



# STANDARD SALT WORKS LIMITED

32nd ANNUAL REPORT 2011-2012

**BOARD OF DIRECTORS**

SHRI D. H. PAREKH (*Chairman*)  
(w.e.f. 7.3.12)

SHRI D. M. NADKARNI

SHRI R. N. PATEL

**BANKERS**

IDBI BANK

CENTRAL BANK OF INDIA

BANK OF BARODA

**AUDITORS**

M/S. DELOITTE HASKINS & SELLS,  
*Chartered Accountants*

**REGISTERED OFFICE**

912, ALISHAN AWAAS,  
DIWALI BAUG,  
ATHWA LINES,  
NANPURA,  
SURAT-395 001.

**SALT WORKS**

DANDI BHAGWA,  
TALUKA OLPAD,  
DISTRICT SURAT.

## NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of Standard Salt Works Limited will be held at the Registered Office of the Company at 912, Alishan Awaas, Diwali Baug, Athwa Lines, Nanpura, Surat – 395 001, on Thursday, 9th August, 2012, at 9.00 a.m. to transact the following business:

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account of the Company for the Financial Year ended 31st March, 2012 and the Balance Sheet of the Company as on that date.
2. To appoint a Director in place of Shri D. M. Nadkarni, who retires by rotation but, being eligible, offers himself for re-appointment.
3. To consider and, if thought fit, to pass, with or without modifications, the following:

### AS AN ORDINARY RESOLUTION

“RESOLVED THAT pursuant to the provisions of Section 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. S. U. Kapasi & Co., Chartered Accountants, Ahmedabad, (Registration No. 104799W) be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on a remuneration to be decided in consultation with the Board of Directors”.

NOTICE is hereby further given that the following business will be transacted as Special Business in the Meeting:

### 4. SPECIAL BUSINESS

To appoint a Director in place of Shri D. H. Parekh, who was appointed as an Additional Director by the Board of Directors and whose term of office expires at this Annual General Meeting under Section 260 of the Companies Act, 1956 and Article 22 of the Articles of Association of the Company and in respect of whom the Company has received notice in writing from a member proposing his candidature for the Office of Director and accordingly the following Resolution be moved:

### AS AN ORDINARY RESOLUTION

“RESOLVED THAT Shri D. H. Parekh in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director under the provisions of Section 257 of the Companies Act, 1956 and who is eligible for appointment to the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

For Standard Salt Works Limited

D. H. PAREKH  
*Chairman*

*Registered Office:*

912, Alishan Awaas,  
Diwali Baug,  
Athwa Lines,  
Nanpura,  
Surat – 395 001.

*Mumbai*

*Dated: 23rd April, 2012.*

## **ANNEXURE TO THE NOTICE**

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956:

In conformity with the provisions of Section 173(2) of the Companies Act, 1956, the following Explanatory Statement sets out all material facts relating to Items Nos. 3 & 4 contained in the Notice dated 23rd April, 2012.

### **Item No. 3**

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, the existing Auditors of the Company have expressed their desire not to continue as Statutory Auditors of the Company after the expiry of their present term. A special notice has been received from a Member under Section 225 of the Companies Act, 1956, proposing the appointment of M/s. S. U. Kapasi & Co., Chartered Accountants, Ahmedabad, as Statutory Auditors of the Company in place of the existing auditors.

The Company has received a confirmation from M/s. S. U. Kapasi & Co., Chartered Accountants, Ahmedabad, to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for appointment within the meaning of Section 226 of the Companies Act, 1956.

None of the directors of the Company is concerned or interested in this Resolution.

### **Item No. 4**

Shri D. H. Parekh was appointed as an Additional Director on 7th March, 2012. He will be liable to retire by rotation.

As per Section 260 of the Companies Act, 1956 and Article 22 of the Articles of Association of the Company, Shri D. H. Parekh would hold office as Director upto this Annual General Meeting. Notice has been received from a member of the Company intending to propose him for the office of the Director at the Annual General Meeting.

Shri D. H. Parekh was born on 16th July, 1951. Shri D. H. Parekh is a Chartered Accountant and has diversified experience in financial accounting, taxation and management. Shri D. H. Parekh is also a Director on the Board of Standard Industries Limited, Stan Plaza Limited, Umiya Real Estate Private Limited and Calypso Premises Private Limited.

Shri D. H. Parekh holds 1 share in the Company.

Shri D. H. Parekh may be regarded as interested in this Resolution as the same concerns his appointment.

None of the Directors is concerned or interested in this Resolution.

### **NOTES:**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- (b) Members are requested to intimate to the Company any change in their registered addresses.

For Standard Salt Works Limited

D. H. PAREKH  
*Chairman*

*Registered Office:*

912, Alishan Awaas,  
Diwali Baug,  
Athwa Lines,  
Nanpura,  
Surat – 395 001.

*Mumbai*

*Dated: 23rd April, 2012.*

## DIRECTORS' REPORT

To  
The Members,  
STANDARD SALT WORKS LIMITED

Your Directors hereby present the 32nd Annual Report together with the Audited Statements of Accounts for the Financial Year from 1st April, 2011 to 31st March, 2012.

### 1. GENERAL

Production started late this season due to the stay on land bearing Survey Nos. 511 and 513 in Lavacha village and Survey No. 193 in Dandi village, totally admeasuring 754 acres. Due to faulty new circuit, there was delay in obtaining brine concentration in time.

Due to modification in the circuit, the crystallizer could be fed in the last week of December 2011, resulting in a delay of one month. Some more crystallizers were added to increase the production. But its actual effect will be fully seen in the next financial year.

Total production for the financial year is 46,834 M.T. which is better than last year's production of 32,183 M.T.

All efforts are made to increase the production in this season.

### 2. FINANCIAL RESULTS

The value of salt sold during the financial year under review amounted to ₹ 207.05 lakhs. There is a loss of ₹ 600.06 lakhs in this financial year.

### 3. DESPATCHES

The total sale of salt during the period April 2011 to March 2012 is 39,343 M.T.

### 4. IMPROVEMENTS

In order to reduce the power cost, use of maximum tidal water for salt manufacturing is being implemented.

The quality of salt is improved to meet the needs of Caustic Soda Industry. This has resulted in increased supply of salt to the Caustic Industry.

### 5. PARTICULARS OF EMPLOYEES

The Company has no employees in respect of whom the information as per Section 217(2A) of the Companies Act, 1956, is required to be given.

### 6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings

and outgo, in accordance with the Companies (Disclosures of particulars in the Report of Board of Directors) Rules, 1988, is annexed hereto and forms part of the Report.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the Final Accounts for the Financial Year ended 31st March, 2012, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit or loss of the Company for the said year;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the Financial Year ended 31st March, 2012, on a 'going concern' basis.

### 8. SECRETARIAL AUDIT

Your Directors wish to state that pursuant to Section 383A of the Companies Act, 1956, the Company complied with all the provisions of the Act and a certificate to that effect has been obtained from a Company Secretary in whole time practice.

### 9. DIRECTORATE

Shri K. J. Pardiwalla has resigned as Chairman of the Company with effect from 7th March, 2012. The Board has placed on record its sense of appreciation for the valuable services rendered by Shri K. J. Pardiwalla during his association with the Company.

Shri D. H. Parekh was appointed as an Additional Director on 7th March, 2012. Pursuant to Article 22 of the Articles of Association of the Company, he holds office upto the date of the ensuing

Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received from a Member intending to propose him for the office of the Director of the Company.

Shri D. M. Nadkarni is due to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 256 of the Companies Act, 1956, but being eligible offers himself for re-appointment.

## 10. AUDITORS

M/s. Deloitte Haskins & Sells, Chartered Accountants, Mumbai, the present Statutory Auditors, have vide their letter dated 16th April, 2012, expressed their desire not to continue as Statutory Auditors of the Company after the expiry of their present term. The Board places on record its appreciation for the services rendered by M/s. Deloitte Haskins & Sells, as the Statutory Auditors of the Company.

Pursuant to the provisions of Sections 190 and 225 of the Companies Act, 1956, the Company has received a special notice from a Member of the

Company proposing the appointment of M/s. S. U. Kapasi & Co., Chartered Accountants, Ahmedabad, as the Statutory Auditors of the Company for the Financial Year commencing from 01.04.2012, to hold Office as such from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

The Company has also received a confirmation from M/s. S. U. Kapasi & Co., Chartered Accountants, Ahmedabad, to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956 and they are not disqualified for appointment within the meaning of Section 226 of the Companies Act, 1956.

For and on behalf of the Board

D. H. PAREKH  
*Chairman*

*Mumbai*  
*Dated: 23rd April, 2012.*

## ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT.

### A. CONSERVATION OF ENERGY

Efforts were concentrated on taking maximum tidal water to produce salt in order to save pumping cost and maximum care was also taken to see that the pumps are operated at optimum efficiency for saving energy. Since the main source of energy for salt production from the sea water is solar energy, there is very little possibility of improving the available solar energy.

### B. TECHNOLOGY ABSORPTION

#### Research and Development

Nil

#### Technology absorption, adaptation and innovation:

Not applicable.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

#### 1. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:

There has been no export of salt during the Financial Year.

#### 2. Total Foreign Exchange used and earned:

	₹
(i) Total Foreign Exchange used	Nil
(ii) Total Foreign Exchange earned	Nil

For and on behalf of the Board

D. H. PAREKH  
Chairman

Mumbai

Dated: 23rd April, 2012.

**COMPLIANCE CERTIFICATE**

**CIN OF THE COMPANY : U24110GJ1979PLC003315**  
**Nominal capital : ₹ 50 Lakhs**

To,  
 The Members,  
 Standard Salt Works Limited.

I have examined the registers, records, books and papers of Standard Salt Works Limited as required to be maintained under the Companies Act, 1956, and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In my opinion and to the best of my information and according to the examination carried out by me and explanation furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial period:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provision of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met four times respectively on 27th May, 2011, 22nd September, 2011, 30th December, 2011 and 7th March, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company was not required to close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2011 was held on 1st August, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. One Extra-Ordinary General Meeting was held 16th November, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of directors, members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. During the financial year ending 31st March, 2012:
  - (i) The Company has delivered all the certificates on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act and there was no allotment of securities.
  - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared.
  - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared.
  - (iv) The Company was not required to transfer any amounts as there was no unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment of Directors and Additional Directors have been duly made.
15. The Company has not appointed any Managing Director/Whole time Director/Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year ending 31st March, 2012.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the Company from Directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2012 are within the borrowing limits of the Company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to the situation of



the Company's registered office from one state to another during the period under scrutiny.

27. The Company has altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny and complied with provisions of the Act.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the period under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the period under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate Provident Fund Trust under Section 418 of the Act. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities within the prescribed time.

RATAN KAPADIA  
Company Secretary  
FCS No. 1395, CP No. 957

Place : Mumbai  
Date : 23rd April, 2012.

## Annexure A

### Registers as maintained by the Company

#### Statutory Registers

1. Register of Members & Index under Section 150 & 151.
2. Register of Transfers.
3. Register of Contracts under Section 301.
4. Register of Directors under Section 303.
5. Register of Directors' Shareholding under Section 307.
6. Register of Charges under Section 143.
7. Minutes of Board Meetings and General Meetings under Section 193.
8. Annual Returns under Section 163.
9. Books of Accounts
10. Fixed Assets Registers.

## Annexure B

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March, 2012.

Sr. No.	e-Form No.	Filed under Section	For	Date of filing	Whether filed within prescribed time Yes/No.	If delay in filing whether requisite additional fee paid Yes/No.
1.	66	383A(1)	Compliance Certificate for the Financial year ended 31.03.11	07.10.11	No	Yes
2.	23AC & 23ACA	220	Balance Sheet for the Financial year ended 31.03.11	25.11.11	Yes	N.A.
3.	20B	159	Annual Return as at the date of AGM held on 01.08.11	22.09.11	Yes	N.A.
4.	23	17, 149 & 293(1)(d)	Registration of Resolution	15.12.11	Yes	N.A.
5.	32	303(2)	Change in Directorships	25.04.11	Yes	N.A.
6.	20A	149(2)	Declaration of Compliance with the provision of Section 149 (2A) or (2B)	15.12.11	Yes	N.A.
7.	32	303(2)	Change in Directorships	11.08.11	Yes	N.A.
8.	32	303(2)	Change in Directorships	14.03.12	Yes	N.A.

**AUDITORS' REPORT**

TO  
THE MEMBERS OF STANDARD SALT WORKS LIMITED.

1. We have audited the attached Balance Sheet of Standard Salt Works Limited ("the Company") as at 31st March, 2012, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
  2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
  3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
  4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
    - (a) We have 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 appears from our examination of those books;
    - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
  - (e) Without qualifying our opinion, we draw attention to Note 25(1) of Financial Statements regarding preparation of accounts on going concern basis.
  - (f) In our opinion and to the best of our information, and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
    - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
    - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
  - (g) On the basis of written representations received from the directors as on 31st March, 2012 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells  
*Chartered Accountants*  
(Registration No. 117366W)

A. B. JANI  
*Partner*

Membership No. 46488

*Mumbai,*  
*Dated: 23rd April, 2012.*

## ANNEXURE TO THE AUDITORS' REPORT

Re: STANDARD SALT WORKS LIMITED

(Referred to in Paragraph 3 of our report of even date)

- (i) The nature of the Company's activities are such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (ii) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;
- (b) The fixed assets have been physically verified by the management during the year. We are informed that no material discrepancies were noticed by the management on such verification;
- (c) The Company has not disposed off substantial part of the fixed assets during the year.
- (iii) In respect of its inventories:
- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not materials.
- (iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956; Consequently, requirements of clause (iii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (vi) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to Section 301 that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 have been so entered;
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of ₹ 5 lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vii) The Company has not accepted any deposits from the public.
- (viii) Since the Company is not a listed company, and does not have paid up capital and reserves exceeding ₹ 50 lakhs as at the commencement of the financial year or average annual turnover exceeding ₹ 5 crores for a period of three consecutive financial years immediately preceding the financial year, the clause relating to internal audit system is not applicable.
- (ix) The maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no other cases of non-deposit with appropriate authorities of disputed dues in respect of Income tax, Excise duty, Custom duty,

Sales tax, Wealth tax, Service tax and Cess.  
However following dues are still pending:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which amount is related	Forum where the dispute is pending
Notification as per Land Revenue Laws	Amount claimed by Taluka Development Officer towards Local Cess and Education Cess	36,17,260	1995 to 2008	Gujarat High Court
Income Tax Act	Disputed Demands of Income Tax	6,30,509	Various years	Pending with Assessing officers

- (xi) The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current financial and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.
- (xiii) According to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not taken term loans during the year. Hence, clause (xvi) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us the Company has not issued any debentures during the year.
- (xix) The Company has not raised any money by way of public issues during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells  
*Chartered Accountants*  
(Registration No. 117366W)

A. B. JANI  
*Partner*

Membership No. 46488

*Mumbai*  
*Dated: 23rd April, 2012.*

## BALANCE SHEET

AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital .....	3	1,425,610	1,425,610
(b) Reserves and surplus .....	4	(105,137,665)	(45,131,335)
		<b>(103,712,055)</b>	<b>(43,705,725)</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings .....	5	133,250,000	78,250,000
(b) Other long-term liabilities.....	6	9,491,608	2,264,809
		<b>142,741,608</b>	<b>80,514,809</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings .....	7	17,098,052	19,701,523
(b) Trade payables.....	8	1,626,855	1,436,995
(c) Other current liabilities.....	9	699,957	806,608
(d) Short-term provisions.....	10	932,234	1,038,102
		<b>20,357,098</b>	<b>22,983,228</b>
<b>Total.....</b>		<b>59,386,651</b>	<b>59,792,312</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Tangible fixed assets.....	11	48,546,090	50,860,271
(b) Long-term loans and advances.....	12	740,000	740,000
		<b>49,286,090</b>	<b>51,600,271</b>
<b>(2) Current assets</b>			
(a) Current investments.....	13	54,000	54,000
(b) Inventories .....	14	6,234,233	3,921,328
(c) Trade receivables.....	15	1,049,027	378,714
(d) Cash and cash equivalents.....	16	739,539	688,833
(e) Short-term loans and advances.....	17	1,968,952	3,094,356
(f) Other current assets .....	18	54,810	54,810
		<b>10,100,561</b>	<b>8,192,041</b>
<b>Total.....</b>		<b>59,386,651</b>	<b>59,792,312</b>

See accompanying notes forming part of the Financial Statements

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

D. H. PAREKH

Chairman

A. B. JANI  
Partner

D. M. NADKARNI

R. N. PATEL

Directors

Mumbai, Dated: 23rd April, 2012.

**STATEMENT OF PROFIT AND LOSS  
FOR THE YEAR ENDED 31ST MARCH, 2012**

Particulars	Note No.	Year ended 31st March, 2012 ₹	Year ended 31st March, 2011 ₹
<b>(I) INCOME</b>			
(a) Revenue from operations.....	19	20,704,974	9,798,869
(b) Other income.....	20	146,106	—
<b>Total Revenue.....</b>		<b>20,851,080</b>	<b>9,798,869</b>
<b>(II) EXPENSES</b>			
(a) Change in inventory of stock-in-trade.....	21	(2,312,905)	1,275,779
(b) Employee benefit expenses.....	22	1,783,937	1,584,934
(c) Finance costs .....	23	8,029,777	2,516,455
(d) Depreciation .....	11	57,526,374	33,787,784
(e) Other expenses .....	24	15,831,362	11,263,886
<b>Total Expenses .....</b>		<b>80,858,545</b>	<b>50,428,838</b>
<b>(III) (LOSS) BEFORE TAXES (I – II) .....</b>		<b>(60,007,465)</b>	<b>(40,629,969)</b>
<b>(IV) TAX EXPENSE</b>			
Excess Provision for taxes in respect of earlier years.....		1,135	2,958
<b>(V) (LOSS) FOR THE YEAR (III + IV) .....</b>		<b>(60,006,330)</b>	<b>(40,627,011)</b>
<b>(VI) Earnings Per Share – Basic and Diluted (₹) .....</b>		<b>(4,209)</b>	<b>(2,850)</b>
Nominal value per share ₹..... [Refer Note 25(j)]		100	100

**See accompanying notes forming part of the Financial Statements**

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

D. H. PAREKH

Chairman

A. B. JANI  
Partner

D. M. NADKARNI  
R. N. PATEL

Directors

Mumbai, Dated: 23rd April, 2012.

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012	Year ended 31st March, 2011
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
(LOSS) BEFORE TAXES .....	(60,007,465)	(40,629,969)
<i>Adjustments for:</i>		
Depreciation.....	57,526,374	33,787,784
Profit on Sale of Fixed Assets.....	(34,389)	—
Interest on borrowings .....	8,029,777	—
Sundry credit balances written back.....	(27,245)	—
Loss on write-off of fixed assets .....	—	101,100
	<u>65,494,517</u>	<u>33,888,884</u>
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES.....	5,487,052	(6,741,085)
Decrease/(Increase) in Trade and Other Receivables	462,486	(379,860)
(Increase)/Decrease in Inventories .....	(2,312,905)	1,275,779
(Decrease)/Increase in Trade and Other Payables	(798,392)	2,808,047
	<u>(2,648,811)</u>	<u>3,703,966</u>
Direct Taxes Paid .....	2,838,241	(3,037,119)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A).....	<u>(6,260)</u>	<u>—</u>
	<u>2,831,981</u>	<u>(3,037,119)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets .....	(55,927,804)	(79,310,895)
Sale of Fixed Assets.....	750,000	—
NET CASH USED IN INVESTING ACTIVITIES (B)	<u>(55,177,804)</u>	<u>(79,310,895)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Long-term borrowings .....	52,396,529	82,281,899
NET CASH GENERATED FROM FINANCING ACTIVITIES (C) .....	<u>52,396,529</u>	<u>82,281,899</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C).....	50,706	(66,115)
CASH AND CASH EQUIVALENTS AS AT 01.04.2011 (OPENING BALANCE).....	688,833	754,948
CASH AND CASH EQUIVALENTS AS AT 31.03.2012 (CLOSING BALANCE) .....	<u>739,539</u>	<u>688,833</u>

**Notes:**

- Components of cash and cash equivalents include cash and bank balances in Current Accounts (Refer Note 16 forming part of the Financial Statements).
- The Cash Flow Statement has been prepared in accordance with the requirements of Accounting Standard 3 on "Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

**See accompanying notes forming part of the Financial Statements**

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

D. H. PAREKH

Chairman

A. B. JANI  
Partner

D. M. NADKARNI

R. N. PATEL

Directors

Mumbai, Dated: 23rd April, 2012.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 1:****I. Corporate Information**

RASAPRA INVESTMENTS LIMITED was incorporated in the year 1979. The name of the Company had been changed to STANDARD SALT WORKS LIMITED (SSWL) in the year 1983. SSWL is engaged in manufacture of Industrial Salt.

The major production of Industrial Salt was used for production of Caustic Soda by the Parent Company, The Standard Industries Limited.

Presently, the Company is engaged in manufacturing of Industrial Salt and marketing through various Salt traders to different Chemical Companies.

**Note 2:****Significant Accounting Policies****(a) Basis of preparation of financial statements:**

The accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

The Financial Statements have been prepared in the format prescribed under the Revised Schedule VI to the Companies Act, 1956. The 'operating cycle' as defined under the said Schedule and considered in these financials is of twelve months duration.

**(b) Use of Estimates:**

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

**(c) Fixed Assets:**

Fixed Assets are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any.

**(d) Depreciation:**

Depreciation for the year has been provided on Straight Line basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.

**(e) Investments:**

Current Investments are carried at lower of cost or fair value. Long Term Investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognise the decline.

**(f) Inventories:**

Finished goods and process stock are valued at cost or net realisable value whichever is lower. The cost is ascertained on the basis of absorption costing method.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 2:

#### Significant Accounting Policies (Contd.)

##### (g) Contingent Liabilities and Provisions:

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts, if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

##### (h) Revenue Recognition:

Revenue (income) is recognised when no significant uncertainty as to measurability or collectability exists.

##### (i) Employee Benefits:

Provision for gratuity is made in the accounts in accordance with the provisions of Payment of Gratuity Act, 1972. Contribution as required under statute is made to Government Provident Fund.

##### (j) Stores and Tools consumption:

Stores and Tools are acquired as and when required and treated as consumed in the year of acquisition.

##### (k) Government Grants:

Grants related to Specific Fixed Assets are shown as a deduction from the value of the concerned assets. Grants related to revenue are credited to the Profit and Loss Account. Grants in the nature of Promoter's Contribution are treated as Capital Reserve.

##### (l) Borrowing Costs:

Borrowing costs that are attributable to the acquisition/construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

##### (m) Taxes on Income:

Tax expenses comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to/recovered from the tax authorities, using the applicable tax rates. Deferred income tax reflect the current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets arising on account of unabsorbed depreciation and losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

##### (n) Impairment of Assets:

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amounts. Recoverable amount is the higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from sale of the asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31st March, 2012 ₹	₹	As at 31st March, 2011 ₹
<b>Note 3:</b>			
<b>Share Capital</b>			
(a) Authorised 50,000 Equity Shares of ₹ 100/- each .....	<u>5,000,000</u>		<u>5,000,000</u>
(b) Issued 47,000 Equity Shares of ₹ 100/- each .....	<u>4,700,000</u>		<u>4,700,000</u>
(c) Subscribed and fully paid-up 223 Equity Shares of ₹ 100/- each fully paid-up	<u>22,300</u>		<u>22,300</u>
(d) Subscribed and not fully paid-up 46,777 Equity Shares of ₹ 100/- each with voting rights, ₹ 70/- per share not paid-up .....	<u>1,403,310</u>		<u>1,403,310</u>
<b>Total .....</b>	<u><u>1,425,610</u></u>		<u><u>1,425,610</u></u>

**Notes:**

- (i) 47,000 Equity Shares are held by Standard Industries Limited, the Holding Company and its nominees.  
(ii) Details of Equity Shares held in the Company by each shareholder holding more than 5% shares

Name of Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Standard Industries Limited	47,000	100	47,000	100

**Note 4:**

**Reserves and Surplus**

(a) Capital Reserve – Cash Subsidy As per last Balance Sheet.....		413,560	413,560
(b) Surplus in Statement of Profit and Loss Balance at the beginning of the year.....	(45,544,895)		(4,917,884)
Less: Loss for the year.....	<u>(60,006,330)</u>		<u>(40,627,011)</u>
Closing Balance .....		<u>(105,551,225)</u>	<u>(45,544,895)</u>
<b>Total .....</b>		<u><u>(105,137,665)</u></u>	<u><u>(45,131,335)</u></u>

**Note 5:**

**Long Term Borrowings**

(Unsecured)			
(a) Loan from related party [Refer Note 25 (l)] .....		78,250,000	78,250,000
(b) Loan from other body corporate .....		<u>55,000,000</u>	<u>—</u>
<b>Total .....</b>		<u><u>133,250,000</u></u>	<u><u>78,250,000</u></u>

**Notes:**

- (i) Loan from related party:  
– Interest payable @ 7.50% p.a.  
– Principal and accrued interest due after 6 years.  
(ii) Loan from other body corporate:  
– Interest payable @ 9.75 % p.a. (Floating rate)  
– Principal and accrued interest due after 8 years.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
<b>Note 6:</b>		
<b>Other long-term liabilities</b>		
Others		
(i) Interest accrued but not due on long-term borrowings.....	9,491,608	2,264,809
<b>Total .....</b>	<b>9,491,608</b>	<b>2,264,809</b>
<b>Note 7:</b>		
<b>Short-term borrowings</b>		
(Unsecured)		
Loan from related party [Refer Note 25 (l)].....	17,098,052	19,701,523
<b>Total .....</b>	<b>17,098,052</b>	<b>19,701,523</b>
<b>Note 8:</b>		
<b>Trade Payables</b>		
(a) Total Outstanding dues of Micro Enterprises and Small Enterprises [Refer Note 25(c)] .....	—	—
(b) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises.....	1,626,855	1,436,995
<b>Total .....</b>	<b>1,626,855</b>	<b>1,436,995</b>
<b>Note 9:</b>		
<b>Other Current Liabilities</b>		
Other Payables		
(i) Statutory Liabilities .....	30,781	296,016
(ii) Advances from customers .....	370,239	211,655
(iii) Others .....	298,937	298,937
<b>Total .....</b>	<b>699,957</b>	<b>806,608</b>
<b>Note 10:</b>		
<b>Short-term Provisions</b>		
(a) Provision for employee benefits (Gratuity).....	912,169	1,004,560
(b) Provision for Income Tax (Net of Advance Tax).....	20,065	33,542
<b>Total .....</b>	<b>932,234</b>	<b>1,038,102</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 11:**

**FIXED ASSETS**

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 01/04/2011	Additions	Deduction	As at 31/03/2012	As at 01/04/2011	For the year	Deduction	As at 31/03/2012	As at 31/03/2012	As at 31/03/2011
<b>Tangible Assets (Owned)</b>										
(a) Freehold Land.....	140,000	—	—	<b>140,000</b>	—	—	—	—	<b>140,000</b>	140,000
(b) Buildings .....	2,228,120	—	—	<b>2,228,120</b>	1,028,916	40,164	—	<b>1,069,080</b>	<b>1,159,040</b>	1,199,204
(c) Plant and Machinery.....	6,108,124	229,155	1,011,000	<b>5,326,279</b>	2,515,630	258,996	295,389	<b>2,479,237</b>	<b>2,847,042</b>	3,592,494
(d) Furniture and Fixtures.....	52,799	—	—	<b>52,799</b>	32,247	1,135	—	<b>33,382</b>	<b>19,417</b>	20,552
(e) Office Equipments .....	8,500	—	—	<b>8,500</b>	1,212	404	—	<b>1,616</b>	<b>6,884</b>	7,288
(f) Vehicles .....	938,387	—	—	<b>938,387</b>	311,232	87,506	—	<b>398,738</b>	<b>539,649</b>	627,155
(g) Salt Works – Reservoirs, Salt Pan (Refer Note 2 below) .....	87,224,134	55,698,649	—	<b>142,922,783</b>	41,950,556	57,138,169	—	<b>99,088,725</b>	<b>43,834,058</b>	45,273,578
<b>Total.....</b>	<b>96,700,064</b>	<b>55,927,804</b>	<b>1,011,000</b>	<b>151,616,868</b>	<b>45,839,793</b>	<b>57,526,374</b>	<b>295,389</b>	<b>103,070,778</b>	<b>48,546,090</b>	<b>50,860,271</b>
Previous year.....	17,625,169	79,310,895	236,000	96,700,064	12,186,909	33,787,784	134,900	45,839,793		

Notes:

- (1) The above note does not include leasehold land on short-term lease, on which the Company incurs annual rent.  
 (2) Additions to the salt works made during the year include costs incurred for leveling, compacting, excavating, developing of salt fields and roads etc.

	<b>As at 31st March, 2012</b>	<b>As at 31st March, 2011</b>
	₹	₹
<b>Note 12:</b>		
<b>Long-term loans and advances</b>		
(Unsecured)		
(a) Security Deposits with Government authorities (considered good).....	<b>740,000</b>	<b>740,000</b>
<b>Total .....</b>	<b>740,000</b>	<b>740,000</b>
<b>Note 13:</b>		
<b>Current Investments</b>		
(unquoted – at cost)		
(a) Investment in Government Securities.....	<b>54,000</b>	<b>54,000</b>
<b>Total .....</b>	<b>54,000</b>	<b>54,000</b>
<b>Note 14:</b>		
<b>Inventories</b>		
(at lower of cost and net realisable value)		
(a) Finished goods.....	<b>3,166,628</b>	<b>1,569,133</b>
(b) Stock-in-process.....	<b>3,067,605</b>	<b>2,352,195</b>
<b>Total .....</b>	<b>6,234,233</b>	<b>3,921,328</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31st March, 2012 ₹	As at 31st March, 2011 ₹
<b>Note 15:</b>		
<b>Trade Receivables</b> (Unsecured)		
(a) Outstanding for a period exceeding six months from the date they were due for payment (considered good).....	187,319	10,337
(b) Others (considered good).....	861,708	368,377
<b>Total .....</b>	<b>1,049,027</b>	<b>378,714</b>
<b>Note 16:</b>		
<b>Cash and Cash Equivalents</b>		
(a) Cash on hand.....	—	35,518
(b) Balance with banks in current accounts.....	739,539	653,315
<b>Total .....</b>	<b>739,539</b>	<b>688,833</b>
<b>Note 17:</b>		
<b>Short-term loans and advances</b> (Unsecured)		
(a) Security deposits (considered good).....	26,000	26,000
(b) Loans and advances to employees (considered good).....	244,100	78,000
(c) Prepaid expense (considered good).....	29,602	43,637
(d) Advance Tax (Net of Provisions).....	1,258,766	1,575,970
(e) Other short-term advances:		
(i) Advance to creditors (considered good).....	403,688	1,339,291
(ii) Others (considered good).....	6,796	31,458
<b>Total .....</b>	<b>1,968,952</b>	<b>3,094,356</b>
<b>Note 18:</b>		
<b>Other current assets</b>		
(a) Accruals		
(i) Interest accrued and due on Government Securities.....	54,810	54,810
<b>Total .....</b>	<b>54,810</b>	<b>54,810</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>For the year ended</b>			<i>For the year ended</i>
	<b>31st March, 2012</b>	<b>₹</b>	<b>₹</b>	<i>31st March, 2011</i>
				<b>₹</b>
				<b>₹</b>
<b>Note 19:</b>				
<b>Revenue from Operations</b>				
(I) Sale of products – Manufactured goods				
(a) Industrial Salt.....	<b>20,592,207</b>			9,630,417
(b) Gypsum Salt.....	<b>36,638</b>			105,372
			<b>20,628,845</b>	9,735,789
(II) Other Operating Income				
(a) Income from weighbridge.....		<b>76,129</b>		63,080
<b>Total.....</b>		<b>20,704,974</b>		<b>9,798,869</b>
 <b>Note 20:</b>				
<b>Other Income</b>				
(a) Interest income:				
(i) Interest from banks on deposits..	<b>62,598</b>			—
(ii) Interest on Income – tax refund ..	<b>21,874</b>			—
(b) Other non-operating income:				
(i) Profit on sale of fixed assets .....	<b>34,389</b>			—
(ii) Sundry creditor's balances written back .....	<b>27,245</b>			—
<b>Total.....</b>		<b>146,106</b>		—
 <b>Note 21:</b>				
<b>Change in inventories of Stock in Trade</b>				
(a) Inventories at the end of the year:				
(i) Finished Goods .....	<b>3,166,628</b>			1,569,133
(ii) Work-in-progress .....	<b>3,067,605</b>			2,352,195
		<b>6,234,233</b>		3,921,328
(b) Inventories at the beginning of the year:				
(i) Finished Goods .....	<b>1,569,133</b>			2,991,497
(ii) Work-in-progress .....	<b>2,352,195</b>			2,205,610
		<b>3,921,328</b>		5,197,107
<b>Net (Increase)/Decrease.....</b>		<b>(2,312,905)</b>		<b>1,275,779</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	For the year ended 31st March, 2012		For the year ended 31st March, 2011
	₹	₹	₹
<b>Note 22:</b>			
<b>Employee benefit expenses</b>			
(a) Salaries, Bonus, Exgratia, Leave travel and Gratuity	1,571,227		1,371,205
(b) Contribution to Provident Fund .....	131,748		108,799
(c) Workmen and Staff Welfare expenses .....	80,962		104,930
<b>Total .....</b>	<b>1,783,937</b>		<b>1,584,934</b>
<b>Note 23:</b>			
<b>Finance costs</b>			
(a) Interest on borrowings .....	8,029,777		2,516,455
<b>Total .....</b>	<b>8,029,777</b>		<b>2,516,455</b>
<b>Note 24:</b>			
<b>Other expenses</b>			
(a) Stores and Tools consumed .....	31,380		18,874
(b) Power and Fuel .....	2,976,181		2,527,800
(c) Labour charges .....	2,404,208		2,815,291
(d) Rent.....	471,000		261,000
(e) Repairs:			
To Buildings .....	158,486		44,016
To Machinery .....	441,930		255,716
To Salt Works.....	3,043,348		1,862,834
	<b>3,643,764</b>		<b>2,162,566</b>
(f) Royalty and Cess .....	714,044		603,007
(g) Transport and Freight charges .....	1,283,680		455,059
(h) Legal and Professional fees.....	256,747		384,498
(i) Travelling and Conveyance expenses.....	240,014		236,550
(j) Salt – Internal shifting expenses.....	2,720,348		439,813
(k) Salt – Washing charges .....	108,760		206,995
(l) Fixed Assets Written off .....	—		101,100
(m) Contract Labour expenses.....	215,323		272,001
(n) Vehicle expenses.....	215,055		120,801
(o) Survey Fees .....	—		222,100
(p) Miscellaneous expenses .....	550,858		436,431
<b>Total .....</b>	<b>15,831,362</b>		<b>11,263,886</b>

Note: Miscellaneous expenses include Misc. Shifting expenses, Loading Unloading expenses etc.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>Year ended 31st March, 2012</b>	<i>Year ended 31st March, 2011</i>
	₹	₹
<b>Note 25:</b>		
<b>Additional information to the financial statements and disclosures under Accounting Standards</b>		
(a) Contingent Liabilities in respect of:		
(i) Claims against the Company not acknowledged as debts: .....	<b>4,117,260</b>	<i>4,117,260</i>
Amount claimed by Taluka Development Officer towards Local Cess and Education Cess. The Company has contested this claim and has paid an amount of ₹ 5,00,000/- under protest with Gujarat High Court. The Company is confident of success in the matter.		
(ii) Disputed demands of income tax .....	<b>630,509</b>	<i>630,509</i>
These represent demands raised by Income Tax department on various matters for which disputes are pending before various Appellate authorities. The Company is confident that all these cases can be successfully contested.		
(b) Payments to Auditors:		
(a) As Auditors .....	<b>50,000</b>	<i>25,000</i>
(b) For Tax Audit.....	<b>65,000</b>	<i>95,000</i>
(c) As Advisor or in any other capacity in respect of taxation matters .....	—	<i>155,000</i>
(d) In any other manner (Certification work, etc.).....	<b>15,000</b>	<i>5,000</i>
(e) For expenses.....	<b>345</b>	<i>170</i>
(f) For Service tax .....	<b>13,390</b>	<i>29,682</i>
	<b>143,735</b>	<i>309,852</i>

(Includes payments made to an affiliated firm)

(c) The Company has not received any intimation from the suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure required under the Act have been given accordingly in Notes – 8(a)

(d) Segment information:

The Company is engaged in the business of production and sale of industrial salt. These in the context of Accounting Standard 17 on segment reporting are considered to constitute a single reportable segment.

(e) Quantities and Sales value in respect of each class of goods dealt with by the Company:

<b>Class of Goods</b>	<b>Unit</b>			<i>Previous Year</i>	
		<b>Quantity</b>	<b>Sales Value</b>	<i>Quantity</i>	<i>Sales Value</i>
			₹		₹
Salt (Including Gypsum Salt).....	<b>M.T.</b>	<b>39,441</b>	<b>20,628,845</b>	<i>24,272</i>	<i>9,735,789</i>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note 25:****Additional information to the financial statements and disclosures under Accounting Standards (Contd.)**

- (f) Value and Quantitative break-up in respect of opening and closing stocks of goods produced:

Class of Goods	Unit			Previous Year	
		Quantity	Value ₹	Quantity	Value ₹
Salt:					
Opening Stock .....	M.T.	3911*	1,569,133	7,142	2,991,497
Closing Stock .....	M.T.	6,052*	3,166,628	3911*	1,569,133

\* Excluding loss of 5252 M.T. (Previous period 11142 M.T.) due to washage, etc.

- (g) Value of Stores and Tools:

	Value ₹	% to total consumption	Value ₹	% to total consumption
Imported .....	Nil	Nil	Nil	Nil
Indigenous.....	31,380	100	18,874	100
	<u>31,380</u>	<u>100</u>	<u>18,874</u>	<u>100</u>

- (h) Consumption of Stores & Spares during the year .....

31,380 | 18,874

- (i) Related Party disclosure:

(i) <u>Name of the related party</u>	Relationship
Standard Industries Limited	Holding Company

- (ii) Details of transactions with related parties:

<u>Nature of transactions</u>	<u>Holding Company</u>
Unsecured Loan:	
Received during the year (net).....	Nil (82,281,899)
Unsecured Loan:	
Repayment during the year (net).....	2,603,471 (Nil)
Interest on unsecured loan .....	5,868,750 (2,516,455)
<u>Outstanding Balances – Payables as on 31.03.2012</u>	
Unsecured Loan .....	95,348,052 (97,951,523)
Interest accrued but not due .....	7,546,684 (2,264,809)

Note: Figures shown in bracket pertain to previous year.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 25:**

**Additional information to the financial statements and disclosures under Accounting Standards (Contd.)**

	<b>Year ended 31st March, 2012 ₹</b>	<i>Year ended 31st March, 2011 ₹</i>
(j) Earnings per Share:		
Earnings per share is calculated by dividing the loss attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year as under:		
(Loss) for the year (₹).....	<b>(60,006,330)</b>	(40,627,011)
Weighted average number of equity shares outstanding during the year (Nos.) .....	<b>14,256</b>	14,256
Earnings per share (Basic/Diluted) (₹) .....	<b>(4,209)</b>	(2,850)
Nominal value per share (₹).....	<b>100</b>	100
(k) Components of deferred tax assets/liabilities are as under:-		
Differences in the tax and books written down value of Fixed Assets.....	<b>(5,707,169)</b>	(6,750,884)
Provision for Gratuity .....	<b>(281,860)</b>	(310,409)
Disallowances U/s. 43B of the Income-tax Act, 1961 .....	<b>159,783</b>	136,982
Carried forward Business loss and Depreciation.....	<b>18,255,929</b>	19,912,629
Deferred Tax Assets (Net) .....	<b>12,426,683*</b>	12,988,318*

\* The Net Deferred Tax Asset as at March 31, 2012 has not been recognised in view of the requirements of certainty/virtual certainty as stated in Accounting Standard 22 on "Accounting for Taxes on Income"

- (l) The accumulated losses of the Company as at the year end have eroded the Shareholders' Funds. However, the accounts of the Company have been prepared on a going concern basis in view of the continued availability of finance/financial support from the Holding Company and expected improvement in the economic conditions/scenario. Also the Company is in process of developing more Salt Kyaras which will result in substantial increase in the production of salt.
- (m) The figures of the previous year have been regrouped wherever necessary to correspond with those of current year, in-line with the Revised Schedule VI.

**Signature to Notes 1 to 25**

In terms of our report attached  
For Deloitte Haskins & Sells  
Chartered Accountants

A. B. JANI  
Partner

D. H. PAREKH

Chairman

D. M. NADKARNI

R. N. PATEL

Directors

Mumbai, Dated: 23rd April, 2012.



FORM OF PROXY

**STANDARD SALT WORKS LIMITED**

(Code No. & Name of the Shareholders/Jointholders & address as given on the envelope in BLOCK LETTERS to be furnished below.)

I/We .....

..... of.....

being a member/members of **STANDARD SALT WORKS LIMITED**

hereby appoint..... of.....

or failing him..... of.....

as my/our proxy to vote for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company to be held on Thursday, the 9<sup>th</sup> August, 2012 at 9.00 A.M. and at any adjournment thereof.

As witness my/our hand(s) this ..... day of ..... 2012.

Signed by the said .....

**Note:** The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Affix a  
30 paise  
Revenue  
Stamp