

BOARD'S REPORT

TO,
THE MEMBERS,
SABOO SODIUM CHLORO LIMITED,

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

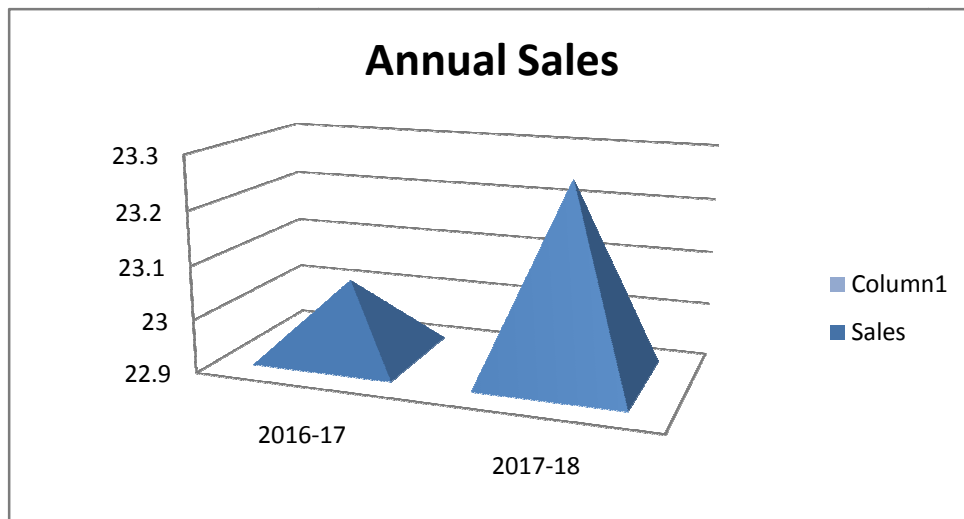
I. FINANCIAL PERFORMNACE

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 st March, 2018	Financial year ended 31 st 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
Profit /loss after Tax	21,13,757	(58,12,011)

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.

Employee Stock Option Plan:

During the year under review, company has not provided any Stock option plan to its employees.

Preferential issue:

During the year under review, company issued 50 lakhs equity shares with equal voting rights in the Extra-ordinary General Meeting held on 31st May, 2017 and company made allotment on 12th June, 2017 and the same were listed on the Bombay Stock Exchange and company got trading approval for the same on 01st August, 2017.

II. BUSINESS

Changes in nature of business:

There is no change in nature of business. During the year under review company entered into the line of Hotel & Resort business. The object clause of Memorandum of Association was altered by way of passing Special Resolution in the postal ballot conducted on 23rd September, 2017 and a new clause for carrying out hotel business was added in it. The company has build up a 7 star resort in the name of “**SAMSKARA RESORT**” at Village-Jaisinghpura, Peepla, Jaipur and the resort will get launched in the current Financial year i.e. 2018-19.

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.

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.

III. GOVERNANCE AND ETHICS

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 in Annexure "D".

Secretarial Audit was carried out by M/s Naredi Vinod & Associates , Company Secretaries, the Secretarial Auditor of the Company for the financial year 2017-18. 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.

Board of Directors

Board's Composition and Independence Your Company's Board consists of global leaders and visionaries who provide strategic direction and guidance to the organization. As on March 31, 2018, the Board comprised One executive director and three non-executive Independent Directors.

During the year, Mrs. Archana Saboo, resigned from the post of Whole-time Director w.e.f. 06.10.2016, she was the only women Director in the company and since company has not found any suitable alternate for her hence it does not have any women Director in the Board.

Details of Directors and Key Managerial Personnel

Key Managerial Personnel

During the year, there was no change in the composition of director.

The company is having following Key Managerial Personnel: -

- | | |
|--------------------------------------|-------------------------|
| 1. Mr. Girdhar Saboo (DIN: 00364750) | Managing Director |
| 2. Mr. V.P. Gagrani | Chief Financial Officer |
| 3. Ms. Anjali Kumawat | Company Secretary |

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, 2014 are given below:

Remuneration of Managing Director

Following are the details of the annual salary (payable monthly) proposed to be paid to Mr. Girdhar Saboo Managing Director: - Consolidated Salary including Perquisites and allowances, etc- 36,00,000/- (Rupees Thirty Six Lakhs only).

Basic Salary: 2,04,000(Monthly)

Allowance: 96,000(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.

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. The declaration is enclosed in this report.

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, 2014 are:

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

Number of Board Meetings

During the year under review, company has conducted 9 (Nine) Board meetings.

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, 2018, 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, 2018 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;

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.

IV. INTERNAL FINANCIAL CONTROLS AND AUDIT

Details in respect of adequacy of internal financial controls with reference to the financial statements

The Company has in place adequate internal financial controls with reference to financial statements. Statutory Auditors in their report has expressed their opinion on the internal financial controls with reference to the financial statements which is self explanatory. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

Auditors

Statutory Auditor

M/s Choudhary Gupta & Co., Chartered Accountants (ICAI Firm Registration Number: 003165C) in place of M/s N. Kataria & Associates were appointed for the term of five years in the last Annual General Meeting held on 27th September, 2017 for the Financial year 2017-18 to 2021-22.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 2017-18.

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.

Explanation or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the Practising Company Secretary:

There were no qualifications, reservations or adverse remarks or disclaimers made either by the auditors or the practicing company secretary in their respective reports.

V. SOCIAL RESPONSIBILITY AND SUSTAINABILITY

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.

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, 2014, is annexed herewith as “Annexure A”.

VI. OTHER DISCLOSURES

Listing at Stock Exchange

The Equity Shares of the Company are listed at Calcutta and Bombay Stock Exchange and its shares are actively traded at Bombay Stock Exchange. The Company confirms that it has paid the Annual Listing fees for the year 2017-18 to BSE where the Company’s shares are listed.

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 “C” to this Report.

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.

Details of Significant and Material Orders Passed by the regulators/Courts/Tribunals Impacting the Going Concern Status and the Company’s Operations in Future

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

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 statues, market forces and other associated and incidental factors may however lead to variation in actual results.

For and on behalf of the Board of Directors

Date: 30th May, 2018
Place: JAIPUR

Sd/-
SANJAY SARNA
(Director)
DIN: 07052586

Sd/-
GIRDHAR SABOO
(Managing Director)
DIN: 00364750