as against the profit of Rs. 48, 94,950/- in the previous year.



**DIVIDEND**

Based on Company performance, the Directors are unable to recommend dividend due to inadequate profits.

**MATERIAL CHANGES AND COMMITMENTS**

There are no material changes and commitment affecting the financial position of the Company occurred between the end of the financial year of the Company to which the financial statement relates and the date of report.

**CHANGES IN NATURE OF BUSINESS:**

There is no change in nature of business.

**ECONOMIC SCENARIO AND OUTLOOK**

The Indian economy witnessed another challenging year growing by 7.5% in real terms during the first nine months of 2015-16 representing a marginal improvement over 2014-15 (7.2%). However, there was a marked decline in Nominal GDP growth which stood at 8.1% for the period April 2015 to December 2015 compared to 11.4% for the corresponding period in the previous year. As per median estimates, based on the Survey of Professional Forecasters conducted by RBI, the Indian economy is likely to grow by 7.7% in 2016-17.

On the positive side, Inflation remained well within the comfort zone aided by low global crude oil and commodity prices. While Wholesale Price Index (WPI) for 2015-16 has remained in the negative zone for 16 consecutive months, Core CPI inflation also eased to 4.6% in 2015-16 as compared to 5.5% in 2014-15.

As per median estimates, based on the Survey of Professional Forecasters conducted by RBI, the Indian economy is likely to grow by 7.7% in 2016-17. The pace of growth is unlikely to witness significant acceleration in the short term in view of a weak global economic environment and muted growth in private investments given the relatively low levels of capacity utilisation and stretched corporate balance sheets.

**STATE OF COMPANY'S AFFAIRS**

The Company is engaged in the manufacturing of Salt and is one of the top most leading manufacturers in Rajasthan. The Company operates in only single segment unit. During the year, the Company recorded a turnover of Rs. 2235.66 lakhs. (Prev. year Rs.1964.38 lakhs) registering a growth of 13.81% over the previous year and earned a cash profit of Rs.313.98 lakhs. Profit after Tax (PAT) for the year was Rs. 95.19(in lacs) with a growth of 94.46% in comparison to the previous year's profit i.e. Rs. 48.95 (in lacs).

**CORPORATE SOCIAL RESPONSIBILITY**

Though the provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company yet the Company has been, over the years, pursuing as part of its corporate philosophy, an unwritten CSR policy voluntarily which goes much beyond mere philanthropic gestures and integrates interest, welfare and aspirations of the community with those of the Company itself in an environment of partnership for inclusive development.

**HUMAN RESOURCES**

The well disciplined workforce which has served the company for three decades lies at the very foundation of the company's major achievements and shall well continue for the years to come. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The company has always recognized talent and has judiciously followed the principle of rewarding performance.

**BUSINESS RISK MANAGEMENT**

Although the company has long been following the principle of risk minimization as is the norm in every industry, it has now become a compulsion.

Therefore, in accordance with listing regulations, 2015 the Board members were informed about risk assessment and minimization procedures after which the Board formally adopted steps for framing, implementing and monitoring the risk management plan for the company.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the business. In order to achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues.

In today's challenging and competitive environment, strategies for mitigating inherent risks in accomplishing the growth plans of the Company are imperative. The common risks inter alia are: Regulations, competition, Business risk, Technology obsolescence, Investments, retention of talent and expansion of facilities. Business risk, inter-alia, further includes financial risk, political risk, fidelity risk, legal risk.

As a matter of policy, these risks are assessed and steps as appropriate are taken to mitigate the same.

**AUDITORS****1. STATUTORY AUDITOR**

M/s N. Kataria & Associates (ICAI Firm Registration Number: 014941C), Chartered Accountants, Jaipur, has been appointed as Statutory Auditors of the company at the Last Annual General Meeting held on 30.09.2015 for the Financial year 2015-16 who retires at this Annual General Meeting and are being re-appointed at this Annual General Meeting subject to the approval of members.

**2. SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015, the Company has appointed M/s Naredi Vinod & Associates (CP No 7994, ACS 20453), Company Secretaries to undertake the Secretarial audit of the company for the financial year 2015-16.

**3. INTERNAL AUDITOR**

Ms. Chandni Jain, Chartered Accountant (Category Individual) Having Membership Number 421132 performs the duties of Internal Auditors of the company and their report is reviewed by the audit committee from time to time.

**DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****Key Managerial Personnel**

- During the year, Ms. Anjali Kumawat, Company Secretary, was appointed as the Compliance Officer of the Company as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with Stock Exchanges and as per provisions of the section 203(ii) of the Companies Act, 2013 w.e.f. 26<sup>th</sup> December, 2015 in place of Ms. Kalpana Jhalani. She is an Associate member of the Institute of Companies Secretaries of India.

**DISCLOSURE ON THE REMUNERATION OF MANAGERIAL PERSONNEL**

The information required under section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 are given below:

**1. REMUNERATION OF MANAGING DIRECTOR**

Following are the details of the annual salary (payable monthly) proposed to be paid to Mr. Girdhar Gopal Saboo Managing Director: - Consolidated Salary including Perquisites and allowances, etc- 3000000/- (Rupees Thirty Lakhs only).

Basic Salary: 1, 60,000(Monthly)

Allowance: 90,000(Monthly)

He is entitled to receive the following:-

- a. Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- b. Encashment of leave at the end of tenure.
- c. Provision of car for use on Company Business.
- d. Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- e. He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

**2. REMUNERATION OF WHOLE TIME DIRECTOR**

Following are the details of the annual salary (payable monthly) proposed to be paid to Mrs. Archana Saboo Whole Time Director: - Consolidated Salary including Perquisites and allowances, etc- 300000/- (Rupees Three Lakhs only).

Basic Salary: 16,000(Monthly)

Allowance: 9,000(Monthly)

She is entitled to receive the following:-

- a. Gratuity as per the rules of the Company, but not exceeding half a month's salary for each completed year of Service.
- b. Encashment of leave at the end of tenure.
- c. Provision of car for use on Company Business.
- d. Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- e. She shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

**POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS**

The company's policy on Director's appointment and remuneration and other details provided in section 178(3) of the Act has been disclosed In Corporate Governance Report, which forms part of Directors Report.

**STATEMENT ON DECLARATION GIVEN BY THE INDEPENDENT DIRECTOR U/S 149(6) OF THE COMPANIES ACT, 2013**

It is stated that pursuant to the Provisions of Companies Act, 2013 the Declaration given by the Independent Directors meets the Criteria of Independence as mentioned in the schedule IV of Companies Act, 2013 and under regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

**LISTING AT STOCK EXCHANGE**

The Equity Shares of the Company are listed at Calcutta and Bombay Stock Exchange. The Company confirms that it has paid the Annual Listing fees for the year 2015-16 to BSE where the Company's shares are listed.

**LISTING AGREEMENT**

The company has entered into a new Listing Agreement with Bombay Stock Exchange according to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**PARTICULARS OF EMPLOYEES**

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2015 are:

- a) Employed throughout the year- Nil
- b) Employed for part of the year- Nil

**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 73 to 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2015.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2015, is annexed herewith as “Annexure A”.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

In order to ensure that the activities of the Company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The report on Management Discussion and Analysis as required under the Listing Regulations, 2015 with the Stock exchange is set out as ‘Annexure B’ to the Director’s Report.

**CORPORATE GOVERNANCE REPORT**

The Company has adopted the policies in line with new governance requirements including the Policy on Related Party Transactions, Policy on Material Subsidiaries, Policy and Whistle Blower Policy. These policies are available on the website of the Company at <https://www.suryasalt.com>. The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report.

Secretarial Audit was carried out by M/s. Naredi Vinod & Associates , Company Secretaries, the Secretarial Auditor of the Company for the financial year 2015-16. There were no qualifications, reservations or adverse remarks given by Secretarial Auditors of the Company. The detailed report on the Secretarial Audit is appended as an Annexure to this Report.

A separate report on Corporate Governance is provided together with a Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations. A Certificate of the CEO and CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee, is also annexed.



**DIRECTOR'S RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013:

1. that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. that such accounting policies as mentioned in Notes to the financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2016 and of the profit of the company for the year ended on that date;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ;
4. that the annual financial statements have been prepared on a going concern basis;
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
6. that systems to ensure compliance with provisions of all applicable laws were in place and were adequate and operating effectively;

**EXTRACT OF ANNUAL RETURN**

The extract of annual return in Form MGT-9 as required under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Report.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**RELATED PARTY TRANSACTIONS**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <https://www.suryasalt.com>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

**ACKNOWLEDGEMENT**

Your Directors would like to expose their grateful appreciation for the co-operation received from its Bankers, Government Authorities, Customers, Vendors, Business Associates and Shareholders during the year under review. Your Directors also wish to place in record their deep sense of appreciation for the committed services of the executive, staff and workers of the Company.

**CAUTIONARY STATEMENT**

The statements contained in the Board's Report and Management Discussion and Analysis contain certain statements relating to the future and therefore are forward looking within the meaning of applicable securities, laws and regulations. Various factors such as economic conditions, changes in government regulations, tax regime, other statutes, market forces and other associated and incidental factors may however lead to variation in actual results.

**CONCLUSION**

Your Company's Board and employees are inspired by their vision of sustaining 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<sup>th</sup> May, 2016**  
**Place: JAIPUR**

**Sd/-**  
**SANJAY SARNA**  
**(Director)**

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

**ANNEXURE “A” TO THE BOARD’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 solar power plant at Rajgarh Madhya Pradesh and generating electricity. Company produced 1043 REC which are being sold to Indian Energy Exchange and Power Exchange India Limited. The Company has finalized an export deal with a Mauritius company and as of now the Company is the largest exporter of salt. The Foreign Exchange Earning and Foreign Exchange Outgo has been Rs. USD 22400 on account of imports and exports etc. The company is 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 getting good response from the foreign countries.

**ANNEXURE “B” TO THE BOARD’S REPORT:****(A) MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Saboo Sodium Chloro Limited is the largest salt refinery in North India producing Surya Iodized Salt, Tota Iodized Salt, Saboo 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 15%. People who are using unbranded non refined common salt are now switching rapidly to triple refined free flow iodized salt due to more awareness of health issues and television advertising.

**I) INDUSTRY STRUCTURE AND DEVELOPMENTS**

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

**II) OUTLOOK**

Company continues to enjoy strong support from its promoters. FMCG markets are expected to continue to grow. Consumer confidence has increased. Thus, the Company is planning to enter into the manufacturing of Detergents and in the month of April, 2016 it shall launch and start the retailing of Detergent in the market as “AYUSH Detergent”, the business is poised to grow well in the future. FMCG markets are expected to continue to grow. Consumer confidence has increased.

**III) OPPORTUNITIES, THREATS, RISK AND CONCERNS**

In the current age of liberation and globalization your board consider 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 means 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. Company is already setup the following projects in this financial year 2015-16:-

-Solar Power Plant at Rajgarh, Kolayat, Bikaner & Nawa City, Rajasthan

- Setting Up Guar Gum Plant at Gandhidham Gujarat

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.

#### **IV) 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.

#### **V) 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.

#### **VI) 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.

**ANNEXURE C TO THE BOARD'S REPORT****FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN****As on financial year ended on 31.03.2016****Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2015.****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	<b>L24117RJ1993PLC007830</b>
2.	Registration Date	<b>22/11/1993</b>
3.	Name of the Company	<b>SABOO SODIUM CHLORO LIMITED</b>
4.	Category/Sub-category of the Company	<b>PUBLIC COMPANY, LIMITED BY SHARES</b>
5.	Address of the Registered office & contact details	<b>L -5, B-II, KRISHNA MARG, C-SCHEME, JAIPUR- 302001 RAJASTHAN, INDIA</b>
6.	Whether listed company	<b>YES</b>
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>M/S Beetal Financial &amp; 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</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Salt Manufacturing	10798	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/	% to total turnover of the company
1	None		
2			

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****A. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter's</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	9752839	-	9752839	50.84	9752839	-	9752839	50.84	Nil
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	516496	-	516496	2.69	439083	-	439083	2.29	(.40)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>10269335</b>	<b>-</b>	<b>10269335</b>	<b>53.53</b>	<b>10191922</b>	<b>-</b>	<b>10191922</b>	<b>53.13</b>	<b>(.40)</b>
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	34600	34600	0.18	-	34600	34600	0.18	Nil
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>34600</b>	<b>34600</b>	<b>0.18</b>	<b>-</b>	<b>34600</b>	<b>34600</b>	<b>0.18</b>	<b>Nil</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	4117590	11300	4128890	21.52	2855937	11300	2867237	14.95	6.57
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1887359	385435	2272794	11.85	2681674	384235	3065909	15.98	4.13
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2354107	50000	2404107	12.53	2803638	50000	2853638	14.88	2.35
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	7408	-	7408	0.04	11061	-	11061	0.06	.02
OCB	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	7767	-	7767	.04	1998	-	1998	0.01	-.03
HUF	57599	-	57599	.30	156135	-	156135	0.81	.51
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies -D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>8431830</b>	<b>446735</b>	<b>8878565</b>	<b>46.28</b>	<b>8510443</b>	<b>480135</b>	<b>8990578</b>	<b>46.87</b>	<b>.59</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>8431830</b>	<b>446735</b>	<b>8878565</b>	<b>46.28</b>	<b>8510433</b>	<b>480135</b>	<b>8990578</b>	<b>46.87</b>	<b>.59</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>18701165</b>	<b>481335</b>	<b>19182500</b>	<b>100</b>	<b>18702365</b>	<b>480135</b>	<b>19182500</b>	<b>100</b>	<b>0.00</b>

**B. Shareholding of Promoter:-**

SN	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2015]			Shareholding at the end of the year [As on 31-March-2016]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	ARCHANA SABOO	1250000	6.52	-	1250000	6.52	-	Nil
2	GIRDHAR GOPAL SABOO	8502839	44.33	-	8502839	44.33	-	Nil
3	SPECTRUM FOODS LIMITED	516496	2.69	-	439083	2.29	-	(.40)

\* The term "encumbrance" has the same meaning as assigned to it in regulation 28(3) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

\* Shareholders listed under Sl. No. 1 to 3 are disclosed as promoters under regulation 30(2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as on March 31, 2016.

**C. Change in Promoters' Shareholding**

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Spectrum Foods Limited	516496	2.69	516496	2.69
	Sale of shares (during the year)	77413	0.40	77413	0.40
	At the end of the year	439083	2.29	439083	2.29

# The Decrease in promoter shareholding of Company from 516496 to 439083 is due to sale of shares through open market.

**D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Tiger Salts Pvt Ltd	1112011	5.80	1012011	5.28
2	Chandra Shekhar Saboo	573085	2.99	573085	2.99
3	Nawa Hotels & Resorts Pvt Ltd	1328300	6.92	500000	2.61
4	Bags Registry Services Pvt Ltd	306000	1.60	306000	1.60
5	Globe Capital Market Ltd.	1607	0.01	228981	1.19
6	Manju Devi Saboo	272800	1.42	272800	1.42
7	Madan Lal Saboo	151264	0.789	151264	0.789
8	Sanjay Gupta	114235	0.596	114235	0.596
9	Dilip Kumar Lakhi	112733	0.588	112733	0.588
10	Shri Parasram Holdings Pvt. Ltd.	14311	0.07	102359	0.534

**E. Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors or KMP hold shares in company			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	None of the Directors or KMP hold shares in company			
	At the end of the year	None of the Directors or KMP hold shares in company			



**V. INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	135016998	-	-	135016998
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
<b>Total (i+ii+iii)</b>	135016998	-	-	135016998
<b>Change in Indebtedness during the financial year</b>				
* Addition	31890000	-	-	31890000
* Reduction	(25725671)	-	-	(25725671)
<b>Net Change</b>	6164329	-	-	6164329
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	141181327	-	-	141181327
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	141181327	-	-	141181327

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors:**

SN.	Particulars of Remuneration	Total Amount (per annum)		
		Girdhar Gopal Saboo (Managing Director)	Archana Saboo (Whole time Director)	Total
1	Gross salary	1920000	192000	2112000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity			-
4	Commission - as % of profit - others, specify...	- -	- -	- -
5	Allowance	1080000	108000	1188000
	<b>Total (A)</b>	<b>3000000</b>	<b>300000</b>	<b>3300000</b>

**B. Remuneration to other directors**

No setting fees and other benefits are given to Independent Directors.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel (Per annum)			
		CEO	CS	CFO	Total
1	Gross salary	-	-	162000	162000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	Others specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	-	<b>162000</b>	<b>162000</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## **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 regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. 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 the regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 with the stock exchange, in which the Company's shares are listed. The composition of the Board as on March 31, 2016 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 9 times on the following dates during the financial year 2015-16:**

<b>QUARTERS</b>	<b>Date of Meeting</b>
1 <sup>ST</sup> QUARTER	08.04.2015
	29.05.2015
	14.08.2015
2 <sup>ND</sup> QUARTER	03.09.2015
	10.11.2015
3 <sup>RD</sup> QUARTER	07.12.2015
	26.12.2015
	19.01.2016
4 <sup>TH</sup> QUARTER	11.02.2016

#### **• 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 2015-16 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, 2016 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 Committee Membership/ Chairmanship held in other Public companies
Shri Girdhar Gopal Saboo	Executive Director	9	Yes	1	NIL
Mrs. Archana Saboo	Executive Director	9	Yes	1	NIL
Shri Bikash Kumar Lakhotia	Non- Executive Director and Independent	7	Yes	NIL	NIL
Shri Neeraj Kumar Agarwal	Non- Executive Director and Independent	7	Yes	NIL	NIL
Shri Sanjay Sarna	Non- Executive Director and Independent	9	Yes	1	1

Shareholding of Non-Executive Directors as on March 31, 2016 is as under:

Sr. No.	Name	No. of shares held	% of Paid-up Capital
1.	Shri Bikash Kumar Lakhotia	25236	.001
2.	Shri Neeraj Kumar Agarwal	NIL	-
3.	Shri Sanjay Sarna	Nil	-

• **Board Business**

**The normal business of the Board includes:**

- framing and overseeing progress of the Company's annual plan and operating framework;
- framing strategies for shaping of portfolio and direction of the Company and for corporate resource allocation;
- reviewing financial plans of the Company;
- reviewing quarterly and annual business performance of the Company;
- reviewing the Annual Report and accounts for adoption by the Members;
- reviewing the progress of various functions and businesses of the Company;
- reviewing the functioning of the Board and its Committees;
- reviewing the functioning of the subsidiary companies;
- reviewing and resolving fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems or significant labour issues, if any;
- reviewing the details of significant development in human resources and industrial relations front;
- reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement;
- reviewing compliance with all relevant legislations and regulations and litigation status as well as steps taken by the Company to rectify instances of non-compliance, including materially important show cause, demand, prosecution and penalty notices, if any;
- reviewing Board Remuneration Policy and individual remuneration packages of Directors;

### 3. **AUDIT COMMITTEE**

The Audit Committee has been reconstituted as per Section 177(8) of the Companies Act, 2013 and the guidelines set out in the regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. 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 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:**

<i><b>Name</b></i>	<i><b>Designation</b></i>	<i><b>Category</b></i>
Shri Sanjay Sarna	Chairperson	Non-Executive & Independent Director
Shri Bikash Kumar Lakhotia	Member	Non-Executive & Independent Director
Shri Neeraj Kumar Agarwal	Member	Non-Executive & Independent Director
Shri Girdhar Gopal Saboo *	Member	Executive Director

\*Ceased to be member w.e.f. 07.12.2015.

- **Meetings held :**

The committee met 4 times on the following dates during the financial year 2015-16:

Date of meetings: 29<sup>th</sup> May, 2015, 14<sup>th</sup> August, 2015, 10<sup>th</sup> November, 2015 and 10<sup>th</sup> February, 2016

- **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 2015-16 are as follows:

<i><b>Name</b></i>	<i><b>Category</b></i>	<i><b>Attendance</b></i>
Shri Sanjay Sarna	Non-Executive & Independent Director	4
Shri Bikash Kumar Lakhotia	Non-Executive & Independent Director	3
Shri Neeraj Kumar Agarwal	Non-Executive & Independent Director	3
Shri Girdhar Gopal Saboo *	Executive Director	3

\*Ceased to be member w.e.f. 07.12.2015.

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. **NOMINATION AND REMUNERATION COMMITTEE**

The Company had merged the existing Nomination and Remuneration Committee in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and in pursuant to the provisions of Companies Act, 2013. 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:**

<i>Name</i>	<b>Designation</b>	<b>Category</b>
Shri Sanjay Sarna	Chairperson	Non-Executive & Independent Director
Shri Bikash Kumar Lakhotia	Member	Non-Executive & Independent Director
Shri Neeraj Kumar Agarwal	Member	Non-Executive & Independent Director
Shri Girdhar Gopal Saboo *	Member	Executive Director

- **Meetings held :**

The committee met 1 times on the following dates during the financial year 2015-16:

Date of meetings: 14<sup>th</sup> August, 2015

- **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 2015-16 are as follows:

<i>Name</i>	<b>Category</b>	<b>Attendance</b>
Shi Sanjay Sarna	Non-Executive & Independent Director	0
Shri Bikash Kumar Lakhotia	Non-Executive & Independent Director	1
Shri Girdhar Gopal Saboo	Executive Director	1
Shri Neeraj Kumar Agarwal	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 Executive Directors for the financial year 2015-16 are:

Name of Director	Salary (Rs.) per annum	Benefits Perquisites and Allowance	Commission	Notice Period/ Severance fees*
Mr. Girdhar Gopal Saboo (Managing Director)	19, 20,000	10, 80,000	Nil	Service of managing and Whole Time Director may be terminated

Mrs. Archana Saboo (Whole Time Director)	1,92,000	1,08,000	Nil	by giving notice. There is no separate provision for payment of Severance fees.
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## 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.

### • **Constitution of Shareholders/ Investors Grievance Committee is as under:**

Name	Designation	Category
Shri Sanjay Sarna	Chairman	Non-Executive & Independent Director
Shri Girdhar Gopal Saboo	Member	Executive Director
Shri Neeraj Agarwal	Member	Non-Executive & Independent Director

### **Meetings held:**

The Board met 4 times on the following dates during the financial year 2015-16:

Date of meetings: 29th May, 2015, 14th August, 2015, 10th November, 2015 and 10th February, 2016

### **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 2015-16 are as follows:

<i>Name</i>	<i>Category</i>	<i>Attendance</i>
Shri Girdhar Gopal Saboo	Executive Director	2
Shri Neeraj Kumar Agarwal	Non-Executive & Independent Director	2
Shri Sanjay Sarna	Non-Executive & Independent Director	2

### **Status of Investor Complaints**

During the year under review, neither any complaint was pending as on 31st March, 2016 nor was any complaint received.

## 6. **GENERAL BODY MEETINGS**

### **(A) Annual General Meeting**

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

AGM/EGM	Date	Time	Venue
AGM	24.09.2013	1.00 pm	L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.

AGM	30.09.2014	1.00 pm	L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.
AGM	28.09.2015	3.00 pm	L-5, B-II Krishna Marg, C-Scheme, Jaipur-302001, Rajasthan.

**(B) Extra Ordinary General Meeting during the years**

No Extra-Ordinary General Meeting was conducted during the financial year 2015-16.

**7. CODE OF CONDUCT**

The Company has in place a comprehensive Code of Conduct (the Code) applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. - Customer Value, Ownership Mind-set, Respect, Integrity, One Team and Excellence.

A copy of the Code has been put on the Company's website ([www.suryasalt.com](http://www.suryasalt.com)). The Code has been circulated to Directors and Management Personnel, and its compliance is affirmed by them annually. A declaration signed by the Company's Chairman and Managing Director is published in this Report.

**8. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS**

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

**9. OBSERVANCE OF THE SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA**

The Institute of Company Secretaries of India (ICSI), one of India's premier professional bodies, has issued Secretarial Standards on important aspects like Board meetings, General meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal and Board's Report. Although these standards, as of now, are recommendatory in nature, the Company substantially adheres to these standards voluntarily.

**10. PROHIBITION OF INSIDER TRADING**

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

**11. 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.

The company has always ensured fair code of conduct and maintained transparency. There were no instances of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.



In accordance with requirement of Companies Act as well as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, a vigil mechanism has been adopted by the board of directors and accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. Compliances, rules & regulations as laid down by various statutory authorities has always been observed by the company since such change over both in letter as well as in spirit.

The Board has obtained certificates/disclosures from key management personnel confirming they do not have any material financial and commercial interest in transactions with the company at large.

## **12. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS**

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/ Board Committee members for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

## **13. MEANS OF COMMUNICATION**

In compliance with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, 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 "Adhikar".

## **14. GENERAL SHAREHOLDER INFORMATION**

### **a. Annual General Meeting for the Financial Year 2015-16:**

<b>Date:</b>	<b>Wednesday, 28<sup>th</sup> September, 2016</b>
<b>Venue:</b>	L-5, B-II, Krishna Marg, C-Scheme, Jaipur-302001
<b>Time:</b>	3:00 PM
<b>Last Date for receipt of Proxy Forms:</b>	Monday, 26 <sup>th</sup> September, 2016 before 3:00 PM

### **b. Financial Calendar**

The meetings of Board of Directors for approval of quarterly financial results during the financial year ended 31st March, 2016 were held the following dates:

Result for the qtr ending June 30, 2015	14 <sup>th</sup> August, 2015
Result for the qtr ending Sep 30, 2015	10 <sup>th</sup> November, 2015
Result for the qtr ending Dec 31, 2015	11 <sup>th</sup> February, 2016
Audited Result if any for the current year ending Mar 31, 2016	30 <sup>th</sup> May, 2016

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

The Share Transfer Register of the Company shall remain closed from 22<sup>nd</sup> September, 2016 to 28<sup>th</sup> September, 2016 (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 Calcutta and Bombay Stock Exchange.

**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 2015-16 are given below:

<i>Month</i>	<i>High Price</i>	<i>Low Price</i>	<i>No. of Shares</i>	<i>No. of trades</i>	<i>BSE Sensex High</i>
<i>Apr-15</i>	<i>10.27</i>	<i>7.85</i>	<i>144408</i>	<i>1068</i>	<i>27011.31</i>
<i>May-15</i>	<i>11.00</i>	<i>7.80</i>	<i>176679</i>	<i>934</i>	<i>27828.44</i>
<i>June-15</i>	<i>9.73</i>	<i>7.22</i>	<i>92783</i>	<i>395</i>	<i>27780.83</i>
<i>Jul-15</i>	<i>12.95</i>	<i>7.65</i>	<i>2519129</i>	<i>3582</i>	<i>28114.56</i>
<i>Aug-15</i>	<i>8.89</i>	<i>6.52</i>	<i>546505</i>	<i>1269</i>	<i>26283.09</i>
<i>Sep-15</i>	<i>7.85</i>	<i>6.62</i>	<i>253912</i>	<i>487</i>	<i>26154.83</i>
<i>Oct-15</i>	<i>8.80</i>	<i>6.80</i>	<i>578716</i>	<i>1101</i>	<i>26656.83</i>
<i>Nov-15</i>	<i>9.58</i>	<i>6.41</i>	<i>236366</i>	<i>908</i>	<i>26145.67</i>
<i>Dec-15</i>	<i>9.80</i>	<i>7.50</i>	<i>1660523</i>	<i>3087</i>	<i>26117.54</i>
<i>Jan-16</i>	<i>8.78</i>	<i>6.66</i>	<i>670819</i>	<i>1311</i>	<i>24870.69</i>
<i>Feb-16</i>	<i>8.24</i>	<i>6.00</i>	<i>303388</i>	<i>812</i>	<i>23002.00</i>
<i>Mar-16</i>	<i>8.45</i>	<i>5.50</i>	<i>227328</i>	<i>648</i>	<i>25341.86</i>

Source: BSE website

**i. REGISTRAR & SHARE TRANSFER AGENT**

All the physical share transfer work is done in-house at the Share Department at the registered office of the Company at Jaipur and for Demat work the Company has appointed a registrar.

**Address & 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: 0141-2365888

**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.

**k. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2016**

<i>Shareholding of Nominal value</i>	<i>Number of Shareholders</i>	<i>% of Total</i>	<i>No. of Shares</i>	<i>Amount in Rs.</i>	<i>% of Total</i>
<i>Up to 5000</i>	<i>4266</i>	<i>95.14</i>	<i>2614451</i>	<i>26144510</i>	<i>13.63</i>
<i>5001 to 10000</i>	<i>117</i>	<i>2.61</i>	<i>824655</i>	<i>8246550</i>	<i>4.30</i>
<i>10001 to 20000</i>	<i>52</i>	<i>1.16</i>	<i>698154</i>	<i>6981540</i>	<i>3.64</i>
<i>20001 to 30000</i>	<i>9</i>	<i>0.20</i>	<i>230676</i>	<i>2306760</i>	<i>1.20</i>
<i>30001 to 40000</i>	<i>13</i>	<i>0.29</i>	<i>445145</i>	<i>4451450</i>	<i>2.32</i>
<i>40001 to 50000</i>	<i>20</i>	<i>0.04</i>	<i>87877</i>	<i>878770</i>	<i>0.46</i>
<i>50001 to 100000</i>	<i>12</i>	<i>0.27</i>	<i>801752</i>	<i>8017520</i>	<i>4.18</i>
<i>100001 &amp; Above</i>	<i>13</i>	<i>0.29</i>	<i>13479790</i>	<i>134797900</i>	<i>70.27</i>
<b>Total</b>	<b>4484</b>	<b>100</b>	<b>19182500</b>	<b>191825000</b>	<b>100</b>

**l. SHARE HOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2016**

## ANNEXURE II

SCRIP CODE : 530461 SCRIP NAME : SABOO SODIUM CHLORO LIMITED SCRIP TYPE :- EQUITY

(I)(A) STATEMENT SHOWING SHAREHOLDING PATTERN AS ON 31/03/2016

CATE-GORY CODE	CATEGORY OF SHAREHOLDERS	NUMBER S OF SHAREHOLDERS	TOTAL NUMBER OF SHARES	NUMBER OF SHARES HELD IN DEMATERIALIZED FORM	TOTAL SHAREHOLDING AS A PERCENTAGE OF TOTAL NUMBER OF SHARES		SHARES PLEDGED OR OTHERWISE ENCUMBERED	
					AS A % OF(A+B)	AS A % OF(A+B+C)	NUMBER OF SHARES	AS A %
(A)	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP							
(1)	INDIAN							
(A)	INDIVIDUALS/ HINDU UNDIVIDED FAMILY	2	97,52,839	97,52,839	50.84	50.84	0.00	0.00
(B)	CENTRAL GOVERNMENT /STATE GOVERNMENT(S)	0	0	0	0.00	0.00	0	0.00
(C)	BODIES CORPORATE	1	4,39,083	4,39,083	2.29	2.29	0	0.00
(D)	FINANCIAL INSTITUTIONS	0	0	0	0.00	0.00	0	0.00

	BANKS							
(E)	ANY OTHER DIRECTORS & THEIR RELATIVES SOCIETIES PARTNERSHIP FIRMS RBI EMP.WELFARE FUND ESOP/ESOS TRUSTS	0 0 0 0 0 0 0	0 0 0 0 0 0 0	0 0 0 0 0 0 0	0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00	0 0 0 0 0 0 0	0.00 0.00 0.00 0.00 0.00 0.00 0.00
	<b>SUB-TOTAL (A)(1)</b>	<b>3</b>	<b>10191922</b>	<b>10191922</b>	<b>53.13</b>	<b>53.13</b>	<b>0</b>	<b>0.00</b>
(2)	FOREIGN							
(A)	INDIVIDUALS (NON-RESIDENT INDIVIDUALS FOREIGN INDIVIDUALS)	0	0	0	0.00	0.00	0	0.00
(B)	BODIES CORPORATE	0	0	0	0.00	0.00	0	0.00
(C)	INSTITUTIONS	0	0	0	0.00	0.00	0	0.00
(D)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0.00	0	0.00
(E)	ANY DIRECTORS & THEIR RELATIVES SOCIETIES PARTNERSHIP FIRMS EMP.WELFARE FUND TRUST ESOP/ESOS	0 0 0 0 0 0 0	0 0 0 0 0 0 0	0 0 0 0 0 0 0	0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00	0 0 0 0 0 0 0	0.00 0.00 0.00 0.00 0.00 0.00 0.00
	<b>SUB-TOTAL(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP A= (A)(1)+(A)(2)</b>	<b>3</b>	<b>10191922</b>	<b>10191922</b>	<b>53.13</b>	<b>53.13</b>	<b>0</b>	<b>0.00</b>
(B)	PUBLIC SHAREHOLDINGS							
(1)	INSTITUTIONS							
(A)	MUTUAL FUNDS/UTI	5	34600	34600	0.18	0.18	0	0.00
(B)	FINANCIAL INSTITUTIONS BANKS	0	0	0	0.00	0.00	0	0.00
(C)	CENTRAL GOVERNMENT STATE GOVERNMENT(S)	0	0	0	0.00	0.00	0	0.00
(D)	VENTURE CAPITAL FUND	0	0	0	0.00	0.00	0	0.00
(E)	INSURANCE COMPANIES	0	0	0	0.00	0.00	0	0.00
(F)	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(G)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0.00	0	0.00
(H)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0.00	0	0.00
(I)	ANY OTHER FOREIGN FIN INST FOREIGN MUT.FUND F.F.I/BANKS STRESSED ASSET STABILISATION FUND FUND STATE FIN.CORP.	0 0 0 0 0 0 0	0 0 0 0 0 0 0	0 0 0 0 0 0 0	0.00 0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00 0.00	0 0 0 0 0 0 0	0.00 0.00 0.00 0.00 0.00 0.00 0.00
	<b>SUB TOTAL B(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

2	NON-INSTITUTIONS							
(A)	BODIES CORPORATE	129	2867237	2855937	14.95	14.95	0	0.00
(B)	I. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	4169	3065909	2681674	15.98	15.98	2000	0.06
	II. INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	71	2853638	2803638	14.87	14.87	0	0.00
(C)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0.00	0	0.00
(D)	ANY OTHER TRUSTS				0.00	0.00		0.00
	DIRECTORS & THEIR RELATIVES	0	0	0	0.00	0.00	0	0.00
	MARKET MAKER	0	0	0			0	
	NRI	0	0	0	0.00	0.00	0	0.00
	CLEARING MEMBERS	16	11061	11061	0.01	0.01	0	0.00
	HUF	3	1998	1998	0.81	0.81	0	0.00
	NRIS/OCBS	88	156135	156135	0.00	0.00	0	0.00
	ESOP/ESOS/ESPS	0	0	0	0.00	0.00	0	0.00
		0	0	0			0	
	<b>SUB-TOTAL(B)(2)</b>	<b>4476</b>	<b>8955978</b>	<b>8510443</b>	<b>46.69</b>	<b>46.69</b>	<b>2000</b>	<b>0.02</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2)</b>	<b>4481</b>	<b>8990578</b>	<b>8510443</b>	<b>46.87</b>	<b>46.87</b>	<b>2000</b>	<b>0.02</b>
	<b>TOTAL (A)+(B)</b>	<b>4484</b>	<b>19182500</b>	<b>18702365</b>	<b>100.00</b>	<b>100.00</b>	<b>2000</b>	<b>0.01</b>
(C)	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED	-	-	-	-	-	-	-
1	PROMOTER AND PROMOTER GROUP	0	0	0	0.00	0.00	0	0.00
2	PUBLIC	0	0	0	N.A.	0.00	0	0.00
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>4484</b>	<b>19182500</b>	<b>18702365</b>	<b>100.00</b>	<b>100.00</b>	<b>2000</b>	<b>0.01</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 31<sup>st</sup> March 2016, 18702365 equity shares of the Company forming 97.497% 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.

**n. PLANT LOCATIONS**

1. Village Govindi, Nawa City, Distt: Nagour 341509 (Rajasthan)
2. Survey No.416, Village Moti Chirai, Taluka Bachau, Gandhidham (Gujarat)

**o. 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.

**15. RECONCILIATION OD SHARE CAPITAL AUDIT**

For each of the quarter in the financial year 2015-16, M/s Naredi Vinod & 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.

**16. CIN**

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

**17. DISCLOSURE OF PENDING CASES /INSTANCES OF NON-COMPLIANCE**

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

**18. COMPLIANCE WITH ACCOUNTING STANDARDS**

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2015 dated April 04, 2015, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

**19. COMPLIANCE CERTIFICATE OF THE AUDITORS**

Certificate from the Company's Auditors, M/s. **N. Kataria & Associates, (Chartered Accountants)** confirming compliance with conditions of Corporate Governance as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

**20. COMPLIANCE WITH THE DISCRETIONARY REQUIREMENTS UNDER LISTING REGULATIONS**

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations. In addition, the Company has also adopted the following non-mandatory requirements to the extent mentioned below:

- **Audit Qualification**

The Company is in the regime of unqualified financial statements.

- **Reporting of Internal Auditor**

The Internal Auditor directly reports to the Audit Committee on functional matters.

The Company has submitted quarterly compliance report on Corporate Governance with the Stock Exchanges, in accordance with the requirements of Regulation 27(2)(a) of the Listing Regulations.

## **21. SECRETARIAL AUDIT REPORT**

The Company has undertaken Secretarial Audit for the financial year 2015-16 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

## **22. CEO/CFO CERTIFICATE**

The Chairman and Managing Director and the Chief Financial Officer of the company give annual certification on financial reporting and internal controls on the Board in terms of Regulation 17(8) of the Listing Regulations. The Annual Certificate given by the Chairman and Managing Director and the Chief Financial Officer is published in this report.

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

**Date: 30<sup>th</sup> May, 2016**

**Place: Jaipur**

**SANJAY SARNA**  
**(Director)**

**GIRDHAR GOPAL SABOO**  
**(Managing Director)**

**STATUTORY AUDITOR'S CERTIFICATE OF COMPLIANCES WITH THE  
CORPORATE GOVERNANCE**

**(Requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

We have examined the compliance of conditions of corporate governance by Saboo Sodium Chloro Limited ('the Company') for the year ended 31<sup>st</sup> March, 2016, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing regulations.

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

**Jaipur, 30<sup>th</sup> May, 2016**

**For N. Kataria & Associates**  
**Chartered Accountants**  
*Firm Reg. No.014941C*  
**(Nikhilesh Kataria, FCA)**  
**Proprietor**  
*Membership No.079048*



**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, 2016, 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<sup>th</sup> May 2016**

**GIRDHAR GOPAL SABOO  
(Managing Director)**

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

To,  
The Board of Directors  
Saboo Sodium Chloro Limited

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Saboo Sodium Chloro Limited ("the Company"), to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements and the cash flow statement for the financial year ended 31<sup>st</sup> March, 2016 and to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- d. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- e. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - i. significant changes, if any, in the internal control over financial reporting during the year;
  - ii. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Jaipur  
Date: 30<sup>th</sup> May, 2016

**GIRDHAR GOPAL SABOO**  
*Managing Director and  
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 2015-16, 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<sup>th</sup> May, 2016**

**Sd/-**  
**Sanjay Sarna**  
**(Chairman)**  
**Audit Committee**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016**  
**[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies**  
**(Appointment and Remuneration Personnel) Rules, 2015]**

To,  
The Members,  
Saboo Sodium Chloro Limited  
Surya House, L-5, B-II, Krishna Marg  
C-Scheme, Jaipur-302001 (Raj.)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Saboo Sodium Chloro Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Saboo Sodium Chloro Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Saboo Sodium Chloro Limited** ("the Company") for the financial year ended on **31<sup>st</sup> March, 2016** according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - i) The Environment (Protection) Act, 1986
  - j) The EPF & Misc. Provisions Act, 1952;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India, yet to be approved by the Central Government;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

- 1) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period the company has Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013, having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**Place: Jaipur**  
**Date: 30<sup>th</sup> May, 2016**

**Vinod Kumar Naredi**  
**For Naredi Vinod and Associates**  
**Company Secretaries**  
**ACS 20453**  
**CP No. 7994**

Note: This report is to be read with our letter of even date which is annexed as 'Annexure 2' and forms an integral part of this report.

**Annexure to the Secretarial Audit Report**

To,  
The Members,  
Saboo Sodium Chloro Limited  
Surya House, L-5, B-II, Krishna Marg  
C-Scheme, Jaipur-302001 (Raj.)

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Jaipur**  
**Date: 30<sup>th</sup> May, 2016**

**Vinod Kumar Naredi**  
**For Naredi Vinod and Associates**  
**Company Secretaries**  
**ACS 20453**  
**CP No. 7994**

**SECRETARIAL STANDARDS REPORT**  
**For The Financial Year Ended 31<sup>st</sup> March, 2016**

**To,**  
**THE BOARD OF DIRECTORS**  
**SABOO SODIUM CHLORO LTD.**

We have examined the relevant registers, records and documents maintained by Saboo Sodium Chloro Ltd. ("the Company") for the financial year ended March 31, 2016 for compliances of Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) relating to Meetings of the Board of Directors (SS1) and General Meetings (SS2) as applicable during the Financial Year 2015-16.

The management has voluntarily decided to adhere to the Secretarial Standards and comply with the same. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the above said Secretarial Standards.

In our opinion and to the best of our information and according to the explanation given and documents/papers furnished to us, we report that the Company has complied with applicable Secretarial Standards relating to Meetings of the Board of Directors (SS1) and General Meetings (SS2).

**Place: Jaipur**  
**Date: 30<sup>th</sup> May, 2016**

**Vinod Kumar Naredi**  
**For Naredi Vinod and Associates**  
**Company Secretaries**  
**FCS 20453**  
**CP No. 7994**

## **Independent Auditor's Report**

To,  
The Members,  
Saboo Sodium Chloro Limited,  
Jaipur

### **Reports on the Financial Statements**

We have audited the accompanying financial statements of Saboo Sodium Chloro Limited. ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, and the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in sub-section 5 of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the



Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

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 Act, 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 2016;

(b) in the case of profit and loss account, of the profit for the year ended on that date except as appearing in clause 2(g) below; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

### **Report on Other Legal & Regulatory Requirement**

As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in exercise of powers conferred by sub-section 11 of section 143 of the Act, we enclose in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by sub-section 3 of Section 143 of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2016 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- (g) The company has not complied with the mandatory AS-15 on Retirement Benefits (see note 1.9 on accounting policies) however impact not expected to be substantial, our opinion remain unmodified.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - 1. The Company has disclosed the impact of pending litigations on its financial position in its financial

- statements – Refer Note 34 to the financial statements;
2. There are no material foreseeable losses on long-term contracts including derivatives contracts on which provision is required to be made in the financial statements.
  3. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

*Jaipur, May 30<sup>th</sup>, 2016*

**For N. Kataria & Associates**  
**Chartered Accountants**  
*Firm Reg. No.014941C*  
**(Nikhilesh Kataria, FCA)**  
**Proprietor**  
*Membership No.079048*

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in our report of even date)

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- i.
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/transfer deed/conveyance deed/court orders approving schemes of arrangements/amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii. As explained to us, the management has conducted the physical verification of inventories at reasonable intervals. No material discrepancies were noticed on physical verification of the inventories as compared to books records
- iii. The Company has not granted, during the year, any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. However, there are opening balances to the tune of Rs.707.06 lacs as at April 1<sup>st</sup>, 2015 (*March 31<sup>st</sup>, 2016- Rs.632.88 lacs*) of such unsecured loans & in respect of the same:
  - a. The terms and conditions of the grant of such loans are not prejudicial to the company's interest except to the extent that no interest is charged by the company
  - b. The schedule of repayment of principal and payment of interest (n.a.) is not stipulated as the interest free loans are given on demand
  - c. There are no overdue amounts
- iv. In our opinion and according to the information and explanations given to us, during the year the company has not made loans, investments, guarantees, and security as contemplated u/s 185 & 186 of the Companies Act, 2013. Though, there are outstanding balances as at April 1<sup>st</sup>, 2015 to the tune of Rs.707.06 lacs (*March 31<sup>st</sup>, 2016- Rs.632.88 lacs*), the details of which are duly appearing in note 19 & note 23 of the audited financial statements.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on

by the company

- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- b) On the basis of information and explanation given to us, details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

#### Annexure I

Name of the Statute	Nature of dues	Amount Demanded	Amount Deposited	Period	Appeal Status
Income Tax Act, 1961	Income Tax	Nil*	Nil	AY 08-09	Pending before Hon'ble ITAT

\*Though this year there are no tax implications in this year but in the subsequent years it may have tax implication to the tune of appx. Rs.50.00 lacs

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the note 33 of Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares

or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For N. Kataria & Associates**  
**Chartered Accountants**  
*Firm Reg. No.014941C*

**(Nikhilesh Kataria, FCA)**  
**Proprietor**  
*Membership No.079048*

**Jaipur, May, 30th, 2016**

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Saboo Sodium Chloro Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**SABOO SODIUM CHLORO LIMITED**  
**BALANCE SHEET AS AT 31st MARCH, 2016**

	<i>Note</i>	<b>As at 31st March 2016 (in Rs.)</b>	<b>As at 31st March 2015 (in Rs.)</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders Fund</b>			
Share Capital	2	191,825,000	191,825,000
Reserve & Surplus	3	30,454,504	20,935,563
		<b>222,279,504</b>	<b>212,760,563</b>
<b>Non-current Liabilities</b>			
Long Term Borrowings	4	141,181,327	135,016,998
Deferred Tax Liabilities	5	6,044,306	12,650,049
Long Term Provision	6	1,367,228	1,400,127
		<b>148,592,861</b>	<b>149,067,174</b>
<b>Current Liabilities</b>			
Short Term Borrowings & Advances	7	77,207,645	61,559,274
Trade Payables	8	47,521,295	47,373,488
Other Current Liabilities	9	3,267,630	3,126,860
Short Term Provisions	10	8,019,234	7,274,602
		<b>136,015,803</b>	<b>119,334,224</b>
<b>Total Liabilities</b>		<b>506,891,668</b>	<b>481,161,961</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
Fixed Assets	11		
Tangible Assets		172,609,695	190,864,453
Intangible Assets		118,200	118,200
Capital Work In Progress		50,536,816	49,090,618
		<b>223,264,711</b>	<b>240,073,271</b>
Non Current Investments	12	11,240,004	11,240,004
Long Term Loans & Advances	13	12,656,850	13,892,593
Other Non-current Assets	14	488,194	835,590
		<b>24,381,548</b>	<b>25,968,187</b>
<b>Current Assets</b>			
Current Investments	15	1,235,383	9,858,491
Inventories	16	89,480,193	64,068,228
Trade Receivables	17	80,428,031	53,907,449
Cash & Cash Equivalents	18	1,020,797	4,520,163
Short Term Loans & Advances	19	86,571,933	82,184,669
Other Current Assets	20	505,576	581,507
		<b>259,241,913</b>	<b>215,120,507</b>
<b>Total Assets</b>		<b>506,888,168</b>	<b>481,161,961</b>

Summary Of Significant Accounting Policies

1

As per our report of even date attached  
**For N. Kataria & Associates**  
**Chartered Accountants**  
Firm Reg. No.014941C

**Nikhilesh Kataria, FCA ( Proprietor)**  
Membership No.079048  
Jaipur, May 30th, 2016

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

**Sanjay Sarna**  
**Director**

**Girdhar Gopal Saboo**  
**Mg. Director**



**SABOO SODIUM CHLORO LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2016**

	<i>Note</i>	<b>Year Ended 31st March 2016</b>	<b>Year Ended 31st March 2015</b>
		<i>(in Rs.)</i>	<i>(in Rs.)</i>
Revenue from operations	21	220,767,118	191,628,042
Other Income	22	2,798,913	4,809,755
<b>Total Revenue</b>		<b>223,566,031</b>	<b>196,437,797</b>
<i>Expenses:</i>			
Cost of materials consumed	23	100,996,999	91,974,565
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(24,441,540)	(22,417,567)
Employee benefit expense	25	15,020,793	14,597,112
Financial costs	26	28,143,410	27,115,556
Depreciation and amortization expense	11	21,878,855	29,025,685
Other expenses	27	78,371,122	52,447,353
<b>Total Expenses</b>		<b>219,969,638</b>	<b>192,742,704</b>
<b>Profit and Loss before tax</b>		<b>3,596,393</b>	<b>3,695,093</b>
<b>Short/ (Excess) Provision for Earlier Year</b>		<b>(16,805)</b>	<b>(82,269)</b>
<b>Tax expense:</b>			
Current tax <i>(Provision)</i>		700,000	700,000
Deferred tax <i>(Provision)</i>		(6,605,743)	(1,817,589)
<b>Total Tax Expenses</b>		<b>(5,905,743)</b>	<b>(1,117,589)</b>
<b>Profit and Loss after Tax for the Period</b>		<b>9,518,941</b>	<b>4,894,951</b>

**Earning per equity share:**

Basic	<b>0.15</b>	<b>0.16</b>
Diluted	<b>0.15</b>	<b>0.16</b>

*Summary Of Significant Accounting* 1

*Policies*

*As per our report of even date attached*

**For N. Kataria & Associates**

**Chartered Accountants**

*Firm Reg. No.014941C*

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

**Nikhilesh Kataria, FCA**

**Proprietor**

Membership No.079048

*Jaipur, May 30th, 2016*

**Sanjay Sarna**

**Director**

**Girdhar Gopal Saboo**

**Mg. Director**

**SABOO SODIUM CHLORO LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDING 31<sup>st</sup> MARCH 2016**  
**(Annexed to the Balance Sheet for FY 2015-16)**

(in lacs)

PARTICULARS	As at 31st March 2016		As at 31st March 2015
<b><u>A. Cash Flow from Operating Activities</u></b>			
Net Profit before Tax and extraordinary items	35.96		36.95
<i>Adjustments for :</i>			
Depreciation	218.79		290.26
Dividend received	(0.00)		-
Interest (Income)	(26.94)		(43.89)
Profit on sale of fixed assets	-		(0.95)
Interest Expense	272.91		261.29
<b>Operating Profit before Working Capital Changes</b>	<b>500.72</b>		<b>543.66</b>
<i>Adjustments for :</i>			
Decrease (Increase) in Inventories	(254.12)		(188.96)
Decrease (Increase) in Trade & Other Receivables	(265.21)		(338.19)
Decrease (Increase) in Other Assets	0.76		23.91
Increase (Decrease) in Current Liability	3.16		121.28
Preliminary Exp. Not Written Off	3.47		3.47
<b>Cash Generated From Operations</b>	<b>(11.20)</b>		<b>165.17</b>
Income Tax	-		(4.68)
<b>Net Cash from Operating Activities</b>	<b>(11.20)</b>		<b>160.49</b>
<b><u>B. Cash Flow from Investing Activities</u></b>			
Purchase of Fixed Assets	(50.70)		(68.67)
Proceeds from sale of fixed assets	-		1.60
Interest Received	26.94		43.89
Sale/ (Purchase) of Investments	86.23		298.98
Decrease (Increase) in Loans & Advances and Other Assets	(31.48)		(556.84)
Dividend Income	0.00		-
<b>Net Cash from Investing Activities</b>	<b>30.99</b>		<b>(281.04)</b>
<b><u>C. Cash Flow from Financing Activities</u></b>			
Proceeds/(Repayment) of Long Term Borrowings	61.65		448.60
Proceed/(Repayment) of Short Term Borrowings	156.48		(700.49)
Issue of Share Capital/ Share Application Money	-		440.00
Interest paid	(272.91)		(153.14)
<b>Net Cash from Financing Activities</b>	<b>(54.77)</b>		<b>34.97</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(35.00)</b>		<b>22.62</b>
Cash and Cash Equivalents at the Beginning of the year*	45.20		22.58
<b>Cash and Cash Equivalents at the end of the year</b>	<b>10.21</b>		<b>45.20</b>

As per our report of even date attached

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

Firm Reg. No.014941C

**For and on behalf of the Board of Directors****Nikhilesh Kataria, FCA ( Proprietor)**

Membership No.079048

Jaipur, May 30th, 2016

**Sanjay Sarna****Director****Girdhar Gopal Saboo****Mg. Director**

**SABOO SODIUM CHLORO LIMITED****NOTE 1 FORMING INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR 2015-16****Note 1: Significant Accounting Policies****1.1 Basis of Preparation of Financial Statement**

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act'), the provisions of the Act & Rules (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013, based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents.

The figures are presented rounded off nearest to a rupee.

**1.2 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**1.3 Revenue Recognition**

Revenue is primarily derived from sale of iodized salt. Revenues are recognized on accrual basis when the substantial risks and reward of ownership in the goods are transferred to the buyers upon supply of the goods except disputed claims, demands, discounts, rebates etc, which are accounted for on cash basis as per consistent practice. Revenues from Renewal Energy Certificate (REC) are accounted for as and when the same is sold in exchange however unsold REC have been shown as stock in trade as per consistent practice.

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities except disputed claims & demands and discounts, rebates etc., which are accounted for on cash basis as per consistent practice.

**1.4 Tangible Assets**

Fixed assets are stated at their cost of acquisition including all direct cost attributable to the installation less accumulated depreciation comprising of its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Whereas 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 to use.

**1.5 Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any.

**1.6 Depreciation**

Depreciation is provided on a pro-rata basis on the Written Down value method at the rates prescribed under Schedule II to the Companies Act, 2013. Useful life of the assets has been taken as provided in the said Schedule II to the Companies Act, 2013.

**1.7 Impairment**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. There is no impairment loss charged during the year.

**1.8 Inventories**

Inventories consisting of raw salt and packing materials 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 including an appropriate portion of allocable overheads. However, it does not include interest and administrative overheads which are indirect in nature. In absence of any other reliable estimate, taking a prudential approach inventory of Renewable energy certificate (REC) have been valued at net realizable value which is the minimum price of such certificate at which the same are sold in exchange.

**1.9 Provisions and Contingent Liabilities**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements

**1.10 Employee Benefits****1.10.1 Short Term Employee Benefits**

The amount of employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

**1.10.2 Post-Employment Benefits**

The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The liability in respect of defined benefit plans and other post-employment benefits is calculated on estimated basis and charged to the profit and loss account.

**1.11 Employee Separation Costs – Non Compliance of Mandatory AS-15**

The company does not provide for leave encashment, medical etc. and the same is accounted for on cash basis as and when actual payment is made. The mandatory accounting standard AS-15 requires that an

actuarial valuation of the retirement benefits be made. Though, provision is made as per company's own method, however, no such actuarial valuation report has been taken nor any other prescribed method is followed to provide for the pre or post-retirement benefits for the employees. As such AS-15 not stood complied with however, impact on profit is not ascertainable. The impact not expected to be substantial no qualification of the audit report is made.

#### **1.12 Investments**

Investments are classified into current and long term investments. Current investments are stated at lower of cost or fair value. Non-current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

#### **1.13 Current & Deferred Tax**

Current tax is the provision made for income tax liability, if any, on the profits of the current year calculated in accordance with the provisions of the Income Tax Act 1961.

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. Deferred tax assets are not recognized on unabsorbed depreciation and brought forward losses unless there is virtual certainty that sufficient future income shall be available against which the deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rate and the Tax Law as applicable on the Balance Sheet date.

#### **1.14 Foreign Currency Transactions**

Foreign currency transactions are accounted for at the exchange rate prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and translation of monetary assets and liabilities in foreign currencies are recognized in the profit and loss account.

#### **1.15 Segment Reporting**

There is only one visible segment of the company i.e. manufacturing & sale of salt and as such no separate reporting is needed on segment basis. The company also derives revenue from power generation activities and the total income from such activities during the year stood at Rs. 140.56 lacs. The revenue not being substantial as compared to total revenue (as per definition provided in the relevant AS), the same is not reported as a separate segment.

#### **1.16 Financial and Management Information Systems**

To practice an Accounting System which unifies Financial and Cost Records and is designed to comply with the relevant provisions of the Companies Act, 2013 provide financial and cost information appropriate to the businesses and facilitate Internal Control.

#### **1.17 Investment Income**

Income from investments are accounted for on accrual basis.

#### **1.18 Earnings per Share**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the equity shares outstanding at the end of the year. For the purposes of calculating diluted earnings per share, all potential equity shares have been taken into consideration including convertible warrants.

	As at 31st March 2016 (in Rs.)	As at 31st March 2015 (in Rs.)
<b>Note 2 : Share Capital</b>		
<b>a) Authorized :</b>		
2,00,00,000 equity shares of Rs. 10/- each (previous Year 2,00,00,000 equity shares of Rs.10 each)	200,000,000	200,000,000
	<b>200,000,000</b>	<b>200,000,000</b>
<b>b) Issued Capital:</b>		
1,91,82,500 equity shares of Rs. 10/- each (previous Year 1,91,82,500 equity shares of Rs.10 each)	191,825,000	191,825,000
	<b>191,825,000</b>	<b>191,825,000</b>
<b>c) Subscribed &amp; Paid Up Capital:</b>		
1,91,82,500 equity shares of Rs. 10/- each (previous Year 1,91,82,500 equity shares of Rs.10 each)	191,825,000	191,825,000
	<b>191,825,000</b>	<b>191,825,000</b>

**2.1 The details of shareholder holding in excess of 5% shares are as under:**

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	% of shares	No. of Shares	% of shares	No. of Shares
Girdhar Saboo	44.33	8502839.00	44.33	8502839.00
Archana Saboo	6.52	1250000.00	6.52	1250000.00
Nawa Hotels and Resorts Private Limited	2.61	500000.00	6.92	1328300.00
Nawa Salts Private Limited	0.00	0.00	4.47	857117.00
Tiger Salt Private Limited	5.28	1012011.00	5.80	1112011.00

Note 2.2 Out of above, Shri Girdhar Saboo & Archana Saboo are directors in the company and in other companies also Shri Girdhar Saboo is one of the director and shareholder

**2.3 Reconciliation of number of shares outstanding**

Equity Shares at the beginning of the year	19182500	19182500
Addition/ deletion during the year	-	-
Equity Shares at the end of the year	19182500	19182500

**Note 3 : Reserve and Surplus**

**Profit & Loss Account**

Balance from Previous Year	14,915,563	9,540,339
Add: Profit During the Year	9,518,941	4,894,950
Add: Retained Earning	-	480,274
	<b>24,434,504</b>	<b>14,915,563</b>

**Share Premium**

As per last balance sheet	<b>4,000,000</b>	4,000,000
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**Capital Reserve**

As per last balance sheet	<b>2,020,000</b>	2,020,000
<b>Total</b>	<b>30,454,504</b>	<b>20,935,563</b>

**Note 4 : Long Term Borrowings****a) Secured Loan****Banks**

Rupee Term Loans

141,181,327

135,016,998

**Others**

-

-

**141,181,327****135,016,998**

Note 4.1:

1) SBI Term Loan (Govindi) is primarily secured against Plant, fixed assets of the company with extension of charge

2) BMW Financial Services Loan is secured against car

3) Sidbi Term Loan is primarily secured against Land at pipla Bharat Singh, Ajmer Road Jaipur.

4) Kotak Prime Ltd. loan is secured against vehicles.

5) Terms of repayment are given below:

a) Term Loans taken from SBI is repayable in quarterly installments of Rs. 18,75,000 & Rs. 12,36,000/- .

b) Loan Taken from BMW financial services is repayable in monthly EMI of Rs 135782.00 each.

c) Loan taken from SIDBI is repayable in monthly EMI of Rs. 1025000.00 and Rs. 385000.00 each.

d) Loan taken from Kotak Prime is repayable in monthly EMI of Rs.36500.00 each.

e) Loan taken from Religare Finvest Pvt. Ltd. is repayable in monthlay EMI of Rs.49820.00 each.

f) Loan taken from Tata Capital Financial Services Ltd. is repayable in monthlay EMI of Rs.314255.00 each.

**b) Unsecured Loan****Others**

-

Sundry Advances

-

-

-

-

**Total  
(a+b)****141,181,327****135,016,998****Note 5 : Deferred Tax Liabilities**

Provision for Deffered Tax

6,044,306

12,650,049

**6,044,306****12,650,049****Note 6 : Long Term Provision**

Provision for Employee Benefits

1,367,228

1,400,127

**1,367,228****1,400,127****CURRENT LAIBILITIES****Note 7 :Short Term Borrowings & Advances****Banks**

Rupee Loans

57,965,270

49,142,169

**Others**

Short Term Advances, Inter Corporate Loans

19,242,375

12,417,105

**77,207,645****61,559,274**

**Note 7.1 :** a) Working Capital Loans from SBI are secured by first pari passu charge on present and future stock of raw materials, stock-in-process, finished goods, stores and spares, book debts, etc., and second pari passu charge on the Total Fixed Assets

b) Loan taken from Religare Finvest Pvt. Ltd. is repayable in monthlay EMI of Rs.49820.00 each.

c) Loan taken from Bajaj Finserv Ltd. is repayable in monthlay EMI of Rs.219979.00 each.

d) Loan taken from Tata Capital Financial Services Ltd. is repayable in monthlay EMI of Rs.314255.00 each.

**Note 8: Trade Payables**

Sundry Creditors	44,080,975	42,562,553
Advances From Customers	3,440,320	4,810,935
	<b>47,521,295</b>	<b>47,373,488</b>

**Note 9.1 :Liability Towards Employees**

Bonus Payable	96,003	110,712
P. F. ( Employee Contribution)	20,250	20,190
P. F. (Employer) - Payable	30,313	33,347
Salary Payable	46,373	46,846
Stipend Payable	29,360	29,360
Wages Payable	863,523	695,451
	<b>1,085,822</b>	<b>935,906</b>

**Note 9.2: Other Current Liabilities**

Service Tax Payable	150,343	36,185
TDS Payble	385,226	495,007
Administrative Charges On P.F. (Payable)	3,204	3,627
Audit Fee Payable	16,000	16,000
Tax Audit Fees Payable	11,000	11,000
Security Deposits	1,616,035	1,629,135
	<b>2,181,808</b>	<b>2,190,954</b>

**Note 9.3 :** Out of the above amounts as referred to in above note 7,8 & 9 Rs. nil pertain to the Micro, Small and Medium Enterprises (MSME) as defined under “ Micro, Small and Medium Enterprises Development Act, 2006” based on the information available with the Company. There is no interest or overdue interest payable to such parties as at March 31, 2016 (March 31, 2015 : Rs. NIL )

**Note 10 : Short Term Provisions**

Provision For Exp.	826,335	745,723
Provision For Taxation	7,192,899	6,528,879
	<b>8,019,234</b>	<b>7,274,602</b>

**Note 10.1:** Provision for taxation also includes MAT credit asset provision of Rs.64.93 lacs which are to be set off against the regular tax liability of the company in the succeeding years. However, no such set off is made during the year under consideration (see note 13.1 also).



**Note 11 : Fixed Assets****Tangible Fixed Assets**

PARTICULARS	Gross Block					Depreciation				Net Block**	
	As at 31-Mar-2015	Addition/ Transfer During the Year	Retained Earning	Deletion	As at 31-Mar-2016	As at 31-Mar-2015	For the Year	/deletions	As at 31-Mar-2016	As at 31-Mar-2016	As at 31-Mar-2015
1. Land & Site Development	29604670				29604670	0	0		0	29604670	29604670
2. Building	71622997				71622997	44615116	2404887		47020003	24602994	27007881
3. Plant & Machinery	284166707	3527593			287694300	156744357	16932629		173676986	114017314	127422350
4. Furniture & Fixture	2553702				2553702	2416193	5871		2422064	131638	137509
5. Vehicles	16680378				16680378	10460339	2391525		12851864	3828514	6220039
6. Office Equipments	3008600	96500			3105100	2536592	143943		2680535	424565	472008
Sub-Total	407637054	3624093	0	0	411261147	216772597	21878855	0	238651452	172609695	190864457
WIP	49090618	1446198			50536816					50536816	49090618
Total	456727672	5070291		0	461797963	216772597	21878855	0	238651452	223146511	239955075

**Intangible Fixed Assets**

PARTICULARS	Gross Block					Depreciation				Net Block	
	As at 31-Mar-2015	Addition/ Transfer During the Year		during the year	As at 31-Mar-2016	As at 31-Mar-2015	For the Year	/deletions	As at 31-Mar-2016	As at 31-Mar-2016	As at 31-Mar-2015
Trade Mark	118200	0			118200	0	0		0	118200	118200
Total	118200	0		0	118200	0	0	0	0	118200	118200

**Note 11.1** The depreciation is provided as the Companies Act, 2013 (also see note 1 on Accounting Policies)

**Note 11.2** The above figures of net block is net of impaired assets which were charged as depreciation in the preceding years. While calculating the depreciation on the basis of remaining life of the assets as per the Companies Act, 2013, such impaired assets have not been taken into consideration amounting to Rs.178.77 lacs (also see note 1 on Accounting Policies).

**Note 11.3** Retained earnings represent the amount written back to bring the value of assets back to 5% of their gross value in conformity to the provisions of the Companies Act, 2013. (Also see note 1 for Accounting Policies)

**Note 12: Non Current Investments****Trade Investment - Unquoted**

NSC Post Office	29,000	29,000
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**Other Investments****In Equity Shares of Associate Company**

Fortress Hotels & Resorts P Ltd - Unquoted	11,065,500	11,065,500
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**Other Companies**

Unquoted	145,504	145,504
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**11,240,004****11,240,004**

Aggregate Amount of Quoted Investments

-

-

Aggregate Amount of Unquoted Investments

**11,240,004****11,240,004****Note 13 : Long Term Loans & Advances***(Unsecured considered good)*

TDS & Advance Tax	192,424	636,919
-------------------	---------	---------

MAT Credit Entitlement	6,492,900	5,828,880
------------------------	-----------	-----------

Security Deposits	5,968,026	7,426,794
-------------------	-----------	-----------

**12,653,350****13,892,593**

**Note 13.1:** The company has Rs.64.93 lacs as MAT credit entitlement as per the return filed for the AY 2015-16. The company is liable to pay MAT and no regular tax is payable by the company during the year. As a matter of prudence, this MAT credit is shown as asset as the same would be available for set off towards regular tax liability.

**Note 14 : Other Non Current- Unamortized Expenses**

Preliminary Expenses	488,194	835,590
----------------------	---------	---------

**488,194****835,590****CURRENT ASSETS****Note 15: Current Investments****Trade Investment****In Certificate of Deposits - Unquoted**

State Bank Of India	1,235,383	9,858,491
---------------------	-----------	-----------

**1,235,383****9,858,491**

Aggregate Amount of Quoted Investments

-

-

Aggregate Amount of Unquoted Investments

**1,235,383****9,858,491****Note 16: Inventories***(lower of cost or net realizable value)*

Raw Material	3,205,595	2,062,378
--------------	-----------	-----------

Packing Material	7,781,917	7,861,775
------------------	-----------	-----------

Consumables (Stores and Spares)	305,979	398,914
---------------------------------	---------	---------

Finished goods	49,587,551	33,059,511
----------------	------------	------------

Wastage and Salvage Goods	18,150	18,150
---------------------------	--------	--------

REC Stock	28,581,000	20,667,500
-----------	------------	------------

89,480,193

64,068,228

**Note 16.1:** The Management is of the view that now there is reasonable certainty with regard to the realization of the Certificates of power generation as received from the appropriate authority. Therefore inventory of such certificate have been valued and accounted as per prudent approach and as per past practice.

**Note 17 : Trade Receivables***(unsecured and considered good)*

More than 6 Months

10,902,777

10,926,138

Others

69,525,254

42,981,311

80,428,031

53,907,449

**Note 18 : Cash And Cash Equivalents**

Cash In hand

697,452

634,128

Balances with Scheduled Banks

323,345

3,886,035

1,020,797

4,520,163

**Note 19 : Short Term Loan And Advances***(Unsecured considered good)*

Imprest A/C (Net)

(1,490,076)

(363,253)

Loans &amp; Advances to Related Parties

63,287,691

70,705,623

Other Advances

22,000

3,000,500

Advances For Goods and Expenses

24,752,318

8,841,799

86,571,933

82,184,669

**Note 19.1:** Loans & Advances given to Related Parties:

	As at 31st March 2016	Max. Bal. outstanding in the year
Tiger Salt Pvt Ltd.	7663083	8463083
Rajasthan Mega Developers P Ltd	3766200	3774000
Fortress Hotels & Resorts Pvt Ltd	5304597	6004597
Nawa Hotels and Resorts Private Limited	4580199	10502712
Saboo Damodar Ropeways Private Limited	1945356	1945356
Saboo Energy & Power Pvt. Ltd.	28256	28256
Spectrum Foods Ltd.	40000000	40000000

**Note 19.2:** All the above advances are on demand and non interest bearing. The management consider all such advances as good.

**Note 20 : Other Current Assets**

Prepaid Insurance

505,576

581,507

505,576

581,507

**Note 21 : Income From Operations****Products**

Sales Salt (Export)

1,913,245

1,382,752

Sales Salt

204,797,817

177,908,240

Income from Sale of Solar Power (Government)

6,126,850

2,005,527

Income from Sale of Electricity (Third Party)

7,929,206

10,331,523

	220,767,118	191,628,042
<b>Note 22 : Other Income</b>		
Discount Received and Rate Difference	11,355	171
Dividend Received	371	-
Interest From Parties	313,835	-
Interest On FDR	2,379,676	1,118,690
Interest Received	-	3,050,450
Interest on Security Deposit	-	219,537
Miscellaneous Income	65,676	115,308
Agriculture Income	28,000	210,340
Profit on Sale of Fixed Assets	-	95,259
	<b>2,798,913</b>	<b>4,809,755</b>

**Note 22.1:** Misc. income includes net of credit and debit balances written off against which no amount is expected to be payable or receivable as per the management.

**Note 23 : Cost of Raw Material Consumed**

Raw Material Consumed	58,383,355	47,765,917
Packing Material Consumed	31,700,377	44,208,649
Purchases of Trading Material	10,913,267	-
	<b>100,996,999</b>	<b>91,974,565</b>

Note 23.1:

*a) Raw Material Consumed Includes*

Raw Salt	56,617,088	45,132,023
Iodine	1,477,452	2,589,999
PFC	288,815	43,895
	<b>58,383,355</b>	<b>47,765,918</b>

*b) Packing Material Consumed Includes*

HDPE Bardana	10,808,580	11,090,594
Poly Pouch	15,366,201	31,625,970
Liner	176,161	11,671
Laminated Roll	5,349,434	1,480,415
	<b>31,700,377</b>	<b>44,208,650</b>

**Note 23.2:** Value of Raw Material & Packing Material Consumed

Imported	2015-16	2014-15
Indigenous	91,974,568	100,996,999

**Note 23.3:** Value of Imports on CIF Basis in respect of:

Raw Material	2015-16	2014-15
Packing Material	-	-

**Note 24 : Changes in Inventoris of Finished Goods, WIP & Stores****Opening Stock**

Salt	33,059,511	31,309,444
REC Stock	20,667,500	-
	<b>53,727,011</b>	<b>31,309,444</b>

**Closing Stock**

Salt	49,587,551	33,059,511
REC Stock	28,581,000	20,667,500
	<b>78,168,551</b>	<b>53,727,011</b>
	<b>(24,441,540)</b>	<b>(22,417,567)</b>

**Note 25 : Employees Benefit Expenses**

Allowances on Salary	-	271,912
Salaries	742,767	828,354
Directors Remuneration & Perquisites	3,780,000	3,681,000
HRA Allowances on wages	1,894,601	2,085,008
Bonus	102,187	110,712
Canteen Exp.	46,045	40,043
Employer Contribution to P.F.	382,381	404,352
Gratuity	66,785	69,115
Leave Encashment	-	4,810
Stipend to Apprentice	69,608	47,027
Wages	7,786,630	6,940,221
Workmen & Staff Welfare	149,789	114,558
	<b>15,020,793</b>	<b>14,597,112</b>

**Note 25.1 :** The Company has not complied with mandatory accounting standard AS-15 on employees benefit in so far as the provision for post retirement benefit are concerned (see note 1 also). Leave encashment etc. are charged on cash basis.

**Note 26 : Financial Costs**

Bank Commission & charges	245,228	129,924
Brokerage	55,262	70,876
Processing Fees on Bank Loan	551,813	786,250
Interest On Bank Borrowing & Others	27,291,107	26,128,506
	<b>28,143,410</b>	<b>27,115,556</b>

**Note 27 : Auditor's Remuneration**

Statutory Audit Fees	16,000	16,000
Tax Audit Fees	11,000	11,000
	<b>27,000</b>	<b>27,000</b>

**Note 28 : Selling & Distribution Exp**

Advertisement Expenses	7,189,280	4,861,021
Discount & Rebate	4,286,096	-
Sales Distribution & Retailing Exp.	3,696,516	2,687,539
Export Expenses	563,935	712,822
Freight Outward (Factory)	24,247,229	9,690,544

Sales Promotion Exp.	143,814	383,839
Packing Exp.	-	124,960
Travelling Exp.	112,918	340,938
	<b>40,239,788</b>	<b>18,801,663</b>

**Note 28.1:** Selling & distribution expenses also includes salary paid to the marketing staff of the company.

**Note 29 : Other Expenses**

**a) Manufacturing Expenses**

	<b>2015-16</b>	<b>2014-15</b>
Electricity & Duty Exp.	8,871,731	7,661,262
Entry Tax	1,381,350	1,139,560
Freight Inward	2,506,674	1,409,821
Laboratory Expenses	28,730	5,825
Power & Fuel ( <i>diesel &amp; fire wood</i> )	7,350,056	7,537,159
Labour Exp	27,000	49,910
Store & Spares	1,235,615	1,310,540
Building Repair & Maintenance	652,254	1,304,583
Insurance	222,645	233,729
Oil & Lubricants Exp.	-	28,892
Plant & Machinery Repair	944908.00	1144695.00
Raw salt Kyar Repair	150,400	100,221
Repair & Maintenance (D.G.Set)	51,850	2,250
Repair & Maintenance Of J.C.B.	25,165	78,267
Boiler Operating Expenses	583,786	283,480
Rate Difference	383,818	41,397
<b>Total (a)</b>	<b>24,415,982</b>	<b>22,331,591</b>

**Note 29.1: Value of Stores Consumed**

	<b>2015-16</b>	<b>2014-15</b>
Imported	1,235,615	1,310,540
Indigenous		

**Note 29.2:** Value of Imports of CIF Basis in respect of Stores

-

-

**Note 29.3:** During the year under consolidation, the company paid Rs. 1381350/- towards Entry Tax which is related to F.Y. 2009-2010. This matter was disputed and crystallized only after decision of Hon'ble Supreme Court on this issue and as such the assessee has deposited the demand.

**b) Administrative Expenses**

	<b>2015-16</b>	<b>2014-15</b>
Administrative Charges on PF	36,246	40,216
Annual Custodial Fees	51,525	-
Computer Exp.	53,338	16,211
Donation	6,150	12,700
Electricity & Water	581,175	474,565
Environment Exp.	323,617	369,383
General Expenses	122,707	148,658
Insurance	537,431	516,110
Legal & Professional charges	1,747,683	1,551,849

Listing Fees	224,720	-
Membership & Subscription	225,250	371,854
Postage Telegram & Telephone Expenses	118,025	129,368
Printing & Stationery	71,709	197,037
Rent Rates & Taxes	3,560,186	1,207,045
Rating Exp	34,200	33,708
Repair & Maintenance	1,089,810	1,257,441
REC Fees	86,844	87,397
Share Transfer Expenses	109,723	91,574
Travelling & Conveyance	1,286,458	1,552,250
Preliminary Exp W/O	347,396	347,397
Service Tax	1,052,969	333,036
Interest On OLD PF	115,644	3,214
AMC Charges for Solar Plant	1,696,100	1,123,600
Sundry Balance W/off	209,445	1,422,486
<b>Total (b)</b>	<b>13,688,351</b>	<b>11,287,099</b>
<b>Total (a+b)</b>	<b>38,104,333</b>	<b>33,618,690</b>

**Note 30 : Expenditure in Foreign Currency Expenses**

2015-16

2014-15

-

-

**Note 31 : Earnings in Foreign Exchange**

2015-16

2014-15

Sale of Goods

1,913,245

1,382,752

**Note 32: Basic & Diluted EPS**

**Basic Earnings Per Share**

March 31, 2016

March 31, 2015

Net Profit/Loss (after tax)

2896393.35

2995092.81

No. of Share

19182500.00

19182500.00

Face Value (Per Share)

10.00

10.00

EPS-Basic

0.15

0.16

**Diluted Earnings Per Share**

Net Profit/Loss (after tax)

2896393.35

2995092.81

No. of Share (including convertible warrants)

19182500.00

19182500.00

Face Value (Per Share)

10.00

10.00

EPS- Diluted

0.15

0.16

**Note 33: Related Party Disclosures**

**a. Key Management Personnel**

: Girdhar Gopal Saboo  
 : Archana Saboo  
 : Bikas Kumar Lakhotia  
 : Sanjay Sarna  
 : Neeraj Kumar Agarwal  
 : Anjali Kumawat

<b>b. Associate Companies</b>	:	Spectrum Foods Ltd.
	:	Rajasthan Mega Developers P Ltd
	:	Nawa Salts P Ltd.
	:	Tiger Salts P Ltd.
	:	Saboo Damodar Ropeways Private Limited
	:	Fortress Hotels and Resorts Private Limited
	:	Nawa Hotels and Resorts Private Limited
	:	Saboo Energy & Power Pvt. Ltd.

<b>Disclosure of Transactions with the Related Persons</b>	<b>Year Ended 31st March, 2016</b>	<b>Year Ended 31st March, 2015</b>
<b>Summary of Transaction of Revenue Nature</b>		
<b>a. Key Management Personnel</b>		
Director Remuneration ( <i>excluding perquisites, TA/DA etc.</i> )	3780000	3681000
Rent Paid	1200000	1200000
<b>b. Associate Companies</b>		
Sales	0	28400000
Purchases	10913267.00	

**Summary of Other Transactions**  
**Loans & Advances Given (Refunded)**

a. Key Management Personnel

b. Associate Companies (*Gross Amounts*)  
(*including transactions of revenue nature in case of Spectrum Foods Ltd.*)

<b>Transactions with Related Parties</b>		<b>31st March, 2016</b>	<b>31st March, 2015</b>
<b>a. Key Management Personnel</b>			
Girdhar Gopal Saboo	Director's Remuneration	3000000	3000000
Neeraj Agarwal	Director's Remuneration	240000	240000
Sanjay Sarna	Director's Remuneration	240000	60000
Pradeep Saxena	Director's Remuneration	0	81000
Archana Saboo	Director's Remuneration	300000	300000
Girdhar Gopal Saboo	Rent	1200000	1200000
<b>b. Associate Companies</b>			
<b>Revenue Transaction</b>			
Spectrum Foods Ltd.	Sales	0	28400000
Spectrum Foods Ltd.	Purchases	10913267	0
Spectrum Foods Ltd.	Advances against purchases	9351057	

**Financial Transactions**

Loans & Advances Given/ Repaid

	<i>Debit Balance</i>	<i>Credit Balance</i>	<i>Net Received</i>
Nawa Salts Pvt Ltd	717176	1704976	987800.00
Nawa Hotels & Resorts Pvt. Ltd	47487	5970000	5922513.00
Tiger Salts Pvt. Ltd.	15181	800000	784819.00
Fortress Hotels & Resorts Pvt. Ltd.	10000	710000	700000.00



**Outstanding Balances**

	<b>As at 31st March 2016</b>	<b>Max. Balance outstanding during the year</b>	<b>As at 31st March 2015</b>	<b>Max. Balance outstanding during the year</b>
Tiger Salt Pvt Ltd.	7663083	8463083	8447902	9365502
Rajasthan Mega Developers P Ltd	3766200	3774000	3774000	13583507
Nawa Salt Pvt Ltd.	0	0	2800	1287456
Fortress Hotels & Resorts Pvt Ltd	5304597	6004597	6004597	9889853
Nawa Hotels and Resorts Private Limited	4580199	10502712	10502712	10652712
Saboo Damodar Ropeways Private Limited	1945356	1945356	1945356	5245356
Saboo Energy & Power Pvt. Ltd.	28256	28256	28256	3528256
Spectrum Foods Ltd.*	40000000	40000000	40000000	72393815

\*excluding trading transactions

**Note 34: Contingent Liabilities & Commitments**

	<b>As at 31st March, 2016</b>	<b>As at 31st March, 2015</b>
a. Contingent Liabilities		
A. Claims against the company/ disputed liabilities not acknowledged as debt		
i) in respect of joint ventures		
ii) in respect of others*	4962000	5760000
B. Guarantees		
(i) Guarantees given to bank and financial institutions against credit facilities extended to third parties		
i) in respect of joint ventures		
ii) in respect of others	0	174000000

**b. Commitments**

There are no contracts remained to be executed on capital account

\* Estimated amount involved in suits. The company has been advised that the demand is likely not to be raised or deleted substantially and as such no provision is considered necessary

\*\* In AY 2008-09, a disallowance of brought forward depreciation was made totalling to Rs.168.39 lacs which stands confirmed by the first appellate authority. However, the company is advised that there is strong case in favor of the assessee and the Hon'ble ITAT may give a substantial relief in the matter. As such no provision is being made against the same.

**Note 35: Financial & Derivative Instruments**

The company has not entered into any long term contracts including derivative contracts during the year

**Note 36: Details of Loans Given, Invst. Made & Guarantees Given u/s 186(4) of the Companies Act, 2013**

	As at 31st March, 2016	As at 31st March, 2015
(i) Loans & Advances Given	See note 33 above	
(ii) Guarantees given to bank and financial institutions against credit facilities extended to Spectrum Foods Ltd.	0	174000000
(iii) Investment made Fortress Hotels & Resorts P Ltd - Unquoted	0	11065500

*\*no loans, guarantee or investment during the year. Only opening balances exists*

**Note 37: Interest in Joint Venture**

The company has not entered into any joint venture during the year

**Note 38:** Provisions relating to Corporate Social Responsibility as provided in section 135 of the Companies Act, 2013 are not applicable to the company

**Note 39:** No Research & Development expenses were made during the year

**Note 40:** Information regarding defined benefit plans and defined benefit obligation is not available with the company and the company has not complied with the AS -15 relating to Employee Benefit

**Note 41:** Previous years figures have been regrouped or reclassified wherever considered necessary

**SABOO SODIUM CHLORO LIMITED**

Regd. Office: Surya House, L-5, B-II, Krishna Marg, C-Scheme, Jaipur-302001 Rajasthan, (India)

**ATTENDANCE SLIP**23<sup>rd</sup> Annual General Meeting on 28<sup>th</sup> day of September 2016 at 3.00 p.m.

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. PLEASE ALSO BRING YOUR COPY OF THE ENCLOSED ANNUAL REPORT

I hereby record my presence at the 23<sup>rd</sup> Annual General Meeting to be held on Wednesday, 28<sup>th</sup> day of September 2016 at 3.00 p.m. at "Surya House", L-5, B-II, Krishna Marg, 'C' Scheme, Jaipur-302001 Rajasthan (India)1. Name of the Attending Member \_\_\_\_\_  
(in Block Letters)

2. Regd. Folio Number \_\_\_\_\_

3. DP id. \* \_\_\_\_\_

4. Client Id.\* \_\_\_\_\_

5. Name of the Proxy (In Block Letters) \_\_\_\_\_

(To be filled in if the proxy attends instead of member)

6. No. of shares held: \_\_\_\_\_

\*Applicable for Investors holding shares in electronic form

I hereby record my presence at the Annual General Meeting held at L-5, B-II, Krishna Marg, 'C' Scheme, Jaipur-302001 Rajasthan, (India) on Wednesday, 28<sup>th</sup> day of September 2016 at 3.00 p.m......  
Signature of the shareholders/ Proxy**NOTES:**

1. Shareholders/ proxy holders are requested to bring the attendance slip with them when they come to the meeting. No attendance slip is issued at the time of meeting.
2. This attendance slip is valid only in case shares are held in the date of AGM.

## Proxy Form

**(FORM NO. MGT - 11)**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2015]

Name of the Member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_ Folio No./Client ID: \_\_\_\_\_ DP ID: \_\_\_\_\_

I / We being the Member(s) of \_\_\_\_\_ shares of Saboo Sodium Chloro Limited here  
by appoint

1. Name.....  
Address.....  
Email Id.....Signature.....or failing  
him
2. Name.....  
Address.....  
Email Id.....Signature.....or failing  
him
3. Name.....  
Address.....  
Email Id.....Signature.....or failing  
him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the company, to be held on Wednesday, 28<sup>th</sup> day of September 2016 at 3.00 p.m. at L-5, B-II, Krishna Marg, 'C' Scheme, Jaipur-302001 Rajasthan, (India) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no.	Subject Matter of the Resolution	Optional*	
		For	Against
1	Adoption of the Audited Financial Statements and Reports thereon for the year ended March 31st, 2016		
2	Re-appointment of M/s N. Kataria & Associates, Chartered accountants as Statutory Auditors of the company who is liable to retire by rotation		
3	Increasing the remuneration of Mr. Girdhar Gopal Saboo, Managing Director of the Company		

Signed this.....day of .....2016

Affix  
revenue  
stamp

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Signature of member

## Note:

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstained column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she may deem appropriate.
3. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting right, than such proxy shall not act as a proxy for any other person or Member.
4. A Proxy need not be a member of the Company.

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