



साँभर साल्ट्स लिमिटेड

SAMBHAR SALTS LIMITED

55वाँ वार्षिक प्रतिवेदन

55th ANNUAL REPORT

2019-20

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Board of Directors

Chairman & Managing Director
CMDE Kamlesh Kumar (Retd.)

Government Directors

Shri Anand Kumar, IAS, Principal Secretary, Revenue, GOR
Smt. Archana Singh, IAS, Commissioner, Industries Department, GOR
Shri Uday Singh Mina, Director, DPIIT cum Salt Commissioner, GOI
Smt. Parveen Gupta, Director, Department of Heavy Industry, GOI
Shri Satyendra Kumar, Director (T.T.) (POL), Ministry of Railways, GOI

Independent Directors

Smt. Kavita Chaudhary
Shri Shankar Lal Agarwal
Shri Hari Mohan Johari

Auditors

M/s J.N. Gupta & Co.,
Chartered Accountants, Dausa

Company Secretary

Shri Vikas Yadav

Bankers

State Bank of India
Punjab National Bank

Registered Office

G-229, Sitapura Industrial Area,
Tonk Road, Jaipur-302022

CORPORATE OBJECTIVES

VISION

Be a dominating player in salt 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 resources.

Increase the market share of SSL.

**Chairman's Statement
At the 55th Annual General Meeting**

Dear Shareholders,

It is an honour and a privilege to present the 55th Annual Report of your company. The company started its journey almost 56 years' back. Your company is the only CPSE engaged in the Salt manufacturing processes. Your company continues with its task to build business with long term goals based on intrinsic strength in terms of its brands, quality manufacturing process and customer relationship.

I am writing to you at a time when the entire world is combating with the COVID-19 pandemic, which has far reaching consequences on societies, economies and businesses across the globe. Your company has undertaken various steps to deal with COVID-19 situation and responded with agility to minimise the impact. Business continuity & preparedness have been ensured during the lockdown through the 'work-from-home' mode.

The Director's Report on the working of your company, Audited accounts for financial year 2019-20 and Auditor's Report thereon have been with you. With your permission, take them as read. I would like to underline a few salient features regarding the achievements, constraints and tasks ahead:

Company's Performance

You as our shareholders have shown great faith and belief in what we are doing and that gives us the strength and determination to keep exceeding your expectations. I am pleased to inform that during the financial year 2019-20, turnover of your company has increased from ₹ 2127.88 lakh to ₹ 2290.26 lakh. Loss for the year was decreased to ₹ 259.27 lakhs as compared to ₹ 1083.06 lakhs in the previous year. This is mainly due to salt sold at higher prices and savings in expenditures. During financial year 2019-20, company has produced 181596 MT common salt and 16341 MT processed salt as compared to 251478 MT Common Salt and 19120 MT Processed Salt in previous year. In view of the cumulative deficit, no dividend has been declared by the company for the year 2019-20.

Company has complied with the conditions of corporate governance as stipulated in the guidelines on corporate governance for Central Public Sector Enterprises. During the year, Industrial relations in your company remained cordial.

Significant Initiatives during the year:

Development of theme based Tourism project at Sambhar.

SSL is undertaking the infrastructure development on sustainable basis aligning its objective with the objective of GoI & GoR regarding promoting tourism at Sambhar Lake and has awarded contract for creating sustainable infrastructure that includes Planning, Implementation, Operation & Maintenance of Tourism Activities at Sambhar Lake on Revenue sharing basis. The revenue will gradually enhance from year to year.

Nawa Salt Refinery

Salt Refinery of 1 Lakh MT of annual capacity has been installed at Nawa. To capture the market share and enhance revenue, strategy is being chalked out to penetrate the products manufactured at Nawa Salt Refinery into the market with huge quantity.

Solar Power Plant: Company entered into PPP with M/s Sherisha Solar SPV Two Private Limited for Design, Manufacture, Supply, Erection, Testing and Commissioning including Warranty, Operation & Maintenance of 750 KWP scalable upto 1000 KWP. Presently, 750 KWP is under installation at Sambhar. 400 KWP is expected to be ready by 15th January, 2021 and remaining 350 KWP is expected to be ready by March, 2021.

Future Outlook:

Development of new area for production of salt:

In order to enhance production capacity of common salt, company is exploring and developing the untapped, huge abandoned areas. Company is developing abandoned area for production of good quality Pan Salt to be used in Refinery to increase revenue.

Marketing Initiatives:

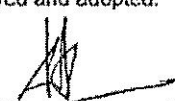
Efforts are being made for capacity building, improving the brand image, introducing value added products, enhancing geographical reach and geographical tagging for the unique products.

Outsourcing of Refineries:

Company is planning for outsourcing of Nawa Salt Refinery and Gudha Salt Refinery with a view to enhance the capacity of plants and reduce the cost and earn more revenue.

We are confident about maintaining business momentum and delivering a strong performance in the coming years with continuous expansion of business in new geographical areas and increasing customer base.

I take this opportunity to thank the Government of India, various State Governments, officers of Ministry of Heavy Industries and Public Enterprises, Niti Aayog, Bankers, Business Associates, Salt Commissioner's office, Railway Board and major customers for their advice and continued support extended. I am also thankful to all my colleagues on the Board for their valued guidance and counsel. The officers, staff and workers of the company also deserve thanks for their dedicated work and cooperation. In conclusion, I would like to thank you for sparing your valuable time and to participate in the proceedings, as a shareholder of the company. I look forward to inspiration, help, cooperation and assistance from you all in the coming months. I now move to the Director's Report as well as the audited balance sheet and the statement of profit and loss for the year 2019-20. It is requested that Director's report as well as the annual accounts be approved and adopted.


(CMDE Kaplesh Kumar (Retd.))
(Chairman & Managing Director)

Place: Jaipur
Date: 17.12.2020

DIRECTORS' REPORT (2019-20)

To
The Members,

On behalf of the Board of Directors of Sambhar Salts Limited, Jaipur, we are delighted to present the 55th Annual Report of your company along with audited financial statements for the financial year 2019-20.

The company has achieved a top line of ₹ 22.90 crore during the financial year as compared to ₹ 21.27 crore in the previous year. The company is catering to the salt industry across the length and breadth of the country for last 56 years. SSL is the only CPSE engaged in the Salt manufacturing processes.

FINANCIAL PERFORMANCE:

The Company's financial highlights are as provided below:

| Particulars | ₹ in Lakh | |
|--|------------------|------------------|
| | 2019-20 | 2018-19 |
| Revenue from Operations | 2290.26 | 2127.88 |
| Other Income | 228.24 | 180.53 |
| Total Income | 2518.50 | 2308.41 |
| - Add/Less: Accretion (+), Decretion of stock(-) | (14.21) | (347.09) |
| Less: Expenditure for the year excluding depreciation and interest (Net) | 1749.66 | 2049.30 |
| Adjustments relating to prior period | (21.70) | (5.29) |
| Profit before depreciation and interest | 732.93 | (93.27) |
| Less: Depreciation | 219.67 | 249.14 |
| Profit after depreciation | 513.26 | (342.41) |
| Less: Interest | 772.53 | 740.65 |
| - Profit after depreciation and interest | (259.27) | (1083.06) |
| - Net Profit for the year | (259.27) | (1083.06) |
| - Total Carry forward losses | (5832.45) | 5573.18 |

During the year 2019-20, turnover of your company has increased from ₹ 2127.88 lakh in the previous year to ₹ 2290.26 lakh in the current year. With this year's loss, the carry forward losses of the company as on 31st March, 2020 are ₹ 5832.45 lakhs in comparison to previous year ₹ 5573.18 lakhs. The loss in the current year has decreased due to salt sold at higher prices and savings in expenditures.

Your company continues with its task to build business with long term goals based on intrinsic strength in terms of its brands, quality manufacturing process and customer relationship. It accords high priority to rationalizing and streamlining operations to bring reduction in costs.

STATE OF COMPANY'S AFFAIRS

The Company entered into MOU with its holding company Hindustan Salts Limited to set the performance targets for the year 2020-21.

The Company's loss for the financial year 2019-20 is low as against the previous year mainly due to salt sold at higher prices and saving in expenditures.

The Authorised and Paid up share capital of your Company remained unchanged during the year at ₹ 200 lakhs and ₹ 100 lakhs respectively. The share capital of the company is subscribed by Hindustan Salts Limited, its holding company and Government of Rajasthan in the ratio of 60:40.

SSL was incorporated with an objective to take over the Salt Works, which were earlier owned and managed by its holding company HSL, at Sambhar Lake. The company has over 90 sq. miles area at Sambhar, Gudha and Nawa in Rajasthan. The company has diversified the business on many counts and considerable infrastructure has been added to produce various varieties of high quality salt to cater to the market demand. It has salt refinery at Gudha & Nawa and process salt plant at Sambhar. Salt Refinery of 1 Lakh MT of annual capacity has been installed at Nawa. To capture the market share and enhance revenue, strategy is being chalked out to penetrate the products manufactured at Nawa Salt Refinery into the market with huge quantity.

Comparison of the physical performance of your Company vis-à-vis previous year is given as follows:-

| Particulars | Quantity in M.T. | |
|---|------------------|---------|
| | 2019-20 | 2018-19 |
| Production: | | |
| Common Salt | 181596 | 251478 |
| Processed Salt | 16341 | 19120 |
| Sales/ Issues: | | |
| Common Salt | 147673 | 248020 |
| Processed Salt | 14862 | 17210 |
| Inventory at the close of the year after adjustment: | | |
| Common Salt | 32925 | 39863 |
| Processed Salt | 1246 | 674 |
| Refined Salt | 1263 | 1337 |

PRODUCTION

The production of common salt in FY 2019-20 is 181596 MT as against previous year 251478 MT, which is a decrease of 27.78 %. The production of processed salt has decreased by 2779 MT.

SALES

The Company sold 162535 MT of common salt and processed salt of during the financial year as against 265230 MT in previous year.

EXPORTS

The company is making all efforts for export of salt in financial year 2020-21.

INVENTORIES

The physical inventory of common salt of the company was 32925 MT at the close of the year against 39863 MT in the previous year.

SHARE CAPITAL STRUCTURE

The paid up Equity Share Capital as at 31st March, 2020 stood at Rs. 1.00 crore. The Hindustan Salts Limited and Rajasthan Government hold 60% and 40% of equity shares respectively.

DIVIDEND

In view of the cumulative deficit, no dividend has been declared by the company for the year 2019-20.

BORROWING

Borrowing from Hindustan Salts Limited (Holding Company) was ₹ 3576.50 as on 31.03.2020. The interest accrued/ payable on loan as on 31.03.2020 has increased to ₹ 3805.49 lakhs as against ₹ 3505.49 lakhs as on 31.03.2019. The short term borrowing of the company from banks was nil as on 31.3.2020 against ₹ 167.96 lakhs as on 31.03.2019.

TRANSFER FROM GENERAL RESERVES

Your Company has not transferred or proposed to transfer any amount to any reserve as on 31.03.2020.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review-

- Consequent upon relieving of Shri S.P. Bansal on 31.03.2019, Shri A.K. Jain, Managing Director, REIL was appointed as Chairman & Managing Director (Addl. Charge) w.e.f. 01.04.2019.
- Consequent upon relieving of A.K. Jain on 30.09.2019, Shri Ashok Das, GM (BHEL) Haridwar was appointed as Chairman & Managing Director SSL (Addl. Charge) w.e.f. 01.10.2019.
- Shri Muktanand Agrawal, Commissioner, Industries Department, Govt. of Rajasthan was appointed as Director w.e.f. 31.01.2019 in place of Dr. Krishna Kant Pathak.
- Shri Shankar Agarwal, Shri Hari Mohan Johari and Smt. Kavita Chaudhary were appointed as Independent Directors on the Board w.e.f. 21.01.2020.

KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of section 203 of the Companies Act, the key managerial personnel of the Company are Shri A.K. Jain, CMD (from 01.04.2019 to 30.09.2019), Shri Ashok Das, CMD (from 01.10.2019 to 31.03.2020) and Shri Vikas Yadav, Company Secretary.

DECLARATION BY INDEPENDENT DIRECTORS:

The independent directors have submitted the declaration of Independence as required pursuant to section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence.

QUALITY & RELIABILITY:

SSL pursues continual improvement in the quality of its products and performance leading to customer delight through commitment and team work of employees. SSL is committed to deliver value to its clients through significant investments in quality in process of manufacturing of salt.

DEPOSITS:

The company has not accepted any deposits during FY 2019-20.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 as required under Section 92 of the Companies Act, 2013 is included in this report as Annexure-A and forms an integral part of this report.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has constituted an Internal Complaints Committee to prevent and prohibit from any sexual harassment at workplace and redress any such grievance of woman employees as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No complaint of sexual harassment received during the FY 2019-20.

CONSERVATION OF ENERGY, EXPENDITURE ON RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

As required under section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars relating to the conservation of energy, technology absorption, expenditure on research & development and foreign exchange earnings and outgo are:

A. Conservation of Energy**a) Energy Conservation measures taken:-**

The following steps were taken to minimize the energy consumption.

- Use of LED bulbs & Tubes in office premises.
- Maximum use of electricity and minimum use of DG set.
- Use of maximum sun-light in day time.
- Copper blast choke use in Tube-lights.
- Switch-off the lights, Computers, A/Cs & other electrical appliances used in organisation when not in use (Lunch Time).
- The streets lights are not in use or minimum nos. are in use on full Moon-Light.
- Steps are been taken to replace the old motors with today's energy efficient motors.
- Use of correct load motor. (No under/over capacity motor use)
- Introduction of the solar Pumps in various production areas to save electricity.
- Capacitor Banks are provided and checked frequently to maintain the power factor.
- No use of broken wires/Cables or wire/cable is used with minimum joints to avoid the electric losses.
- Preventive Maintenance of Machines is implemented to reduce the friction in rotary parts (Oiling/Greasing), which also reduce the power loss and saves energy.
- Use of Limit-sensor in Pumps to avoid the unnecessary running of motors.
- Light sensors are in implementing in streets lights to save the energy & manpower also.
- HT/LT lines connectors, Insulators and jointer-Plates are serviced timely to prevent the carbon formation on these, which leads to save of electricity.
- Proper selection of wire & cable with the load used to save electricity.

- b) Steps taken for utilizing alternate sources of energy Additional investments and proposals, if any, being implemented for reduction of energy consumption-
- (i) Company entered into PPP with M/s Sherisha Solar SPV Two Private Limited for Design, Manufacture, Supply, Erection, Testing and Commissioning including Warranty, Operation & Maintenance of 750 KWP scalable upto 1000 KWP. Presently, 750 KWP is under installation at Sambhar. 400 KWP is expected to be ready by 15th January, 2021 and remaining 350 KWP is expected to be ready by March, 2021.
- (ii) In production of common salt, natural sunlight is used.
- c) Capital investment on energy conservation equipment: NIL
- d) Total Energy Consumption and Energy Consumption per unit of Production –

| Sr. No. | Description | 2019-20 | 2018-19 |
|---------|--|----------------|---------|
| 1 | Electricity | | |
| (A) | Purchased Unit (Lakh KWH) | 8.05 | 8.08 |
| | Total amount (₹. in Lakhs) | 82.40 | 95.17 |
| | Average Rate / Unit in ₹ per KWH | 10.23 | 11.78 |
| (B) | Own Generation | | |
| (i) | Generated Unit (Lakh KWH) | 0.01 | 0.01 |
| | KWH Unit Generated per Ltr. of Diesel | 0.62 | 0.82 |
| | Cost per Unit | 49.60 | 59.80 |
| (ii) | Through Steam Turbine Generators Units | Not Applicable | |
| | Generated Unit (Lakh KWH) | | - |
| | Fuel Oil / Gas Cost / Unit | | - |
| 2 | Julie Flora Wooden Chips Fuel (Qty. in MT) | 1288 | 1692 |
| | Total Cost (Rs. In Lakhs) | 22.37 | 34.68 |
| | Average Rate (In Rs.) | 1737 | 2020 |
| 3 | HSD Oil / Fuel (Qty. in Tonnes) | 7100 | 12009 |
| | Total Cost (Rs. In Lakhs) | 5.68 | 8.89 |
| | Average Rate (In Rs.) | 80 | 74 |
| 4 | Furnace Oil (F.O.) | Not Applicable | |
| | Qty. (Lakh Ltr.) | | - |
| | Total Amount (₹ in Lakhs) | | - |
| | Average Rate (₹ Per Ltr.) | | - |
| 5 | Other / Internal Generation | Not Applicable | |
| | Qty. (Ltr.) Mobil Oil | | - |
| | Total Cost | | - |

Consumption per Unit (MT) of Production:

| Sr. No. | Description | 2019-20 | 2018-19 |
|---------|--|---------|---------|
| 1 | Consumption Per Unit (i.e. MT) of Production | | |
| | - Production (MT) | 13644 | 18670 |
| | - Electricity (KWH) | 55 | 43 |
| | - juliflora wood chips (Fuel) | 0.10 | 0.12 |

- B. Expenditure on R & D/ Lab Testing (₹ In Lakhs)
- | | | |
|---|---|--------|
| Capital | : | 0.00 |
| Recurring | : | 3.69 |
| Total | : | 3.69 |
| Total R & D expenditure as a Percentage of total turnover | : | 0.16 % |
- C. Technology Absorption Adaptation and Innovation
1. Efforts made for Technology absorption, adaptation and innovation. NIL

2. Benefits derived as a result of the above efforts e.g. products improvement, cost reduction, product development import Substitution etc. **NIL**
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:-
- a) Technology imported. **NIL**
 - b) Year of import. **NA**
 - c) Whether imported technology has been fully absorbed? **NA**
 - d) Areas where absorption of imported technology has not taken place, if any. **NIL**

D. Foreign Exchange Earning and Outgo:

- (i) Activities relating to export initiatives taken to increase exports, development of new markets for products and services and exports plans. **NIL**
- (ii) Total foreign exchange used and earned.
 - Earnings in Foreign Exchange. **NIL**
 - Foreign Exchange outgo. **NIL**

**REPORT ON CORPORATE GOVERNANCE
FOR THE YEAR 2019-20**

COMPANY'S PHILOSOPHY:

Your Company believes that for its sustained success, it must maintain global standards of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general. The Company has always focused on good corporate governance, which is a key driver of sustainable corporate growth and long-term value creation for its shareholders.

The Company believes that corporate governance is not just limited to creating checks and balances. It is more about creating organization excellence leading to increasing employee and customer satisfaction and shareholder value. The primary objective of corporate governance is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, to develop capabilities and identify opportunities that best serve the goal of value creation. The Company believes, it must leverage its human and capital resources to translate opportunities into reality, create awareness of corporate vision and spark dynamism and entrepreneurship at all levels.

Above all, corporate governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play and a sense of justice. Accountability and transparency are key drivers to improve decision-making and the rationale behind such decisions, which in turn creates stakeholder confidence.

The Board of your Company constantly endeavours to set goals and targets aligned to the Company's vision and 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, Efficient utilization of resources and Increase the market share of SSL.

BOARD OF DIRECTORS:

The Board of Directors of the company as on 31.03.2020 is as under:
The Board consists of eight directors including one Chairman & Managing Director. The brief particulars of all the Directors are given below:

| Name of Director (Shri/Smt.) | Category of Directorship | Date of Birth Date of Appointment | Qualification | Directorship in other companies |
|---|-----------------------------------|--------------------------------------|---|--|
| Ashok Das Chairman & Managing Director | Chairman & Managing Director | 12.08.1960 01.10.2019 | Post Graduate | Hindustan Salts Ltd. |
| Sanjay Malhotra, Principal Secretary Revenue, Government of Rajasthan | Government Nominee Director | 14.02.1968 28.01.2019 | M.P.P. (Public Policy Programme (USA)) B.Tech. (Computer Science) | Adani Renewable Energy Park Rajasthan Ltd., Essel Saurya Urja Company of Rajasthan Ltd., Saurya Urja Company of Rajasthan Ltd., RIICO, REXCO |
| Muktanand Agrawal, Commissioner, Industries Department, Government of Rajasthan | Government Nominee Director | 28.01.1985 31.01.2020 | M.A. (Sanskrit), M. Phil. (Computational Linguistics), B.A. (History) | Man Industrial Corp Ltd., RIICO, RSIC, RSLDC |
| Parveen Gupta, Deputy Secretary, Deptt. of Heavy Industry, Gol | Government Nominee Director | 09.12.1962 22.03.2019 | Post Graduate | Richardson and Cruddas (1972) Ltd., National Bicycle Corporation of India Ltd., Instrumentation Ltd., HSL |

| | | | | | |
|--|-----------------------------------|------------|------------------|----------------------|-------|
| Satyendra Kumar, Director (T.T.) (POL) Ministry of Railway | Government Nominee Director | 09.05.1975 | Post Graduate | Hindustan Limited | Salts |
| | | 15.12.2015 | | | |
| Shankar Lal Agarwal | Independent Director | 30.11.1959 | FCA | Hindustan Limited | Salts |
| | | 21.01.2020 | | | |
| Hari Mohan Johari | Independent Director | 12.02.1970 | FCA | Hindustan Limited | Salts |
| | | 21.01.2020 | | | |
| Kavita Chaudhary | Independent Director | 17.03.1964 | Bachelor of Arts | Hindustan Limited | Salts |
| | | 21.01.2020 | | | |

MEETING AND ATTENDANCE:

During the financial year 2019-20, three meetings of the Board of Directors were held on the dates mentioned hereafter 29.05.2019, 09.08.2019 & 04.11.2019.

| Name of Director (Shri/Smt.) | Whether Attended Last AGM | Board Meetings during respective tenure of Directors | | Category of Director | Other Directorships | Membership of Committee of other Boards | |
|------------------------------|---------------------------|--|----------|------------------------------|---------------------|---|--------|
| | | Held | Attended | | | Chairperson | Member |
| A.K. Jain | NA | 2 | 2 | Chairman & Managing Director | 2 | - | - |
| Ashok Das | Yes | 1 | 1 | Chairman & Managing Director | 1 | - | 1 |
| Sanjay Malhotra | No | 3 | 1 | Government Nominee Director | 2 | - | - |
| Krishna Kant Pathak | No | 3 | 2 | Government Nominee Director | 2 | - | - |
| Parveen Gupta | No | 3 | 0 | Government Nominee Director | 4 | - | - |
| Satyendra Kumar | No | 3 | 0 | Government Nominee Director | 1 | - | - |
| Rajeev Kandpal | NA | 2 | 0 | Government Nominee Director | 1 | - | - |
| Shankar Lal Agarwal | NA | NA | NA | Independent Director | 1 | 1 | - |
| Hari Mohan Johari | NA | NA | NA | Independent Director | 1 | - | 1 |
| Kavita Chaudhary | NA | NA | NA | Independent Director | 1 | - | 1 |

Board Procedure:

The meeting of the Board of Directors are normally held in Jaipur, Rajasthan and are scheduled well in advance. The Company Secretary, in consultation with the Chairman & Managing Director sends written notice of every Board meeting to each Director. The Board agenda is circulated to the Directors in advance. The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the company.

Board's Responsibilities:

The Board's mandate is to oversee the company's strategic direction, review and monitor corporate performance, ensure regulatory compliance and safeguard the interests of the shareholders.

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice of each Board Meeting is given in writing to each Director. These Meetings are scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The agenda and the relevant notes are sent in advance separately to each Director and only in exceptional cases the same is tabled at the meeting. The Board reviews the performance of the Company every quarter vis-à-vis the targets set by them and helps in the major strategic decisions and policy formulations. The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter in agenda for discussion in consultation with the Chairman.

AUDIT COMMITTEE:

The Audit Committee is committed to good corporate governance with best discharge of its assigned duties. It is informed that pursuant to Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its powers) Rule, 2014 company is not required to constitute the Audit Committee. However, under the Guidelines on Corporate Governance of CPSEs issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises dated 14.05.2010, the Board has constituted the Audit Committee to discharge the duties.

Composition of Audit Committee:

Audit Committee as on 31.03.2020 consisted of the following Directors:

- | | | |
|---|---|----------|
| 1. Shri Shri Sanjay Malhotra, Principal Secretary, Revenue, GoR | - | Chairman |
| 2. Shri Ashok Das, CMD, SSL | - | Member |
| 3. Shri Satyendra Kumar, Director (T.T.)(POL), Ministry of Railways | - | Member |

Audit Committee Meetings and Attendance:

During the financial year 2019-20, Audit Committee of the company met on 09.08.2019 & 04.11.2019.

| Name of the Member (Shri/Smt.) | Status | Category | Number of Meetings attended |
|--------------------------------|----------|------------------------------|-----------------------------|
| Sanjay Malhotra | Chairman | Part time official Director | 1 |
| Krishna Kant Pathak | Chairman | Part time official Director | 1 |
| Akhilesh Kumar Jain | Member | Chairman & Managing Director | 1 |
| Ashok Das | Member | Chairman & Managing Director | 1 |
| Satyendra Kumar | Member | Part time official Director | 0 |

Audit Committee Terms of reference:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements is correct, sufficient and credible;
- To review with management, the annual financial statements before submission to the Board;
- To review & recommend the Company's financial policies to the Board for approval;
- To examine the financial statements and the auditors' report thereon;
- To approve and recommend the annual budget to the Board for approval.
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- To recommend to Board fee for Statutory Audit;
- To recommend to Board for appointment, remuneration and terms of appointment of Internal auditors and any audit related services of the company;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Reviewing with the management Quarterly performance;
- To review with the management, performance of external and internal auditors, the adequacy of internal control systems;
- To review the adequacy of internal audit function, including the structure of the internal audit

- department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- To review the follow up action on the audit observation of the C&AG audit;
 - Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors;
 - To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - To give approval or any subsequent modification of transactions of the Company with related parties;
 - To take on record CAG Audit Report;
 - To exercise its powers and carry out its responsibilities as may be required from time to time under the Whistle Blower Policy;
 - To address and deal with such other matters as may be delegated by the Board to the Audit Committee and matters referred under Section 177 of the Companies Act, 2013.

AUDIT QUALIFICATION:

It is always the company's endeavour to present unqualified financial statement. In this regard, the Auditor has drawn attention under opinion on the Note No 1(b), and 8 of the financial statements in their reporting under CARO.

REMUNERATION COMMITTEE:

Pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its powers) Rule, 2014 is not required to constitute the Nomination and Remuneration Committee. However, under the Guidelines on Corporate Governance of CPSEs issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises dated 14.05.2010 the board had re-constituted the Remuneration Committee on 18.09.2020. Since the pay scale of the employees of the company is governed by IDA 1997 and CDA 1996, thus CPSE is not eligible for Performance Related Pay so remuneration Committee is not required to decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits. So, the Remuneration committee is currently defunct.

GENERAL BODY MEETING:

The last three Annual General Meetings of the Company were held as under:

| Financial Year | Date | Time | Location |
|----------------|------------|----------|--|
| 2018-19 | 04.11.2019 | 02:30 PM | Registered Office: G-229, Sitapura Industrial Area, Jaipur-302022. |
| 2017-18 | 28.09.2018 | 11:30 AM | Registered Office: G-229, Sitapura Industrial Area, Jaipur-302022. |
| 2016-17 | 25.09.2017 | 11:30 AM | Registered Office: G-229, Sitapura Industrial Area, Jaipur-302022. |

CODE OF CONDUCT:

The Board in its meeting held on 30.08.2010 approved the "Code of Business Conduct and Ethics for Board Members and Senior Management" in terms of guidelines on corporate governance in Central Public Sector Enterprises (CPSEs) issued by the Government of India. Pursuant to this Board members and senior management personnel have affirmed compliance with the code on an annual basis within 30 days from the end of FY and same was placed before board. The certificate of Compliance is enclosed as Addendum to the Directors' Report.

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Being a Government Company, the remuneration of functional director like Chairman and Managing Director is decided by the Government of India. Government Nominees were not paid any remuneration. Details of the remuneration of functional directors and Key Managerial Personnel of the company during the year under review are provided in the extract of the Annual Return in Annexure -A of the Directors' Report.

MEANS OF COMMUNICATION:

Website

The company's website www.indiansalt.com hosts information for investors and all stakeholders. The Annual Financial statements of the company are available on the website in a user friendly and downloadable form.

Official News releases

The company communicates with stakeholders by way of official news releases in electronic and print media.

For and on behalf of the Board of Directors


(CMDE Kamlesh Kumar (Retd.))
Chairman and Managing Director

Place: Jaipur
Date: 15.12.2020

MANAGEMENT DISCUSSION AND ANALYSIS

The Management discussion and analysis statements are attached to this report.

HUMAN RESOURCE MANAGEMENT:

Your company realizes the criticality of aligning human resource development initiatives with strategic objectives to achieve organizational goals. Significant steps towards skill development and capability build-up, talent acquisition, development and retention strategies are continuously undertaken for being an employer of choice. Human Resource policies and processes of the company have transformed and evolved over the years in order to stay relevant to the changing environment, enhancement of organizational agility and ensure compliance with the changing rules and regulations from time to time.

Your company has 77 employees consisting of 10 executives and 67 Non-Executives at the close of this financial year 31.03.2020.

RESERVATION OF VACANCIES:

Your company is implementing the guidelines issued by the Government with regard to reservation of posts for SC, ST, OBC, Physically handicapped (PH) and Ex-Servicemen (Ex-S) as well as for any other concessions /facilities. The number of SC/ST/OBC/PH employees at the close of the financial year, in the various categories remained as under:

| Group | Total Strength as on 31 st March | | No. of SCs as on 31 st March | | No. of STs as on 31 st March | | No. of OBCs as on 31 st March | | No. of PH as on 31 st March | | No. of Ex-servicemen as on 31 st March | |
|-------|---|------|---|------|---|------|--|------|--|------|---|------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| A | 10 | 8 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| B | 16 | 16 | 2 | 2 | 1 | 1 | 3 | 3 | 0 | 0 | 0 | 0 |
| C | 5 | 7 | 0 | 1 | 1 | 1 | 2 | 3 | 1 | 1 | 0 | 0 |
| D | 46 | 56 | 15 | 17 | 2 | 3 | 20 | 26 | 0 | 0 | 0 | 0 |
| Total | 77 | 87 | 19 | 22 | 4 | 5 | 25 | 32 | 1 | 1 | 0 | 0 |

Voluntary Retirement Scheme:

During the year no employee/ worker has been voluntarily retired under Voluntary Retirement Scheme.

Training & Development:

Training and Development program is a vital component for driving excellence through Human Resource. The Company invests and encourages its employees to acquire newer technical as well as behavioural related skills for improving quality, productivity and achieve excellence in their respective areas in order to stay with the change technologies and newer skills.

PROMOTION OF HINDI LANGUAGE:

The Official Language Implementation committee constituted at the corporate office and at the unit continued their efforts to overcome from the difficulties in the progressive use of Hindi in the Company. Hindi Pakhwada was observed from 14.09.2019 to 28.09.2019. Various programs and competitions were held during Pakhwada to create interest among employees in Hindi. Prizes were also given to the winner in various competitions. The company has actively participated in the various activities being organized by NARAKAS, Jaipur during the year 2019-20.

CORPORATE SOCIAL RESPONSIBILITY AND WELFARE ACTIVITIES:

Your company believes that Corporate Social Responsibility (CSR) plays a major role in the development of any country. The Company does not come under purview of Section 135 of the Companies Act, 2013. Company has provided all statutory facilities to its employees. The company is functioning as per the provisions of Factories Act. To provide medical care to the employees and their dependents and also to the local residents of nearby villages, a well-equipped 25 bed hospital with qualified doctor and para-medical staff is operational in Sambhar Unit. During the year under report 17899 nos. of outdoor patients which includes our staff members, bandewals and local people have been treated at our hospital. Company provide free medical facilities to the regular and work charged employees.

A building has also been provided to Rajasthan Government for school for welfare of local residents. A large sized park is maintained for company employees, their families and also for the general public. The company is running canteens for the employees and workers on no profit and no loss basis. Company has also organized sports event on the eve of Republic day and Independence Day for the employees and their family members. Fair Price Shop is being run for providing house hold items of standard quality at reasonable rates to the company employees on no profit no loss basis and on one-month credit facility basis.

RIGHT TO INFORMATION ACT, 2005:

As per the requirements of RTI Act, necessary updated information including the names of Appellate Authority, Central Public Information Officer and Assistant Public Information Officer of the company posted on the website. During the year, company addressed 18 RTI applications and 6 Appeals. No applications remained pending at close of the year.

REDRESSAL OF PUBLIC GRIEVANCES:

Your Company is committed for resolution of public grievance in efficient and time bound manner. In order to facilitate resolution of grievances in transparent and time bound manner, Department of Administrative Reforms & Public Grievances, Department of Personnel & Training, Government of India has initiated web-based monitoring system at www.pgportal.in. As per directions of GOI, public grievances are to be resolved within specified time period. If it is not possible to resolve the same within specified time period, an interim reply is to be given. Your company is making all efforts to resolve grievances in time bound manner.

ENVIRONMENT MANAGEMENT AND POLLUTION CONTROL:

The Company is fully committed to the maintenance of the proper environment at work places. Besides maintaining the parks already developed, additional plantation of trees has also been undertaken.

PRESIDENTIAL DIRECTIVES:

No Presidential Directives has been received during the year.

FRAUD REPORTING:

No fraud on or by the company has been noticed/reported during the year.

EXPENDITURE ON BUSINESS PROMOTION, ENTERTAINMENT, ADVERTISEMENT & PUBLICITY:

The company has not spent on foreign travel during the year. Expenditure incurred on Business Promotion and Entertainment was ₹1.45 Lakhs (previous year ₹ 1.57 Lakhs) which works out to 0.06 % of the turnover. Expenditure on advertisement and publicity was ₹ 0.74 Lakhs (Previous year ₹ 2.52 Lakhs).

CONTRIBUTION TO NATIONAL EXCHEQUER:

During the year under review, the contribution / provision made by the company in the form of various taxes / interest to the National Exchequer, both Central and State, has been of the order of ₹ 16.25 lakhs as against ₹ 17.48 lakhs in the previous year.

CORPORATE GOVERNANCE:

Certificate on Compliance with Condition of Corporate Governance for the financial year 2019-20 is placed elsewhere in the Annual Report. Information on number of meetings of the Board held during the year, composition of committees of the Board and its meetings held during the year are contained in Report on Corporate Governance.

Management reply to observations of Corporate Governance Certificate:

The reply to the observations made in Corporate Governance Certificate for the financial year 2019-20 is as under:

The conditions of composition of the Board: As per para 3.1.3 of the Guidelines on Corporate Governance for CPSEs issued by Department of public enterprises, the number of Nominee Directors appointed by Government/other CPSEs shall be restricted to a maximum of two, however as per AOA, Government of Rajasthan will have two nominees on Board in addition to 3 nominee Directors appointed by GOI. Being a Government Company the power to appoint Directors on the Board of the company vests with the President of India.

Appointment of Independent Directors & conditions related thereto: As per Companies Act, 2013 the provisions of Independent Directors are not applicable on the company, however as per DPE Guidelines the company is required to have one-third of the board members as Independent Directors. Being a Government Company the power to appoint director on the Board of the company vests with the President of India and based on request made by the company, administrative ministry appointed three Independent Directors w.e.f. 21.01.2020.

Meetings of Board & Audit Committee: Company is regularly holding Board and Audit Committee meetings, however, sometimes due to non-availability members of audit committee, meeting could not be held for want of proper quorum. This year due to COVID-19, meetings were not held on time.

Training programme for new Board members: A brief about the company's working and functions presented to the newly appointed Board member.

Appointment of at least one (1) Independent Director from the Board of its Holding Company: Administrative Ministry has appointed three (3) common Independent Directors on the Board of both HSL & SSL. Therefore, this year onwards condition is complied.

Non-functioning of remuneration Committee: Pursuant to Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its powers) Rule, 2014 the provision regarding constitution of Nomination and Remuneration Committee is not applicable on the company. However, under the Guidelines on Corporate Governance of CPSEs issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises dated 14.05.2010 the Board had re-constituted Remuneration Committee on 18.09.2020. Since the pay scale of the employees of the company is governed by IDA 1997 and CDA 1996, thus CPSE is not eligible for Performance Related Pay so remuneration Committee is not required to decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits. So, the Remuneration committee is currently defunct.

VIGILANCE:

Vigilance Mechanism:

Vigilance branch has been closely monitoring the systems in vogue, policies and procedures of the Company and giving suggestions for system improvement from time to time. The branch emphasises on preventive Vigilance instead of punitive Vigilance. The Branch has therefore been conducting surprise visits, inspections from time to time in all of the Unit offices and submitting report along with suggestions for system improvements, transparency in work, simplification of Rules and Regulations and more & more usage of technology.

Presently, the Vigilance Wing of the Company is concerned, both HSL and SSL has a common Chief Vigilance Officer (CVO) who is in charge of other three PSU's and Vigilance Officer is supporting in the task.

Implementation of various policies/ circulars:

The Vigilance department follows policies and circulars issued by Central Vigilance Commission to build and strengthen a culture of transparency.

- During the financial year ending 31.03.2020: 21(Twenty One) complaints were received; all complaints except 1(One) were carried to a logical conclusion. Appropriate disciplinary action has also been proposed wherever necessary;
- 04(Four) Investigation reports submitted w.r.t. Complaints/Audit Reports/ Investigations of Works;
- Scrutinised all 24 Annual Property Returns (APR's) received as on 01.01.2019 and Scrutinised 10 Annual Property Returns (APR's) out of 24 Nos. APR's received as on 01.01.2020;

Vigilance Awareness Week and Workshops:

Vigilance awareness week was observed from 28th October to 2nd November, 2019. This year the theme was "Integrity-A Way of life". The company has also organised various activities relevant to the theme both within the organisation as well as for outreach for public/citizens.

Performed the "Integrity Pledge"/e-pledge by employees, available on the CVC's website in order of affirming their commitment to eradicate corruption and to uphold highest standards of ethical conduct. The prizes to the winners of different competitions were distributed during the Republic Day function held on 26th January, 2020.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the period under review, Company had not entered into any material transaction with any of its related parties. Company's major related party transactions are generally with its holding company, which is also a government company. All related party transactions were in the ordinary course of business and were negotiated on an arm's length basis and forms part of financial statement, attached as a separate section of this Annual Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/ COURTS/ TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There is no significant and material orders passed by regulators/courts/ tribunals impacting the going concern status and company's operations in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS SYSTEM:

An internal control system is formulated in the Company to ensure reliability of financial reporting, timely feedback on the achievement of operational and strategic goals, compliance with policies, procedures, rules and regulations safeguarding of assets and economical and efficient use of resources. The internal auditor which is a Chartered Accountant firm appointed by the Company continuously monitor the effectiveness of internal controls. The scope of internal audit activity is well defined in the letter of appointment of internal auditors. The audit committee reviewed the reports of internal audit submitted by the internal auditor.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013:

Details of Loan, Guarantees and investment as required under section 186 of Companies Act, 2013 forms part of financial statement, attached as a separate section of this Annual Report.

INDEPENDENT DIRECTORS:

The company is not required to have requisite number of independent directors on the board as per the Companies Act, 2013, however under the Guidelines of Corporate Governance of DPE dated 14.05.2010 company should have independent directors on board and accordingly the administrative ministry has appointed Shri S.L. Agarwal, Chartered Accountant, Shri H.M. Johari, Chartered Accountant and Smt. Kavita Chaudhary as Independent Directors w.e.f 21.01.2020 for a period of three years from the date of notification of their appointments or until further orders, whichever is earlier.

PROCUREMENT MADE FROM MICRO AND SMALL ENTERPRISES DURING 2019-20:

Public Procurement Policy for Micro and Small Enterprises (MSEs) was notified by the Government under the Micro, Small and Medium Enterprises Development Act, 2006 which stipulates that 20% of total annual procurement of goods and services shall be made by all Central Ministries /Departments /CPSUs from Micro & small Enterprises (MSEs). Within this percentage, a sub-total of 4% procurement is to be made from MSEs owned by SC/ST entrepreneurs. The total value of procurement during the year 2019-20 is ₹ 1.44 Cr and out of the total value procured from MSME is ₹ 0.34 Cr.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the company occurred between the end of the financial year to which the financial statements relate and the date of this report.

VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

The management has not voluntarily revised the financial statements or Board's report.

DIRECTORS' RESPONSIBILITY STATEMENT:

As per the requirements of section 134(3)(c) of the Companies Act, 2013 your directors hereby declare that:

- (i) In the preparation of the Annual Accounts for the financial year ended 31st March 2020, the applicable accounting standard have been followed along with proper explanation relating to material departures;
- (ii) The Directors had selected such Accounting policies and applied them consistently and made judgements and estimate that are reasonable prudent so as to give a true and fair view of the state

- of affairs of the company at the end of 31st March, 2020 and of the profit and loss of the company for that period.
- (iii) The Directors had taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and others irregularities.
 - (iv) The Directors had prepared the annual accounts on a going concern basis.
 - (v) The Directors had devised proper systems to ensure compliance with the provisions of applicable laws and that such systems were adequately and operating efficiently.

STATUTORY AUDITORS:

Pursuant to Section 139(5) of the Companies Act, 2013 the Comptroller and Auditor General of India has appointed M/s J.N. Gupta & Co., Chartered Accountants, Dausa, as Statutory Auditors for the financial year 2019-20.

Management Comments on Statutory Auditors' Report:

The Statutory Auditors M/s J.N. Gupta & Co., Chartered Accountants, Jaipur have given their unqualified report on the financial statement of the company for the year ended 31st March, 2020. However, they have drawn attention under "other opinion", CARO and qualified opinion on Internal Financial Controls. The reply of the same as under:-

Emphasis of Matter:

Company has already taken the action to invest the outstanding demand against gratuity in phased manner after reviewing the financial position of company.

Annexure-A - Companies (Auditor's report) Order, 2016:

1 (b) The work of physical verification of Assets and preparation of draft policy for physical verification of assets, store etc. was awarded to the CA Firm in 2019-20 and they required to complete the work in 2019-20 but due to covid-19 the work has not been completed and adjustments, if any, have not been carried out in accounts of 2019-20. The same will be adjusted in current financial year. However, company will finalize the policy of physical verification conducted by committee of officers at regular interval in current financial year.

(6) It is not possible to repay the loan and outstanding interest to holding company Hindustan Salts Ltd due to accumulated losses. However, necessary steps are being taken by company for improvement in performance in coming year by putting up sodium sulphate plant, increasing the production of common salt and process salt etc. make profit to pay the amount of outstanding loan and interest in phase manner.

ANNEXURE "C" Internal Financial Controls

The work of physical verification of Assets and preparation of draft policy for physical verification of assets, store etc. was awarded to the CA Firm in 2019-20 and they were required to complete the work in 2019-20 but due to covid-19 the work has not been completed and adjustments, if any, have not been carried out in accounts of 2019-20. The same will be adjusted in current financial year. However, company will finalize the policy of physical verification conducted by committee of officers at regular interval in current financial year.

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL:

The Comptroller & Auditor General of India has decided not to undertake supplementary audit of the financial statements of the company for the financial year 2019-20.

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 197(12) OF THE COMPANIES ACT, 2013
There was no employee of the company who received remuneration in excess of the limits prescribed under Section 197 of the Act hence the information may be treated as NIL.

APPRECIATIONS & ACKNOWLEDGEMENTS:

The Directors wish to place on record their appreciation of the valuable assistance given by various Departments and Ministries of the Government of India particularly Department of Heavy Industry, Department of Industrial Policies and Promotions, Department of Public Enterprises, Niti Aayog, Ministry of Finance, Planning Commission, Salt Commissioner and Railway Board, etc. The Director also Acknowledge the support extended by the various Departments of the Government of Rajasthan. The Directors also express their sincere gratitude to all the customer of the company for their unstinted support and confidence reposed in the company. The Directors are also thankful to the Principal Director of Audit (Industry & Corporate Affairs), Statutory Auditors, Internal Auditors, Bankers and all other stakeholders for their continued co-operation.

In conclusion, the Board places on record its appreciation of the individual and collective efforts, commitment and loyalty of the employees of the Company.

For and on behalf of the Board of Directors


(CMDE Kamlesh Kumar (Retd.))
Chairman and Managing Director

Place: Jaipur
Date: 15.12.2020

Annexure to Director's Report

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry Structure and Developments: During the year 2019-20 the value of production increased from ₹ 1780.79 lakhs in previous year to ₹ 2276.05 lakhs in current year, which is 27.81 % Increase.

Strength and Weakness: Company is having about 90 Sq. mile land area, part of which is utilised for production of salt and other activities. Company having known brand in salt production & only company to produce Kyar Salt. Having experienced and dedicated manpower at grass root level.

Company owned large production area which requires huge resources to manage, failing to same resulting into encroachments. Due to construction of anicats, free flow of water into lake has been hindered. Presently, IDA 1997 pay scales are applicable in the company therefore retaining qualified manpower is a challenge. Company is facing problems of illegal borewells used for theft of precious brine and encroachment of our production area is another concern area and in this direction company is taking major efforts to remove illegal borewells and disconnect illegal power utilisation in and around these areas.

Opportunities and Outlook: Company is having sufficient infrastructures for increasing the production. Company has expedited revival of our abandoned production areas and making efforts for development of untapped areas for production of salt by various means. Company is enhancing market share through value added products like double fortified salt, low medium salt etc. Company can diversify into Renewable Energy Business for installation of Solar Power Plant. Company is also exploring opportunities for export of salt.

Segment wise or Product wise Performance: Company is only producing and selling Common and process Salt. The turnover of common salt was increased by 6.15 %. The turnover of processed salt is ₹ 358.20 Lakhs against previous year figure of ₹ 307.76 Lakhs.

Risks Management: The Company is only producing and selling common salt and process salt. The numbers of private players have now ventured into production of salt in nearby area and company have to compete with them. However, due to our good quality of salt, company is able to compete with private parties.

Internal Control System and their Adequacy: Company has appointed a Chartered Accountant firm as Internal Auditor to carry out the Internal Audit activities. Internal Audit process is designed to review the adequacy of internal control checks in the systems covered all significant area of the company. Company has an audit committee who is also reviewing the report of internal auditors.

Discussion on financial performance with respect to operational performance: The Company has incurred loss of ₹ 259.27 Lakhs compared to loss of ₹ 1083.06 Lakhs in previous year.

PROJECTS AND PROGRAMMES DURING 2019-20:

Development of theme based tourism project at Sambhar:

SSL is undertaking the infrastructure development on sustainable basis aligning its objective with the objective of GoI & GoR regarding promoting tourism at Sambhar Lake and has awarded contract for creating sustainable infrastructure that includes Planning, Implementation, Operation & Maintenance of Tourism Activities at Sambhar Lake on Revenue sharing basis. The revenue will gradually enhance from year to year.

Nawa Salt Refinery:

Salt Refinery of 1 Lakh MT of annual capacity has been installed at Nawa. To capture the market share and enhance revenue, strategy is being chalked out to penetrate the products manufactured at Nawa Salt Refinery into the market with huge quantity.

Solar Power Plant: Company entered into PPP with M/s Sherisha Solar SPV Two Private Limited for Design, Manufacture, Supply, Erection, Testing and Commissioning including Warranty, Operation & Maintenance of 750 KWP scalable upto 1000 KWP. Presently, 750 KWP is under installation at Sambhar. 400 KWP is expected to be ready by 15th January, 2021 and remaining 350 KWP is expected to be ready by March, 2021.

FUTURE PLAN OF ACTION:

Development of new area for production of salt:

In order to enhance production capacity of common salt, company is exploring and developing the untapped huge abandoned areas. Company is developing abandoned area for production of good quality Pan Salt to be used in Refinery to increase revenue.

Marketing Initiatives:

Efforts are being made for capacity building, improving the brand image, introducing value added products, enhancing geographical reach and geographical tagging of the unique products.

Outsourcing of Refineries:

Company is planning for outsourcing of Nawa Salt Refinery and Gudha Salt Refinery with a view to enhance the capacity of plants and reduce the cost and earn more revenue.

Systematic Improvement:

Improved the visibility and business presence of the company achieved sales target while working for larger territorial footprint, wider customer base and high value/quality products.

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

| | | |
|-----|---|--|
| i | CIN | U14220RJ1964GOI001188 |
| ii | Registration Date | 30.09.1964 |
| iii | Name of the Company | Sambhar Salts Limited |
| iv | Category / Sub-Category of the Company | Private Company/ Union Government Company |
| v | Address of the registered office and contact details | G-229, Sitapura Industrial Area, Jaipur, Rajasthan, PIN: 302022 Telephone No.: 0141-2771427 Fax :0141-2771449 Email: info@indiansalt.com |
| vi | Whether listed company | No |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any | NA |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

| S. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the company |
|--------|--|----------------------------------|------------------------------------|
| 1. | Common salt | 01932 | 84.36 |
| 2. | Processed Salt | 01932 | 15.64 |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| S. No. | Name and address of the company | CIN/GLN | % of shares held |
|---------------------------------|--|-----------------------|------------------|
| Holding Company {Section 2(46)} | | | |
| 1 | Hindustan Salts Limited, G-229, Sitapura Industrial Area, Jaipur, Rajasthan, PIN: 302022 | U14220RJ1958GOI001049 | 60 |

IV. (A) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|--------------------------|---|----------|-------|-------------------|---|----------|-------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoter | | | | | | | | | |
| 1) Indian | | | | | | | | | |
| a) Individual/ HUF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | |
|---|---|-------|-------|-----|---|-------|-------|-----|---|
| c) State Govt. (s) | 0 | 4000 | 4000 | 40 | 0 | 4000 | 4000 | 40 | 0 |
| d) Bodies Corp | 0 | 6000 | 6000 | 60 | 0 | 6000 | 6000 | 60 | 0 |
| e) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total(A)(1):- | 0 | 10000 | 10000 | 100 | 0 | 10000 | 10000 | 100 | 0 |
| 2) Foreign | | | | | | | | | |
| g) NRIs-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Other-Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| j) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| k) Any Other.... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total(A)(2): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total of A= A(1)+A(2): | 0 | 10000 | 10000 | 100 | - | 10000 | 10000 | 100 | 0 |
| B. Public | | | | | | | | | |
| Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks / FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Central Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt.(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) FIs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2. Non Institutions | | | | | | | | | |
| a) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Others(Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-total(B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| C. Shares held by Custodian for GDRs and ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 0 | 10000 | 10000 | 100 | 0 | 10000 | 10000 | 100 | 0 |

(B) Shareholding of Promoters

| S. No | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|-------|-------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No. of shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | |
| 1 | Hindustan Salts Limited | 6000 | 60 | 0 | 6000 | 60 | 0 | - |
| 2 | Governor of Rajasthan | 4000 | 40 | 0 | 4000 | 40 | 0 | - |

(C) Change in Promoters' Shareholding (please specify, if there is no change)

| Sr. No | Particulars | Shareholding at the beginning of the year | | Transaction during the year | | | Cumulative Shareholding during the year | |
|--------|------------------------------|---|----------------------------------|-----------------------------|-------------------------------------|--------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ Decrease in share holding | Reason | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 10000 | 100 | - | - | - | 10000 | 100 |
| 2 | Allotment | | | | | | | |
| 3 | At the end of the year | 10000 | 100 | - | - | - | 10000 | 100 |

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

| Sr. No | Particulars | Shareholding at the beginning of the year | | Transaction during the year | | | Cumulative Shareholding during the year | |
|--------|------------------------------|---|----------------------------------|-----------------------------|-------------------------------------|--------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ Decrease in share holding | Reason | No. of shares | % of total shares of the company |
| 1 | At the beginning of the year | 0 | 0 | | | | 0 | 0 |
| 2 | Allotment | | | - | 0 | - | 0 | 0 |
| 3 | At the end of the year | 0 | 0 | | | | 0 | 0 |

(E) Shareholding of Directors and Key Managerial Personnel:

| Sr. No | Particulars | Shareholding at the beginning of the year | | Transaction during the year | | | Cumulative Shareholding during the year | |
|--------|----------------|---|----------------------------------|-----------------------------|-------------------------------------|--------|---|----------------------------------|
| | | No. of shares | % of total shares of the company | Date | Increase/ Decrease in share holding | Reason | No. of shares | % of total shares of the company |
| 1 | Shri A.K. Jain | 1 | 0.01 | 29.05.19 | Increase | - | 1 | 0.01 |
| 2 | Shri A.K. Jain | 1 | 0.01 | 04.11.19 | Decrease | - | 1 | 0.01 |
| 3 | Shri Ashok Das | 1 | 0.01 | 04.11.19 | Increase | - | 1 | 0.01 |

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment
(₹ in Lakhs)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | - | 3576.50 | - | 3576.50 |
| ii) Interest due but not paid | - | 3505.49 | - | 3505.49 |
| iii) Interest accrued but not | - | - | - | - |
| Total (i+ii+iii) | - | 7081.99 | - | 7081.99 |
| Change in Indebtedness during the financial year | | | | |
| - Addition (i) Principal | - | - | - | - |
| (ii) Interest | - | 300 | - | 300 |
| - Reduction | - | - | - | - |
| Net Change | - | 300 | - | 300 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | 3576.50 | - | 3576.50 |
| ii) Interest due but not paid | - | 3805.49 | - | 3805.49 |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | 7381.99 | - | 7381.99 |

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/Manager | | | Total Amount |
|---------|--|--|-----|---------|--------------|
| | | CMD | WTD | Manager | |
| 1 | | | | | |
| 2 | | Sh A.K. Jain (from 01.04.19- 30.09.19) Sh Ashok Das (from 01.10.19 to 31.03.20) | | | |
| 3 | Gross Salary | | | | |
| | (a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961 | - | - | - | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | - | - | - | - |
| 4 | Stock Option | - | - | - | - |
| 5 | Sweat Equity | - | - | - | - |
| 6 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | - others, specify... | - | - | - | - |
| 7 | Others, please specify | - | - | - | - |
| 8 | Total (A) | - | - | - | - |

B. Remuneration to other directors:

| S. No. | Particulars of Remuneration | Name of Director | | | (₹ in Lakhs) |
|--------|--|------------------|-----------------|-----------------------|--------------|
| | | Sh. S.L. Agarwal | Sh. H.M. Johari | Smt. Kavita Chaudhary | Total |
| 1 | Independent Directors | | | | |
| | • Fee for attending Board/committee meetings | - | - | - | - |
| | • Commission | - | - | - | - |
| | • Others, please specify | - | - | - | - |
| | Total (1) | - | - | - | - |
| 2 | Other Non-Executive Directors | | | | |
| | • Fee for attending board/committee meetings | - | - | - | - |
| | • Commission | - | - | - | - |
| | • Others, please specify | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | - | - | - | - |
| | Total Managerial Remuneration | - | - | - | - |

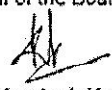
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

| | Particulars of Remuneration | Key Managerial Personnel | | | (₹ in Lakhs) |
|---|---|--------------------------|------|-----|--------------|
| | | CEO | CS | CFO | Total |
| 1 | Gross Salary | | | | |
| | (a) Salary as per Sec 17(1) of the Income-tax Act, 1961 | - | 5.35 | - | 5.35 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | - | 1.50 | - | 1.50 |
| | (c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | | | | |
| | - as % of profit | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | 6.85 | - | 6.85 |

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority [RD/NCLT/Court] | Appeal made. If any(give details) |
|---|------------------------------|-------------------|--|---------------------------|-----------------------------------|
| There were no penalty/punishment/compounding of offences for breach of any section of Companies Act against the company or its Directors or other officers in default, if any, during the year. | | | | | |

For and on behalf of the Board of Directors


(CMDE Kamlesh Kumar (Retd.))
Chairman and Managing Director

Place: Jaipur
Date: 15.12.2020

Code of Conduct-Compliance Affirmation

This is to confirm that SSL has laid down a Code of Business Conduct and Ethics for all the Board Members and Senior Management of the SSL and the code is posted on the company website. The Board and Senior Management have affirmed compliance with the said Code for the financial year ended 31st March, 2020.

For Sambhar Salts Limited



**((CMDE Kamlesh Kumar (Retd.))
Chairman and Managing Director**

Place: Jaipur
Date: 15.12.2020

CS

RAJ KUMAR SHARMA
Practicing Company Secretary

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Sambhar Salts Limited
Jaipur

Dear Sir,

I have examined the compliances of conditions of Corporate Governance by Sambhar Salts Limited (the Company) for the financial year ended on 31st 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).

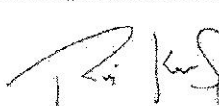
I have studied the Report on Corporate Governance of the said Company and also examined the relevant records and documents maintained by the Company and furnished to me for my review in this regard.


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 at least one (1) Independent Director from the Board of its Holding 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.: 43734
C.P. No.: 18288
UDIN: A043734B001293752

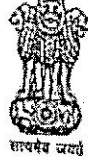


P.no. 13(E), Path no. 4, Laxmi Nagar IIIrd, Niwaru Road, Jhotwara,
Jaipur - 302 012

☎ +91-9529898047

✉ 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-III/2(27)/वार्षिक खाता/एसएसएल/2020-21/310

दिनांक: 28/10/2020

सेवा में,

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

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

महोदय,

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

भवदीय,

(सी. गे. नं. चं. लि. नि.)

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

संलग्नक:- यथोपरि

Copy to - CS SSL -

J. N. Gupta & Co.

Chartered Accountants

E-732, Nakul Path, Opposite Jyoti Nagar Thana,
Lal Kothi, Jaipur- 302015 Ph. : 2743895, 9001893895
Mobile : 9314893895 * E-mail : jnguptaca@lcal.org



Independent Auditor's Report

To the Members of Sambhar Salts Limited

Report on the Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, except the aforesaid 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 31st March, 2020 and its losses and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 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 financial statements.

Emphasis of Matter

1. We draw attention to Note No.5.3 Regarding Death cum Retirement Gratuity(Retirement Benefit), to the financial statement, which describes that Liability for Gratuity as on 31.03.2020 was provided for ₹ 115.24 lakhs in the books, but no investment was made as required under AS-15.



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 financial statements and our auditors' report thereon.

Our opinion on the 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 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 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 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 financial statements and auditor's report thereon.

Management's Responsibility for the 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 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 complied 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 "A" 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 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 "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:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements for the year ended 31st March, 2020 under Note No.24 "Contingent Liabilities and Capital Commitments to the extent not provided for".
 - b. The Company did not have any long - term contracts including derivative contracts for which there were any material force able losses.
 - c. The Company is not required to transfer any amount to the Investor Education and Protection Fund.
 - d. 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 "C" a statement on the compliance to the Direction issued by the Comptroller & Auditor General of India in respect of the company.

Place: Jaipur
Date :21/09/2020



For J.N.Gupta &Co.
Chartered Accountants
FRN: 006569C
Keshav Agarwal
(Keshav Agarwal)
Partner
Membership No.424054

Annexure-A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading "Report on Other Legal & Regulatory Requirement" of our report of even date)

Report on Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ("the Act") of the Sambhar Salts Limited ("the Company")

1. In respect of Company's Fixed Assets:

- (a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- (b) As explained to us, the company has no written policy and procedures for physical verification of the fixed assets at reasonable interval and during the year no physical verification has been conducted by the company. Hence not commented on discrepancies if any.
- (c) According to the information and explanation given to us and the records examined by us and based on the examination of the title deeds of freehold and leasehold immovable property situated at Sambhar lake as at the balance sheet date, we found the discrepancy details are as follows:-

| S.No. | Particulars | Titles of Property | Area | Present Status | Remarks |
|-------|-------------|--------------------|-------------------------------|--|---|
| 1 | Land | Leasehold | 57,600 Acres (90 SQ Miles) | (1) 2648 Acres of land is under dispute with Govt of Rajasthan, (2) 424.80 acres of land is Encroach by pvt salt producer. | No original documents provided, but only photocopies provided |
| 2 | Land | Freehold | 660.35 Acres | (1) 16.41 Acres of land under dispute at Rawan tibe sambhar lake, matter is pending with court (2) 18.12 Acres of land under dispute at Bag shed, matter pending with railway jodhpur (3) 23.71 Acres of land under dispute at shaadpur Gudha salt, matter with pending with Nawa court for correction | No original documents provided, but only photocopies provided |

No lease deed has been executed by Govt. of Rajasthan for allotment of said leasehold land, but the company has provided only photocopies relating to V.T.Krishnamacharya award in which it is a mention that Govt. of Rajasthan has given the land for 99 years lease to the Govt. of India for Sambhar Salts Limited on Annual lease rent of Rs. 5.50 lakhs per annum and Govt. of India should set up a company namely Sambhar salts Ltd. and Sambhar salts ltd, will be allotted free shares in favour of Govt. of Rajasthan to the extent of 40% of the paid up capital of the company from time to time, no lease Agreement has been executed so far with Govt. of Rajasthan, hence not commented on the title of land in name of company.

2. In respect of its inventories:

- (a) The inventories have been physically verified during the year by the management at reasonable intervals except that of Salt as reported in Note A.11 to the financial statements.
- (b) In our opinion and according to the information and explanations given to us, the Company has maintained proper records and no material discrepancies were noticed on physical verification.



3. In respect of the Loans, secured or unsecured granted by the company to companies, firms or other parties in the register maintained under section 189 of the Companies Act.

- (a) (i) According to the information & explanations given to us, the company has not granted any loan to the parties listed in the register maintained under section 189 of the Act.

- (b) The company has also given advances in nature of loans to its employees which are recovered regularly together with interest if applicable as per company policy.
4. The provisions of section 185 and 186 of the Act in respect of grants of loans, making investments and providing guarantees and securities is not applicable being a Government Company .
 5. 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 the rules framed there under, and as such the question of compliance under the Companies Act or any other directives or orders does not arise.
 6. As informed to us the maintenance of cost records has not been specified by the Central Government under subsection (1) of the section 148 of the Act.
 7. (a) According to information and explanations given to us and on the basis of our examination of books of accounts, records, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, GST/ sales-tax, service tax, value added Tax, duty of customs, duty of excise and any other statutory dues with the appropriate authority in India and there were no dues of income tax, GST/Sales Tax, Service tax ,Custom Duty, excise duty or value added tax out standing on account of any dispute for more than 6 months from the date on which they becomes payable
 8. In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings from Bank and Government except default in repayment of loans to Holding Company i.e. Hindustan Salts Ltd of Rs. 7381.99 Lakh (Including interest Rs.3895.49 Lakh). The Company does not have any loans or borrowings from financial institutions and has not issued any debentures.
 9. The company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the order is not applicable.
 10. To the best of our knowledge and according to the information and explanation given by the management, no fraud by the company and no fraud on the company by its officers or employees has been noticed or reported during the year.
 11. As the company is Government Company and specific exemption has been given from Section 197 of the Act, hence reporting under clause 3(xi) of the order is not applicable
 12. As the company is not a Nidhi Company, hence reporting under clause 3(xii) of the order is not applicable
 13. In our opinion and according to the information and explanation given to us, the company is in compliance with section 177 and 188 of the Act, where applicable, for all transaction with the related parties and the details of related parties transactions have been disclosed in the financial statements as required by the applicable accounting standards.
 14. During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
 15. In our opinion and according to the information and explanation given to us, during the year the company has not entered into any non cash transactions with its directors or persons connected to its directors and hence provision of section 192 of the Act are not applicable.
 16. The company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

For J.N.Gupta & Co
Chartered Accountants
Firm Registration No: 006569C



(Keshav Agarwal)
Partner

Membership No : 424054

IMPACT JAIPOUR

Date: 21/09/2020

Annexure B referred to in paragraph 7 of our report of even date to the members of **SAMBHAR SALT LIMITED** on the account of the company for the year ended 31 st March, 2020.

| S.No | Directions | Action Taken | Impact on financial Statement |
|------|---|--|-------------------------------|
| I. | (i). 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 not having the system in place to process all the accounting transaction through IT system however Accounting Entry being done through Tally ERP 9. | Not ascertainable |
| | (ii). Whether there is any restructuring of an 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. | 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 Salts Ltd. Holding company to the company due to the company inability to repay the loan. | Not ascertainable |
| | (iii). Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation | Company is not received / receivable the fund for specific scheme from Central Govt. & State Agency except plan scheme, for payment of pension of ex salt department employees through Hindustan Salt Ltd. Holding Company and which was properly account for and utilized as per its term and condition | Not ascertainable |



ANNEXURE "C" TO THE INDEPENDENT AUDITORS REPORT

Report on the Internal Financial Controls under Clause (f) of Sub-section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of SAMBIHAR SALTS LIMITED ("the Company") as at 31st March 2020 in conjunction with our audit of the financial statements of the company for the year ended and as on that date.

Management's Responsibility for internal financial Controls:-

The Board of Directors of the Company 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 responsibility 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 Standards on auditing, prescribed under section 143(10) of the Companies Act, 2013, and the Guidance Note, to the extent applicable to an audit of internal financial reporting. Those Standards and the Guidance Note require the 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 and 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 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, is 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 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 written policies and procedures for periodical verification of fixed assets and inventories and also during the under consideration no physical verification of fixed assets has been conducted by us.

In our opinion, except for the effects / possible effects of the material weakness described above on the achievement of the 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 March 31, 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.

We have considered the material weakness 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 weakness does not affect our opinion on the financial statements of the Company.

For J.N.Gupta & Co
Chartered Accountants
Firm Registration No: 006569C



Keshav Agarwal

(Keshav Agarwal)
Partner
Membership No :- 424054
Place: Jaipur
Date: 21/09/2020

J. N. Gupta & Co.

Chartered Accountants

E-732, Nakul Path, Opposite Jyoti Nagar Thana,
Lal Kothi, Jaipur- 302015 Ph. : 2743895, 9001893895
Mobile : 9314893895 + E-mail : jnguptaca@icai.org



Annexure-D

Compliance Certificate

We have conducted the audit of annual accounts of Sambhar 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.

For J.N.Gupta & Co
Chartered Accountants
Firm Registration No: 424054



Keshav Agarwal

(Keshav Agarwal)
Partner
Membership No :- 424054
Place: Jaipur
Date: 21/09/2020