

STANDARD SALT WORKS LIMITED

BOARD OF DIRECTORS

SHRI V. RAMADURAI (*Chairman*)

SHRI K. J. PARDIWALLA

SHRI D. M. NADKARNI

BANKERS

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.

DIRECTORS' REPORT

To
The Members,
STANDARD SALT WORKS LIMITED

Your Directors hereby present the 30th Annual Report together with the Audited Statements of Accounts for the Financial Year from 1st April, 2009 to 31st March, 2010.

1. GENERAL

The operations of the Salt Works in April, May and June, 2009 were good. Due to delayed monsoon, all the salt manufactures benefitted as they could increase their production. The company produced 38,756 MT of salt till the end of June, 2009.

The total production during the financial year was 43,370 MT and the total sales during this period was 32,947 MT.

Salt is the major raw material required for the production of Caustic Soda. With the substantial imports of Caustic Soda, the demand for local Caustic Soda was reduced considerably resulting in lower demand of Salt. As a result, most of the salt manufacturers have accumulated huge stocks of salt which has resulted in reduction of salt prices.

There is scarcity of labourers for salt production. Attempts are made for semi-mechanised production of salt. With this in view, Brine Circuit is redesigned and additional 500 acres of area is developed for revised Brine Circuits and new Crystallizers of bigger size. Due to this modification, salt production in certain sections got delayed. The experiment of re-designing the Circuits for semi-mechanized production has resulted in improved yield and quality of salt. All efforts are made to increase and improve production of quality salt.

2. FINANCIAL RESULTS

The value of salt sold during the financial year under review amounted to Rs.175.06 lakhs. The value of salt sold in the previous accounting period cannot be compared as that comprised an 18 months period. There is a loss of Rs.15.52 lakhs in this financial year.

3. DESPATCHES

The total sale of salt from 1st April , 2009 to 31st March, 2010, was 32,947 MT. Substantial quantity was sold to Power Sub-station and Caustic Soda industry.

4. IMPROVEMENTS

With new modified Circuits and bigger size Crystallizers where brine is fed in series, the

Company hopes to reduce Calcium (Ca) and Magnesium (Mg) in the finished product, further, so that after washing of salt manually it can be supplied to Caustic Soda 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, 2010, 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 31st March, 2010, and of the profit or loss of the Company for the said period under review;
- (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, 2010, on a 'going concern' basis.

STANDARD SALT WORKS LIMITED

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 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

At the ensuing Annual General Meeting, Members will be requested to appoint Auditors for the current year and to fix their remuneration.

For and on behalf of the Board

V. RAMADURAI
Chairman

Mumbai

Dated: 25th May, 2010.

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 under review.

2. Total Foreign Exchange used and earned:

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

For and on behalf of the Board

V. RAMADURAI
Chairman

Mumbai

Dated: 25th May, 2010.

COMPLIANCE CERTIFICATE

CIN OF THE COMPANY : U24110GJ1979PLC003315
Nominal capital : Rs. 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, 2010. 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 10th June, 2009, 28th September, 2009, 30th December, 2009 and 29th March, 2010 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 period.
6. The Annual General meeting for the financial year ended on 31st March, 2009 was held on 21st, August, 2009 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. No extra-ordinary general meeting was held during the financial year.
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 duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
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 period.
13. During the financial period ending 31st March, 2010
 - (i) There was no allotment/Transfer/transmission of securities during the financial period.
 - (ii) The Company has not deposited any amount in a separate Bank Account as no dividend was declared during the financial period.
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial period.
 - (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, additional directors, alternate directors and directors to fill casual vacancies have been duly made.
15. The Company has not appointed any Managing Director/Whole time Director/Manager during the financial period.
16. The Company has not appointed any sole selling agents during the financial period.
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 period.
20. The Company has not bought back any shares during the financial period ending 31st March, 2010.
21. There was no redemption of preference shares or debentures during the financial period.
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 period.
24. The Company has not borrowed any sum of money from Director, Members, Public, financial institutions, banks and others during the financial period ending 31st March, 2010.
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.

STANDARD SALT WORKS LIMITED

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 not altered the provisions of the Memorandum with respect to the objects of the Company during the period under scrutiny.
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 period 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 period, for offences under the Act.
32. The Company has not received any money as security from its employees during the period.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

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

Place : Mumbai
Date : 25th May, 2010.

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, 2010.

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 period ended 31.03.2009	28.08.09	Yes	N.A.
2.	23AC & 23ACA	220	Balance Sheet for the Financial period ended 31.03.2009	10.09.09	Yes	N.A.
3.	20B	159	Annual Return as at the date of AGM held on 21.08.09	15.10.09	Yes	N.A.

AUDITORS' REPORT

TO
THE MEMBERS OF STANDARD SALT WORKS LIMITED.

1. We have audited the attached Balance Sheet of Standard Saltworks Limited ("the Company") as at 31st March, 2010, 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 no. B8 of Schedule 16 regarding being prepared of accounts on a 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, 2010;
 - (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, 2010 taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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: 25th May, 2010.

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 fixed 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 material.
- (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 Rs.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 Rs. 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, Value Added Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 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:

STANROSE MAFATLAL

Name of the Statute	Nature of Dues	Amount (Rs.)	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 not in the immediately preceding financial period.*
- (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, *except for short term funds aggregating to Rs. 85,70,974 utilised for long term purposes.*
- (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: 25th May, 2010.

STANDARD SALT WORKS LIMITED

BALANCE SHEET

AS AT 31ST MARCH, 2010

	Schedule No.	Rupees	Rupees	As at 31.03.2009 Rupees
I. SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS:				
(a) Share Capital.....	1	14,25,610		14,25,610
(b) Reserves and Surplus.....	2	4,13,560		4,13,560
			18,39,170	18,39,170
Total....			18,39,170	18,39,170
II. APPLICATION OF FUNDS:				
1. FIXED ASSETS				
(a) Gross Block.....	3	1,76,25,169		1,51,23,150
(b) Less: Depreciation		1,21,86,909		1,16,00,345
(c) Net Block			54,38,260	35,22,805
2. INVESTMENTS	4		54,000	54,000
3. CURRENT ASSETS, LOANS AND ADVANCES:				
(a) Inventories	5	51,97,107		29,18,729
(b) Sundry Debtors	6	6,35,369		12,53,145
(c) Cash and Bank Balances	7	7,54,948		10,25,829
(d) Other Current Assets	8	54,810		54,810
(e) Loans and Advances	9	31,81,406		37,45,102
		98,23,640		89,97,615
Less: CURRENT LIABILITIES AND PROVISIONS:				
(a) Current Liabilities	10	1,76,46,476		1,31,97,478
(b) Provisions	11	7,48,138		9,03,472
		1,83,94,614		1,41,00,950
NET CURRENT (LIABILITIES)			(85,70,974)	(51,03,335)
4. PROFIT AND LOSS ACCOUNT				
(DEBIT BALANCE)			49,17,884	33,65,700
Total....			18,39,170	18,39,170
Significant Accounting Policies and Notes on Accounts	16			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

For STANDARD SALT WORKS LIMITED

V. RAMADURAI Chairman

K. J. PARDIWALLA }
D. M. NADKARNI } Directors

PROFIT AND LOSS ACCOUNT

FOR THE YEAR FROM 1ST APRIL, 2009 TO 31ST MARCH, 2010

	Schedule No.	Rupees	Rupees	Previous period 01-10-2007 to 31-03-2009 Rupees
INCOME:				
Sales.....			1,75,05,868	1,63,03,385
Other Income.....	12		92,584	13,49,808
Increase in Stocks of Finished Goods and Process stock.....	13		22,78,378	21,75,270
			<u>1,98,76,830</u>	<u>1,98,28,463</u>
EXPENDITURE:				
Operating and Other Expenses.....	14		2,08,42,450	1,71,94,476
Depreciation.....	3		5,86,564	6,54,982
Interest.....	15		—	60,190
			<u>2,14,29,014</u>	<u>1,79,09,648</u>
(Loss)/Profit before taxes.....			(15,52,184)	19,18,815
Provision for Taxation				
Current Tax.....			—	(1,50,000)
Fringe Benefits Tax.....			—	(53,000)
(Loss)/Profit after Tax.....			(15,52,184)	17,15,815
Balance brought forward from previous period.....			(33,65,700)	(50,81,515)
(Deficit) carried to Balance Sheet.....			<u>(49,17,884)</u>	<u>(33,65,700)</u>
Earnings per Share (Basic/Diluted) (Rs.) (Refer Note No. B1 of Schedule 16).....			(108.88)	120.36
Significant Accounting Policies and Notes on Accounts	16			

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

For STANDARD SALT WORKS LIMITED

V. RAMADURAI

Chairman

K. J. PARDIWALLA

D. M. NADKARNI

Directors

STANDARD SALT WORKS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST MARCH, 2010

	Rupees	Rupees	Previous period	
			01-10-2007 to 31-03-2009	
			Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES:				
NET (LOSS)/PROFIT BEFORE TAX.....		(15,52,184)		19,18,815
Adjustments for:				
Depreciation.....	5,86,564		6,54,982	
Excess Provision for Doubtful advances written back.....	—		(4,32,337)	
Excess Provision for earlier period written back.....	—		(8,62,277)	
Loss on Sale of Fixed Assets.....	—		1,83,012	
Interest Expenses	—		60,190	
		<u>5,86,564</u>		<u>(3,96,430)</u>
OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES		(9,65,620)		15,22,385
Decrease/(Increase) in Trade and Other receivables	14,80,859		(29,99,289)	
(Increase) in Inventories.....	(22,78,377)		(21,75,270)	
Increase in Trade and Other Payables	44,67,741		53,07,968	
		<u>36,70,223</u>		<u>1,33,409</u>
		27,04,604		16,55,794
Direct Taxes Paid		(4,73,465)		(39,791)
NET CASH FROM OPERATING ACTIVITIES (A).....		<u>22,31,139</u>		<u>16,16,003</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets.....	(25,02,019)		(5,51,278)	
Sale of Fixed Assets.....	—		1,92,954	
NET CASH USED IN INVESTING ACTIVITIES (B) ...		(25,02,019)		(3,58,324)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Repayment of Long term borrowings	—		(3,56,331)	
Interest paid	—		(60,190)	
NET CASH USED IN FINANCING ACTIVITIES (C) ..		—		(4,16,521)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C).....		(2,70,881)		8,41,158
CASH AND CASH EQUIVALENTS AS AT 01.04.2009 (OPENING BALANCE)		10,25,829		1,84,671
CASH AND CASH EQUIVALENTS AS AT 31.03.2010 (CLOSING BALANCE)		7,54,948		10,25,829

Notes:

- Components of cash and cash equivalents include cash and bank balances in current Accounts (Refer Schedule – 7 forming part of the Balance sheet and the Profit and Loss Account).
- 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.

In terms of our report attached

For STANDARD SALT WORKS LIMITED

For DELOITTE HASKINS & SELLS
Chartered Accountants

V. RAMADURAI Chairman

A. B. JANI
Partner

K. J. PARDIWALLA
D. M. NADKARNI } Directors

SCHEDULES 1 TO 16

SCHEDULES FORMING PART OF BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

SCHEDULE — 1

SHARE CAPITAL:

	Rupees	<i>As at 31.03.2009 Rupees</i>
Authorised:		
50,000 Equity Shares of Rs. 100/- each.....	50,00,000	<u>50,00,000</u>
Issued and Subscribed:		
47,000 Equity Shares of Rs. 100/- each.....	47,00,000	<u>47,00,000</u>
Paid-up:		
223 Equity Shares of Rs. 100/- each fully paid-up.....	22,300	22,300
46,777 Equity Shares of Rs. 100/- each. Rs. 30/- per share paid-up.	14,03,310	<u>14,03,310</u>
Total	14,25,610	<u>14,25,610</u>
<i>Note:</i> Of the above Shares:		
(i) 47,000	Shares are held by Standard Industries Limited, the Holding Company and its nominees.	
(ii) 193	Shares are allotted as fully paid-up and 11,075 Shares are allotted at Rs.15/- per share paid-up pursuant to a contract without payment being received in cash.	

SCHEDULE — 2

RESERVES AND SURPLUS:

CAPITAL RESERVE

Cash Subsidy received

Balance as per last Balance Sheet.....	4,13,560	<u>4,13,560</u>
Total	4,13,560	<u>4,13,560</u>

STANDARD SALT WORKS LIMITED

SCHEDULE — 3 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as on 1.04.2009 Rupees	Additions during the year Rupees	Deductions during the year Rupees	Total as on 31.03.2010 Rupees	Total upto 31.03.2009 Rupees	For the year Rupees	Deductions Rupees	Total upto 31.03.2010 Rupees	Net Value as on 31.03.2010 Rupees	Net Value as on 31.03.2009 Rupees
Freehold Land	1,40,000	—	—	1,40,000	—	—	—	—	1,40,000	1,40,000
Buildings	21,64,842	—	—	21,64,842	9,32,185	51,723	—	9,83,908	11,80,934	12,32,657
Plant and Machinery	41,90,547	16,39,675	—	58,30,222	20,73,500	2,61,628	—	23,35,128	34,95,094	21,17,047
Salt Works — Reservoirs, Condensers, Salt Pans, etc.	84,30,811	1,87,739	—	86,18,550	84,30,811	1,87,739	—	86,18,550	—	—
Furniture, Fixtures and Dead Stock	40,024	14,605	—	54,629	30,592	1,328	—	31,920	22,709	9,432
Motor Cars and Vehicles	1,56,926	6,60,000	—	8,16,926	1,33,257	84,146	—	2,17,403	5,99,523	23,669
Total	1,51,23,150	25,02,019	—	1,76,25,169	1,16,00,345	5,86,564	—	1,21,86,909	54,38,260	35,22,805
Previous period	1,55,39,663	5,51,278	9,67,791	1,51,23,150	1,15,37,188	6,54,982	5,91,825	1,16,00,345	35,22,805	

Note: The above schedule does not include leasehold land on short-term lease, on which the Company incurs annual rent.

SCHEDULE — 4

INVESTMENTS (LONG TERM) (Non Trade):

In Government Securities (Unquoted)

6 year National Savings Certificates VIII issue of the face value of Rs. 54,000/- deposited with Government Authorities (since matured)

Total.....

As at
31.03.2009
Rupees

54,000

54,000

54,000

54,000

SCHEDULE — 5

INVENTORIES:

Process Stock.....

22,05,610

15,60,235

Finished Goods

29,91,497

13,58,494

Total.....

51,97,107

29,18,729

STANROSE MAFATLAL

	Rupees	As at 31.03.2009 Rupees
SCHEDULE — 6		
SUNDRY DEBTORS:		
(Unsecured and considered good)		
1. Debts outstanding for a period exceeding six months	10,337	—
2. Other Debts	6,25,032	12,53,145
Total.....	<u>6,35,369</u>	<u>12,53,145</u>
 SCHEDULE — 7		
CASH AND BANK BALANCES:		
1. Cash on hand	637	56,921
2. Bank Balances:		
With Scheduled Banks:		
In Current Accounts	7,54,311	9,68,908
Total.....	<u>7,54,948</u>	<u>10,25,829</u>
 SCHEDULE — 8		
OTHER CURRENT ASSETS:		
Interest accrued and due on Investments.....	54,810	54,810
Total.....	<u>54,810</u>	<u>54,810</u>
 SCHEDULE — 9		
LOANS AND ADVANCES:		
(Unsecured and considered good)		
1. Advances recoverable in cash or in kind or for value to be received	16,15,218	24,78,301
2. Advance payment of Income-tax and tax deducted at source (net)	15,66,188	12,66,801
Total.....	<u>31,81,406</u>	<u>37,45,102</u>
<i>Note:</i> Considered Good	31,81,406	37,45,102
Considered Doubtful.....	—	—
	<u>31,81,406</u>	<u>37,45,102</u>

STANDARD SALT WORKS LIMITED

	Rupees	Rupees	As at 31.03.2009 Rupees
SCHEDULE — 10			
CURRENT LIABILITIES:			
1. Sundry Creditors:			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises (Also refer note B10 of Schedule 16).....	—		—
(ii) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	<u>15,19,987</u>		<u>6,62,000</u>
		15,19,987	6,62,000
2. Advances from Customers.....	1,57,82,804		1,22,14,247
3. Other Liabilities.....	3,43,685		3,21,231
Total.....	<u>1,76,46,476</u>		<u>1,31,97,478</u>
SCHEDULE — 11			
PROVISIONS:			
Provision for Income Tax (net)		20,065	1,94,142
Provision for Gratuity		7,28,073	7,09,330
Total.....		<u>7,48,138</u>	<u>9,03,472</u>
			<i>Previous period 01-10-2007 to 31-03-2009 Rupees</i>
SCHEDULE — 12			
OTHER INCOME:			
Excess Provision for Doubtful Advances written back		—	4,32,337
Excess Provision for earlier period written back.....		—	8,62,277
Miscellaneous income		92,584	55,194
Total.....		<u>92,584</u>	<u>13,49,808</u>
SCHEDULE — 13			
INCREASE IN STOCKS OF FINISHED GOODS AND PROCESS STOCK:			
Stocks on 31st March, 2010			
Finished Goods	29,91,497		13,58,494
Process Stock.....	22,05,610		15,60,235
		51,97,107	29,18,729
Less: Stocks on 1st April, 2009			
Finished goods.....	13,58,494		7,43,459
Process Stock.....	15,60,235		—
		29,18,729	7,43,459
INCREASE.....		<u>22,78,378</u>	<u>21,75,270</u>

STANROSE MAFATLAL

	Rupees	Rupees	<i>Previous period 01-10-2007 to 31-03-2009 Rupees</i>
SCHEDULE — 14			
OPERATING AND OTHER EXPENSES:			
1. Salaries, Wages, and Bonus.....	11,44,119		14,84,210
2. Labour charges	28,78,852		18,27,922
3. Contribution to Provident Fund	98,314		1,47,692
4. Workmen and Staff Welfare Expenses	2,74,661		1,08,065
		43,95,946	35,67,889
5. Stores and Tools consumed		8,969	76,347
6. Power and Fuel		29,01,276	34,88,212
7. Rent		3,25,000	3,31,501
8. Repairs:			
To Buildings.....	5,56,723		3,04,313
To Machinery	2,02,322		7,68,896
To Salt Works	71,26,528		39,04,716
		78,85,573	49,77,925
9. Insurance		24,245	48,116
10. Rates and Taxes		95,009	29,900
11. Royalty and Cess		14,92,490	6,19,156
12. Transport and Freight charges		6,79,140	3,23,740
13. Excavation Charges		3,38,925	15,41,385
14. Legal and Professional charges		1,55,620	1,89,064
15. Travelling and Conveyance.....		2,74,559	3,16,962
16. Directors' Sitting Fees		1,750	3,500
17. Donations.....		20,700	62,500
18. Salt - Internal shifting expenses.....		12,65,942	4,08,393
19. Doubtful Advances written off.....		—	2,57,337
20. Loss on sale of Fixed Assets (Net).....		—	1,83,012
21. Miscellaneous Expenses		9,77,306	7,69,537
Total.....		2,08,42,450	1,71,94,476

Note: Miscellaneous expenses include Salt Washing expenses, Loading Unloading expenses etc.

SCHEDULE — 15

INTEREST:

On Cash Credit Account with Bank.....	—	60,190
Total.....	—	60,190

SCHEDULE — 16

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

A1. 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.

A2. 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/materialise.

A3. 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.

A4. 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.

A5. 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.

A6. Provisions and contingencies:

Provisions are recognized when the Company has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. Contingent liabilities are disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

A7. Revenue Recognition:

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

A8. Employee Benefits:

Provision for gratuity is made in the accounts considering the Balance Sheet date as the notional date of retirement. Contribution as required under statute is made to Government Provident Fund.

A9. Stores and Tools consumption:

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

A10. Depreciation:

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

A11. 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.

A12. 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.

A13. Taxes on Income:

Tax expenses comprises of current tax, deferred tax and fringe benefits 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 period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/periods. 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. Fringe benefits tax is recognised in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India.

A14. 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.

Schedule — 16 (Contd.)

B. NOTES ON ACCOUNTS:

	Rupees	From April '09 to March '10 Rupees	Previous Period From October '07 to March '09 Rupees
		As at 31.3.2010	As at 31.03.2009
B1. Earnings per Share:			
Earnings per share is calculated by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period as under:			
(Loss)/Profit after tax (Rs.).....	(15,52,184)		17,15,815
Weighted average number of equity shares outstanding during the year/period.....		14,256	14,256
Earnings per share (Basic/Diluted) (Rs.).....		(108.88)	120.36
Nominal value per share (Rs.).....		100	100
B2. Components of deferred tax assets and (Liabilities) are as under:			
Differences in the tax and books written down value of Fixed Assets	(2,40,390)		(3,02,409)
Provision for Gratuity.....	—		10,168
Disallowances U/s. 43B of the Income-tax Act, 1961.....	73,308		2,06,963
Provision for Doubtful Debts.....	—		59,483
Carried forward Business loss and Depreciation.....	11,44,000		13,20,483
Deferred Tax Assets/(Liability) (Net).....	<u>9,76,918*</u>		<u>12,94,688*</u>
* The Net Deferred Tax Asset as at March 31, 2010 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"			
B3. Payments to Auditors:			
(a) As Auditors.....		25,000	30,000
(b) For Tax Audit.....		—	20,000
(c) As Advisor or in any other capacity in respect of:			
(i) Taxation matters.....	60,000		50,000
(ii) Company Law matters.....	—		—
		<u>60,000</u>	<u>50,000</u>
(d) In any other manner (Certification work).....		—	10,000
(e) As Reimbursement of expenses.....		—	666
(f) For Service tax.....		9,270	12,648
		<u>94,270</u>	<u>1,23,314</u>

STANDARD SALT WORKS LIMITED

Schedule — 16 (Contd.)

B. NOTES ON ACCOUNTS:

	As at 31.3.2010 Rupees	<i>As at 31.3.2009 Rupees</i>
B4. Contingent Liabilities in respect of:		
(I) Claims against the Company not acknowledged as debts:	41,17,260	52,30,860
Amount claimed by Taluka Development Officer towards Local Cess and Education Cess. The Company has contested this claim and is confident of success in the matter.		
(II) Disputed demands of income tax	6,30,509	6,30,509
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.		

B5. Related Party disclosure:

A. Name of the related party	Relationship
Standard Industries Limited	Holding Company
B. Details of transactions with related parties:	
<u>Nature of transactions</u>	<u>Holding Company</u>
Advance received during the year (net)	35,05,331 (50,59,072)
Advances payable as at 31.03.2010.....	1,56,69,624 (1,21,64,293)

Note: Figures shown in bracket pertain to previous period.

B6. Segment Information:

The Company has only one business segment of production and sale of common salt, hence segment information is not required to be disclosed.

B7. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI of the Companies Act, 1956 (To the extent applicable):

A. Quantities and Sales value in respect of each class of goods dealt with by the Company:

Class of Goods	Unit	From April '09 to March '10		Previous Period From October '07 to March '09	
		Quantity	Sales Value Rupees	Quantity	Sales Value Rupees
Salt (Including Gypsum Salt)	M.T.	35,490	1,75,05,867	36,842	1,63,03,385

B. Consumption of Raw materials with value and quantitative break-up

Not applicable as Salt is manufactured by Solar Evaporation of Sea Water.

Schedule — 16 (Contd.)

B. NOTES ON ACCOUNTS:

C. Value and Quantitative break-up in respect of opening and closing stocks of goods produced:

Class of Goods	Unit	From April '09 to March '10		Previous Period From October '07 to March '09	
		Quantity	Value Rupees	Quantity	Value Rupees
Salt:					
Opening Stock	M.T.	3,542	13,58,494	2,175	7,43,459
Closing Stock	M.T.	7,142*	29,91,497	3,542*	13,58,494

*Excluding loss of **6,823 M.T.** (Previous period 4,094 M.T.) due to washage, etc.

D. Capacity and Production:

Class of Goods	Unit	From April '09 to March '10		Previous Period From October '07 to March '09	
		Quantity		Quantity	
Salt:					
(i) Licenced capacity		Not applicable		Not applicable	
(ii) Installed Capacity		Not applicable		Not applicable	
(iii) Actual Production (Including Gypsum Salt)	M.T.	45,913		42,303	

E. Value of Stores and Tools:

	Value		Value	
	Rupees	% to total consumption	Rupees	% to total consumption
Imported	Nil	Nil	Nil	Nil
Indigenous	8,969	100	76,347	100
	<u>8,969</u>	<u>100</u>	<u>76,347</u>	<u>100</u>

F. Consumption of Stores & Spares during the year

From April '09 to March '10 Rupees	Previous Period From October '07 to March '09 Rupees
<u>8,969</u>	<u>76,347</u>

- B8. The accumulated loss of Rs. 49,17,884/- has entirely 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.
- B9. Figures of Current Financial year in the Profit and Loss Account are for a period of twelve months whereas, the corresponding figures of the previous period are for a period of eighteen months and hence are not strictly comparable.
- B10. 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.
- B11. Figures of the previous period have been regrouped wherever necessary to correspond with those of the current period.

Signature to Schedules 1 to 16

In terms of our report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

A. B. JANI
Partner

For STANDARD SALT WORKS LIMITED

V. RAMADURAI Chairman

K. J. PARDIWALLA } Directors

D. M. NADKARNI