

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. The Company produced 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.

During the year company has set up a fully-integrated 300 KWP in- house Grid –Tied Solar Power Plant at its factory located at Nawa city, Nagaur (Raj.) in addition to the existing 100 KWP solap plant, under captive power reverse net metering scheme of Government of Rajasthan. This will result in saving of approx. Rs. 75 Lakhs per annum for the company. This Solar plant will meet upto 80% of energy requirement of the company and with this, Saboo Sodium Chloro Limited becomes the first salt refinery in India to use Solar energy for their 80% of energy consumption.

ANNEXURE “B” TO THE BOARD’S REPORT:

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Saboo Sodium Chloro Limited is the largest salt refinery in North India producing Surya Iodized Salt, Tota Iodized Salt, 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. Also, Company has various plans for expansion of its operations from the present level and it is proposed to start luxurious resort, hotel and Yoga & Meditation Centre.

II) Outlook

Company continues to enjoy strong support from its promoters. FMCG markets are expected to continue to grow. Consumer confidence has increased. Company has also entered into a new line of Hospitality Industry and has build up a 7 star resort & spa in the name of “**SAMSKARA RESORT™**” at Village-Jaisinghpura, Peepla, Jaipur. Samskara Resort provides all the luxurious facilities to its visitors which include approximately (but not limited to):

- 37 guest rooms
- 1 Presidential Villa
- Spa
- Yoga & Meditation center and Open Air Area
- Restaurant
- Swimming Pool

- Walkway and Jogging
- Multi-Purpose Hall
- Daily Activity Programs
- Motorized Buggies for Transportation
- Jacuzzis / Steam rooms

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 industrial salt and detergent. 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.

The hotel industry in India thrives largely due to the growth in tourism and travel. Due to the increase in tourism with rising foreign and domestic tourists, hotel sector is bound to grow. There is an emergence of budget hotels in India to cater to much of the population who seek affordable stay and hence company have built up a 7 star Resort and Spa in the name of “Samskara Resort” and have confidence that company will grow faster in this industry as it is in the beautiful location of Jaipur.

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.

The company have now entered in the hospitality industry and there are lots of Hospitality company in Jaipur thus company will provide the best hospitality services and will be recognized in this industry and will definitely sustain its brand value in the market.

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

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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.

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