

# 25<sup>TH</sup>

## ANNUAL REPORT 2017-18



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

<b>Contents</b>	<b>Page No.</b>
1 Corporate information	2
2 Notice	3
3 Board's Report	9
4 Management Discussion and Analysis Report	15
5 Report on Corporate Governance	26
6 Certificate by CEO/CFO	42
7 Report on Audit Committee	43
8 Report on Secretarial Audit	50
9 Independent Auditor's Report	54
10 Annexure to the Auditor's Report	57
11 Balance Sheet	63
12 Profit and Loss Account	64
13 Statement of Cash Flow	65
14 Accounting Policies and notes	66
15 Attendance Slip	79
16 Proxy Forms	80

# **SABOO SODIUM CHLORO LIMITED**

## **ANNUAL REPORT (2017-18)**

### **BOARD OF DIRECTORS**

Shri Girdhar Saboo (DIN: 00364750)  
Managing Director (Executive)

Shri Bikash Kumar Lakhotia (DIN: 01470180)  
Director (Non-Executive)

Shri Neeraj Kumar Agarwal (DIN: 05358002)  
Director (Non-Executive)

Shri Sanjay Sarna (DIN: 07052586)  
Director (Non-Executive)

Shri. Vishnu Prakash Gagrani  
Chief Financial Officer (Executive)

Ms. Anjali Kumawat  
Company Secretary

### **Statutory Auditor**

M/s Choudhary Gupta & Co.  
Chartered Accountants  
T-4, Jivan Vihar Complex,  
Panch Batti, M. I. Road,  
Jaipur-302001 (Raj.)

### **Corporate Advisors**

M/s 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  
Indusind Bank  
HDFC Bank Limited

### **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

### **Plants:**

1. Village Govindi, Nawa City,  
Nagour (Rajasthan)
2. Survey No. 416, Village  
Moti Chirai, Taluka Bachau,  
Ghandhidham (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 25<sup>th</sup> Annual General Meeting of the members of Saboo Sodium Chloro Limited will be held on Thursday, 27<sup>th</sup> September, 2018 at 1:00 PM at the registered office of the Company at Surya House, 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 financial statements of the Company for the year ended 31<sup>st</sup> March 2018, including the audited Balance Sheet as at 31<sup>st</sup> March 2018 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors thereon.
2. To ratify the appointment of Auditors and fix their remuneration and in this connection to consider and if thought fit to pass with or without modification, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and the rules framed hereunder, as amended from time to time, the ratification of appointment of the statutory auditors of company M/s Choudhary Gupta & Co., Chartered Accountants, T-4, Jivan Vihar Complex, Panch Batti, M. I. Road, Jaipur-302001 (Raj.) (Firm Registration No. 003165C), who were appointed in the 24<sup>th</sup> Annual General Meeting dated 27<sup>th</sup> September, 2017 to hold office till the conclusion of 29<sup>th</sup> Annual general meeting of the company to be held in the calendar year 2022, subject to ratification of their appointment in every annual general meeting, be and is hereby confirmed on a remuneration as may be fixed by the board of directors of the company in consultation with them."

01<sup>st</sup> September, 2018  
Jaipur

By Order of the Board  
Sd/-  
Anjali Kumawat  
Company Secretary

**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 21<sup>st</sup> September, 2018 to 27<sup>th</sup> September, 2018 (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. 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.
8. 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.
9. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 25<sup>th</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):

**(a) The instructions for shareholders voting electronically are as under:**

1. The voting period begins on <Date and Time> and ends on <Date and Time>. 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 <Record Date> may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
3. Click on Shareholders.
4. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (b) Next enter the Image Verification as displayed and Click on Login.

- (c) 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.
- (d) If you are a first time user follow the steps given below:
- (e) For Members holding shares in Demat Form and Physical Form
- (f) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- (g) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.
- (h) 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.
- (i) Dividend Bank Details OR Date of Birth (DOB) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
- (j) 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 mentioned in instruction (4).
- (k) After entering these details appropriately, click on "SUBMIT" tab.
- (l) 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.
- (m) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (n) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (o) 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.
- (p) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (q) 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.
- (r) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (s) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (t) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (u) 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. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (v) Note for Non – Individual Shareholders and 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.
  - 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 linked in the login 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.
  - 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.
10. 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).
  11. 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.
  12. 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 20, 2018.
  13. 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.
  14. 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 27, 2018 at 1:00 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.
  15. 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.
  16. 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)
  17. 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.

**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. 23,34,93,661
<b>Export Performance</b>	Rs. 0
<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 hence company has incurred losses.

**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. Also, company has set up a five star Resort and Spa named as Samskara Resorts at Jaipur.

**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**  
**Sd/-**  
**Anjali Kumawat**  
**Company Secretary**

**01<sup>st</sup> September, 2018**  
**Jaipur**

## BOARD'S REPORT

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

The Directors have pleasure in presenting before you the 25<sup>th</sup> Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2018.

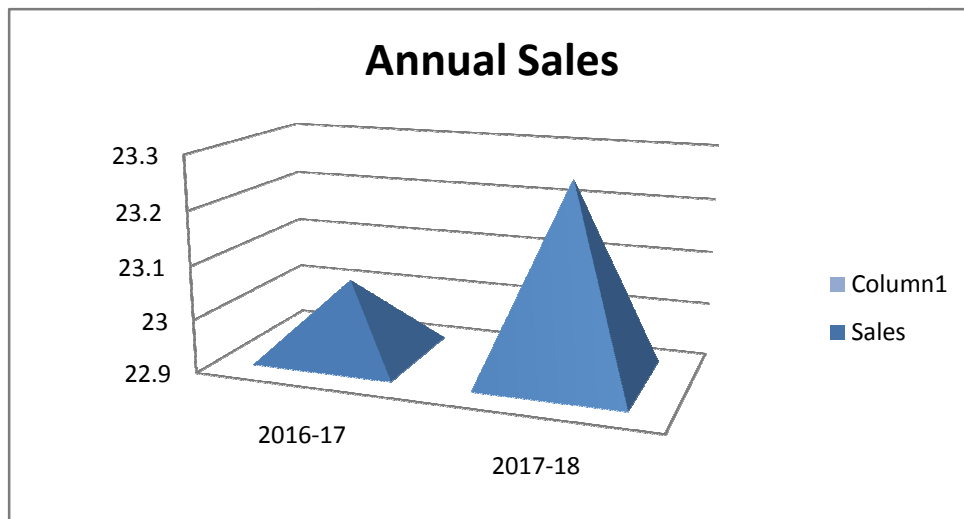
### **I. FINANCIAL PERFORMNACE**

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, 2018	Financial year ended 31 <sup>st</sup> March, 2017
Total Income	23,34,93,661	23,04,09,393
Profit before depreciation and taxation	2,00,30,654	2,20,26,819
Depreciation	1,57,63,527	1,80,75,547
Profit before tax	42,67,127	39,51,272
Taxation (including Deferred Taxation and Short/Excess Provision for Earlier year)	21,53,370	97,63,283
<b>Profit /loss after Tax</b>	<b>21,13,757</b>	<b>(58,12,011)</b>

### **Turnover, Profits & Future Prospects**

The total income during the year under review is Rs. 23,34,93,661/- as against Rs. 23, 04,09,393/- in the previous year. During the year under purview company incurred a profit of Rs. 21,13,757/- as against loss of Rs. 58,12,011/- in previous year. Although, there is an increase in company's turnover in comparison to the turnover of previous year. Now company is planning to start up hotel division alongwith salt division for increasing turnover and profit. Also, company is focusing upon increasing international sale of salt product.



## **Dividend**

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

## **Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

The Provisions of section 125(2) of Companies Act, 2013 are not applicable as there was no dividend declared or paid last year.

## **Deposits**

During the year under review, Your Company has not accepted any deposits from public and as such, in the terms of the provision of Section 73 to 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014 and hence no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## **Particulars of Loans, Guarantees or Investments**

Pursuant to section 186 of Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure on particulars relating to Loans, Advances, Guarantees and Investments are provided as part of 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 twenty five percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. All Related Party Transactions are placed on a quarterly basis before the Audit, Risk and Compliance Committee and before the Board for approval. Prior omnibus approval of the Audit, Risk and Compliance Committee is obtained for the transactions which are of a foreseeable and repetitive nature.

The particulars of contracts or arrangements with related parties referred to in section 188(1) and applicable rules of the Companies Act, 2013 in Form AOC-2 is provided as Annexure I to this Annual Report.

## **Subsidiaries, joint venture and associate companies:**

The company does not have any subsidiary, Joint ventures or associate company.

## **SHARES**

### **Buy-back of shares:**

During the year under review, company has not bought back any of its shares.

### **Sweat Equity Shares:**

During the year under review, company has not issued any Sweat Equity shares.

### **Bonus Shares:**

During the year under review, company has not issued any Bonus shares.