

# **61<sup>st</sup> Annual Report**

**2019-20**



**HINDUSTAN SALTS LIMITED**

## Board of Directors

Chairman & Managing Director

Commodore Kamlesh Kumar {Retd.}

## Government Nominee Directors

Shri Satyendra Kumar

Shri Uday Singh Mina

Smt. Parveen Gupta

## Independent Directors

Shri Shankar Lal Agarwal

Shri Hari Mohan Johari

Smt Kavita Chaudhary

Company Secretary

Ms. Sumona Majumdar

Banker

State Bank of India

## Contents

- 2 Chairman's Speech
- 4 Directors' Report
- 22 Corporate Governance Certificate
- 23 Comments of the Comptroller & Auditor General on Consolidated Financial Statements
- 25 Independent Auditors Report on Consolidated Financial Statements
- 37 Consolidated Balance Sheet
- 38 Consolidated Statement of Profit & Loss
- 40 Notes to Consolidated Financial Statements
- 70 Comments of the Comptroller & Auditor General on Standalone Financial Statements
- 72 Independent Auditors' Report on Standalone Financial Statements
- 87 Standalone Balance Sheet
- 88 Standalone Statement of Profit & Loss
- 90 Notes to standalone Financial Statements
- 123 Hindi Translation of Annual Report of FY 2019-20

## **CORPORATE OBJECTIVES VISION**

Be a dominating player in salt and bromine industry & allied products.

## **MISSION**

- \* To produce/supply good quality of salt & value added products.
- \* To accelerate the process of modernization/mechanization of manufacture of salt and allied products.
- \* Make available quality iodized salt to weaker sections through public distribution system.
- \* Efficient utilization of resource.
- \* Increase the market share of HSL/SSL



**RAJ KUMAR SHARMA**  
Practicing Company Secretary

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
Share Members,  
Hindustan Salts Limited  
Jaipur

Dear Sir,

I have examined the compliances of conditions of Corporate Governance by **Hindustan Salts Limited** ('the Company') for the financial year ended on 31<sup>st</sup> March, 2020, as stipulated in the Guidelines on Corporate Governance by Central Public Sector Enterprises issued by Government of India, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises ('the Guidelines').



I have studied the Report on Corporate Governance of the said Company and also examined the relevant records and documents maintained by the Company and furnished to me for my review in this regard.

The compliance of conditions of Corporate Governance is the responsibility of Management of the Company. My examination was limited to review of the procedures and implementation thereof on test basis, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance.

In my opinion and to the best of my information and according to the explanation given to me, I certify that the Company has complied with the conditions as stipulated in the Guidelines in all material respect *except the conditions of composition of the Board, appointment of Independent Directors & conditions related thereto, meeting of Board at least once in every three (3) Months, Presence of chairman of Audit committee in Annual General Meeting, Training programme for its new Board Members, Appointment of Independent Director on the Board of its Subsidiary Company, Meeting and Composition of Audit Committee & conditions related thereto and non-functioning of remuneration committee.*

I further state that I have not verified the correctness and appropriateness of financial Records and it is neither an audit nor an expression of opinion on the financial statements of the company and also such compliance is neither an assurance as to the further viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: 24/11/2020

  
  
CS Raj Kumar Sharma  
Membership No.: 43754  
C.P. No.: 18288  
UDIN: A043734B001293653

P.no. 13(E), Path no. 4, Laxmi Nagar IIIrd, Niwaru Road, Jhotwara,  
Jaipur - 302 012

+91-9529898047

[csrajsharma@outlook.com](mailto:csrajsharma@outlook.com)

कार्यालय प्रधान निदेशक लेखापरीक्षा  
उद्योग एवं कारपोरेट कार्य  
ए.जी.सी.आर. भवन, आई.पी.एस्टेट,  
नई दिल्ली- 110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT  
INDUSTRY AND CORPORATE AFFAIRS  
A G C R. BUILDING, I.P. ESTATE  
NEW DELHI- 110 002

संख्या: एएमजी-111 2/26) वार्षिक खाता एचएसएल 2020 21/2022  
दिनांक: 21.12.2021

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक  
हिंदुस्तान साल्ट्स लिमिटेड  
जी 229, सीतापुरा इंडस्ट्रियल एरिया  
जयपुर - 302022

विषय : कंपनी अधिनियम 2013 की धारा 143 (6) (b) एवं धारा 129 (4) के अधीन 31 मार्च 2020 को समाप्त वर्ष के लिए हिंदुस्तान साल्ट्स लिमिटेड के समेकित वित्तीय विवरणों (Consolidated Financial Statements-CFS) पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143 (6) (b) एवं धारा 129 (4) के अधीन 31 मार्च 2020 को समाप्त हुए वर्ष के लिए हिंदुस्तान साल्ट्स लिमिटेड के समेकित वित्तीय विवरणों (Consolidated Financial Statements) पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेजित की जा रही हैं। इन टिप्पणियों को कंपनी की वार्षिक रिपोर्ट में प्रकशित किया जाये।

भवदीय,

(सी. नेड्न्चेलियन)  
प्रधान निदेशक लेखा परीक्षा  
(उद्योग एवं कारपोरेट कार्य)  
नई दिल्ली

संलग्नक:- यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES  
ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF HINDUSTAN  
SALTS LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of consolidated financial statements of Hindustan Salts Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 September 2020.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the consolidated financial statements of Hindustan Salts Limited for the year ended 31 March 2020 under section 143 (6) (a) read with section 129(4) of the Act.

For and on behalf of the  
Comptroller & Auditor General of India



(C. Nedunchezian)  
Principal Director of Audit  
(Industry & Corporate Affairs)  
New Delhi

Place: New Delhi

Date: 10 NOV 2019

**Independent Auditor's Report****To the Members of Hindustan Salts Limited****Report on the Audit of the Consolidated Financial Statements****Qualified Opinion**

We have audited the accompanying consolidated financial statements of Hindustan Salts Limited (hereinafter referred to as the 'holding company') and its subsidiary (holding company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2020, the Consolidated Statement of Profit and Loss and the consolidated Statement of Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the **Consolidated Financial Statements**").

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion section of our report*, the aforesaid consolidated financial statement, give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2020, its consolidated loss and its consolidated cash flows for the year ended on that date.

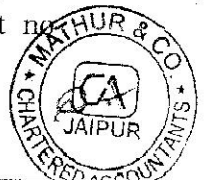
**Basis for Qualified Opinion**

We draw attention, towards matters specified in **Annexure –A** on the basis of which we are expressing qualified opinion over the consolidated financial statements.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the act (SAs). Our responsibilities under those Standards are further described in *the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Emphasis of Matter**

1. We draw attention to Para 1.10 (ii) of Note No.1 and Note No.5 to the financial statement regarding Retirement Benefits (Gratuity), which states that liability for gratuity as on 31.03.2020 was provided for ₹ 291.80 lacs in the books, but no investment was made as required under AS-15.





2. Attention is also invited to Note no. 28 "Contingent Liabilities and Capital Commitments to the extent not provided for", wherein liabilities for substantial amount which may materially affect the financial statements of the company, on various accounts have not been provided for.

Our opinion is not qualified in respect of above matters.

### **Information other than the Consolidated Financial Statements and Auditors' Report Thereon**

The company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report, Management Discussion and Analysis, Report on Corporate Governance and other Annexure to the Directors' report but does not include the consolidated financial statements and our auditors' report thereon.

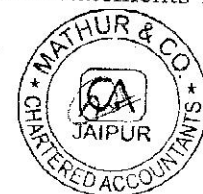
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information; we are required to report that fact. The other information is not available as on date of signing the report, and hence we do not report on the information other than the consolidated financial statements and auditor's report thereon.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The holding company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006 and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the holding company, as aforesaid.



In preparing the consolidated the financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of directors of the companies included in the Group are responsible for overseeing financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individual or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transaction and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

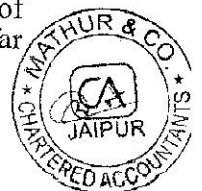
We also provide those charged with statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may be reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

We did not audit the financial statements of the subsidiary company, whose financial statements reflect total assets of ₹ 3745.40 lakhs as at 31<sup>st</sup> March, 2020, total revenue of ₹ 2518.50 lakhs and net cash flows amounting to ₹ 33.34 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors' whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors'.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable to the consolidated financial statements as referred in Proviso to Para 2 of the said Order.
2. As required by Section 143 (3) 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the company so far



as it appears from our examination of those books;

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated 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) In pursuance to the Notification No. G.S.R 463(E) dated 05-06-2015 issued by the Ministry of Corporate affairs, Section 164(2) of the Companies Act, 2013 pertaining to disqualification of Directors, is not applicable to the Government Company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"**.
- (g) In pursuance to the Notification No. G.S.R 463(E) dated 05-06-2015 issued by the Ministry of Corporate affairs, Section 197(16) of the Companies Act, 2013 pertaining to Managerial Remuneration, is not applicable to the Government Company.
- (h) With respect to the other matters to be included in the Auditor's 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:
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.  
(Refer to in Note No. 28 to the accompanying consolidated financial statements).
  - The company did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses.
  - The company is not required to transfer any amount to the Investor Education and Protection Fund.
  - The reporting on disclosure relating to specified bank note is not applicable to the group for the year ended March 31, 2020
3. As required by section 143 (5) of the Act, we give in the **Annexure "C"** a statement on the compliance to the direction issued by the Comptroller & Auditor General of India in respect of the holding company. This statement has been prepared incorporating the comments of the Auditor of the subsidiary company mentioned in his report.

For Mathur & Co.  
Chartered Accountants  
FRN: 001952C



*Manisha*  
(Manisha Maheshwari)  
Partner

M. No. 079617

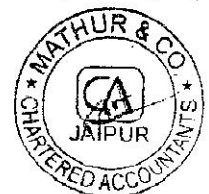
UDIN: 20075617 AAAA BP 6279

Place: Jaipur  
Date: 24.09.2020

**Annexure-A****(Forming part of Independent Auditor's Report on Consolidated Financial Statements of Hindustan Salts Limited for the year ended on 31<sup>st</sup> March, 2020****Basis for Qualified opinion**

(Referred to in para under "Basis for Qualified opinion" of our report)

- 1) The company is having two plants for manufacture of Bromine at its Kharaghoda unit. Building of one of the bromine plant was declared as structurally unsafe by the Industrial Safety Health Department, Surendra Nagar, Gujrat. Both the plants were accordingly ordered to be shutdown during the year. Manufacturing activity in one of the plant remained suspended throughout the year and resumed in the other plant in December, 2019. The plant and machinery of the bromine plant considered structurally unsafe was dismantled but its written down value of Rs. 13.05 lac has now been depicted as store item under the head Inventory in Note No. 13 by transferring from fixed assets. No adjustment in the books of accounts have been carried out in respect of value of the building of the structurally unsafe bromine plant in accordance with the Accounting Standard - 28 "Impairment of Assets" as issued by the ICAI.
- 2) During the year the company has booked substantial wastage in stock of bittern and salt for which approval of Board of Directors for write off is not available. Apart from it, the write off of closing stock of Rs.15.41 lacs at Ram Nagar unit in previous year has also not yet been approved by the board.
- 3) A sum of Rs. 1,98,88,958 given to M/s Gujrat Tech Cell Pvt. Ltd. depicted under the sub head "other advances" of Short Term Loan & Advances continues to be brought forward from earlier years. Present status of the matter and details of goods received against this advance were not provided to us. Necessary adjustment in this regard may be made.
- 4) The company has leased out its plant for manufacturing of magnesium chloride to M/s Mayur Stone. The lessee had discontinued the operations and the facility was taken back by the company without cancelling the lease agreement with the party. A sum of Rs. 2522462/- is receivable from the lessee as at year end. No adjustment in this regard has been made in the books of accounts. It was also observed that stock of Magnesium Chloride lying at plant and which did not belong to company was taken over and sold during the year.
- 5) The accounting policies regarding "Grant-in- Aid" and "Provision for Wastage on Salt Stocks" are different in the holding and subsidiary company. This fact has not been disclosed in the consolidated financial statements wherein the accounting policy of the holding company alone have been mentioned in Note -1 "Significant Accounting Policies".





**MATHUR & CO.**

CHARTERED ACCOUNTANTS

ANNEXURE - B

(Forming part of the Independent Auditor's Report on the Consolidated Financial Statements of Hindustan Salts Limited for the year ended on 31<sup>st</sup> March, 2020)

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

(Referred to in para 2 (f) under "Report on Other Legal and Regulatory Requirements" of our report of even date)

We have audited the internal financial controls over financial reporting of Hindustan Salts Limited ("the Company") and its subsidiary company incorporated in India as at 31<sup>st</sup> March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

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

The respective Board of Directors of the company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the respective internal control over financial reporting criteria established by the company and its subsidiary company incorporated in India 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 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing, prescribed under section 143(10) of the Act, and the Guidance Note, to the extent applicable to an audit of internal financial controls over financial reporting. Those Standards and the Guidance Note require that we comply with the 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 judgment, 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 and the audit evidence obtained by the



auditors of the subsidiary company incorporated in India, in terms of their reports referred to in the "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group'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 authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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**

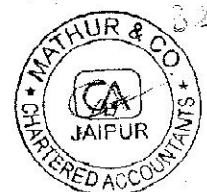
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March, 2020:

- a) The Group has no proper policies and procedures for periodical physical verification of fixed assets and inventories of the company. During the year under consideration no physical verification of fixed assets has been conducted by the company. As reported to us, physical verification of inventory was not conducted at any unit. However, the management has written off substantial amount of inventory at its Khragodha Unit.
- b) The internal audit of the Company is being carried by the independent firm of Chartered Accountants and looking to the size, nature and volume of transactions, the same needs to be strengthened.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the group has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note.



We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Group.

**Other Matter**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, in so far as it relates to subsidiary company, a company incorporated in India is based on the corresponding report of the auditor of subsidiary company.

Place: Jaipur  
Date: 24.09.2020



For Mathur & Co.  
Chartered Accountants  
FRN: 001952C

*Manisha*  
(Manisha Maheshwari)  
Partner  
M. No. 079617





# MATHUR & CO.

CHARTERED ACCOUNTANTS

Annexure-C

(Forming part of Independent Auditors' Report on Consolidated Balance Sheet of

Hindustan Salts Limited for the year ended on 31st March, 2020)

Compliance to the Directions u/s 143 (5) of the Act by the Comptroller & Auditor General of India

(Referred to in para 3 under "Report on Other Legal and Regulatory Requirements")

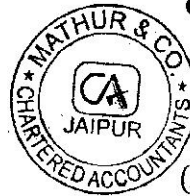
S. No.	Particulars	Auditors' Reply	Impact on Financial Statements
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<p>Holding Company is maintaining accounting transactions manually at Kharagodha Unit, while at other units i.e. Head office, Mandi and Ramnagar, accounting transactions are being recorded though Tally software.</p> <p>Subsidiary company, Sambhar Salts Limited is not having the system in place to process all the accounting transaction through IT system. However, accounting entry being done through Tally ERP 9.</p>	<p>No impact on standalone financial Statements</p> <p>Not ascertainable on financial statements of Subsidiary company, Sambhar Salts Limited</p>
2.	Whether there is any restructuring of any existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	<p>As informed to us, there is no such case of restructuring of any existing loan or loan/interest etc. made by a lender to the holding company.</p> <p>In respect of Subsidiary Company, Sambhar Salts Limited, there is no restructuring of an existing loan or cases of waiver / write off of debts/ loans/ interest etc. made by a lender i.e. Hindustan Salt Limited, due to the company's inability to repay the loan.</p>	<p>No impact on standalone financial Statements</p> <p>Not ascertainable on financial statements of Subsidiary company, Sambhar Salts Limited</p>
3.	Whether funds received / receivables for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	<p>Based on the information available and according to the information and explanations given to us, the holding company has not received any fund for specific schemes from central / state agencies during the year.</p>	<p>No adverse impact on financial Statements except routing of it in books of accounts of its holding company,</p>



CHARTERED ACCOUNTANTS

		<p>However, the holding company has received grant for payment of pension to ex- employees of salt department. The same was properly recorded and no deviation was observed.</p> <p>Subsidiary Company, Sambhar Salts Limited has not received / receivable the fund for specific scheme from Central Govt. &amp; State Agency except plan scheme, for payment of pension of ex salt department employees through its holding company and which was properly account for and utilized as per its term and condition.</p>	<p>Hindustan Salts Limited.</p> <p>Not ascertainable on financial statements of Subsidiary company, Sambhar Salts Limited</p>
--	--	--	---

**For Mathur & Co.**  
**Chartered Accountants**  
 FRN: 001952C



*Manisha*

**(Manisha Maheshwari)**  
**(Partner)**  
 M. No. 079617

**Place: Jaipur**  
**Date: 24.09.2020**



**HINDUSTAN SALTS LTD**

**CONSOLIDATED  
FINANCIAL STATEMENTS**

**2019-2020**

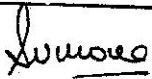
**HINDUSTAN SALTS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020**

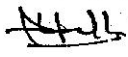

(₹ in Lakh)


PARTICULARS	Note	FIGURES AS ON	FIGURES AS ON
	No.	31.03.2020	31.03.2019
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHARE HOLDER'S FUND</b>			
(a) Share Capital	2	5,205.96	5,205.96
(b) Reserve & Surplus	3	(5,215.49)	(4,773.88)
(C) Money Received Against Share Warrant			
<b>2. SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
<b>3. NON CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	120.00	195.00
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	5	506.03	566.57
<b>4. CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	6	-	167.96
(b) Trade Payables	7	691.33	623.25
(c) Other Current Liabilities	8	4,264.06	3,866.31
(d) Short Term Provisions			
<b>TOTAL</b>		<b>5,571.89</b>	<b>5,851.17</b>
<b>B. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	9		
(i) Tangible Assets		1,746.31	1,900.40
(ii) Intangible Assets		0.78	0.85
(iii) Capital Work-In-Progress		1,028.80	1,090.59
(iv) Intangible Assets under Development			
(b) Non Current Investments	10		
(c) Deferred Tax Assets (net)			
(d) Long term Loans and Advances	11	28.62	35.48
(e) Other Non Current Assets	12	349.01	414.24
		<b>3,153.52</b>	<b>3,441.56</b>
<b>2. CURRENT ASSETS</b>			
(a) Current Investments			
(b) Inventories	13	854.83	937.10
(c) Trade Receivables	14	40.37	73.70
(d) Cash & Bank Balances	15	956.87	829.56
(e) Short Term Loans and Advances	16	525.81	538.54
(f) Other Current Assets	17	40.49	30.71
		<b>2,418.37</b>	<b>2,409.61</b>
<b>TOTAL</b>		<b>5,571.89</b>	<b>5,851.17</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS**

1 to 29

  
 (Sumona Majumdar)  
 Company Secretary

   
 (S K Tak) (Shankar Lal Agarwal)  
 G.M.(F&A) Director  
 DIN-07182357

  
 (CMDE Kamlesh Kumar (Retd.))  
 Chairman and Managing Director  
 DIN-08884327

in terms of our report of even date annexed hereto

For Mathur & Co

Chartered Accountants

Firm Registration No. 001952C

  
 (Manisha Maheshwari)  
 Partner

Membership No. 079617



Place : Jaipur

Dated : 24 SEP 2020

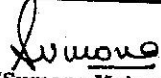
57

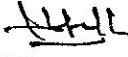
**HINDUSTAN SALTS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2020**


(₹ in Lakh)


PARTICULARS	Note	FIGURES FOR THE YEAR	FIGURES FOR THE YEAR
	No.	2019-20	2018-19
<b>REVENUE :-</b>			
I Revenue from Operations	18	2,651.25	2,987.77
II Other Income	19	263.70	255.47
<b>III Total Revenue</b>		<b>2,914.95</b>	<b>3,243.24</b>
<b>IV EXPENSES :-</b>			
Cost of Materials Consumed	20	1,213.07	1,451.91
Purchases of Stock-in-Trade		6.17	6.59
Less: Inter Company Purchase			(1.14)
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	37.16	415.04
Employee Benefits Expense	22	864.96	920.57
Finance costs	23	407.34	399.25
Depreciation and amortization expense		289.47	333.17
Other expenses	24	515.26	676.26
<b>Total Expenses</b>		<b>3,333.43</b>	<b>4,201.65</b>
<b>V PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS &amp; TAX</b>		<b>(418.48)</b>	<b>(958.41)</b>
<b>VI EXCEPTIONAL ITEMS</b>			
Prior Period Expenses/Adjustment Net	25	(25.34)	0.96
<b>VII PROFIT BEFORE EXTRAORDINARY ITEMS &amp; TAX</b>		<b>(443.82)</b>	<b>(957.45)</b>
<b>VIII EXTRAORDINARY ITEM</b>			
<b>IX PROFIT BEFORE TAX</b>		<b>(443.82)</b>	<b>(957.45)</b>
<b>X Tax Expenses</b>			
Current Tax			
Deferred Tax			
<b>XI PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>(443.82)</b>	<b>(957.45)</b>
<b>XII PROFIT (LOSS) FROM DISCONTINUING OPERATIONS</b>			
<b>XIII TAX EXPENSES OF DISCONTINUING OPERATIONS</b>			
<b>XIV PROFIT FROM DISCONTINUING OPERATION AFTER TAX</b>			
<b>XV PROFIT FOR THE PERIOD</b>		<b>(443.82)</b>	<b>(957.45)</b>
Adj of unrealised Profit in Closing Stock			
Adj of Minority Interest		103.71	433.22
<b>XVI PROFIT FOR THE PERIOD</b>		<b>(340.11)</b>	<b>(524.23)</b>
<b>XVII EARNINGS PER EQUITY SHARE:</b>			
Basic EPS (in Rs.)	26	(65.33)	(100.70)
Diluted EPS (in Rs.)		NA	NA
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS</b>			

1 to 29

  
(Sumona Majumdar)  
Company Secretary

  
(S K Tak)  
G.M.(F&A)

  
(Shankar Lal Agarwal)  
Director

  
(CMDE Kamlesh Kumar (Retd.))  
Chairman and Managing Director  
DIN-07182357  
DIN-08884327

in terms of our report of even date annexed hereto

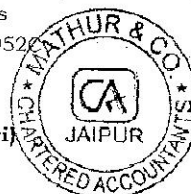
For Mathur & Co

Chartered Accountants

Firm Registration No. 001952

  
(Manisha Maheshwari)  
Partner

Membership No. 079617



Place : Jaipur

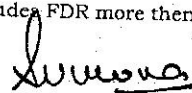
Dated 24 SEP 2020

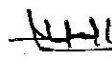
**HINDUSTAN SALTS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

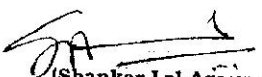
Particulars	2019-20		2018-19	
<b>Cash Flow from Operating Activities</b>				
<b>Profit/(Loss) before Tax and Extraordinary Items</b>				
<b>A Adjustments for</b>				
Depreciation				
Capital Reserve				
Provision for Leave Encashment & D.C.R.G.				
Interest Expenses				
Other Misc Expenses written off				
Interest Income				
Profit From Fair Price Shop				
<b>B Operating Profit before working capital changes</b>				
<b>C Change in working Capital</b>				
Short Term Borrowings				
Trade Payables				
Other Current Liabilities				
Inventories				
Trade Receivables				
Short Term Loans and Advances				
Other Bank Balance				
Other Current Assets				
<b>D Cash generated from operations</b>				
<b>E Adjustments for direct tax paid</b>				
<b>F Net Cash Flow from Operative Activities</b>				
<b>G Cash Flow from investing Activities</b>				
Purchase of fixed assets & Capital W.I.P.				
Interest received				
Security Deposits				
<b>H Net Cash Flow from Financing Activities</b>				
Net proceeds from long term borrowing				
Shares Capital Received				
Interest Expenses				
<b>I Net changes in Cash and Cash equivalent</b>				
<b>J Cash and Cash equivalent at the beginning of Fin. Year*</b>				
<b>K Cash and Cash equivalent at the end of the Fin. Year*</b>				


1. Cash Flow Statements has been prepared under indirect method as per AS-3 -Cash Flow Statement issued by the ICAI  
2. FDRs of Rs. 86.43 lakh pledged with SBI, Jaipur, Kharaghoda and Mandi (previous year Rs 81.34 Lakh With SBI) and FDR of ₹. 429.93lakhs pledged with PNB (previous year ₹. 403.49 and FDR of Rs 8.72 Lakhe with SBI Sambhar Lake previous year Rs 8.21 llakhs) towards security for OD Loan.

3 \* Includes FDR more then 3 months of Rs 775.02 Lakh in Previous Year Balance at the end of the Fin.Year

  
(Sumona Majumdar)  
Company Secretary

  
(S K Tak)  
G.M.(F&A)

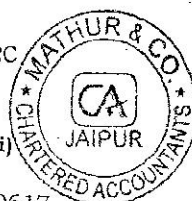
  
(Shankar Lal Agarwal)  
Director  
DIN-07182357

  
(CMDE Kamlesh Kumar (Retd.))  
Chairman and Managing Director  
DIN-08884327

in terms of our report of even date annexed hereto

**For Mathur & Co**  
Chartered Accountants  
Firm Registration No. 001952C

  
(Manisha Maheshwari)  
Partner  
Membership No 079617



Place : Jaipur

Dated : 12 SEP 2020

**NOTE NO. – 1: - SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON 31ST MARCH, 2020.**

**1.1 PRINCIPLES OF CONSOLIDATION**

The Consolidated Financial Statements relate to Hindustan Salts Limited (the Company) and its subsidiary, Sambhar Salts Limited (the subsidiary). The Consolidated Financial Statements have been prepared on the following basis:-

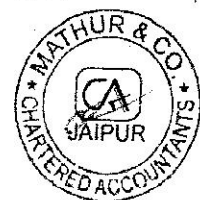
- (i) The Financial Statements of the Company and its subsidiary have been combined on a line-by-line basis by adding together the book values of like items of Assets, Liabilities, Income and Expenses, after fully eliminating intra-group balances, intra-group transactions and unrealised profits or losses as per Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- (ii) The Financial Statements of the subsidiary consolidated are drawn upto the same reporting date of the Company, i.e. **31<sup>st</sup> March, 2020**.
- (iii) The excess of the Company's portion of equity of the subsidiary as at the date of its investment over the cost of its investment is treated as Capital Reserve on Consolidation. The excess of cost to the Company of its investment in subsidiary over the Company's portion of equity as at the date of investment is treated as Goodwill on Consolidation.
- (iv) Minority Interest in the net assets of Consolidated subsidiary consists of:
  - (a) The amount of equity attributable to the minorities at the date of Financial Statements of the subsidiary for immediately preceding period for the basis of consolidation.
  - (b) The minorities share of movements in equity at the date of Financial Statements of the subsidiary for immediately preceding period for the basis of consolidation.
  - (v) Minority interests' share of net profit for the year of consolidated subsidiary is defined and adjusted against the profit after tax of the consolidated company.

**1.2 SUBSIDIARY COMPANY**

Name of Subsidiary Company	Country of Incorporation	Ownership in %	
		Current Year	Pervious Year
SAMBHAR SALTS LIMITED	INDIA	60%	60%

The Company has acquired the subsidiary company, Sambhar Salts Limited in the year 1964 and it is impracticable to draw the Financial Statements of the Subsidiary Company for the year 1964. Hence Financial Statement of the Subsidiary for immediately preceding period issued for the basis of consolidation.

*[Handwritten signatures and initials]*



### 1.3 OTHER SIGNIFICANT ACCOUNTING POLICY

#### 1. BASIS OF ACCOUNTING

The Financial Statements have been prepared in accordance with the historical cost convention on the basis of going concern, with revenue recognised and expenses accounted for on accrual system of accounting.

#### 2. USE OF ESTIMATES

The preparation of Financial Statements requires estimates and assumptions which affect the reported amounts of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

#### 3. INVESTMENTS

Investments are classified into Current and Non-Current Investments. Current Investments are stated at lower of cost or market value. Non-Current Investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of the management.

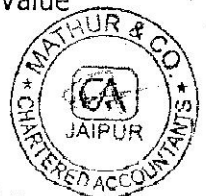
#### 4. CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON CURRENT

All assets and liability are classified as current or non current as per the companies normal operating cycle and other criteria set out in schedule III to the companies act 2013 based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalent, 12 months has been consider by the company for the purpose of current - non current classification of assets and liabilities.

#### 5 VALUATION OF INVENTORIES/SALT IN PROCESS

- (i) Stores & Spares are valued at cost or Net Realisable Value whichever is lower except otherwise mentioned.
- (ii) Raw Materials and Packing Materials are valued at cost or Net Realisable Value whichever is lower except otherwise mentioned.
- (iii) Released material and scrap is valued at estimated realisable value and Assets (Scraped) is valued at book value.
- (iv) Loose tools are valued after writing off 20% of opening balance (as per books) and those exceeding Rs. 750/- added during the year. Loose tools costing Rs. 750/- or less purchased during the year are charged to the revenue under respective heads.
- (v) Salt, Bromine stocks and Work in Progress are valued at cost/Net Realisable Value whichever is lower.

*[Handwritten signatures]*





## 6. CASH AND BANK BALANCES

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposit with an original maturity of 3 months or less, and majority more than 3 month are shown in other bank balances which are subject to an insignificant risk of changes in value

## 7. RECOGNITION OF INCOME AND EXPENDITURE

Revenue / Income and expenditure / cost are generally accounted on accrual basis as they are earned or incurred. Revenue from sale of goods recognized when the significant risk and reward of ownership has been transfer to the byer.

## 8. FOREIGN EXCHANGE TRANSACTION

The expenditure in foreign currency is accounted for at the rate prevailing on the date of transaction. Any income or expenses on account of exchange rate difference either on settlement or a transaction is recognized in the statement of profit and loss.

## 9. PROVISION FOR BAD AND DOUBTFUL TRADE RECEIVABLES AND ADVANCES

Trade Receivables and Advances Outstanding for more than 3 years are reviewed at the close of the year and provision made on case to case basis in case of uncertainty in the realisation of outstanding amount, in the opinion of the management.

## 10. RETIREMENT BENEFITS

### (i) Pension

The payment of pension with regard to pensioner charges from the staff absorbed in the company from salt department is being paid from the Grant in Aid received from Department of Heavy Industry Govt of India New Delhi and is passed on the Pension Fund Trust

### (ii) Gratuity

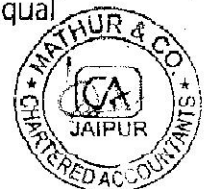
Gratuity is administered by a separate irrevocable Trust which has taken a L.I.C. Policy covering all the eligible employees except Agarias - Company's piece-rate workers, and eligible daily paid workers in whose case the liability is provided as per the payment of Gratuity Act-1972. No liability is provided for gratuity in respect of work charged staff for the period prior to the formation of the Company. Demands made by the Trust including the Annual Renewal Premium of the L.I.C. Policy after taking 1st October of the year are charged to Statement of Profit & Loss.

### (iii) Leave Encashment

Liability for leave due upto end of the accounting year has been provided on the assumption that such benefits are payable to all employees at the end of the Accounting Year.

### (iv) Expenditure incurred on VRS are being written off in five years in equal instalments.

*[Handwritten signatures and initials]*



## 11. PROPERTY, PLANT & EQUIPMENT AND DEPRECIATION

- (i) Fixed Assets are valued at historical cost on consistent basis and are net of refundable taxes and levies wherever applicable. All cost relating to acquisition of fixed assets till commissioning of such assets are capitalised.
- (ii) Depreciation on fixed assets is being provided consistently on written down value method over useful life of assets specified in Schedule II of the Companies Act 2013. and 100% depreciation has been provided on the assets costing Rs. 5,000/- or less acquired during the year.
- (iii) In subsidiary company, Depreciation on Gudha Jhapog Dam has been charged on straight line method (SLM) in 40 years as per decision dated 26-09-1980 of Board of Directors

## 12. BORROWING COST :

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

## 13. INTANGIBLE ASSETS

### (i) INITIAL RECOGNITION AND MEASUREMENT

Intangible assets that are acquired by the company, which have defines useful life, are recognized at cost, Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses ,Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use

### (ii) DERECOGNITION

An intangible assets is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the processed from disposal with the carrying of intangible assets and are recognized in the statement of profit and loss accounts

### (iii) AMORTIZATION

Cost of software recognized as intangible assets is amortized on straight line method over a period of legal right to use or 3 years which ever is less. Other intangible assets are amortized on straight line method over a period of legal right to use or life of the related plant which ever is less

## 14. GRANT-IN-AID

Grant-in-aid received/sanctioned during the year from Cess Fund against Completed/Capital/Development work is transferred to Capital Reserve Account except as otherwise stated. In that case the depreciation on such subsidised assets is being charged to Capital Reserve and Statement of Profit and Loss in the ratio of Grant in aid received and cost borne by the Company.



*[Handwritten signatures and initials]*

The payment of pension with regard to pensioner charges from the staff absorbed in the company from salt department is being paid from the Grant in Aid received from Department of Heavy Industry Govt of India New Delhi and is passed on the Pension Fund Trust

#### **15. PROVISION FOR WASTAGES ON SALT STOCKS**

Physical verification of salt heaps on accurate and reliable basis is not feasible because of the irregular shapes of salt heaps. Actual deficit/wastages are adjusted in the accounts of the financial year in which the heaps are finally cleared. However, provision for wastages @10% of the quantity produced/stored during the financial year and @ 5% on the opening stock of the year is made in respect of salt heaps not finally cleared during the year.

#### **16. APPORTIONMENT OF COMMON CORPORATE OFFICE EXPENSES**

- (i) There is a common Chairman & Managing Director for Hindustan Salts Ltd. (Holding Company) and Sambhar Salts Ltd (Subsidiary Company). In the absence of any specific mention in the terms of his appointment as regards sharing of the remuneration the same is apportioned between the two Companies in the ratio of 25% and 75% respectively.
- (ii) The Corporate Office common expenses, depreciation and interest (including Chairman and Managing Director's remuneration) and receipts have been apportioned 25% between the holding Company and 75% in its subsidiary Company (Sambhar Salts Ltd.).

#### **17. PRIOR PERIOD ADJUSTMENTS**

In respect of the transactions pertaining to the period prior to the current accounting year, the Company follows the practice in the conformity with the Accounting Standards.

#### **18. RESEARCH AND DEVELOPMENT**

Research and development cost (other than cost of fixed Assets acquired) are charged as an expense in the year in which they are incurred.

#### **19. TAXATION**

- (i) Current Income Tax is determined on the basis of taxable income computed in accordance with the provision of the Income Tax Act, 1961.
- (ii) Deferred tax is recognised on timing differences between taxable and accounting income/expenditure that originates in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Asset is recognised on the basis of virtual/reasonable certainty about its realisability as applicable.

#### **20. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation and measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements. Contingent liabilities, if material, are disclosed by way of notes.



*[Handwritten signatures and marks]*

## 21. CASH FLOW STATEMENT

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard on 'Cash Flow Statement' (AS-3) as issued by the Institute of Chartered Accountant of India, The cash flow are reported using the indirect method where by profit before tax is adjusted for the effects of transaction of non cash nature, any deferrals or accruals or part on future operating cash receipt or payments and items of income or expenses associates trade with investing or financing cash flows. The cash flow from operating investing and financial activity of the company are segregated.

## 22. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date. In case there is any indication of impairment based on Internal / External factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

## 23. WRITE OFF OF DEFERRED REVENUE EXPENDITURE

As per practice in vogue, the deferred revenue expenditure is being written off in five equal annual instalments beginning from the year in which such expenditure are incurred.

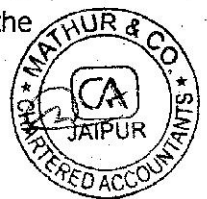
## 24 MICRO, SMALL AND MEDIUM ENTERPRISES

The disclosure on the basis of information received from supplier regarding their status under the Micro, Small & Medium Enterprises Development Act 2006 the unpaid amount as at the year and together with the interest paid / payable as required under the said act have been made

## 25. PRELIMINARY AND PROJECT EXPENDITURE

Expenditure incurred on projects is shown as other non-current assets and will be charged/capitalized in the year in which it is decided by the management to implement the project. Otherwise, in case, the management decides not to implement/close the project, expenditure on such project is charged to the Statement of Profit & Loss for the year in which such decision is taken.

*[Handwritten signatures and initials]*



## HINDUSTAN SALTS LIMITED

### Notes on Consolidated Financial Statements for the year ended 31st March, 2020

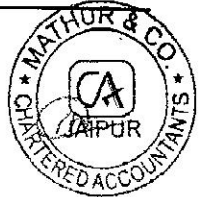
(₹ in Lakh)

NOTE - 2 : SHARE CAPITAL	FIGURES AS ON 31.03.2020		FIGURES AS ON 31.03.2019	
<b>Authorised</b>				
600,000 Equity Shares (Previous year	6,000.00		6,000.00	
600,000 Equity Shares) of Rs. 1000/- each	<b>6,000.00</b>		<b>6,000.00</b>	
<b>Issued Subscribed and paid up</b>				
520596 Equity Shares (Previous year 520596	5,205.96		5,205.96	
Equity Shares) of Rs. 1000/- each fully paid				
up (Out of above shares, 15,461 fully paid up				
shares allotted without payment being				
received in cash)				
	<b>5,205.96</b>		<b>5,205.96</b>	

NOTE - 2.1 : Details of Shareholders holding more than 5% Shares:	FIGURES AS ON 31.03.2020		FIGURES AS ON 31.03.2019	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Hon'ble President of India	5,20,596	100%	5,20,596	100%

NOTE - 2.2 : Details of number of shares outstanding during the year	FIGURES AS ON 31.03.2020		FIGURES AS ON 31.03.2019	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	5,20,596	5,205.96	5,20,596	5,205.96
Shares Issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	<b>5,20,596</b>	<b>5,205.96</b>	<b>5,20,596</b>	<b>5,205.96</b>





(₹ in Lakh)

NOTE - 3 : RESERVES & SURPLUS	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
-------------------------------	-----------------------------	-----------------------------

**Capital Reserves**

As per the last Balance Sheet	1,026.29	1,026.29
Addition during the year	-	-
Less : Adjusted During the year (Depreciation)	-	-
<b>Total (A)</b>	<b>1,026.29</b>	<b>1,026.29</b>

**Surplus in Statement of Profit & Loss**

As per the last Balance Sheet	(4,035.59)	(3,508.97)
Add/Less:- Profit/(Loss) during the year	(340.11)	(524.23)
Share of Additions in Deferred Capital Grant in Subsidiary Co.	3.00	-
Share of Dep. In Capital Grant in Subsidiary Company	(1.72)	(2.43)
Share of Fair Price Shop Profit in Subsidiary Company	0.05	0.04
<b>Total (B)</b>	<b>(4,374.37)</b>	<b>(4,035.59)</b>

**Minority Interest**

As per the last Balance Sheet	(1,764.58)	(1,329.76)
Face Value of Shares held by Minority	-	-
Add/Less:- Profit/(Loss) during the year	(103.71)	(433.22)
Minority Share of Additions in Deferred Capital Grant	2.00	-
Minority Share of Dep. in Capital Grant	(1.15)	(1.62)
Minority Share in Fair Price Shop Profit	0.03	0.02
<b>Total (C)</b>	<b>(1,867.41)</b>	<b>(1,764.58)</b>

**Surplus with Fair Price Shop**

<b>Grand Total (A+B+C)</b>	<b>(5,215.49)</b>	<b>(4,773.88)</b>
----------------------------	-------------------	-------------------

(i) The Minority Interest comprises of 4,000 shares of Rs. 1,000/- each fully paid and issued to the Rajasthan Govt. against their Royalty Rights in terms of V.T.Krishnamachari Award and form the part of opening Minority Interest.

(ii) The whole amount of Surplus with fair price shop is related to the separate entity which is operated by the Subsidiary for the benefit of its employees.

(₹ in Lakh)

NOTE - 4 : LONG TERM BORROWINGS	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
---------------------------------	-----------------------------	-----------------------------

**UN-SECURED**

Loans from Govt. of India, Ministry of Industry	120.00	195.00
	<b>120.00</b>	<b>195.00</b>

Loan from Government of India and Interest accrued and due on loans are subject to reconciliations and necessary adjustments.

*(Handwritten signatures and initials)*



**NOTE - 4.1 : DETAILS OF GOVERNMENT LOAN (PAYABLE IN 5 YEARLY INSTALLMENT)**

					( ₹ in Lakh)	
S.NO.	PARTICULARS OF LOAN AMOUNT	C.Y.	P.Y.	NORMAL RATE OF INTEREST (%)	PENAL RATE OF INTEREST (%)	
1	2005-06	150.00	150.00	11.50	14.25	
2	2005-06,2008-09 2009-10 2013-14	678.50	678.50	12.50	15.25	
3	2006-07	37.79	37.79	15.50	18.25	
4	2014-15	75.00	75.00	13.50	16.00	
5	2016-17	300.00	300.00	11.50	14.00	
	<b>Total</b>	<b>1241.29</b>	<b>1241.29</b>			
	<b>Less: Overdue Current Maturities</b>	<b>1121.29</b>	<b>1046.29</b>			
	<b>Balance Long Term Debts</b>	<b>120.00</b>	<b>195.00</b>			

Loan from Govt of India and interest accrued & due on loan are subject to reconciliation and necessary adjustment

			( ₹ in Lakh)	
<b>NOTE - 5 : LONG TERM PROVISIONS</b>	<b>FIGURES AS ON</b>	<b>FIGURES AS ON</b>		
	<b>31.03.2020</b>	<b>31.03.2019</b>		
<b>FOR D C R G</b>				
Balance at the beginning of the year	321.70	414.63		
Add: Provision for the year	54.44	15.34		
Less: Payment during the year	84.34	108.27		
<b>Total (A)</b>	<b>291.80</b>	<b>321.70</b>		
<b>For Encashment of leave</b>				
Balance at the beginning of the year	244.87	247.60		
Add: Provision for the year	54.00	86.62		
Less: Payments/Adjustments during the year	84.64	89.35		
<b>Total (B)</b>	<b>214.23</b>	<b>244.87</b>		
<b>For Wastage of Stock of Salt</b>				
Balance at the beginning of the year	90.29	53.95		
Add: Provision for the year	69.14	113.93		
	<b>159.43</b>	<b>167.88</b>		
Less: Wastage on Final Clearance of heaps during the year	110.52	77.59		
Less: Excess Provision Written Back	11.77	-		
	37.14	90.29		
Deducted from Stock in Trade as per Contra	37.14	90.29		
<b>Total (C)</b>	<b>-</b>	<b>-</b>		
<b>For Wastage of By-Product/Processed Salt</b>				
Balance at the beginning of the year	0.56	0.56		
Add: Provision for the year	-	-		
	0.56	0.56		
Less: Wastage on Final Clearance of heaps during the year	-	-		
	0.56	0.56		
Deducted from Stock in Trade as per Contra	0.56	0.56		
<b>Total (D)</b>	<b>-</b>	<b>-</b>		
<b>Grand Total (A+B+C+D)</b>	<b>506.03</b>	<b>566.57</b>		



(₹ in Lakh)

**NOTE - 6 : SHORT TERM BORROWINGS****FIGURES AS ON  
31.03.2020****FIGURES AS ON  
31.03.2019****SECURED**Overdraft Account

State Bank of India

(Secured by Pledge of FDR of Rs. 86.43 lacs (P.Y. Rs. 81.34 lacs)

On interest rate 7.90% pa (previous year 7.90% pa)

Punjab National Bank

(Secured by Pledge of FDR of Rs. 429.83lacs (P.Y. Rs. 403.49 lacs)

On interest rate 7.75 % pa (previous year 7.75 % pa)

Cash Credit Account

State Bank of India

(Secured by hypothecation of Stock and Book debts &amp; first charge on Fixed Assets of the Subsidiary)

On interest rate 10.05% pa (previous year 10.05% pa)

**Total****167.96**

(₹ in Lakh)

**NOTE - 7 : TRADE PAYABLES****FIGURES AS ON  
31.03.2020****FIGURES AS ON  
31.03.2019**

Sundry Creditors for Goods Supplied

333.92

323.38

Sundry Creditors for Expenses

117.81

139.75

Sundry Creditors for Others

239.60

160.12

**Total****691.33****623.25**

The required information under the Micro, Small &amp; Medium Enterprises Development is given in the note no 29 Additional Note

(₹ in Lakh)

**NOTE - 8 : OTHER CURRENT LIABILITIES****FIGURES AS ON  
31.03.2020****FIGURES AS ON  
31.03.2019**Current Maturities of Long Term Debts

Loan from Govt of India (Including overdue amount)

1,121.29

1,046.29

Interest Accrued and Due on Borrowing

Interest due on Loan from Govt of India

2,334.79

1,935.02

Advance receipts for the portion for which value is still to be given

180.35

221.21

Dues Payable to Govt. Departments

23.77

30.23

Unspent Grnat in Aid for Swatch Bharat

5.00

Other Payable

Liabilities for Expenses

251.52

298.44

Statutory Liabilities

18.27

7.77

Other Liabilities

Security Deposits

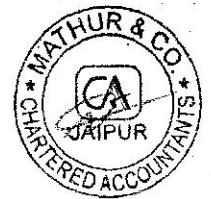
293.78

284.43

Others

40.29

37.92

**Total****4,264.06****3,866.31**



(₹ in Lakh)

**NOTE - 8.1 : AMOUNT AND PERIODS OF DEFAULTS**

In case of Continuing default as on the balance sheet date in repayment of loans and interest with respect to above:

1. Period of Default	1 to 13 Years	1 to 12 Years
2. Amount of Default	3,456.08	2,981.31

(₹ in Lakh)

**NOTE - 8.2 : DETAILS OF GOVERNMENT LOAN (PAYABLE IN 5 YEARLY INSTALLMENT)**

S.NO.	PARTICULARS OF LOAN	AMOUNT C.Y.	P.Y.	NORMAL RATE OF INTEREST (%)	PENAL RATE OF INTEREST (%)
1	2005-06	150.00	150.00	11.50	14.25
2	2005-06, 2008-09, 2009-10, 2013-14	678.50	678.50	12.50	15.25
3	2006-07	37.79	37.79	15.50	18.25
4	2014-15	75.00	75.00	13.50	16.00
5	2016-17	300.00	300.00	11.50	14.00
	<b>Total</b>	<b>1241.29</b>	<b>1241.29</b>		
	<b>Less: Long Term Borrowing</b>	<b>120.00</b>	<b>195.00</b>		
	<b>Balance Overdue/Current Maturities</b>	<b>1121.29</b>	<b>1046.29</b>		



(i) The Company had taken land at Ramnagar on licence fee of ₹. 33506 plus service tax per year from N.E. Railway. The Railway has revised the rate of license fee in respect of this land from time to time and at present the rate is ₹. 589850 /- per annum. The Company has represented against this revision and has insisted for keeping the license fee at the original rate of ₹. 33506 plus service tax per year. Pending decision of the case, no provision for the differential amount of ₹. 32.74 lakhs (previous year 30.40 lakhs) including liquidated damages of ₹. 2.67 lakhs (Previous Year ₹ 2.67 lakhs) has been made by the Company and a sum of ₹. 2.73 lakhs paid during the year 1995-96 has been shown as due from Railways.

*[Handwritten signatures and initials]*

**HINDUSTAN SALTS LIMITED  
JAIPUR**

NOTE- 9 Property, Plant and Equipment

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	FIGURE AS ON 01.04.2019	Additions	Deductions/ Adjustments	FIGURE AS ON 31.03.2020	UP TO 31.03.2019	Dep charged for the year	Adj due to Revaluation	UP TO 31.03.2020	FIGURE AS ON 31.03.2020	FIGURE AS ON 31.03.2019
<b>A. TANGIBLE ASSETS</b>										
HSL	67.99	-	-	67.99	-	-	-	-	67.99	67.99
SSL	53.29	-	-	53.29	-	-	-	-	53.29	53.29
<b>TOTAL</b>	<b>121.28</b>			<b>121.28</b>					<b>121.28</b>	<b>121.28</b>
HSL	330.28	-	-	330.28	131.04	13.70	-	144.74	185.54	199.24
SSL	854.81	18.96	-	873.77	597.58	52.56	-	646.94	223.83	287.23
<b>TOTAL</b>	<b>1,185.09</b>	<b>18.96</b>		<b>1,204.05</b>	<b>728.62</b>	<b>66.06</b>		<b>794.58</b>	<b>409.37</b>	<b>456.47</b>
HSL	781.24	8.19	182.89	666.54	564.70	30.82	169.84	425.68	180.86	216.54
SSL	2,435.12	4.72	-	2,439.84	1,599.59	133.25	-	1,752.84	687.00	835.53
<b>TOTAL</b>	<b>3,216.36</b>	<b>12.91</b>	<b>182.89</b>	<b>3,046.38</b>	<b>2,164.29</b>	<b>184.07</b>	<b>169.84</b>	<b>2,178.52</b>	<b>867.86</b>	<b>1,052.07</b>
HSL	32.59	-	-	32.59	28.53	1.02	-	29.55	3.04	4.06
SSL	151.51	10.39	-	161.90	121.55	8.20	-	129.75	32.15	29.96
<b>TOTAL</b>	<b>184.10</b>	<b>10.39</b>		<b>194.49</b>	<b>150.08</b>	<b>9.22</b>		<b>159.30</b>	<b>35.19</b>	<b>34.02</b>
HSL	107.47	0.62	-	108.09	95.08	4.48	-	99.55	8.53	12.39
SSL	28.49	1.17	-	29.66	25.46	1.27	-	26.73	2.93	3.03
<b>TOTAL</b>	<b>135.96</b>	<b>1.79</b>		<b>137.75</b>	<b>120.54</b>	<b>5.75</b>		<b>126.29</b>	<b>11.46</b>	<b>15.42</b>
HSL	384.80	106.44	-	491.24	234.74	20.08	-	254.82	236.42	150.06
SSL	270.53	0.42	-	270.95	199.44	6.78	-	206.22	64.73	71.09
<b>TOTAL</b>	<b>655.33</b>	<b>106.86</b>		<b>762.19</b>	<b>434.18</b>	<b>26.86</b>		<b>461.04</b>	<b>301.15</b>	<b>221.15</b>
HSL	1,704.37	115.25	182.89	1,686.73	1,054.09	70.10	-	954.35	682.38	650.28
SSL	3,793.75	35.66	-	3,829.41	2,543.62	221.86	-	2,765.48	1,063.93	1,250.13
<b>TOTAL</b>	<b>5,498.12</b>	<b>150.91</b>	<b>182.89</b>	<b>5,466.14</b>	<b>3,597.71</b>	<b>291.96</b>		<b>3,719.83</b>	<b>1,746.31</b>	<b>1,900.40</b>
<b>B. INTANGIBLE ASSETS:</b>										
HSL	10.22	0.41	-	10.63	9.49	0.44	-	9.93	0.70	0.73
SSL	0.45	-	-	0.46	0.35	0.03	-	0.38	0.08	0.11
<b>TOTAL</b>	<b>10.68</b>	<b>0.41</b>		<b>11.09</b>	<b>9.84</b>	<b>0.47</b>		<b>10.31</b>	<b>0.78</b>	<b>0.84</b>
HSL	10.22	0.41	-	10.63	9.49	0.44	-	9.93	0.70	0.73
SSL	0.46	-	-	0.46	0.35	0.03	-	0.38	0.08	0.11
<b>TOTAL</b>	<b>10.68</b>	<b>0.41</b>		<b>11.09</b>	<b>9.84</b>	<b>0.47</b>		<b>10.31</b>	<b>0.78</b>	<b>0.84</b>
<b>C. CAPITAL-WORK-IN-PROGRESS</b>										
HSL	99.12	55.50	80.19	189.3	18.93	-	-	-	18.93	99.12
SSL	991.47	55.50	37.10	1,009.87	1,009.87	221.89	-	991.47	1,009.87	991.47
<b>TOTAL</b>	<b>1,090.59</b>	<b>111.00</b>	<b>117.29</b>	<b>1,028.80</b>	<b>1,028.80</b>	<b>221.89</b>		<b>1,028.80</b>	<b>1,028.80</b>	<b>1,090.59</b>
HSL	99.12	55.50	80.19	189.3	18.93	-	-	-	18.93	99.12
SSL	991.47	55.50	37.10	1,009.87	1,009.87	221.89	-	991.47	1,009.87	991.47
<b>TOTAL</b>	<b>1,090.59</b>	<b>111.00</b>	<b>117.29</b>	<b>1,028.80</b>	<b>1,028.80</b>	<b>221.89</b>		<b>1,028.80</b>	<b>1,028.80</b>	<b>1,090.59</b>
HSL	1,813.71	115.56	263.08	1,666.29	1,063.58	70.64	-	964.28	702.01	750.13
SSL	4,783.58	91.16	37.10	4,839.74	2,543.97	221.89	-	2,755.86	2,073.88	2,241.71
<b>TOTAL</b>	<b>6,599.39</b>	<b>206.82</b>	<b>300.18</b>	<b>6,506.03</b>	<b>3,607.55</b>	<b>292.43</b>		<b>3,720.14</b>	<b>2,775.87</b>	<b>2,991.84</b>
HSL	1,717.23	96.48	227.18	1,813.71	978.78	84.80	-	1,063.58	750.13	738.45
SSL	3,700.25	132.81	227.18	4,285.63	2,290.63	253.94	-	2,543.97	2,241.71	1,409.64
<b>TOTAL</b>	<b>5,417.48</b>	<b>1,409.99</b>	<b>227.18</b>	<b>6,599.39</b>	<b>3,269.41</b>	<b>338.14</b>		<b>3,607.55</b>	<b>2,991.84</b>	<b>2,148.09</b>
<b>PREVIOUS YEAR FIGURE</b>										
HSL										
SSL										
<b>TOTAL</b>										

Depreciation charged to Guest House  
 Depreciation charged to Indusation Plant  
 Depreciation charged to Circuit House/Township  
 Depreciation Charged to Capital Reserve  
 Depreciation Charged to Profit & Loss  
**Total Depreciation**



Handwritten signature or initials.

(i) Fixed Asset Register is being maintained and the balances as appearing in the financial books are under reconciliation with the balances as appearing in the Block Registers.

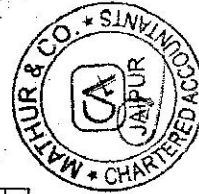
(ii) As per decision DT 26.9.80 of Board of Directors Depreciation on Gudha Jhapog Dam has been charged in 40 years.

(iii) Interest Rs. Nil Lacs (Previous year Nil Lacs) has been capitalised during the year under the head Work-in-progress.

(iv) Capital Expenditure towards Iodisation Processing Plant at Sambhar Lake borne by the Ministry of Health, Govt. of India is not appearing in Subsidiary Company's Assets. Details as under:-

S.No.	PARTICULARS	GROSS BLOCK VALUE AS AT		DEPRECIATION UP TO		NET BLOCK AS AT	
		31.3.20	31.3.20	31.3.20	31.3.20	31.3.20	31.3.19
1.	Buildings	2.07	1.98	0.09	0.09	0.09	0.09
2.	Electrification	0.29	0.28	0.01	0.01	0.01	0.01
3.	Water Pipe Line	0.04	0.03	0.01	0.01	0.01	0.01
4.	Plant & Machinery	1.94	1.90	0.04	0.04	0.04	0.04
5.	P. Way	0.25	0.24	0.01	0.01	0.01	0.01
	Previous year Figures	<b>4.59</b>	<b>4.43</b>	<b>0.16</b>	<b>0.16</b>	<b>0.16</b>	<b>0.16</b>
		<b>4.59</b>	<b>4.43</b>	<b>0.16</b>	<b>0.16</b>	<b>0.16</b>	<b>0.16</b>

The details of HSL Land as under:-		JAIPUR		KHARAGHODA		MANDI		RAMNAGAR	
	AREA	VALUE	AREA	VALUE	AREA	VALUE	AREA	VALUE	VALUE
1. Free Hold Land			23596 Acres	24.54	702.75 Sq. Mtr	37.92			
2. Leased Hold Land	2048 Sq. Mtr.	5.53			133.116 Acres				
									4712.61 Sq. Mtr
									(On licence Fee)



*Handwritten signature/initials*

(₹ in Lakh)

NOTE - 10 : LONG TERM INVESTMENTS	31.03.2020 FIGURES AS ON	31.03.2019 FIGURES AS ON
Investment in Subsidiary Company	60.00	60.00
Less: Adjusted from Reserves & Surplus in Statement of Profit & Loss	(60.00)	(60.00)
<b>Total</b>	<b>-</b>	<b>-</b>

No provision for loss has been made in respect of the investment of ₹. 60.00 lakhs made in Subsidiary Company Sambhar Salts Ltd. in the Books of Accounts in view of much higher net worth of the Subsidiary Company calculated on the basis of the market value of Fixed Assets which was last assessed by the Certified Assets Value in the year 2001.

(₹ in Lakh)

NOTE - 11 : LONG TERM LOANS AND ADVANCES	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<u>Security Deposits</u>		
Secured, considered good	-	-
Unsecured, considered good	28.62	35.48
Doubtful	-	-
Less: Provision for doubtful Loans and Advances	-	-
<b>Total (A)</b>	<b>28.62</b>	<b>35.48</b>
<u>Other Loans and Advances</u>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful Loans and Advances	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>28.62</b>	<b>35.48</b>

(₹ in Lakh)

NOTE - 12 : OTHER NON-CURRENT ASSETS	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<u>Deferred Revenue Expenditure (to the extent not written off)</u>		
Other Expenditure	66.53	115.69
Project Expenditure	80.84	96.91
<u>Preliminary and Project Expenditure</u>		
Project expenditure pending allocation/Capitalisation	201.64	201.64
<b>Total</b>	<b>349.01</b>	<b>414.24</b>

**NOTE - 12.1 : PRELIMINARY & PROJECTS EXPENDITURE**

The Company has incurred total expenditure of ₹. 201.64 lakhs (Previous Year ₹201.64 lakhs) on the preparation of Detailed Project Report (DPR) and other preliminary and project related expenditure on new projects (Detailed Below) and shown under preliminary and project expenditure under other non current assets and will be charged/capitalized in the year in which it is decided by the management to implement the project. Otherwise, in case, the management decides not to implement/close the project, expenditure on such project is charged to the Statement of Profit & Loss for the year in which such decision is taken.



( ₹ in Lakh)

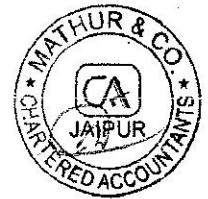
S.No.	Name of the Project	Amount As on 31.03.2020	Amount As on 31.03.2019
1	Solution Mining Project Cum Salt Refinery Project	152.27	152.27
2	ITDS Project	9.43	9.43
3	Pottasium Sulphate Project	0.37	0.37
4	Solar Energy Project	9.38	9.38
5	Salt Washery Project	29.39	29.39
6	Plan Project	0.80	0.80
		<b>201.64</b>	<b>201.64</b>

( ₹ in Lakh)

<b>NOTE - 13 : INVENTORIES</b>	<b>FIGURES AS ON 31.03.2020</b>	<b>FIGURES AS ON 31.03.2019</b>
<i>(As taken valued &amp; certified by the Management)</i>		
<b>STOCK &amp; STORES (At Cost or Net Realisable Value whichever is less)</b>		
a. Stores, stationary & Spare Parts	180.09	152.61
b. Raw Material	5.98	131.19
c. Release Material	10.67	10.66
d. Packing Material	18.07	18.80
e. Loose Tools	0.04	0.05
f. Stock in Trade (Refer Note No. 13.1)	639.98	623.79
<b>Total</b>	<b>854.83</b>	<b>937.10</b>

( ₹ in Lakh)

<b>NOTE - 13.1 : INVENTORIES</b>	<b>FIGURES AS ON 31.03.2020</b>	<b>FIGURES AS ON 31.03.2019</b>
<b>Stock in Trade (At cost or Net Relisable value whichever is less)</b>		
a. Bromine (At Cost)	3.02	13.84
Less: Provision for wastage		
<b>Total (A)</b>	<b>3.02</b>	<b>13.84</b>
b. Salt	271.96	377.00
Less : Provision for Wastage	37.13	90.29
Adj of Unrealised Profit in Closing Stock		
<b>Total (B)</b>	<b>234.83</b>	<b>286.71</b>
c. Processed Salt	83.76	47.47
Less: Provision for Wastage	0.28	0.28
<b>Total (C)</b>	<b>83.48</b>	<b>47.19</b>
d. Bye-Product MGCL	3.55	6.10
Less: Provision for Wastage	0.28	0.28
<b>Total (D)</b>	<b>3.27</b>	<b>5.82</b>
e. Work In Progress	315.08	270.13
Less : Provision for wastage		
<b>Total (E)</b>	<b>315.08</b>	<b>270.13</b>
f. Stock of Fair Price Shop	0.30	0.10
Less : Provision		
<b>Total (F)</b>	<b>0.30</b>	<b>0.10</b>
<b>Total (A+B+C+D+E+F)</b>	<b>639.98</b>	<b>623.79</b>



Handwritten signatures and initials, including a prominent signature that appears to be 'SA'.

(i) Release Material includes stores, spares and other fixed assets which are no longer usable and are released/scraped in respective years and transferred to release material at book value. During the year Assets Scraps having book value of ₹. Nil lakhs (Previous year Rs Nil lakh) are transferred to Release Material in Hand. Sale Proceeds of disposal of release material are shown as sale of scraps under the head other income in the Statement of Profit and Loss. Further, its also includes a sum of ₹. 0.62 lakhs (Previous Year Rs 0.62 Lakh) being the estimated realisable value in respect of unserviceable material/Scrap lying in stores at Kharaghoda as the book value of these items are not ascertainable. The necessary adjustment will be made as and when these items are disposed off/utilised.

(ii) Physical Verification of General Stores, materials at site, released materials was carried out during the year.

(iii) No provision for losses if any on the slow moving items lying in General Store has been made in the books and the same was shown in the Inventories (Amount undetermined). In the opinion of management the current value of slow moving items is more than the value taken.

(iv) In Subsidiary : No provision for losses if any on the slow moving items amounting to ₹. 19.84 lakhs (previous year ₹. 21.77 lakhs) lying in General Store has been made in the books and the same was shown in the Inventories at cost. In the opinion of management the current value of slow moving items is more than the value taken.

(v) In Subsidiary : Released stores in hand including the value of Scrap amounting of ₹. Nil lakhs (previous year ₹. Nil Lakhs taken at the Net Realizable Value on the basis of tender received

( ₹ in Lakh)

NOTE - 14 : TRADE RECEIVABLES	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<u>Trade Receivables outstanding for a period less than six months from the date they are due for payment</u>		
Secured, Considered Good	-	-
Unsecured, Considered Good	7.85	16.30
Unsecured, Considered Doubtful	-	-
	<u>7.85</u>	<u>16.30</u>
Less: Provision for Doubtful Debts	-	-
<b>Total (A)</b>	<b>7.85</b>	<b>16.30</b>
<u>Trade Receivables outstanding for a period exceeding six months from the date they are due for payment</u>		
Secured, Considered Good	-	-
Unsecured, Considered Good	32.52	57.40
Unsecured, Considered Doubtful	25.07	5.76
	<u>57.59</u>	<u>63.16</u>
Less: Provision for Doubtful Debts	25.07	5.76
<b>Total (B)</b>	<b>32.52</b>	<b>57.40</b>
<b>Total (A+B)</b>	<b>40.37</b>	<b>73.70</b>



During the year the Company has adjusted the amount of old receivables amounting to ₹.1.14 lakhs (Previous Year Nil lakhs) against the provision, as these amount could not recovered in spite of best efforts in the opinion of the management of the company.

(₹ in Lakh)

<b>NOTE - 15 : CASH &amp; Bank Balances</b>	<b>FIGURES AS ON 31.03.2020</b>	<b>FIGURES AS ON 31.03.2019</b>
<b>Cash &amp; Cash Equivalents: Balance with Bank:-</b>		
Balance in Current Account	131.92	42.99
Balance in Term Deposits*		
Cash on Hand	0.58	1.05
Cheque in Transit		10.50
<b>Other Bank Balance :- Others (Term Deposit more then 3 Months)</b>	<b>824.37</b>	<b>775.02</b>
Others (Securities of Staff, Contractors & Others)		
<b>Total</b>	<b>956.87</b>	<b>829.56</b>

\* \*FDRs of Rs. 86.43 lakh pledged with SBI, Jaipur, Kharaghoda and Mandi (previous year Rs. 81.34 lakh with and FDR of Rs 8.72 Lakhs with SBI Sambhar Lake previous year Rs 8.21 lakhs) and FDR of Rs 429.93 Lakh pledge with PNB (Previous Year Rs 403.49 Lakh) towards security for OD Loan.

<b>NOTE - 16 : SHORT TERM LOANS AND ADVANCES (Recoverable in Cash or in Kind or for value to be received)</b>	<b>FIGURES AS ON 31.03.2020</b>	<b>FIGURES AS ON 31.03.2019</b>
<b>Other</b>		
Secured, considered good		
Unsecured, considered good (Refer Note 16.1)	525.81	538.54
Doubtful	84.74	84.99
	610.55	623.53
Less: Provision for doubtful Loans and Advances	84.74	84.99
<b>Total</b>	<b>525.81</b>	<b>528.54</b>

(₹ in Lakh)

<b>NOTE - 16.1 : Other Loans &amp; Advance (Unsecured, Considered good)</b>	<b>FIGURES AS ON 31.03.2020</b>	<b>FIGURES AS ON 31.03.2019</b>
<b>Others</b>		
Advance to Staff	1.36	1.16
Deposit with Govt. Semi Govt. Bodies	71.51	0.53
Income Tax Deducted at Source (C.Y.)	10.30	8.73
Income Tax Deducted at Source (P.Y.)	15.74	24.43
Security Deposit	25.75	99.84
Others	485.89	478.84
<b>Total</b>	<b>610.55</b>	<b>623.53</b>

(₹ in Lakh)

<b>NOTE - 17 : OTHER CURRENT ASSETS</b>	<b>FIGURES AS ON 31.03.2020</b>	<b>FIGURES AS ON 31.03.2019</b>
Prepaid Expenses	17.90	7.16
Interest Accrued on Term Deposits	22.59	23.55
<b>Total</b>	<b>40.49</b>	<b>30.71</b>



*(Handwritten signatures and marks)*

# HINDUSTAN SALTS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2020

(₹ in Lakh)

NOTE - 18 : REVENUE FROM OPERATIONS	FIGURES FOR THE YEAR 2019-20	FIGURES FOR THE YEAR 2018-19
Sale of Products (Refer Note No. 18.1)	2,651.25	2,988.91
Less:		
Excise Duty	-	-
Inter Company Sale	-	1.14
<b>TOTAL</b>	<b>2,651.25</b>	<b>2,987.77</b>

(₹ in Lakh)

NOTE - 18.1 : SALE OF PRODUCTS	FIGURES FOR THE YEAR 2019-20	FIGURES FOR THE YEAR 2018-19
<u>Common Salt</u>		
Indigenous	1,951.64	1,838.65
MGCL	57.71	15.06
<u>Processed Salt</u>		
Indigenous	358.20	307.76
Bromine	270.26	751.38
De-Brominated Bittern	13.44	27.61
Operating income from MGCL plant	-	48.45
<b>TOTAL</b>	<b>2,651.25</b>	<b>2,988.91</b>

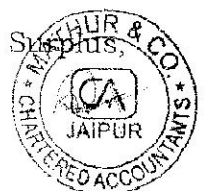
(₹ in Lakh)

NOTE - 19 : OTHER INCOME	FIGURES FOR THE YEAR 2019-20	FIGURES FOR THE YEAR 2018-19
<u>Interest Income</u>		
Interest Received on FDR	53.53	59.11
Interest Received from Others	10.67	2.36
Interest Received from Subsidiary Co.	-	-
<u>Other non-operation income (Net)</u>		
Misc. Receipts	48.95	50.91
Land Licence Fees	0.54	0.53
Sundry Cr. Balance Written Off	7.55	13.08
Recovery on Account of Electricity and Power	31.94	35.87
Wastages on Final Clearance of heaps Written Back	110.52	93.01
Sale of Scraps/Released Material and profit on assets	-	0.60
<b>TOTAL</b>	<b>263.70</b>	<b>255.47</b>

(i) In Subsidiary : Other income/adjustment includes ₹ 8.47 lakhs on account of penalty & forfeiture of Security Deposit ₹ Nil lakhs on account of sale of scrap, assets and released material Rs 37.19 Lakh on a/c of Receipt from Tourism Activity Rs Nil Lakh on a/c of Facilitation Fee (Previous years ₹ 8.53 Lakhs and ₹ 27.37 Lakhs and 7.05 Lakh Respectively).

(ii) In Subsidiary : Misc. receipts (Includes Sales, Transfer and adjustment of Fixed assets, Unserviceable and dead stock articles etc.







(₹ in Lakh)

**NOTE - 20 : COST OF MATERIAL CONSUMED****FIGURES FOR  
THE YEAR  
2019-20****FIGURES FOR  
THE YEAR  
2018-19**Manufacturing Expenses

Manufacture & Excavation Expenses of Salt	364.74	481.26
Manufacture of Bromine	372.44	474.34
Manufacture of Processed Salt including iodisation	14.60	15.82
Manufacture of Refined Salt	115.83	126.22
Compensation & Land Revenue	0.41	0.06
Manufacture of MGCL	42.28	23.17
Repair to Machinery	20.05	22.90
Tools consumed	-	-
Lease Rent	5.50	5.50
Electricity & Power Charges	251.28	273.82
Running & Mtc of Loco and Diesel Shunter	25.94	28.82
<b>TOTAL</b>	<b>1,213.07</b>	<b>1,451.91</b>

(₹ in Lakh)

**NOTE - 21 : CHANGES IN INVENTORY OF  
FINISHED GOODS & W.I.P****FIGURES FOR  
THE YEAR  
2019-20****FIGURES FOR  
THE YEAR  
2018-19**Opening Stock

<u>Salt</u>		
Common Salt	377.00	601.85
Processed Salt	47.46	34.32
Bye-Products	0.28	0.28
Bromine	13.84	32.21
MGCL	5.82	10.23
Work-in-Progress	270.13	450.68
<b>Total</b>	<b>714.53</b>	<b>1,129.57</b>

Closing Stock

<u>Salt</u>		
Common Salt	271.96	377.00
Processed Salt	83.76	47.46
By Product	0.28	0.28
MGCL	3.27	5.82
Bromine	3.02	13.84
Work In Progress	315.08	270.13
<b>Total</b>	<b>677.37</b>	<b>714.53</b>
<b>Grand Total</b>	<b>37.16</b>	<b>415.04</b>

Value of closing stock arrived of after adjusting the amount of stock of salt written off at kharaghoda & ramnagar, in subsidiary company

H B A OA



(₹ in Lakh)

**NOTE - 22 : EMPLOYEE BENEFITS EXPENSES**

	FIGURES FOR THE YEAR 2019-20	FIGURES FOR THE YEAR 2018-19
<u>Salaries, Allowances &amp; Other Benefits</u>		
Salaries & Allowances	520.89	646.64
Death Cum Retirement Gratuity	54.44	78.44
Employer's Contribution (PF & DLI)	93.01	105.94
Group Gratuity Insurance Premium	163.57	56.22
Bonus	18.87	20.01
Staff Welfare Expenses	14.01	13.23
Workman Compensation	0.07	0.09
Other Expenses	0.10	-
<b>TOTAL</b>	<b>864.96</b>	<b>920.57</b>

(₹ in Lakh)

**NOTE - 23 : FINANCE COSTS**

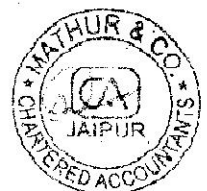
	FIGURES FOR THE YEAR 2019-20	FIGURES FOR THE YEAR 2018-19
Interest To Government of India	399.77	372.68
Interest To Bank	7.57	26.57
Interest To Others	-	-
<b>TOTAL</b>	<b>407.34</b>	<b>399.25</b>

(₹ in Lakh)

**NOTE - 24 : OTHER EXPENSES**

	FIGURES FOR THE YEAR 2019-20	FIGURES FOR THE YEAR 2018-19
Administrative Expenses (Refer Note No. 24.1)	240.66	280.44
Township Expenses and Other Social Overheads (Refer Note No. 24.2)	56.40	68.63
Selling & Distribution Expenses (Refer Note No. 24.3)	133.11	134.69
Amounts/Stores Written Off (Net)	0.79	1.02
Provision & wastage (Refer Note No. 24.4)	57.36	129.35
Provision for Bad & Doubtful Debts and Advances	21.55	55.62
Penalties/Fine Including demurrage, Demand on TDS	0.10	0.48
Research & Development	5.29	6.03
<b>TOTAL</b>	<b>515.26</b>	<b>676.26</b>

Handwritten signatures and initials are present at the bottom of the page.



**NOTE - 24.1 : ADMINISTRATIVE EXPENSES**

	<b>FIGURES FOR THE YEAR 2019-20</b>	<b>FIGURES FOR THE YEAR 2018-19</b>
Travelling & Conveyance Expenses	10.65	14.91
Postage Telegram & Telephones	6.75	8.15
Rent Expenses	2.28	4.44
Rates & Taxes	3.24	2.85
Insurance Charges	3.24	3.52
<u>Payment to Auditor</u>		
As Audit Fee	2.19	2.01
As Tax audit fee	0.69	0.75
As TA/DA Expenses	1.60	1.23
As Other Capacity	0.45	0.26
<u>Internal Auditor Remuneration</u>		
• As Audit Fee	0.55	0.48
As TA/DA Expenses	0.25	0.68
• Trust Audit Fees	0.15	0.15
Guest House Expenses	4.07	4.48
T.A. to Directors	1.78	3.00
Office Expenses	43.55	42.98
Running & Mtc. of Vehicle	14.12	20.19
Repair & Maintenance of Buildings	6.80	2.95
Repair & Maintenance of Plant & Machinery	58.57	67.33
Maintenance of P. Way	32.63	40.77
Other Repairs	47.10	59.31
<b>TOTAL</b>	<b>240.66</b>	<b>280.44</b>

*[Handwritten signatures and initials]*



(₹ in Lakh)

**NOTE - 24.2 : TOWNSHIP EXP AND OTHER SOCIAL OVERHEADS****FIGURES FOR  
THE YEAR  
2019-20****FIGURES FOR  
THE YEAR  
2018-19**Township Expenses

Maintenance of Building/Roads	7.93	18.19
Sanitation	18.41	20.56
Water Supply	11.57	13.22
Mtc. Of Electricity	5.63	7.68
Depreciation	0.77	0.80
<b>Total (A)</b>	<b>44.31</b>	<b>60.45</b>

Less: Receipts

House Rent	20.56	17.66
Ground Rent	1.10	1.49
Water Supply	0.35	0.48
<b>Total (B)</b>	<b>22.01</b>	<b>19.63</b>





Other Social Overheads

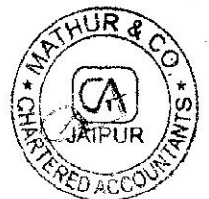
Salaries & Allowance of Hospital Staff	22.64	14.92
Reim. Of Medical Exp. And Cost of Medicines & Medical contingencies	12.08	13.99
Depreciation	0.12	0.13
Others	0.37	2.34
Less: Hospital Receipts	1.11	3.57
<b>Total (C)</b>	<b>34.10</b>	<b>27.81</b>
<b>Total (A-B+C)</b>	<b>56.40</b>	<b>68.63</b>

(₹ in Lakh)

**NOTE - 24.3 : SELLING & DISTRIBUTION EXPENSES****FIGURES FOR  
THE YEAR  
2019-20****FIGURES FOR  
THE YEAR  
2018-19**

Packing & Forwarding/Dispatch Charges	81.73	84.77
Advertisement & Publicity	0.85	5.14
Discount & Commission	50.45	44.38
Other Expenses	-	0.36
Free Sample	0.08	0.04
<b>TOTAL</b>	<b>133.11</b>	<b>134.69</b>



61

(₹ in Lakh)

**NOTE - 24.4 : PROVISIONS & WASTAGES**

	FIGURES FOR THE YEAR	FIGURES FOR THE YEAR
	2019-20	2018-19
For Wastages on Stock of Salt		
Normal Provision on Salt Stock Required	25.36	90.31
Add: Wastages determined on clearance of heaps	110.52	93.00
Add: Excess Provision found on Final clearance of Heap	11.77	
	147.65	183.31
Less: Opening Balance	90.29	53.96
	<b>57.36</b>	<b>129.35</b>

Wastages valuing Rs 7.58 Lakh at Kharaghoda and Rs Nil Lakh at Ramnagar found during the year has been adjusted subject to investigation/ approval of Appropriate Authority

In Subsidiary : Wastages of 13894.839 MT salt valuing ₹ 102.95 lakh found during the year has been adjusted subject to investigation/ approval of Appropriate Authority.

*[Handwritten signatures]*

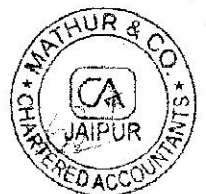


( ₹ in Lakh)

NOTE- 25 : PRIOR PERIOD INCOME/(EXPENSES)/ADJUSTMENTS	FOR THE YEAR 2019-2020		FOR THE YEAR 2018-19	
	TOTAL		TOTAL	
	RECEIPTS	EXPENSES	RECEIPTS	EXPENSES
Manufacture & excavation charges	4.13	1.07	10.46	3.12
Salaries, Allowance & Other benefits	0.45	0.05	23.21	2.86
Administrative Expenses	0.62	3.51	2.56	1.10
Excess Provision Written Back on Final Clearance of heap	-	-	-	-
Excess provision written back	0.90	-	1.61	-
Township & other Social Overheads	0.01	0.03	3.14	0.64
Selling & Distribution Exp.	-	0.68	-	0.21
Payment to Auditors	-	-	-	0.08
income tax	-	21.85	-	-
Receipt for salt from service contractor	-	-	-	32.78
Dpreciation less charged in Prev. year	-	-	-	-
Misc. Income/ Adjustment	0.17	-	1.01	0.96
Sales	-	4.43	-	0.94
Interest on TDR	-	-	1.66	-
Excess Interest Charge on Govt Loan in Earlier Years Written Back	-	-	-	-
<b>NET INCOME/EXPENDITURE</b>	<b>6.28</b>	<b>31.62</b>	<b>43.65</b>	<b>42.69</b>
Less: Share of Common HO Expenses as apportioned to Sambhar Salts Limited	-	-	-	-
	<b>6.28</b>	<b>31.62</b>	<b>43.65</b>	<b>42.69</b>
<b>NET RECEIPTS/(EXPENSES)</b>	-	(25.34)	-	0.96

NOTE - 26 : EARNINGS PRICE PER SHARE	FOR THE YEAR	FOR THE YEAR
	2019-20	2018-19
<b>Profit (+) / Loss (-) as per statement of Profit &amp; Loss usual as the Numerator ( ₹ in Lakh)</b>	(340.11)	(524.23)
<b>Weighted Average Number of Share</b>		
Basic Number of Shares	5,20,596	5,20,596
Diluted Number of Shares	5,20,596	5,20,596
Face value as per Equity Share	1,000	1,000
<b>Earnings per equity share:</b>		
Basic EPS (in ₹)	(65.33)	(100.70)
Diluted EPS (in ₹)	(65.33)	(100.70)

*(Handwritten signatures and initials)*



**NOTE - 27 : RELATED PARTY DISCLOSURES**

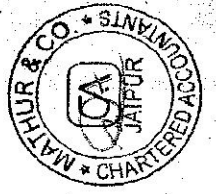
Disclosure in compliance of Accounting Standard- 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given as under:-

Key Management Personnel

Shri A K Jain CMD Additional Charge w.e.f. 01-04-2019 to 30-09-2019  
 Shri Ashok Das CMD Additional Charge w.e.f. 01-10-2019 to 05-08-2020  
 MS Sumona Majumdar, Company Secretary  
Subsidiary Company  
 Sambhar Salts Limited

Details of transactions	Key Management Personnel		Sambhar Salts Ltd. (Subsidiary Company)		Closing Balance	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Remuneration	8.18	24.82				
Other Benefits	3.84	9.22				
Purchase of Goods	-	-				
Transfer of Assets/store				1.15		
Loan Given						
Interest on Loan			0.00	0.00	3,576.50	3,576.50
Share of Guest House Exp Received			767.65	718.76	3805.49	3505.49
Share of Salary and Allowance of Common CVO						
Share of Corporate Office Expenses apportioned to Sambhar Salts Ltd (Net)			183.82	228.11		
Excess interest receivable from subsidiary company for earlier year written back						
Share of Corporate Office Prior Period Expenses apportioned to Sambhar Salts Ltd (Net)			-1.75	-0.40		

The restrictive use of Company's chauffeur driven Car for the Company's Chairman & Managing Director against payment of Rs. 2000/- per month has not been considered as a perquisite in his hands.



10  
 [Handwritten signature]

**NOTE NO. 28:- CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR**

**A Contingent Liabilities**

- (i) Claim of Gujarat Electricity Board for ₹. 21.13 lakhs (excluding interest if any) (Previous year ₹. 21.13 lakhs) being subjudice.
- (ii) Claim of N.E. Railway towards differential License Fee of Railway land at Ramnagar Unit ₹. 32.74 lakhs and interest if any (Previous year ₹. 30.40 lakhs) pending decision of the court case.
- (iii) In respect of Agricultural and Non-agricultural assessment demand for ₹ 85.64 lakhs (plus interest if any) raised by Taluka Vikas Adhikari, Patri (Gujarat). The matter is under dispute and the Company did not received any demand thereafter. However, subsequently demand for ₹. 5.51 lakhs (plus interest if any ) was raised for which the stay was obtained from the Hon'ble High Court, Gujarat. The Hon'ble High Court of Gujarat has since disposed of the case and directed to form a high power Committee consisting of representatives of State & Central Govt. The dispute is still pending with High Power Committee Now the Taluka Vikas Adhikari, Patri has revised the claim of ₹272.80 lakhs (plus interest) (previous year ₹. 272.80 lakhs (plus interest)).
- (iv) Other claims lodged but not acknowledged as debt by the Company ₹ 38.45 lakhs plus interest if any (Previous year ₹. 38.45 lakhs).
- (v) Claim of H.P Government towards Royalty on Rack Salt in Mandi Unit ₹ 19.95 lakhs (Previous year ₹ 19.95 lakhs).
- (vi) Other cases in which the Company is contingently liable (amounts not ascertainable except as and where mentioned).
- (vii) Liability if any, on account of Bank guarantee amounting to ₹ 10.00 lakhs (Previous Year ₹ 10.00 lakhs) issued by SBI Jaipur in favour of Regional Control of Mines, Indian Bureau of Mines. In subsidiary Bank Guarantee amounting to Rs 1.90 Lakh (Previous Year Rs 1.90 Lakh ) issue by SBI Jaipur in favour of Kota Super Thermal Power Station
- (viii) Other cases in which the Company is contingently liable (amounts not ascertainable except as and where mentioned).
  - (i) Claims on account of labour/service/land and other matters for the suits pending in Courts at different stages.
  - (ii) Liability, if any, on account of revision of pay scales of employees covered under Industrial D.A. Pattern and CDA Pattern.
- (ix) Liability for award given by Arbitrator on 14<sup>th</sup> July 2018 of Rs 90.10 Lakh (Including Interest, Cost of Arbitration and watch & ward expenses of Rs 24.96 Lakh) for the office building at Sitapura Jaipur as the matter is sub judic before honorable High Court of Rajasthan

*(Handwritten signatures)*

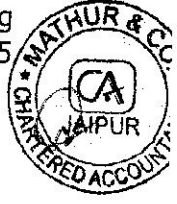




**(B) Capital Commitments**

- (i) Estimated amount on account of contract remaining to be executed on Capital accounts ₹. 654.44 lakhs (previous year ₹. 656.97 lakhs)
- (ii). Liability on Account of equity participation with H.P. Government for Solution Mining Cum Caustic Soda Project at Mandi amounting to ₹ 43.55 Lakh (Previous Year ₹ 43.55 Lakh).

*[Handwritten signatures]*

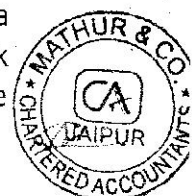


**NOTE NO. 29:- ADDITIONAL NOTES**

- (i) In lieu of issue of shares by the Company to the Government of India on its formation, possession of assets at Kharaghoda and Mandi has been acquired by the Company, pending finalisation of formal Agreement. No agreement has been made so far in this regard.
- (ii) No adjustment regarding deferred tax has been worked out in view of insufficient profits in near future and also there is no reasonable certainty for sufficient future taxable income. Therefore based on prudence, Deferred Tax Assets have not been recognized.
- (iii) No provision for Income-Tax or MAT has been provided due to accumulated losses & unabsorbed depreciation of previous years.
- (iv) The company has received Grant in Aid from Ministry of Heavy Industry, Govt of India under Swachhta Action Plan of Rs 5 Lakh in 2018-19 for cleaning of Sambhar Lake. During the year the said amount given to subsidiary company Sambhar Salt Ltd and same has been utilized for the purpose by Sambhar Salts Ltd
- (v) In the opinion of the management, current assets, loans and advances are based on the realizable value in the ordinary course of business and provision for all liability, except as otherwise stated has been provided.
- (vi) The details of minority interest are as under

Minority Interest	(Rs in Lakh)	
	Amount 2019-20	Amount 2018-19
As per the last Balance Sheet	(1764.58)	(1329.76)
Face Value of Shares held by Minority (in RS)	1000	1000
Add/Less:- Profit/(Loss) during the year	(103.71)	(433.22)
Minority Share of Additions in Capital Reserves	2.00	-
Minority Share of Dep. in Capital Grant	(1.15)	(1.62)
Minority Share in Fair Price Shop Profit	0.03	0.02
<b>Total</b>	<b>(1867.41)</b>	<b>(1764.58)</b>

- (vii) Majority of the Immovable Properties including lease hold land of subsidiary was transferred from Govt. of Rajasthan to the Subsidiary Company, in succession, in terms of V.T. Krishnamachari's Award under the provisions of Rajasthan Government Grants Act, 1961 and the position stands communicated to the Government of India.
- (viii) During the year No adjustment has been carried out for Refinery Plant at Kharaghoda for the work awarded on turnkey basis. The contractor has not completed the work so far. The payment made to contractor of Rs 198.89Lakh has been shown under the note No 16 as Loan and Advances of the Balance Sheet



(ix) The company is having the land as per detail below :-

(₹. in Lakhs)

	JAIPUR		KHARAGHODA		MANDI		RAMNAGAR	
	AREA	VALUE	AREA	VALUE	AREA	VALUE	AREA	VALUE
1. Free Hold Land	-	-	23596 Acres	24.54	702.75 Sq. Mtr	37.92	-	-
2. Leased Hold Land	2048 Sq. Mtr.	5.53	-	-	133.116 Acres	-	4712.61 Sq. Mtr	-
							(On licence Fee)	

Further there is no encroachment in Run area in Kharaghoda unit (Gujarat), Mandi (H.P.) and Ram Nagar (Uttarakhand)

The value of land assessed by M/s Protocol Valuer Pvt. Ltd Assets Valuers as on 31.03.2014 are as under:-

1. Kharaghoda	₹	172900 lakh
2. Jaipur	₹	369 lakh
3. Mandi	₹	1110 lakh
4. Ramnagar		Not Assessed

Inspite of action for eviction of unauthorized encroachment taken by the subsidiary company i.e. SSL the encroach land i.e. 424.80 acres is still under encroachment. The value of encroach land cannot be ascertain as the land has been given by Govt of Rajasthan on lease basis for 99 years. As per V.T.Krishnaachari award dated 29.04.1961. Company has not executed the lease deed with the Govt. of Rajasthan so far. The details of land are as under:-

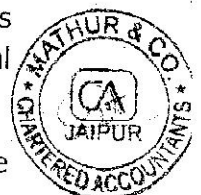
A	Lease Land	57600 Acres (90 SQ. Miles)
B	Disputed with Govt. of Rajasthan	2648 Acres
C	Encroached Area	424.80 Acres
D	Free Hold Land	660.35 Acres
E	Disputed Area	58.24 Acres
F	Rawan Tiba, Sambhar Lake	16.41 Acres (Case is pending with Court)
G	Beg Shed, Sambhar Lake	18.12 Acres (Case is pending with Court)
H	Sahidpur Gudha Salt	23.71 Acres (Pending for correction in-Nawa Court)

58.24 acres of land which is disputed in other name but possession with company. Out of 2648 Acres of land, 292 Acres of land was allotted to the other parties by Govt. of Rajasthan. The value of land assessed by M/s Protocol valuer pvt.ltd. Assets valuers as on 31.03.2014 is Rs 5170.18 crore in case of lease land and Rs 230.59 Crore in case of free hold land.

(x) "The company has considered the possible financial effects that may result from the pandemic relating to COVID-19 on the carrying amount of receivable, revenue, loans & advances etc. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial statements, has used internal and external sources of information on the expected future performance of the company".

(xi) The information regarding Amount and interest due to suppliers registered under the MSMED Act are as under:-

*[Handwritten signatures and marks]*



Rs in lakhs

Sl. No	Particulars	As on	
		31.3.2020	31.3.2019
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	113.35	85.97
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
3	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	34.79	70.06
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
6	Interest due and payable towards suppliers registered under MSMED Act, for payments already made	Nil	Nil
7	Further interest remaining due and payable for earlier years	Nil	Nil

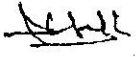
(xii) Government of India. was decided to provide Grant-in-Aid to the company vide letter no. 19-09/2005-PE-V dt. 01.02.2012 for disbursement of pension. During the current year Company has received Rs. 230.00 lakhs (Previous Year Rs200 Lakh) as grant-in-aid

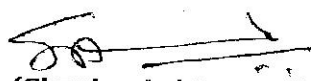
(xiii) The balance of Trade Receivable, Trade Payable, Loans and Advances, Salt Department and Other Government Departments are subject to confirmation and reconciliation if any. Loan from Government of India and Interest accrued and due on loans subject to confirmation and reconciliations and no payment against loan along with the interest was made since 2005 except Rs.12.21 Lakh paid in 2009


(xiv) Figures for the previous year have been regrouped/rearranged wherever considered necessary so as to make these comparable with current year's figures.

(xv) Figures are rounded off to lakhs of rupees with two decimal place

  
(Sumona Majumdar)  
Company Secretary

  
(S K Tak)  
G.M.(F&A)

  
(Shankar Lal Agarwal)  
Director  
DIN -07182357

  
(CMDE Kamlesh Kumar (Retd.))  
Chairman and Managing Director  
DIN-08884327

in terms of our report of even date annexed hereto

**For Mathur & Co**

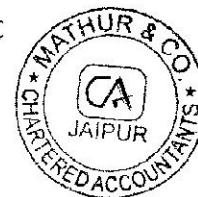
Chartered Accountants

Firm Registration No. 001952C

  
(Manisha Maheshwari)

Partner

Membership No. 079617



Place : Jaipur

Dated : 24 SEP 2020

कार्यालय प्रधान निदेशक लेखापरीक्षा  
उद्योग एवं कारपोरेट कार्य  
ए.जी.सी.आर. भवन, आई.पी.एस्टेट,  
नई दिल्ली- 110 002



OFFICE OF THE PRINCIPAL DIRECTOR OF AUDIT  
INDUSTRY AND CORPORATE AFFAIRS  
A.G.C.R. BUILDING, I.P. ESTATE  
NEW DELHI- 110 002

संख्या: एएमजी-111.2(26) वार्षिक खाता एचएसएन 2020-21/34  
दिनांक: 10/03/22

सेवा में


अध्यक्ष एवं प्रबंध निदेशक  
हिंदुस्तान साल्ट्स लिमिटेड  
जी 229, सीतापुरा इंडस्ट्रियल एरिया  
जयपुर - 302022

विषय: कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2020 को समाप्त वर्ष के लिए हिंदुस्तान साल्ट्स लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143 (6) (b) के अधीन 31 मार्च 2020 को समाप्त हुए वर्ष के लिए हिंदुस्तान साल्ट्स लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेजित की जा रही हैं। इन टिप्पणियों को कंपनी की वार्षिक रिपोर्ट में प्रकाशित किया जाये।

भवदीय,

  
(सी. नेइन्चलियन)  
प्रधान निदेशक लेखा परीक्षा  
(उद्योग एवं कारपोरेट कार्य)  
नई दिल्ली

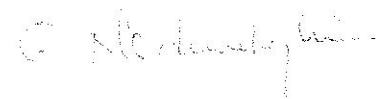
संलग्नक:- यथोपरि

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HINDUSTAN SALTS LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of financial statements of Hindustan Salts Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 September 2020.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of Hindustan Salts Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act.

For and on behalf of the  
Comptroller & Auditor General of India



(C. Nedunchezian)  
Principal Director of Audit  
(Industry & Corporate Affairs)  
New Delhi

Place: New Delhi  
Date:



**MATHUR & CO.**

CHARTERED ACCOUNTANTS

## Independent Auditor's Report

To the Members of Hindustan Salts Limited

Report on the Standalone Financial Statements

### Qualified Opinion

We have audited the accompanying standalone financial statements of Hindustan Salts Limited ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid standalone financial statement give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, its loss and its cash flows for the year ended on that date.

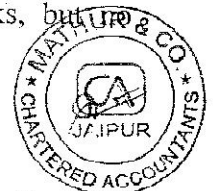
### Basis for Qualified Opinion

We draw attention, towards matters specified in Annexure –A on the basis of which we are expressing qualified opinion over the standalone financial statements.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Emphasis of Matter

1. We draw attention to Para 1.10 (ii) of Note No.1 and Note No.5 to the financial statement regarding Retirement Benefits (Gratuity), which states that liability for gratuity as on 31.03.2020 was provided for ₹ 176.56 lacs in the books, but investment was made as required under AS-15.



2. Attention is also invited to Note no. 27 "Contingent Liabilities and Capital Commitments to the extent not provided for", wherein liabilities for substantial amount which may materially affect the financial statements of the company, on various accounts have not been provided for.
3. We draw attention to the Note No. 10 "Non-Current Investments" wherein no provision for loss has been made in respect of the investment of Rs.60.00 lacs made in subsidiary company, Sambhar Salts Ltd. in the books of accounts in view of much higher net worth of the subsidiary company calculated on the basis of the market value of fixed assets which was last assessed by the Certified Assets Value in the year 2001.

Our opinion is not qualified in respect of above matters.

### **Information other than the Financial Statements and Auditors' Report Thereon**

The company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report, Management Discussion and Analysis, Report on Corporate Governance and other Annexure to the Directors' report but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that if there is a material misstatement of this other information; we are required to report that fact. The other information is not available as on date of signing the report, and hence we do not report on the information other than the standalone financial statements and auditor's report thereon.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone 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.

In preparing the standalone the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individual or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date



of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.'

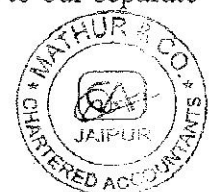
Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

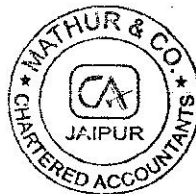
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "B"** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) 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 standalone 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) In pursuance to the Notification No. G.S.R 463(E) dated 05-06-2015 issued by the Ministry of Corporate affairs, Section 164(2) of the Companies Act, 2013 pertaining to disqualification of Directors, is not applicable to the Government Company.
  - (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 "C"**



- (g) In pursuance to the Notification No. G.S.R 463(E) dated 05-06-2015 issued by the Ministry of Corporate affairs, Section 197(16) of the Companies Act, 2013 pertaining to Managerial Remuneration, is not applicable to the Government Company.
- (h) With respect to the other matters to be included in the Auditor's 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:
- The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 27 to the financial statements.
  - The company did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The reporting on disclosure relating to specified bank note is not applicable to the company for the year ended March 31, 2020.
3. As required by section 143 (5) of the Act, we give in the Annexure "D" a statement on the compliance to the Direction / Sub-direction issued by the Comptroller & Auditor General of India in respect of the company.

Place: Jaipur  
Date: 24.09.2020



For Mathur & Co.  
Chartered Accountants  
FRN: 001952C

*Manisha*

(Manisha Maheshwari)  
Partner

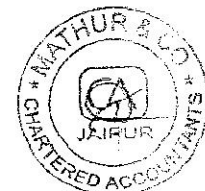
M. No. 079617

UDIN: 20079617A AAA B07273

**Annexure-A****(Forming part of Independent Auditor's Report on Standalone Financial Statements of Hindustan Salts Limited for the year ended on 31<sup>st</sup> March, 2020)****Basis for Qualified opinion**

(Referred to in para under "Basis for Qualified opinion" of our report)

- 1) The company is having two plants for manufacture of Bromine at its Kharaghoda unit. Building of one of the bromine plant was declared as structurally unsafe by the Industrial Safety Health Department, Surendra Nagar, Gujrat. Both the plants were accordingly ordered to be shutdown during the year. Manufacturing activity in one of the plant remained suspended throughout the year and resumed in the other plant in December, 2019. The plant and machinery of the bromine plant considered structurally unsafe was dismantled but its written down value of Rs. 13.05 lac has now been depicted as store item under the head Inventory in Note No. 13 by transferring from fixed assets. No adjustment in the books of accounts have been carried out in respect of value of the building of the structurally unsafe bromine plant in accordance with the Accounting Standard - 28 "Impairment of Assets" as issued by the ICAI.
- 2) During the year the company has booked substantial wastage in stock of bittern and salt for which approval of Board of Directors for write off is not available. Apart from it, the write off of closing stock of Rs.15.41 lacs at Ram Nagar unit in previous year has also not yet been approved by the board.
- 3) A sum of Rs. 1,98,88,958 given to M/s Gujrat Tech Cell Pvt. Ltd. depicted under the sub head "other advances" of Short Term Loan & Advances continues to be brought forward from earlier years. Present status of the matter and details of goods received against this advance were not provided to us. Necessary adjustment in this regard may be made.
- 4) The company has leased out its plant for manufacturing of magnesium chloride to M/s Mayur Stone. The lessee had discontinued the operations and the facility was taken back by the company without cancelling the lease agreement with the party. A sum of Rs. 2522462/- is receivable from the lessee as at year end. No adjustment in this regard has been made in the books of accounts. It was also observed that stock of Magnesium Chloride lying at plant and which did not belong to company was taken over and sold during the year.





# MATHUR & CO.

CHARTERED ACCOUNTANTS  
"Annexure -B"

## Forming part of Independent Auditor's Report on Standalone Financial Statements of Hindustan Salts Limited for the year ended on 31<sup>st</sup> March, 2020

(Referred to in Para no.1 under "Report on Other Legal and Regulatory Requirements" of our report of even date)

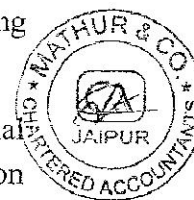
### We report that:-

- i. (a) According to information and explanations given to us, the Company has maintained reasonable records showing particulars, including quantitative details and situation of fixed assets except land situated at Mandi.
- (b) As explained to us, during the year fixed assets have not been physically verified by the management. No comment therefore can be made on discrepancies, if any.
- (c) According to the information and explanations given to us and as per records examined by us, we found following discrepancies in title deeds of immovable properties. The details of such discrepancies are as under:-

1. Freehold property at Kharagodha Village, District- Surendar Nagar, (Gujarat) Area 23596 Acres -₹24.54 lakh. However, as per records of fixed assets maintained at the unit the total land area is 23449 acres. The details of land holding as provided to us is as under :-

Particulars	Area
Runside land	22768 Acres
Village land	326 Acres
Miscellaneous land	25 Acres
Land acquired back by Govt.	330 Acres
Total	23449 acres

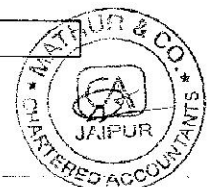
2. Title documents in relation to Runside Land which is under salt manufacturing area were not provided to us. It has also been explained that the state Govt. of Gujarat has disputed the above land as lease hold in place of free hold land and a claim of ₹ 272.80 lacs on account of agriculture and non-agriculture assessment has been raised. The matter is presently sub-judice.
3. Title documents in form of copy of 7/12 for land measuring about 132 acres are available on record. The name of owner of property is mentioned as "Hindustan Salt Woks, Kharagodha" instead of "Hindustan Salts Limited"
4. Title documents in respect of freehold property at Mohal Khaliyar, Mandi haing area of 702.25 sq. mtr. for ₹ 37.92 Lakh were not made available.
5. Leasehold Property at Maigal Salt Works, Gum Mines, Drang Mines, Himachal Pradesh having area 133.116 Acres. A photo copy of lease deed executed on 31.08.2007 in the name of Hindustan Salts Limited is available and no other



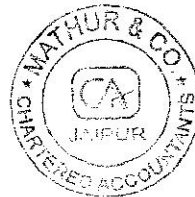
document was provided by the company to verify the title in the name of the Company. Out of above, title documents in respect of land measuring 74 acres at Gum, were not available on records.

6. Leasehold Property at Ramnagar, District Nanital, with area of 4712.61 sq. mtr. Original title documents were not made available for verification.
- ii. According to information and as explained to us, company has no procedure and policy for verification of inventory at reasonable intervals. As reported to us, physical verification of inventory has not been conducted at year end at any of unit on account of lockdown imposed in the country due to COVID-19.
- iii. (a) The company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 except to its subsidiary company Sambhar Salts Limited, amounting to ₹ 3576.5 lakh.
- (b) In respect of loans of ₹ 3576.5 lakh to subsidiary company, Sambhar Salts Limited, no regular recoveries have been made of principal or of interest. The total overdue amount of principal and interest as on 31.03.2020 is ₹ 7381.99 lakh (principal ₹ 3576.5 lakh and interest ₹ 3805.49 lakh). The company has also given advances in nature of loan to its employees which are recovered regularly together with interest if applicable as per company policy.
- (c) The company has not taken any step for recovery of loan along with interest from its subsidiary company, Sambhar Salts Limited. The terms and conditions of the grant of such loan prima-facie are not prejudicial to the company's interest.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act in respect of grants of loans, making investments and providing guarantees and securities as applicable.
- v. According to the information and explanations given to us, the company has not accepted any deposits under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and rules framed there under.
- vi. In our opinion and according to information and explanations given to us, maintenance of cost records is not applicable to the company.
- vii. a) According to information and explanations given to us and on the basis of our examination of books of accounts and records, the company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and other material statutory dues as applicable to it with the appropriate authorities, except the following amount of provident fund which has been in arrears as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they become payable.

EPF	₹ 2212
-----	--------



- b) According to the information and explanations given to us and as per the records of the company examined by us, there is no dues of income tax, sales tax, service tax, custom duty, excise duty or value added tax outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank except default in repayment of loan to Government of India of ₹ 3576.08 lacs (including interest of ₹ 2334.79 lacs). No repayment of loan and interest to Government of India has been made by the Company.
- ix. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and by way of term loans.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employes has been noticed or reported during the course of our audit.
- xi. Provisions of section 197 of Companies Act, 1956 are not applicable as specific exemption has been given to the Government Company in terms of notification no. G.S.R. 463(E) dated 05.06.2015.
- xii. The Company is not a Nidhi Company and hence reporting under this clause is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the company's transactions with its related parties are in compliance with section 177 and 188 of the Companies Act, 2013, wherever applicable. The details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xv. According to the information and explanations given to us and based on our examination of the records, the company has not entered into non - cash transactions with directors or persons connected with it.
- xvi. In our opinion and as per information's & explanations provided to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



For Mathur & Co.  
Chartered Accountants

FRN: 001952C

*Manisha*

(Manisha Maheshwari)  
Partner

M. No. 079617

Place: Jaipur

Date: 24.09.2020



# MATHUR & CO.

CHARTERED ACCOUNTANTS

ANNEXURE - C

Forming part of the Independent Auditor's report of even date on the Financial Statements of Hindustan Salts Limited for the year ended on 31<sup>st</sup> March 2020

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

(Referred to in para 2 (f) under "Report on Other Legal and Regulatory Requirements" of our report of even date)

We have audited the internal financial controls over financial reporting of **Hindustan Salts Limited, Jaipur**, ('the Company') as of 31st March 2020 in conjunction with our audit of the standalone 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 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 judgment, 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 controls 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 controls 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 misstatement of 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 risk that the Internal Financial Controls over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2020:

- a) The company has no proper policies and procedures for periodical physical verification of fixed assets and inventories of the company. During the year under consideration no physical verification of fixed assets has been conducted by the company. As reported to us, physical verification of inventory was not conducted at any unit. However, the management has written off substantial amount of inventory at its Khragodha Unit.
- b) The internal audit of the Company is being carried by the independent firm of Chartered Accountants and looking to the size, nature and volume of transactions, the same needs to be strengthened.

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described above on the



achievement of objectives of the control criteria, the company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2020, 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.

Place: Jaipur  
Date: 24.09.2020



For Mathur & Co.  
Chartered Accountants  
FRN: 001952C

*Manisha*

(Manisha Maheshwari)  
(Partner)  
M. No. 079617



# MATHUR & CO.

CHARTERED ACCOUNTANTS

Annexure-D

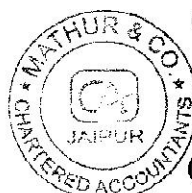
(Forming part of Independent Auditor's Report on Standalone Financial Statements of Hindustan Salts Limited for the year ended on 31<sup>st</sup> March, 2020

Compliance to the Directions u/s 143 (5) of the Act by the Comptroller & Auditor General of India

(Referred to in para 3 under "Report on Other Legal and Regulatory Requirements")

S. No.	Particulars	Auditors' Reply	Impact on Financial Statements
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Company is maintaining accounting transactions manually at Kharagodha Unit. At other units i.e. Head office, Mandi and Ramnagar, accounting transactions are recorded through Tally software.	No impact on financial statements
2.	Whether there is any restructuring of any existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As informed to us, there is no case of restructuring of any existing loan or waiver / write off of loan / interest to the company by lender.	No impact on financial statements
3.	Whether funds received / receivables for specific schemes from Central / State agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.	Based on the information available and according to the information and explanations given to us, the company has not received any fund for specific schemes from central / state agencies during the year.  However, the company has received grant for payment of pension to ex-employees of salt department. The same was properly recorded and no deviation was observed.	No adverse impact on financial statements.

For Mathur & Co.  
Chartered Accountants  
FRN: 001952C



*Manisha*  
(Manisha Maheshwari)  
(Partner)  
M. No. 079617

Place: Jaipur  
Date: 24.09.2020



**MATHUR & CO.**

CHARTERED ACCOUNTANTS

**Compliance Certificate**

We have conducted the audit of annual accounts of Hindustan Salts Limited for the year ended 31 March 2020 in accordance with the directions / sub-directions issued by the C&AG of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the Directions / Sub-directions issued to us.



Place: Jaipur  
Date: 24.09.2020

For Mathur & Co.  
Chartered Accountants  
FRN: 001952C

*Manisha*

(Manisha Maheshwari)  
Partner  
M. No. 079617



**HINDUSTAN SALTS LTD**

**STANDALONE  
FINANCIAL STATEMENTS**

**2019-2020**

**HINDUSTAN SALTS LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2020**

PARTICULARS	(₹ In Lakhs)		
	Note No.	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<b>A. EQUITY AND LIABILITIES</b>			
<b>1. SHARE HOLDER'S FUND</b>			
(a) Share Capital	2	5,205.96	5,205.96
(b) Reserve & Surplus	3	(486.88)	(302.33)
<b>2. SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
<b>3. NON CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	120.00	195.00
(b) Deferred Tax Liabilities (Net)	-	-	-
(c) Other Long Term Liabilities	-	-	-
(d) Long Term Provisions	5	295.19	287.78
<b>4. CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	6	-	-
(b) Trade Payables	7	180.70	184.30
(c) Other Current Liabilities	8	4,001.07	3,547.57
(d) Short Term Provisions	-	-	-
<b>TOTAL</b>		<b>9,316.04</b>	<b>9,118.28</b>

**B. ASSETS**

**1. NON-CURRENT ASSETS**

(a) Property, Plant and Equipment	9		
(i) Tangible Assets		682.38	650.28
(ii) Intangible Assets		0.70	0.73
(iii) Capital Work-In-Progress		18.93	99.12
(iv) Intangible Assets under Development		-	-
(b) Non Current Investments	10	60.00	60.00
(c) Deferred Tax Assets (net)	-	-	-
(d) Long term Loans and Advances	11	903.02	1,298.48
(e) Other Non Current Assets	12	201.64	201.64
		<b>1,866.67</b>	<b>2,310.25</b>

**2. CURRENT ASSETS**

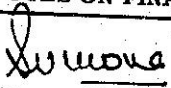
(a) Current Investments	-	-	-
(b) Inventories	13	98.89	233.94
(c) Trade Receivables	14	22.83	39.64
(d) Cash & Cash Equivalents	15	454.26	387.41
(e) Short Term Loans and Advances	16	6,854.42	6,131.85
(f) Other Current Assets	17	18.97	15.19
		<b>7,449.37</b>	<b>6,808.03</b>

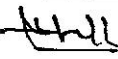
**TOTAL**

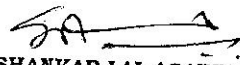
	<b>9,316.04</b>	<b>9,118.28</b>
--	-----------------	-----------------


**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS**

1-29

  
(Sumona Majumdar)  
Company Secretary

  
(S.K. TAK)  
G.M.(F&A)

  
(SHANKAR LAL AGARWAL)  
Director  
DIN-07182357

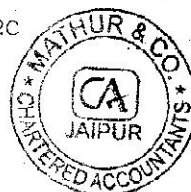
  
( CMDE KAMLESH KUMAR (Retd.))  
Chairman and Managing Director  
DIN-08884327

in terms of our report of even date annexed hereto

**For Mathur & Co**

Chartered Accountants  
Firm Registration No. 001952C

  
(Manisha Maheshwari)  
Partner  
Membership No. 079617



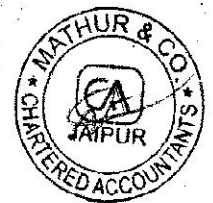
Place : Jaipur

Dated : 24 SEP 2020

657

**HINDUSTAN SALTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31ST MARCH, 2020**

PARTICULARS	(Rs In Lakhs)		
	Note	FOR THE YEAR	FOR THE YEAR
	No.	2019-20	2018-19
<b>REVENUE :-</b>			
I Revenue from Operations	18	360.99	861.03
II Other Income	19	803.11	793.70
Less: Share of common H.O. receipts as apportioned to Subsidiary Company, Sambhar Salts Limited		(0.13)	(2.18)
<b>III Total Revenue</b>		<b>1,163.97</b>	<b>1,652.55</b>
<b>IV EXPENSES-</b>			
Cost of Materials Consumed	20	438.07	526.70
Purchases of Stock-in-Trade		6.17	1.14
Changes in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	21	22.95	67.95
Employee Benefits Expense	22	487.96	503.18
Finance Costs	23	402.46	377.36
Depreciation and Amortization Expenses		69.80	84.03
Other Expenses	24	101.42	203.12
		1,528.83	1,763.48
LESS: Share of common H.O. expenses as apportioned to Subsidiary Company, Sambhar Salts Limited		183.95	230.29
<b>Total Expenses</b>		<b>1,344.88</b>	<b>1,533.19</b>
<b>V PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS &amp; EXCEPTIONAL ITEMS</b>		<b>(180.91)</b>	<b>119.36</b>
<b>VI EXCEPTIONAL ITEMS</b>			
Prior Period Income/(Expenses)/ Adjustment Net	25	-3.64	6.25
<b>VII PROFIT BEFORE EXTRAORDINARY ITEM AND TAX</b>		<b>-184.55</b>	<b>125.61</b>
<b>VIII EXTRAORDINARY ITEM</b>			
<b>IX PROFIT BEFOR TAX</b>		<b>-184.55</b>	<b>125.61</b>
<b>X Tax Expenses</b>			
Current Tax			
Deferred Tax			
<b>XI PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>		<b>-184.55</b>	<b>125.61</b>



Handwritten signatures and initials: *H*, *B*, *L*, *20* →

XII PROFIT (LOSS) FROM DISCONTINUING OPERATIONS

XIII TAX EXPENSES OF DISCONTINUING OPERATIONS

XIV PROFIT FROM DISCONTINUING OPERATIONS AFTER TAX

XV PROFIT FOR THE PERIOD

XVI Earnings per equity share:

Basic EPS (in Rs.)

Diluted EPS (in Rs.)

26

-184.55

125.61

-35.45

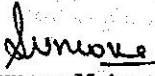
24.13

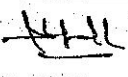
NA

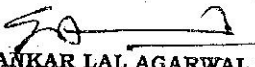
NA


SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS

1-29

  
(Sumona Majumdar)  
Company Secretary

  
(S.K. TAK)  
G.M.(F&A)

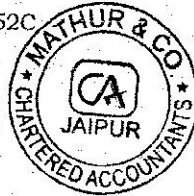
  
(SHANKAR LAL AGARWAL)  
Director  
DIN-07182357

  
(CMDE KAMLESH KUMAR (Retd.))  
Chairman & Managing Director  
DIN-08884327

in terms of our report of even date annexed hereto

For Mathur & Co  
Chartered Accountants  
Firm Registration No. 001952C

  
(Manisha Maheshwari)  
Partner  
Membership No. 079617



Place : Jaipur

Dated : 24 SEP 2020



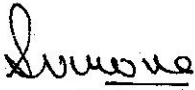
**HINDUSTAN SALTS LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDING 31<sup>ST</sup> MARCH, 2020**


Particulars	(Rs In Lakhs)	
	2019-20	2018-19
Cash Flow from Operating Activities		
Profit/(Loss) before Tax	-184.55	125.61
<b>A</b> Adjustments for		
Depreciation	70.54	84.80
Provision for doubtful debts	-	-
Provision for Leave Encashment & D.C.R.G.	7.41	(66.62)
Interest Expenses	402.46	377.36
Interest Income from TDR/Subsidiary Company	(792.62)	(751.59)
Capital Reserve adjusted during the year	-	-
<b>B</b> Operating Profit before working capital changes	(312.21)	(356.05)
<b>C</b> Change in working Capital	<b>(496.76)</b>	<b>(230.44)</b>
Short Term Borrowings	-	(33.82)
Trade Payables	(3.60)	(28.04)
Other Current Liabilities	453.50	508.03
Inventories	135.05	(37.46)
Trade Receivables	16.81	2.42
Short Term Loans and Advances	(722.57)	(98.05)
Other Current Assets	(3.78)	11.03
Other Misc Expenses	-	(0.76)
Other Bank Balances	(22.23)	-
<b>D</b> Cash generated from operations	(146.82)	323.35
<b>E</b> Adjustments for direct tax paid	<b>(643.58)</b>	<b>92.91</b>
<b>F</b> Net Cash Flow from Operative Activities (D-E)	-	-
<b>G</b> Cash Flow from investing Activities	<b>(643.58)</b>	<b>92.91</b>
Purchase of fixed assets & Capital W.I.P.	(22.42)	(96.48)
Interest Income	792.62	751.59
Loan given to Subsidiary Company, Sambhar Salts Limited / Pension Fund	395.46	(499.06)
<b>H</b> Net Cash Flow from Financing Activities	<b>1,165.66</b>	<b>156.05</b>
Net proceeds from long term borrowing	(75.00)	(85.00)
Share capital Received	-	-
Deposits	-	-
Interest Expenses	(402.46)	(377.36)
<b>I</b> Net changes in Cash and Cash equivalent	<b>(477.46)</b>	<b>(462.36)</b>
<b>J</b> Cash and Cash equivalent at the beginning of Fin. Year	<b>44.62</b>	<b>(213.40)</b>
<b>K</b> Cash and Cash equivalent at the end of the Fin. Year	26.00	600.81
	70.62	387.41

Cash Flow Statement has been prepared on indirect method as per AS -3


\*FDRs of Rs. 86.43 lakh pledged with SBI, Jaipur, Kharaghoda and Mandi (previous year Rs: 81.34 Lakh With SBI)) towards security for OD Loan

\*\* Includes the FDR more then 3 Months Rs361.41 Lakhs in previous year

  
(Sumona Majumdar)  
Company Secretary

  
(S. K. Tak)  
G.M.(F&A)

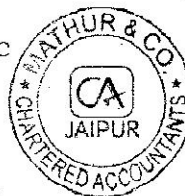
  
(SHANKAR LAL AGARWAL)  
Director  
DIN-07182357

  
( CMDE.KAMLESH KUMAR (Retd.))  
Chairman and Managing Director  
DIN-08884327

in terms of our report of even date annexed hereto

**For Mathur & Co**  
Chartered Accountants  
Firm Registration No. 001952C

  
(Manisha Maheshwari)  
Partner  
Membership No. 079617



Place : Jaipur  
Dated : 12/03/2020

**NOTE NO. – 1: - SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON 31ST MARCH, 2020**

**1.1. BASIS OF ACCOUNTING**

The Financial Statements have been prepared in accordance with the historical cost convention on the basis of going concern, with revenue recognised and expenses accounted for on accrual system of accounting.

**1.2. USE OF ESTIMATES**

The preparation of Financial Statements requires estimates and assumptions which affected the reported amounts of assets, liabilities, revenues and expenses of the reporting period. The difference between the actual results and estimates are recognised in the period in which the results are known or materialised.

**1.3. INVESTMENTS**

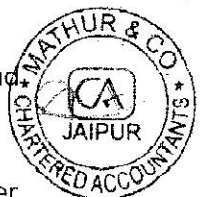
Investments are classified into Current and Non-Current Investments. Current Investments are stated at lower of cost or market value. Non-Current Investments are stated at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of the management.

**1.4. CLASSIFICATION OF ASSETS AND LIABILITIES AS CURRENT AND NON CURRENT**

All assets and liability are classified as current or non current as per the companies normal operating cycle and other criteria set out in schedule III to to the companies act 2013 based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalent, 12 months has been consider by the company for the purpose of current - non current classification of assets and liabilities.

**1.5. VALUATION OF INVENTORIES/SALT IN PROCESS**

- (i) Stores & Spares are valued at cost or Net Realisable Value whichever is lower except otherwise mentioned.
- (ii) Raw Materials and Packing Materials are valued at cost or Net Realisable Value whichever is lower except otherwise mentioned.
- (iii) Released material and scrap is valued at estimated realisable value and Assets (Scraped) is valued at book value.
- (iv) Loose tools are valued after writing off 20% of opening balance (as per books) and those exceeding Rs. 750/- added during the year. Loose tools



*[Handwritten signatures and initials]*

costing Rs. 750/- or less purchased during the year are charged to the revenue under respective heads.

- (v) Salt, Bromine stocks and Work in Progress are valued at cost/Net Realisable Value whichever is lower.

#### 1.6 CASH AND BANK BALANCES

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short term deposit with an original maturity of 3 months or less, and Maturity more than 3 Months are shown in Others bank balances which are subject to an insignificant risk of changes in value.

#### 1.7 RECOGNITION OF INCOME AND EXPENDITURE

Revenue / Income and expenditure / cost are generally accounted on accrual basis as they are earned or incurred. Revenue from sale of goods recognized when the significant risk and reward of ownership has been transfer to the byer.

#### 1.8 FOREIGN EXCHANGE TRANSACTION

The expenditure in foreign currency is accounted for at the rate prevailing on the date of transaction. Any income or expenses on account of exchange rate difference either on settlement or a transaction is recognized in the statement of profit and loss.

#### 1.9 PROVISION FOR BAD AND DOUBTFUL TRADE RECEIVABLES AND ADVANCES

Trade Receivables and Advances Outstanding for more than 3 years are reviewed at the close of the year and provision made on case to case basis in case of uncertainty in the realisation of outstanding amount, in the opinion of the management.

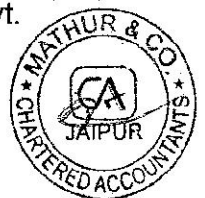
#### 1.10 RETIREMENT BENEFITS

- (i) Pension

The Payment of Pension with regard to pensionary charges for the staff absorbed in the company from Salt Department is being paid from the Grant-in-Aid received from Department of Heavy industries Govt. of India New Delhi and is passed on to Pension Fund Trust.

- (ii) Gratuity

Gratuity is administered by a separate irrevocable Trust which has taken a L.I.C. Policy covering all the eligible employees except Agarias - Company's piece-rate workers, and eligible daily paid workers in whose case the liability is provided as per the payment of Gratuity Act-1972. No liability is provided for gratuity in respect of work charged staff for the period prior to the formation of the Company. Demands made by the Trust including the Annual Renewal



*[Handwritten signatures and initials]*

Premium of the L.I.C. Policy after taking 1st October of the year are charged to Statement of Profit & Loss.

(iii) Leave Encashment

Liability for leave due upto end of the accounting year has been provided on the assumption that such benefits are payable to all employees at the end of the Accounting Year.

(iv) Expenditure incurred on VRS are being written off in five years in equal instalments.

### 1.11 PROPERTY, PLANT & EQUIPMENT AND DEPRECIATION

(i) Fixed Assets are valued at historical cost on consistent basis and are net of refundable taxes and levies wherever applicable. All cost relating to acquisition of fixed assets till commissioning of such assets are capitalised.

(ii) Depreciation on fixed assets is being provided consistently on written down value method over useful life of assets specified in Schedule II of the Companies Act 2013. And 100% depreciation has been provided on the assets costing Rs. 5,000/- or less acquired during the year.

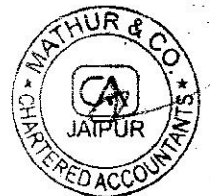
### 1.12 INTANGIBLE ASSETS

(i) INITIAL RECOGNITION AND MEASUREMENT

Intangible assets that are acquired by the company, which have defined useful life, are recognized at cost, Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses, Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

(ii) DERECOGNITION

An intangible assets is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determine by comparing the processed from disposal with the carrying of intangible assets and are recognized in the statement of profit and loss accounts.



*[Handwritten signatures and initials]*

(iii) **AMORTIZATION**

Cost of software recognized as intangible assets is amortized on straight line method over a period of legal right to use or 3 years which ever is less. Other intangible assets are amortized on straight line method over a period of legal right to use or life of the related plant which ever is less.

**1.13 BORROWING COST :**

Borrowing costs that are attributable to acquisition, construction or production of qualifying assets, are capitalised as part of the cost of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**1.14 GRANT-IN-AID**

Grant-in-aid received/sanctioned during the year from Cess Fund against Completed/Capital/Development work is transferred to Capital Reserve Account except as otherwise stated. In that case the depreciation on such subsidised assets is being charged to Capital Reserve and Statement of Profit and Loss in the ratio of Grant in aid received and cost borne by the Company.

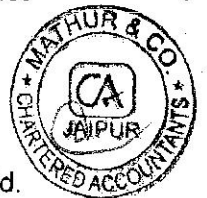
The Payment of Pension with regard to pensionary charges for the staff absorbed in the company from Salt Department is being paid from the Grant-in-Aid received from Department of Heavy industries Govt. of India New Delhi and is passed on to Pension Fund Trust

**1.15 PROVISION FOR WASTAGES ON SALT STOCKS**

Physical verification of salt heaps on accurate and reliable basis is not feasible because of the irregular shapes of salt heaps. Actual deficit/wastages are adjusted in the accounts of the financial year in which the heaps are finally cleared. However, provision for wastages @10% of the quantity produced/stored during the financial year and @ 5% on the opening stock of the year is made in respect of salt heaps not finally cleared during the year.

**1.16 APPORTIONMENT OF COMMON CORPORATE OFFICE EXPENSES**

- (i) There is a common Chairman & Managing Director for Hindustan Salts Ltd. (Holding Company) and Sambhar Salts Ltd (Subsidiary Company). In the absence of any specific mention in the terms of his appointment as regards sharing of the remuneration the same is apportioned between the two Companies in the ratio of 25% and 75% respectively.



*[Handwritten signatures and initials]*

- (ii) The Corporate Office common expenses, depreciation and interest (including Chairman and Managing Director's remuneration) and receipts have been apportioned 25% between the holding Company and 75% in its subsidiary Company (Sambhar Salts Ltd.).

#### 1.17 PRIOR PERIOD ADJUSTMENTS

In respect of the transactions pertaining to the period prior to the current accounting year, the Company follows the practice in conformity with the Accounting Standards.

#### 1.18 RESEARCH AND DEVELOPMENT

Research and development cost (other than cost of fixed Assets acquired) are charged as an expense in the year in which they are incurred.

#### 1.19 TAXATION

- (i) Current Income Tax is determined on the basis of taxable income computed in accordance with the provision of the Income Tax Act, 1961.
- (ii) Deferred tax is recognised on timing differences between taxable and accounting income/expenditure that originates in one period and are capable of reversal in one or more subsequent period(s). Deferred Tax Asset is recognised on the basis of virtual/reasonable certainty about its realisability as applicable.

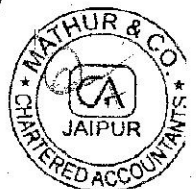
#### 1.20 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation and measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognised nor disclosed in the financial statements. Contingent liabilities, if material, are disclosed by way of notes.

#### 1.21 CASH FLOW STATEMENT

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard on 'Cash Flow Statement'(AS-3) as issued by the Institute of Chartered Accountant of India, The cash flow are reported using the indirect method where by profit before tax is adjusted for the effects of transaction of non cash nature, any deferrals or accruals or part on future operating cash receipt or payments and items of income or expenses associates trade with investing or financing cash flows. The cash flow from operating investing and financial activity of the company are segregated.

*[Handwritten signatures and initials]*



### 1.22 IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date. In case there is any indication of impairment based on Internal / External factors, an impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

### 1.23 WRITE OFF OF DEFFERED REVENUE EXPENDITURE

As per practice in vogue, the deferred revenue expenditure is being written off in five equal annual instalments beginning from the year in which such expenditure are incurred.

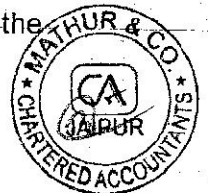
### 1.24 MICRO, SMALL AND MEDIUM ENTERPRISES

The Disclosures on the basis of information received from supplier regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 the unpaid amount as at the year and together with the interest paid/payable as required under the said Act have been made.

### 1.25 PRELIMINARY AND PROJECT EXPENDITURE

Expenditure incurred on projects is shown as other non-current assets and will be charged/capitalized in the year in which it is decided by the management to implement the project. Otherwise, in case, the management decides not to implement/close the project, expenditure on such project is charged to the Statement of Profit & Loss for the year in which such decision is taken.

*[Handwritten signatures]*



## HINDUSTAN SALTS LIMITED

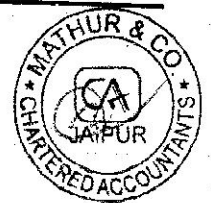
Notes on Financial Statements for the year ended 31st March, 2020

NOTE - 2 : SHARE CAPITAL	FIGURES AS ON 31.03.2020		FIGURES AS ON 31.03.2019	
(₹ In Lakhs)				
<b>Authorised</b>				
600,000 Equity Share (Previous year	6,000.00		6,000.00	
500,000 Equity Shares) of Rs. 1000/- each				
	<b>6,000.00</b>		<b>6,000.00</b>	
<b>Issued Subscribed and paid up</b>	5,205.96		5,205.96	
520596 Equity Share (Previous year 520596				
Equity Shares) of Rs. 1000/- each fully paid				
up (Out of above shares, 15,461 fully paid up				
shares allotted without payment being				
received in cash)				
	<b>5,205.96</b>		<b>5,205.96</b>	

NOTE - 2.1 : Details of Shareholders holding more than 5% Shares	FIGURES AS ON 31.03.2020		FIGURES AS ON 31.03.2019	
	No. of Shares Held		No. of Shares Held	
	% of Holding		% of Holding	
Hon'ble President of India	5,20,596	100%	5,20,596	100%

NOTE - 2.2 : Details of number of shares outstanding during the year	FIGURES AS ON 31.03.2020		FIGURES AS ON 31.03.2019	
	Number of Shares	Amount	Number of Shares	Amount
Shares outstanding at the beginning of the year	5,20,596	5,205.96	5,20,596	5,205.96
Shares Issued during the year				
Shares bought back during the year				
Shares outstanding at the end of the year	<b>5,20,596</b>	<b>5,205.96</b>	<b>5,20,596</b>	<b>5,205.96</b>







NOTE - 3 : RESERVES & SURPLUS	(₹ In Lakhs)	
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<b>Capital Reserve</b>		
As per the last Balance Sheet	1,026.29	1,026.29
Addition during the year		
Less : Adjusted During the year (Depreciation)		
<b>Total (A)</b>	<b>1,026.29</b>	<b>1,026.29</b>
<b>Surplus in Statement of Profit &amp; Loss</b>		
As per the last Balance Sheet	(1,328.62)	(1,454.23)
Add:- Profit/(Loss) during the year	-184.55	125.61
<b>Total (B)</b>	<b>(1,513.17)</b>	<b>(1,328.62)</b>
<b>Total (A+B)</b>	<b>(486.88)</b>	<b>(302.33)</b>

(i) In view of cumulative losses amounting to Rs. 1513.17 lakh (Previous Year 1328.62 lakh), no dividend has been declared during the year by the Company.

(ii) In view of cumulative losses amounting to Rs.5832.45 lakh (Previous Year 5573.18 lakh), no dividend has been declared by the Subsidiary Company, Sambhar Salts Limited.

NOTE - 4 : LONG TERM BORROWINGS	(₹ In Lakhs)	
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<b>UN-SECURED</b>		
Loans from Govt. of India, Ministry of Heavy Industry	120.00	195.00
Interest Accrued & due on Loans		
	<b>120.00</b>	<b>195.00</b>

Loan from Government of India and Interest accrued and due on loans are subject to reconciliations.

**NOTE - 4.1 : DETAILS OF GOVERNMENT LOAN (PAYABLE IN 5 YEARLY INSTALLMENT)**

S.NO.	LOAN AMOUNT			NORMAL RATE OF INTEREST (%)	PENAL RATE OF INTEREST (%)
		C.Y.	P.Y.		
1		150.00	150.00	11.50	14.25
2		678.50	678.50	12.50	15.25
3		37.79	37.79	15.50	18.25
4		75.00	75.00	13.50	16.00
5		300.00	300.00	11.50	14.00
	<b>Total</b>	<b>1241.29</b>	<b>1241.29</b>		
	Less: Overdue Current Maturities	1121.29	1046.23		
	<b>Balance Long Term Debts</b>	<b>120.00</b>	<b>195.00</b>		



Handwritten signatures and initials.

(₹ In Lakhs)

NOTE - 5 : LONG TERM PROVISIONS	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<b>FOR D C R G</b>		
Balance at the beginning of the year	162.73	227.73
Add: Provision for the year	43.15	3.19
Less: Payment during the year	29.32	68.19
<b>Total (A)</b>	<b>176.56</b>	<b>162.73</b>
<b>For Encashment of leave</b>		
Balance at the beginning of the year	125.05	126.67
Add: Provision for the year	47.15	37.09
Less: Payments/Adjustments during the year	53.57	38.71
<b>Total (B)</b>	<b>118.63</b>	<b>125.05</b>
<b>For Wastage of Stock of Salt</b>		
Balance at the beginning of the year	0.62	7.66
Add: Provision for the year	7.68	5.08
	<b>8.30</b>	<b>12.74</b>
Less: Wastage on Final Clearance of heaps during the year	7.57	12.12
	<b>0.73</b>	<b>0.62</b>
Deducted from Stock in Trade as per Contra	0.73	0.62
<b>Total (C)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B+C)</b>	<b>295.19</b>	<b>287.78</b>

The Company has provided gratuity liability on the basis of actuarial valuation as is required in terms of Accounting Standard No. 15.

(₹ In Lakhs)

NOTE - 6 : SHORT TERM BORROWINGS	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<b>SECURED</b>		
<b>Overdraft Account</b>		
State Bank of India		
Secured by Pledge of FDR of Rs. 86.43 lacs (P.Y. 81.34 lakh) on interest rate 7.90% P A (Previous Year 7.90% p a )		
<b>Cash Credit Account</b>		
State Bank of India		
on interest rate 10.05% P A (Previous Year 10.05% p a ) Secured by hypothecation of Stock and Book debts)		
<b>Total</b>	<b>-</b>	<b>-</b>



Handwritten signatures and initials: A, L, J, SA, and a signature with a flourish.

NOTE - 7 : TRADE PAYABLES	(₹ In Lakhs)	
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
Sundry Creditors for Goods Supplied	180.70	184.30
<b>Total</b>	<b>180.70</b>	<b>184.30</b>

(i) The required information under the Micro, Small and Medium Enterprises Development Act, 2006 is given in the note no 29-Additional Notes(xvii).

NOTE - 8 : OTHER CURRENT LIABILITIES	(₹ In Lakhs)	
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<u>Current Maturities of Long Term Debts</u>		
Loan from Govt of India (Including overdue amount)	1,121.29	1,046.29
<u>Interest Accrued and Due on Borrowing</u>		
Interest due on Loan from Govt of India	2,334.79	1,935.02
Advance receipts for the portion for which value is still to be given	37.29	39.01
Dues Payable to Govt. Departments	23.77	30.23
Unspent Grant in Aid for Swatch Bharat		5.00
<u>Other Payable</u>		
<u>Liabilities for Expenses</u>	251.52	298.44
Statutory Liabilities	18.27	7.77
<u>Other Liabilities</u>		
Security Deposits	173.85	147.89
Others	40.29	37.92
<b>Total</b>	<b>4,001.07</b>	<b>3,547.57</b>

*(Handwritten signatures and initials)*



(₹ In Lakhs)

**NOTE - 8.1 : AMOUNT AND PERIODS OF DEFAULTS**FIGURES AS ON  
31.03.2020FIGURES AS ON  
31.03.2019

In case of Continuing default as on the balance sheet date in repayment of loans and interest with respect to above:

1. Period of Default	1 to 13Years	1 to 12Years
2. Amount of Default	3,456.08	2,981.31

Loan from Government of India and Interest accrued and due on loans subject to confirmation and reconciliations.

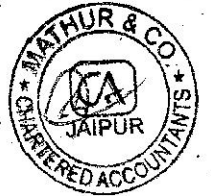
(₹ In Lakhs)

**NOTE - 8.2 : DETAILS OF GOVERNMENT LOAN (PAYABLE IN 5 YEARLY INSTALLMENT)**

S.NO.	LOAN AMOUNT	C.Y.	P.Y.	NORMAL RATE OF INTEREST (%)	PENAL RATE OF INTEREST (%)
1		150.00	150.00	11.50	14.25
2		678.50	678.50	12.50	15.25
3		37.79	37.79	15.50	18.25
4		75.00	75.00	13.50	16.00
5		300.00	300.00	11.50	14.00
	<b>Total</b>	<b>1241.29</b>	<b>1241.29</b>		
	<b>Less :- Long Term Debts</b>	<b>120.00</b>	<b>195.00</b>		
		<b>1121.29</b>	<b>1046.29</b>		

(i) The Company had taken land at Ramnagar on licence fee of Rs. 33506 plus service tax per year from N.E. Railway. The Railway has revised the rate of licence fee in respect of this land from time to time and at present the rate is Rs. 589850 /- per annum. The Company has represented against this revision and has insisted for keeping the licence fee at the original rate of Rs. 33506 plus service tax- per year. Pending decision of the case, no provision for the differential amount of Rs. 32.74 lakhs (previous year 30.40 lakhs) including liquidated damages of Rs. 2.67 lakhs (Previous Year 2.67 lakhs) has been made by the Company and a sum of Rs. 2.73 lakhs paid during the year 1995-96 has been shown as due from Railways.

*(Handwritten signatures)*





NOTE - 10 : NON CURRENT INVESTMENTS	₹ In Lakhs)	
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019

OTHER THAN TRADE INVESTMENT  
UN-QUOTED (AT COST)

Investment in Subsidiary Company Sambhar Salts Limited  
6000 Equity Shares (Previous Year 6000 Equity Share) of Rs.  
1000/- each, fully paid up

	60.00	60.00
<b>Total</b>	<b>60.00</b>	<b>60.00</b>

No provision for loss has been made in respect of the investment of Rs. 60.00 lacs made in Subsidiary Company Sambhar Salts Ltd. in the Books of Accounts in view of much higher net worth of the Subsidiary Company calculated on the basis of the market value of Fixed Assets which was last assessed by the Certified Assets Value in the year 2001.

**NOTE NO. 10.1 :Details of Other Investments**

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount	Whether stated at Cost Yes / No	If Answer to Column (9) is Basis of Valuation	
			2020	2019			2020	2019				
(1)	(2)	(3)	2020 (4)	2019 (5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
(a)	SAMBHAR SALTS LIMITED	Subsidiary	6000	6000	Unquoted	Fully Paid Up	60%	60%	60.00	60.00	Yes	N.A.
	<b>Total</b>		<b>6000</b>	<b>6000</b>					<b>60.00</b>	<b>60.00</b>		

18 A 2 2019



(₹ In Lakhs)

**NOTE - 11 : LONG TERM LOANS AND ADVANCES**FIGURES AS ON  
31.03.2020FIGURES AS ON  
31.03.2019

(₹ In Lakhs)		
<b>NOTE - 11 : LONG TERM LOANS AND ADVANCES</b>		
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<u>Security Deposits</u>		
Secured, considered good		
Unsecured, considered good		
Doubtful	28.62	35.48
Less: Provision for doubtful Loans and Advances		
<b>Total (A)</b>	<b>28.62</b>	<b>35.48</b>
<u>Other Loans and Advances</u>		
Secured, considered good		
Unsecured, considered good (Refer Note 11.1)		
Doubtful	874.40	1,263.00
Less: Provision for doubtful Loans and Advances		
<b>Total (B)</b>	<b>874.40</b>	<b>1,263.00</b>
<b>Total (A+B)</b>	<b>903.02</b>	<b>1,298.48</b>

(₹ In Lakhs)

**NOTE - 11.1 : Other Long Term Loans & Advances**FIGURES AS ON  
31.03.2020FIGURES AS ON  
31.03.2019

(₹ In Lakhs)		
<b>NOTE - 11.1 : Other Long Term Loans &amp; Advances</b>		
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<u>Loans and Advances to Subsidiary Company</u>		
Loan to Subsidiary Company (Sambhar Salts Ltd.)	874.40	1,263.00
<b>Total</b>	<b>874.40</b>	<b>1,263.00</b>

(₹ In Lakhs)

**NOTE - 12 : OTHER NON-CURRENT ASSETS**FIGURES AS ON  
31.03.2020FIGURES AS ON  
31.03.2019

(₹ In Lakhs)		
<b>NOTE - 12 : OTHER NON-CURRENT ASSETS</b>		
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
<u>Deferred Revenue Expenditure (to the extent not written off)</u>		
Desilting of Bittern Reservoir		
<u>Preliminary and Project Expenditure</u>		
Project expenditure Pending Allocation/Capitalisation	201.64	201.64
<b>Total</b>	<b>201.64</b>	<b>201.64</b>

**NOTE - 12.1 : PRELIMINARY & PROJECTS EXPENDITURE**

The Company has incurred total expenditure of Rs. 201.64 lakh (Previous Year 201.64 lakh) on the preparation of Detailed Project Report (DPR) and other preliminary and project related expenditure on new projects (Detailed Below) and shown under preliminary and project expenditure under other non current assets and will be charged/capitalized in the year in which it is decided by the management to implement the project. Otherwise, in case, the management decides not to implement/close the project, expenditure on such project is charged to the Statement of Profit & Loss for the year in which such decision is taken.

(₹ In Lakhs)

(₹ In Lakhs)			
S.No.	Name of the Project	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
1	Solution Mining Project Cum Salt Refinery Project	152.27	152.27
2	ITDC Project	9.43	9.43
3	Potassium Sulphate Project	0.37	0.37
4	Solar Energy Project	9.38	9.38
5	Salt Washry Project	29.39	29.39
6	Plan Projects	0.80	0.80
		<b>201.64</b>	<b>201.64</b>



104

NOTE - 13 : INVENTORIES	(₹ In Lakhs)	
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
(As taken valued & certified by the Management)		
STOCK & STORES (At cost or Net Realisable value whichever is less)		
a. Stores, stationary & Spare Parts	65.34	51.39
b. Raw Material	5.98	131.19
c. Release Material (At estimated relisable value)	0.62	0.62
d. Packing Material	18.07	18.80
e. Stock in Trade (Refer Note No. 13.1)	8.88	31.94
<b>Total</b>	<b>98.89</b>	<b>233.94</b>

NOTE - 13.1 : INVENTORIES	(₹ In Lakhs)	
	FIGURES AS ON 31.03.2020	FIGURES AS ON 31.03.2019
Stock in Trade (At cost or Net Realisable value whichever is less)		
Bromine	3.02	13.84
Less :Provision for wastage	-	-
<b>Total (A)</b>	<b>3.02</b>	<b>13.84</b>
Salt	3.32	12.90
Less :Provision for wastage of Salt	0.73	0.62
<b>Total (B)</b>	<b>2.59</b>	<b>12.28</b>
MGCL	3.27	5.82
Less :Provision for wastage	-	-
<b>Total (C)</b>	<b>3.27</b>	<b>5.82</b>
<b>Total (A+B+C)</b>	<b>8.88</b>	<b>31.94</b>

(i) Release Material includes stores, spares and other fixed assets which are no longer usable and are released/scraped in respective years and transferred to release material at book value. During the year Assets Scraps having book value of Rs. nil lakh (Previous Year Rs nil Lakh) are transferred to Release Material in Hand. Sale Proceeds of disposal of release material are shown as sale of scraps under the head other income in the Statement of Profit and Loss. Further, its also includes a sum of Rs. 0.62 lakhs (Previous Year Rs 0.62 Lakh ) being the estimated realisable value in respect of unserviceable material/Scrap lying in stores at Kharaghoda and Jaipur as the book value of these items are not ascertainable. The necessary adjustment will be made as and when these items are disposed off/ utilised.

(ii) Physical Verification of General Stores, materials at site, released materials was carried out during the year.

(iii) No provision for losses, if any, on the slow moving items laying in General Store has been made in the books and the same was shown in the inventory (Amount undetermined). In the opinion of the management the current value of slow moving item is more than the value taken.



H      R      L      SA →



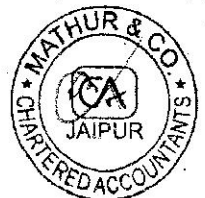
	(₹ In Lakhs)	
<b>NOTE - 14 : TRADE RECEIVABLES</b>	<b>FIGURES AS ON</b>	<b>FIGURES AS ON</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>
<u>Trade Receivables outstanding for a period less than six months from the date they are due for payment</u>		
Secured, Considered Good		
Unsecured, Considered Good	0.11	4.42
Less: Provision for Doubtful Debts	0.11	4.42
<b>Total (A)</b>	<b>0.11</b>	<b>4.42</b>
<u>Trade Receivables outstanding for a period exceeding six months from the date they are due for payment</u>		
Secured, Considered Good		
Unsecured, Considered Good	22.72	35.22
Unsecured consider Doubtful	9.18	1.14
Less: Provision for Doubtful Debts	31.90	36.36
	9.18	1.14
<b>Total (B)</b>	<b>22.72</b>	<b>35.22</b>
<b>Total (A+B)</b>	<b>22.83</b>	<b>39.64</b>

(i) During the year the Company has adjusted the amount of old receivables amounting to Rs. Nil lacs (Previous Year Rs Nil Lacs) against the provision, as these amount could not recovered in spite of best efforts in the opinion of the management of the company.

	(₹ In Lakhs)	
<b>NOTE - 15 : CASH &amp; Bank Balances</b>	<b>FIGURES AS ON</b>	<b>FIGURES AS ON</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>(A) Cash &amp; Cash Equivalents:- Balance with Bank:-</b>		
Balance in Current Accounts	70.20	14.96
Balance in Term Deposits*		
Cash-on Hand	0.42	0.54
Cheque in transit		10.50
<b>(B) Others Bank Balances FDRs more than 3 months</b>	<b>383.64</b>	<b>361.41</b>
<b>Total</b>	<b>454.26</b>	<b>387.41</b>

\*FDRs of Rs. 86.43 lakh pledged with SBI, Jaipur, Kharaghoda and Mandi (previous year Rs. 81.34 Lakh With SBI) towards security for OD Loan

	(₹ In Lakhs)	
<b>NOTE - 16 : SHORT TERM LOANS AND ADVANCES</b>	<b>FIGURES AS ON</b>	<b>FIGURES AS ON</b>
<b>(Recoverable in Cash or in Kind or for value to be received)</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
<u>Other</u>		
Secured, considered good		
Unsecured, considered good (Refer Note 16.1)	6,854.42	6,131.85
Doubtful	81.84	82.09
Less: Provision for doubtful Loans and Advances	6,936.26	6,213.94
	81.84	82.09
<b>Total</b>	<b>6,854.42</b>	<b>6,131.85</b>

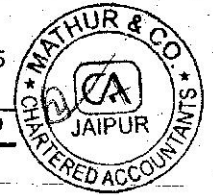


*(Handwritten signatures and initials)*

	(₹ In Lakhs)	
<b>NOTE - 16.1 : OTHER LOANS &amp; ADVANCES(UNSECURED)</b>	<b>FIGURES AS ON</b>	<b>FIGURES AS ON</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Loans and Advances to Related Parties</b>		
Loan to Subsidiary Co.	2,702.10	2,313.50
Interest Recoverable from Subsidiary Co.	3,805.49	3,505.49
Other Dues from Subsidiary Co.	47.56	12.12
<b>Total (A)</b>	<b>6,555.15</b>	<b>5,831.11</b>
<b>Others</b>		
Advance to Staff	0.86	0.62
Deposit with Govt. Semi Govt. Bodies	0.61	0.53
Income Tax Deducted at Source (C.Y.)	2.96	3.43
Income Tax Deducted at Source (P.Y.)	11.90	8.47
Advance Payment of Cess	-	-
Security Deposits*	10.74	10.74
Others	354.04	359.04
<b>Total (B)</b>	<b>381.11</b>	<b>382.83</b>
<b>Total (A+B)</b>	<b>6,936.26</b>	<b>6,213.94</b>

(i) Other Loans and Advances includes Rs. 1.26 lacs (Previous Year 2.20 lacs) against Security of Staff, Contractors and Other Received in the form of Term Deposits in Company's name.

	(₹ In Lakhs)	
<b>NOTE - 17 : OTHER CURRENT ASSETS</b>	<b>FIGURES AS ON</b>	<b>FIGURES AS ON</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>
Prepaid Expenses	8.30	3.64
Interest Accrued on Term Deposits	10.67	11.55
<b>Total</b>	<b>18.97</b>	<b>15.19</b>



The balance of Trade Receivable, Trade Payable, Loans and Advances, Salt Department and Other Government Departments are subject to confirmation and reconciliation if any.

# HINDUSTAN SALTS LIMITED

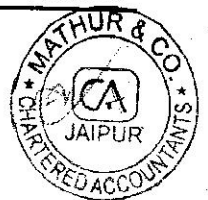
Notes on Financial Statements for the Year ended 31st March, 2020

NOTE - 18 : REVENUE FROM OPERATIONS	(₹ In Lakhs)	
	FOR THE YEAR 2019-20	FOR THE YEAR 2018-19
Sale of Products (Refer Note No. 18.1)	360.99	861.03
Less:		
Excise Duty		
<b>TOTAL</b>	<b>360.99</b>	<b>861.03</b>

NOTE - 18.1 : SALE OF PRODUCTS	(₹ In Lakhs)	
	FOR THE YEAR 2019-20	FOR THE YEAR 2018-19
<u>Common Salt</u>		
Indigenous	19.58	18.53
Export : (Not involving foreign currency)	-	-
Processed Salt/ MGCL	57.71	15.06
Bromine	270.26	751.38
De-Brominated Bittern	13.44	27.61
Gypsum	-	-
Operating Income from MGCL Plant	-	48.45
<b>TOTAL</b>	<b>360.99</b>	<b>861.03</b>

NOTE - 19 : OTHER INCOME	(₹ In Lakhs)	
	FOR THE YEAR 2019-20	FOR THE YEAR 2018-19
<u>Interest Income</u>		
Interest on FDR	24.58	32.30
Interest from Subsidiary Co.	767.65	718.76
Interest on Others	0.39	0.53
Interest from Income Tax Deptt.	-	-
<u>Other non-operation income (Net)</u>		
Misc. Receipts	1.32	3.82
Land Licence Fees	0.54	0.53
Sale of Scraps/Released Material	-	0.60
Sundry Cr. Balance Written Off	1.06	9.62
Adjustment of defect of salt	7.57	27.54
<b>TOTAL</b>	<b>803.11</b>	<b>793.70</b>

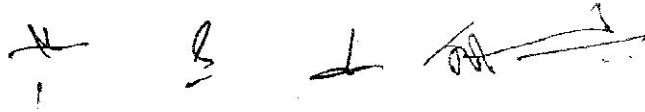




NOTE - 20 : COST OF MATERIAL CONSUMED	(₹ In Lakhs)	
	FOR THE YEAR 2019-20	FOR THE YEAR 2018-19
<u>Manufacturing Expenses</u>		
Manufacture & Excavation Expenses of Sait	2.89	6.23
Manufacture of Bromine	372.44	474.34
Manufacture of MGCL	42.28	23.17
Compensation of land revenue	0.41	0.06
Tools consumed/Written Off	-	-
Repair to Machinery	20.05	22.90
<b>TOTAL</b>	<b>438.07</b>	<b>526.70</b>

NOTE - 21 : CHANGES IN INVENTORY OF FINISHED GOODS & W.I.P	(₹ In Lakhs)	
	FOR THE YEAR 2019-20	FOR THE YEAR 2018-19
<u>Opening Stock</u>		
Salt	12.90	58.07
Bromine	13.84	32.21
MGCL	5.82	10.23
Work-in-Progress	-	-
<b>Total</b>	<b>32.56</b>	<b>100.51</b>
<u>Closing Stock</u>		
Salt	3.32	12.90
Bromine	3.02	13.84
MGCL	3.27	5.82
Work-in-Progress	-	-
<b>Total</b>	<b>9.61</b>	<b>32.56</b>
<b>Grand Total</b>	<b>22.95</b>	<b>67.95</b>

NOTE - 22 : EMPLOYEE BENEFITS EXPENSES	(₹ In Lakhs)	
	FOR THE YEAR 2019-20	FOR THE YEAR 2018-19
<u>Salaries, Allowances &amp; Other Benefits</u>		
Salaries & Allowances	326.66	372.37
Death Cum Retirement Gratuity including liability for earlier	43.15	3.19
Employer's Contribution (PF & DLI)	47.12	51.87
Group Gratuity Insurance Premium	50.77	56.22
Bonus	6.15	7.16
Staff Welfare Expenses	14.01	12.28
Workman compensation	-	0.09
Other Expenses	0.10	-
<b>TOTAL</b>	<b>487.96</b>	<b>503.18</b>





<b>NOTE - 23 : FINANCE COSTS</b>	(₹ In Lakhs)	
	<b>FOR THE YEAR 2019-20</b>	<b>FOR THE YEAR 2018-19</b>
Interest To Government of India	399.77	372.68
Interest To Bank	2.69	4.68
Interest To Others	-	-
<b>TOTAL</b>	<b>402.46</b>	<b>377.36</b>

<b>NOTE - 24 : OTHER EXPENSES</b>	(₹ In Lakhs)	
	<b>FOR THE YEAR 2019-20</b>	<b>FOR THE YEAR 2018-19</b>
Administrative Expenses (Refer Note No. 24.1)	67.56	94.77
Township Expenses and Other Social Overhead (Refer Note No. 24.2)	9.92	18.71
Selling & Distribution Expenses (Refer Note No. 24.3)	4.71	10.68
Amounts/Stores Written Off (Net) including penalty & Damageg	0.77	1.00
Provision for Bad & Doubtful Debts/Advances	9.18	54.70
Research & Development	1.60	2.76
Less: Net from Development Research Reserve	-	-
Provision for Wastage on Salt Stocks	0.73	0.64
Add Deficit of Stock of Salt on Final Clearance of heaps	7.57	27.53
Less Deficit of Stock of Salt Written Off Out of Provision	0.62	7.67
<b>TOTAL</b>	<b>101.42</b>	<b>203.12</b>





(₹ In Lakhs)

<b>NOTE - 24.1 : ADMINISTRATIVE EXPENSES</b>	<b>FOR THE YEAR 2019-20</b>	<b>FOR THE YEAR 2018-19</b>
Travelling & Conveyance Expenses	5.56	8.55
Postage Telegram & Telephones	4.00	4.90
Rent Expenses	2.28	4.44
Rates & Taxes	0.15	0.15
Insurance Charges	1.89	2.39
<u>Payment to Auditor</u>		
As Audit Fee	1.04	1.04
As Tax audit fee	0.41	0.41
As TA/DA Expenses	0.34	0.37
As Other Capacity	0.45	0.26
<u>Internal Auditor Remuneration</u>		
As Audit Fee	0.30	0.24
As TA/DA Expenses	0.25	0.51
As Other Capacity		
Guest House Expenses	0.45	1.19
T.A. to Directors	1.78	2.25
Trust Audit Fee	0.15	0.15
Other Office Expenses	31.15	34.61
Running & Mtc. of Vehicle	14.12	20.19
Other Repairs	3.24	13.12
<b>TOTAL</b>	<b>67.56</b>	<b>94.77</b>

(₹ In Lakhs)

<b>NOTE - 24.2 : TOWNSHIP EXPENSES AND OTHER SOCIAL OVERHEADS</b>	<b>FOR THE YEAR 2019-20</b>	<b>FOR THE YEAR 2018-19</b>
<u>Township Expenses</u>		
Maintenance of Building/Roads	6.36	8.95
Maintenance of Library	-	-
Sanitation	5.92	5.43
Water Supply	0.10	0.20
Mtc. Of Electricity	5.63	7.68
Depreciation	0.74	0.77
<b>Total (A)</b>	<b>18.75</b>	<b>23.03</b>
<u>Less: Receipts</u>		
House Rent	10.11	6.85
Ground Rent	1.10	1.49
Electricity	-	-
<b>Total (B)</b>	<b>11.21</b>	<b>8.34</b>
Reim. Of Medical Exp. And Cost of Medicines & Medical contingencies	2.04	1.68
Other Expenses	0.34	2.34
<b>Total (C)</b>	<b>2.38</b>	<b>4.02</b>
<b>Total (A-B+C)</b>	<b>9.92</b>	<b>18.71</b>



Handwritten signatures and initials at the bottom of the page.

NOTE - 24.3 : SELLING & DISTRIBUTION EXPENSES	(₹ In Lakhs)	
	FOR THE YEAR 2019-20	FOR THE YEAR 2018-19
Packing & Forwarding Despatch Charges	3.86	7.14
Advertisement & Publicity	0.85	3.18
Discount & Commission	-	-
Business Promotion Expenses	-	-
Other Expenses	-	0.36
<b>TOTAL</b>	<b>4.71</b>	<b>10.68</b>

A      B      C      SA →



(₹ In Lakhs)

	FOR THE YEAR		FOR THE YEAR	
	2019-20	2018-19	RECEIPTS	EXPENSES
<b>NOTE- 25 : PRIOR PERIOD INCOME/ (EXPENSES) / ADJUSTMENTS</b>				
Manufacture & excavation charges	0.83	7.25		0.35
Salaries, Allowance & Other benefits	0.17	0.84		0.03
Administrative Expenses	0.60	2.51		0.54
Selling & Distribution Exp.	-	-		-
Township & Other Social Overhead	-	0.09		-
Other Expenses / Adjustments	-	-		-
(Including for deficit of salt)	-	-		-
Misc. Income/ Adjustment sales	-	-		0.01
Excess interest receivable from subsidiary company written back	4.43			0.94
Excess Interest charged on Govt Loan in earlier year written back				
<b>NET INCOME/EXPENDITURE</b>	<b>1.60</b>	<b>8.53</b>		<b>1.87</b>
Less: Share of Common HO Expenses as apportioned to Sambhar Salts Limited	0.05	1.80	0.73	0.32
	<b>1.55</b>	<b>5.19</b>	<b>7.80</b>	<b>1.55</b>
<b>NET RECEIPTS/(EXPENSES)</b>	<b>-</b>	<b>-3.64</b>		<b>6.25</b>



Handwritten signature and initials, possibly 'SA' and 'L'.



**NOTE - 26 : EARNINGS PER SHARE****FOR THE YEAR  
2019-20****FOR THE YEAR  
2018-19**Profit (+) / Loss (-) as per statement of Profit and Loss usual  
as the numerator

-184.55

125.61

Weighted Average Number of Equity Shares usual a  
denominator

Basic Number of Shares

5,20,596

5,20,596

Diluted Number of Shares

5,20,596

5,20,596

Face value as per Equity Share( In ₹)

1,000

1,000

Earnings per equity share:

Basic EPS ( In ₹)

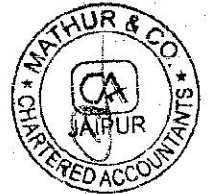
-35.45

24.13

Diluted EPS ( In ₹)

-35.45

24.13



**NOTE NO. 27:- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS TO THE EXTENT NOT PROVIDED FOR**

**A. Contingent Liabilities**

- I. Claim of Gujarat Electricity Board for Rs 21.13 lakh (excluding interest if any) (Previous year Rs 21.13 lakh) for Kharaghoda unit. Matter being sub judice.
- II. Claim of N.E. Railway towards differential License Fee of Railway land at Ramnagar Unit Rs32.74 lakh and interest if any (Previous year Rs 30.40 lakh) being sub judice .
- III. In respect of Agricultural and Non-agricultural assessment demand for Rs 85.64 lakhs (plus interest if any) raised by Taluka Vikas Adhikari, Patri (Gujarat). The matter is under dispute and the Company did not received any demand thereafter. However, subsequently demand for Rs 5.51 lakh (plus interest if any) was raised for which the stay was obtained from the Hon'ble High Court of Gujarat. The Hon'ble High Court of Gujarat has since disposed of the case and directed to form a high power Committee consisting of representatives of State & Central Govt. The dispute is still pending with High Power Committee Now the Taluka Vikas Adhikari, Patri has revised the claim to Rs 272.80 lakh (plus interest) (previous year Rs 272.80 lakh) (plus interest).
- IV. Liability on account of revision of pay scales of employees covered under CDA and I.D.A. pattern. (Amount not ascertainable as not yet finalized).
- V. Other claims lodged but not acknowledged as debt by the Company Rs 31.22 lakh plus interest if any (Previous year Rs 31.22 lakh).
- VI. Claim of H.P Government towards Royalty on Rock Salt in Mandi Unit Rs 19.95 lakhs (Previous year Rs 19.95 lakhs)
- VII. Liability if any, on account of Bank guarantee amounting to Rs 10.00 Lakh (Previous Year Rs 10.00 Lakh) issued by SBI Jaipur in favour of Regional Control of Mines Indian Bureau of Mines.
- VIII. Claims on account of labour, service, land and other matters for the suits pending in different Courts - Amount indeterminate.
- IX. Other cases in which the Company is contingently liable (amounts not ascertainable except as and where specified).
- X. Liability for award given by Arbitrator on 14<sup>th</sup> July 2018 of Rs 90.10 Lakh ( Including Interest, Cost of Arbitration and watch & ward expenses of Rs 24.96 Lakh) for the office building at Sitapura Jaipur as the matter is subjudice before honorable High Court of Rajasthan

**B. Capital Commitments**

- I. Estimated amount on account of contract remaining to be executed on Capital accounts Rs 652.31 lakhs (previous year Rs 652.31 lakh).
- II. Liability on Account of equity participation with H.P. Government for Solution Mining Cum Caustic Soda Project at Mandi amounting to Rs 43.55 Lakh (Previous Year Rs 43.55 Lakh).



*[Handwritten signatures and marks]*

**NOTE - 28 : RELATED PARTY DISCLOSURES**

Disclosure in compliance of Accounting Standard- 18 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given as under:-

Key Management Personnel

Shri A.K.Jain CMD Additional charge w.e.f.01.04.2019 to 30.9.2019)

Shri Ashok Das CMD Additional charge w.e.f.01.04.2019 to 5.8.2020

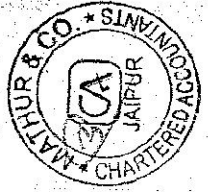
MS Sumona Majumdar, Company Secretary

Subsidiary Company

Sambhar Salts Limited

Details of transactions	Key Management Personnel		Sambhar Salts Ltd. (Subsidiary Company)		Closing Balance	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
	(₹ In Lakh)					
Remuneration	8.18	24.82	-	-	-	-
Other Benefits	3.84	9.22	-	-	-	-
Purchase of Goods	-	-	-	1.15	-	-
Transfer of Assets/Stores	-	-	-	-	-	-
Loan Given	-	-	-	-	-	-
Interest on Loan	-	-	767.65	718.76	3,576.50	3,576.50
Share of Corporate Office Expenses apporportioned to Sambhar Salts Ltd (Net)	-	-	183.82	228.11	-	-
Excess interest receivable from subsidiary company for earlier year written back	-	-	-	-	-	-
Share of Corporate Office Prior Period Expenses apporportioned to Sambhar Salts Ltd (Net)	-	-	1.75	-0.40	-	-

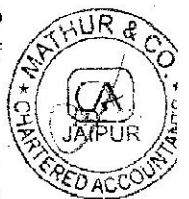
The restrictive use of Company's chauffeur driven Car for the Company's Chairman & Managing Director against payment of Rs. 2000/- per month has not been considered as a perquisite in his hands.



12/4/20

## NOTE NO. 29:- ADDITIONAL NOTES

- (i) In lieu of issue of shares by the Company to the Government of India on its formation, possession of assets at Kharaghoda and Mandi has been acquired by the Company pending finalization of formal Agreement. No agreement has been made so far in this regard.
- (ii) No adjustment regarding deferred tax has been worked out in view of insufficient profits in current year and near future and also there is no reasonable certainty for sufficient future taxable income. Therefore based on prudence Deferred Tax Assets have not been recognized.
- (iii) Company was declared Sick Company under Section 3(1)(O) of the SICA Act on 13.6.2000. The BIFR had appointed Industrial Development Bank of India (IDBI) as the operating agency u/s 17(2) of the Act to examine the viability of the Company and to formulate a rehabilitation scheme for its revival. IDBI had submitted the viability report to the BIFR on 22.8.2005.
- BIFR had sanctioned the Revival Scheme on the basis of Draft Rehabilitation Scheme (DRS) submitted by the Operating Agency on 22.8.2005. The Govt. of India, DHI approved the Draft Rehabilitation Scheme (DRS) on the basis of the recommendation Board of reconstruction of Public Sector Enterprises (BRPSE).
- In view of the positive net worth, BIFR has delisted the Company from the purview of SICA Act vide Order dated 15.12.2008.
- (iv) No provision for Income-Tax and MAT has been made during the year due to accumulated book losses & unabsorbed depreciation of previous year brought forwarded in the books of Company.
- (v) The company operates the single line of business/product viz. Salt and its related activities as such segment reporting is done on a single segment basis.
- (vi) During the year deficit in stock of salt amounting to Rs 7.57 Lakh at Kharaghoda on final clearance of salt heap against the existing provision for wastages of salt of Rs 0.62 Lakh adjusted in the books subject to approval of competent authority. The matter is under examination
- (vii) The deficit of salt found in the year 2018-19 at Ramnagar Depot of Rs 15.41 Lakh on selling out the entire quantity available in the Godown adjusted in the books subject to approval of competent authority. The matter is still under investigation / examination
- (viii) Adjustment has been carried out in respect of WDV of old Bromine Plant building at Kharaghoda of Rs 13.05 Lakh which was declared unsafe by the factory inspector. However, the running of the both Bromine Plants have been discontinued in April 2019 in view of the repair / reconstruction work for old bromine plant are carried out
- (ix) No adjustment has been carried out for Refinery Plant at Kharaghoda for the work awarded on turnkey basis. The contractor has not completed the work so far. The payment made to contractor of Rs 198.89Lakh has been shown under the note No 16 as Loan and Advances of the Balance Sheet
- (x) Government of India. was decided to provide Grant-in-Aid to the company vide letter no. 19-09/2005-PE-V dt.01.02.2012 for disbursement of pension. During the current year Company has received Rs. 230.00 lacs (Previous Year Rs200 Lakh) as grant-in-aid



- (xi) At Kharaghoda MGCL Plant was given to M/s Mayur Stone for running the operation. The company was to receive the sum of Rs 1112 per ton production with minimum production 525 MT in a month from April 2018 and taken back on 9<sup>th</sup> Jan-2019. Afterwards 411.MT MGCL was sold of Rs 12.04 Lakhs by the company from the quantity of mayor stone available on 9<sup>th</sup> Jan 2019 and same amount has been credited to party account. The remaining stocks as on 31<sup>st</sup> March 2020 of 5 MT MGCL belongs to party are lying in the plant and not taken in the Stock in hand. The above matter is still under conciliation.
- (xii) The company has received Grant in Aid from Ministry of Heavy Industry , Govt of India under Swachhta Action Plan of Rs 5 Lakh in 2018-19 for cleaning of Sambhar Lake. During the year the said amount given to subsidiary company Sambhar Salts Ltd. and same has been utilized for the purpose by SSL
- (xiii) The company is having the land as per detail below :-

(₹. in Lakh)

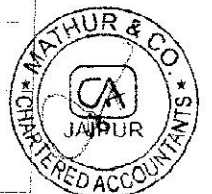
	JAIPUR		KHARAGHODA		MANDI		RAMNAGAR	
	AREA	VALUE	AREA	VALUE	AREA	VALUE	AREA	VALUE
1. Free Hold Land	-	-	23596 Acres	24.54	702.75 Sq. Mtr	37.92	-	-
2. Leased Hold Land	2048 Sq. Mtr.	5.53	-	-	133.116 Acres	-	4712.61 Sq. Mtr	-
							(On licence Fee)	

Further there is no encroachment in Run area in Kharaghoda unit (Gujarat), Mand (H.P. ) and Ram Nagar (Uttarakhand)

- (xiv) In the opinion of the management, current assets, loans and advances are based on the realizable value in the ordinary course of business and provision for all liability, except as otherwise stated has been provided.
- (xv) The balance of Trade Receivable, Trade Payable, Loans and Advances, Salt Department and Other Government Departments are subject to confirmation and reconciliation if any. Loan from Government of India and Interest accrued and due on loans subject to confirmation and reconciliations and no payment against loan along with the interest was made since 2005 except Rs 12.21 Lakh paid in 2009
- (xvi) "The company has considered the possible financial effects that may result from the pandemic relating to COVID-19 on the carrying amount of receivable, revenue, loans & advances etc. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of these financial statements, has used internal and external sources of information on the expected future performance of the company".
- (xvii) The information regarding Amount and interest due to suppliers registered under the MSMED Act are as under:-

Rs in lakhs

Sl. No	Particulars	As on	
		31.3.2020	31.3.2019
1	<b>Principal amount due</b> to suppliers registered under the MSMED Act and remaining unpaid as at year end	64.16	57.28
2	<b>Interest due</b> to suppliers registered under the MSMED Act and remaining unpaid as at year end	Nil	Nil
3	<b>Principal amounts paid</b> to suppliers registered under the MSMED Act, beyond the appointed day during the year	34.79	70.06
4	<b>Interest paid</b> , other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil



*(Handwritten signatures and initials)*

5	<b>Interest paid</b> , under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
6	<b>Interest due and payable</b> towards suppliers registered under MSMED Act, for payments already made	Nil	Nil
7	Further <b>interest remaining due and payable</b> for earlier years	Nil	Nil

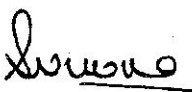
(xviii) **Additional Information**

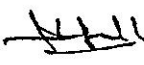
		(₹. in Lakh)			
(i)	C.I.F. Value of Imports	2019-20		2018-19	
i(a)	Raw Materials	Nil		Nil	
i(b)	Components & Spare Parts	Nil		Nil	
i(c)	Capital goods	Nil		Nil	
ii.	Expenditure in Foreign Currency	Nil		Nil	
iii.	Earnings in Foreign Exchange	Nil		Nil	
iv(i)	Remittances in foreign currencies on account of dividends	Nil		Nil	
iv(ii)	Number of Non-Resident Shareholders	Nil		Nil	
V	Value of imported and indigenous raw materials, stores, spares and components consumed				
		Raw-material		Stores, Spares and Components	
		%	(Rs. in Lakh)	%	(Rs. in Lakh)
(a)	Imported	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
(b)	Indigenous	100% (100%)	240.67 (206.63)	100% (100%)	59.07 (51.97)

(xix) Additional quantitative information is placed at Annexure-A and details of expenditure incurred on raw materials, wages, power & fuel and stores is placed at Annexure -B

(xx) Figures for the previous year have been regrouped/rearranged wherever considered necessary so as to make these comparable with current year's figures.

(xxi) Figures are rounded off to lakhs of rupees with two decimal place.

  
(Sumona Majumdar)  
Company Secretary

  
(S K Tak)  
G.M.(F&A)

  
(SHANKAR LAL AGARWAL)  
Director  
DIN-07182357

  
(CMDE KAMLESH KUMAR (Retd.))  
Chairman & Managing Director  
DIN-8884327

in terms of our report of even date annexed hereto

**For Mathur & Co**

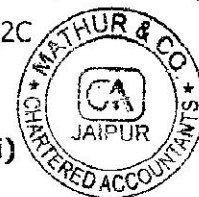
Chartered Accountants

Firm Registration No. 001952C

  
(Manisha Maheshwari)

Partner

Membership No. 079617



Place : Jaipur

Dated : 24 SEP 2020



**ANNEXURE-B**

**DETAILS OF EXPENDITURE INCURRED ON RAW MATERIAL, WAGES, STORES & SPARES, POWER & FUEL AS INCLUDED IN RESPECTIVE HEADS FOR THE YEAR ENDED 31ST MARCH, 2020**

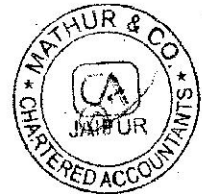
Particulars	Raw Materials	Wages	Stores & Spares	Power & Fuel	Others (Net)	Total For	
						2019-20	2018-19
Manufacturing/iodisation Expenses	240.67	108.38	54.09	23.10	11.83	<b>438.07</b>	<b>526.70</b>
Administrative Expenses	-	5.43	4.99	10.45	46.69	<b>67.56</b>	<b>94.77</b>
Social Overheads	-	7.35	0.52	5.48	7.78	<b>21.13</b>	<b>27.06</b>
Selling & distribution	-	3.85	0.01	-	0.85	<b>4.71</b>	<b>10.68</b>
Other Misc. Expenses / Adjustment	-	1.16	0.44	-	0.77	<b>2.37</b>	<b>3.76</b>
Previous year expenses	-	0.05	-	-	6.94	<b>6.99</b>	<b>1.87</b>
<b>Total</b>	<b>240.67</b>	<b>126.22</b>	<b>60.05</b>	<b>39.03</b>	<b>74.86</b>	<b>540.83</b>	<b>664.84</b>
<b>Previous year figures</b>	<b>206.63</b>	<b>135.46</b>	<b>51.97</b>	<b>115.20</b>	<b>155.58</b>	<b>664.84</b>	<b>685.16</b>

*N*

*S*

*SA*

*SA*



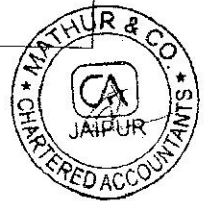


**STATEMENT PURSUANT TO SECTION 129 (3) READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES 2014 RELATING TO THE SUBSIDIARY COMPANY SAMBHAR SALTS LIMITED**

Reporting Period for the subsidiary company	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020
Reporting Currency	Indian Rupees (₹)
Share Capital	Authorised 200 Lakhs Paid up 100 Lakhs
Reserve & Surplus	(4768.61) Lakhs
Total Assets	3745.40Lakhs
Total Liability	3745.40Lakhs
Investments	Nil
Turnover	2290.26 Lakhs
Profit Before Taxation	(259.27) Lakhs
Provision for Taxation	Nil
Profit After Taxation	(259.27) Lakhs
Proposed Dividend	Nil
% of Share holding	60 %

Note :-

1. Name of Subsidiaries which are yet to commence operations :-  
Nil
2. Name of Subsidiaries which have been liquidated or sold during the year :-  
Nil



*[Handwritten signatures and initials]*