

ANNUAL REPORT 2018-19 Salora International Limited

Step out to the joys...



LED TV
Design & Technology

SALORA

Technology for Happiness



SEMI AUTOMATIC WASHING MACHINE



PUNCH PULSATOR

Punch Pulsator technology propels detergent - rich water vertically into every thread of the fabric. Also, it washes your clothes with care without entangling them.



ANTI RUST

The sturdy plastic body provides strong resistance against corrosion and rusting, which leads to better performance as well as a much longer life of the washing machine.



SOAK

The machine's unique soak process soaks clothes in a concentrated detergent solutions for 25 minutes to help loosen tough dirt particles.

50th ANNUAL REPORT 2018–19



BOARD OF DIRECTORS

GOPAL SITARAM JIWARAJKA – Chairman & Managing Director

GAUTAM KHAITAN – Chairman Audit Committee &
Independent Director

TARUN JIWARAJKA – Whole Time Director & CFO

NEETU JIWARAJKA – Executive Director

SANJEEV KAUL DUGGAL – Independent Director

KARNA SINGH MEHTA – Independent Director

COMPANY SECRETARY

Ms. SILKY GUPTA

AUDITORS

R. GOPAL & ASSOCIATES, STATUTORY AUDITORS

SCV & CO. LLP, INTERNAL AUDITORS

GURVINDER CHOPRA & CO., COST AUDITORS

NAVNEET K. ARORA & CO. LLP, SECRETARIAL AUDITORS

BANKERS

STATE BANK OF INDIA

CANARA BANK

HDFC BANK LTD.

REGISTERED OFFICE

SALORA INTERNATIONAL LTD.

D – 13/4, OKHLA INDUSTRIAL AREA,
PHASE – II, NEW DELHI – 110 020.

CIN L74899DL1968PLC004962

Sect@salora.com

CORPORATE OFFICE & MANUFACTURING PLANTS

PLOT NO. B – 31 to 34 & 50 to 53, SECTOR – 80, NOIDA (U.P.)

REGISTRAR & SHARE TRANSFER AGENTS

SKYLINE FINANCIAL SERVICES PVT. LTD.

D-153-A, 1st FLOOR, OKHLA INDUSTRIAL AREA, PHASE -I,
NEW DELHI-110020

Tel. No. 011-26812682,83 & 84 Fax:30857562

Email: admin@skylinerta.com

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ANNUAL GENERAL MEETING

Day : Saturday

Date : 28th September, 2019

Time : 11.00 am

Venue : India Islamic Cultural Centre, 87-88, Lodhi Road,
Lodhi Gardens, Lodi Estate, New Delhi-110003

Note : Members are requested to bring their copy of the
Annual Report to the Meeting.

Visit us at www.salora.com

NOTICE TO THE 50TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 50th Annual General Meeting of Salora International Limited will be held on Saturday, 28th September, 2019 at 11.00 A.M. at India Islamic Cultural Centre, 87-88, Lodhi Road, Lodhi Estate, New Delhi – 110 003 to transact the following business:

ORDINARY BUSINESS

Item No.1 – To receive, consider and adopt:

- a. The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of Board of Directors and the Auditors' thereon; and
- b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019 together with the Reports of the Auditors' thereon.

Item No.2 - Appointment of a Director in place of Smt. Neetu Jiwarajka (DIN 00025570), who retires by rotation

To appoint director in place of Smt. Neetu Jiwarajka (DIN 00025570), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

Item No. 3 – Appointment of Shri Sanjeev Kaul Duggal as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Shri Sanjeev Kaul Duggal (DIN 00004977), who was appointed as an Independent Director at the 45th Annual General Meeting of the Company and who holds office up to August 06, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from August 07, 2019 up to August 06, 2024.”

Item No. 4 – Appointment of Shri Gopal Sitaram Jiwarajka, as Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any applicable provisions of the Companies Act, 2013 and any rules made there under, read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time and Articles of Association of the Company and subject to such approvals as may be necessary and further subject to the approvals of Shareholders and further approval of the Central Government, if necessary, Shri Gopal Sitaram Jiwarajka (DIN 0024325) be and is hereby re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 1st July, 2019 to 30th June, 2022 on the following terms of remuneration:

1. Salary: Rs.4,27,500/- (Rupees Four Lacs Twenty Seven Thousand Five Hundred Only) per month;
2. Executive Pay: Rs 2,14,000/- (Rupees Two Lacs Fourteen Thousand Only) per month;
3. Perquisites: Perquisites shall be distributed in two categories

Category A-

- a) House Rent Allowance @ 60% of basic salary;
- b) Reimbursement of expenses incurred on Gas, Electricity and Water;
- c) Reimbursement of medical expenses actually incurred for self and family;
- d) Fees of clubs subject to maximum of two clubs shall be borne by the Company but admission fee and life membership fee shall not be paid;
- e) Provision of Company's car for use on Company's business and for personal use, mobile and telephone at residence and long distance personal calls on telephone will be charged by the Company;

Category B- Perquisites not included in computation of total managerial remuneration ceiling as per schedule V;

- a) Company's contribution towards Provident Fund, Annuity Fund, if any, shall be made as per rules of the Company but to the extent

these are not taxable under the Income Tax Act, 1961;

- b) Gratuity shall be paid equal to one half month's salary for each completed year of service;
- c) Encashment of earned leave permitted at the end of tenure as per rules of the Company, which is 21 days in a year;

RESOLVED FURTHER THAT Shri Gopal Sitaram Jiwarajka, Managing Director shall be entitled for the reimbursement of actual entertainment, travelling, boarding, and lodging expenses incurred by him in connection with the Company's business."

None of the Directors except Shri Gopal Sitaram Jiwarajka, Smt. Neetu Jiwarajka and Shri Tarun Jiwarajka are interested or concerned in this resolution.

Item No. 5 – Remuneration to Cost Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company M/s. Gurvinder Chopra & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2019-20, be paid remuneration of Rs.40,000/- plus applicable GST and reimbursement of actual travel and out of pocket expenses, that may be incurred by them in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and approved".

By Order of the Board of Directors

Salora International Ltd.

Regd. Office:

D – 13/4, Okhla Industrial Area, Phase – II,

New Delhi – 110 020

CIN L74899DL1968PLC004962

sect@salora.com

(Silky Gupta)
Company Secretary

Dated: 25.05.2019

Place: New Delhi

Notice

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business under Item No. 3 to 5 of the Notice is annexed hereto. The relevant details required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of the directors seeking appointment / re-appointment at this AGM are also annexed.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE, DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of not exceeding fifty members and holding in the aggregate not more than ten (10) per cent of the total share capital of the Company carrying voting rights. A member holding more than ten (10) per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

Corporate members intending to send their authorized representative to attend the AGM are requested to send a certified copy of the Resolution to the Company, authorizing them to attend and vote on their behalf at the AGM.

3. The Share Transfer Register and Register of Members of the Company will remain close during the period from 22.09.2019 to 28.09.2019 (both days inclusive) for the purpose of Annual General Meeting.
4. Members / Proxies and Authorized Representatives are requested to bring, their Attendance Slip enclosed with the annual report duly completed and signed, mentioning therein DP ID and Client ID / Folio No. to attend the meeting.
5. Members, holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR Code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact number, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer

Agents, M/s. Skyline Financial Services Pvt. Ltd. (SKYLINE) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to SKYLINE.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to SKYLINE.

6. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or SKYLINE for assistance in this regard.
7. Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or SKYLINE, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to annual accounts, are requested to write to the Company at least seven working days prior to the meeting, so as to enable the Management to keep information ready at the AGM.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same. Members holding shares in physical form may submit their nomination in Form 2B to SKYLINE. Members holding shares in electronic form may write to their respective depository participant.
11. There were no unclaimed and unpaid dividend amounts lying pending with the company.
12. The Notice of 50th AGM along with Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members please note that this Notice and Annual Report 2018-19 will also be available on the Company's website viz. www.salora.com
13. Pursuant to the third proviso of Section 136 (1) audited annual accounts of subsidiary company is uploaded on the website of the Company and members who are interested in obtaining the annual accounts of subsidiary company at any point of time, may write to the Company Secretary at the Registered Office of the Company. The annual accounts of subsidiary company shall be kept available at the head office of the Company for inspection by any member during working hours.
14. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on any day between 10.00 A.M. to 4.00 P.M. except holidays and shall also be available at the meeting.
15. The information required in terms of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Corporate Governance Report annexed to the Directors' Report which is published in the 50th Annual Report 2018-19.
16. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with their DPs / SKYLINE.
17. At the 48th AGM held on 13th September, 2017 the Members approved appointment of M/s. R. Gopal & Associates, Chartered Accountants, (Firm Registration No.000846C), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 53rd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.
18. The route map showing directions to reach the venue of the 50th AGM is annexed.
19. Members can contact Ms. Silky Gupta, Company Secretary, on Alternate Tel. No. 0120-4885528 for any query relating to Annual General Meeting (AGM).
20. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given at Point No.24 below. Resolution(s) passed by Members through e-voting is / are deemed to have been passed as if they have been passed at the AGM.
21. The Board of Directors has appointed CS Navneet Arora, Company Secretary in practice (FCS No.3214 & Certificate of practice

No.3005) and failing him CS Arvinder Singh Kindra, Company Secretary in practice (FCS No.3521 & Certificate of practice No.17737), Partners of M/s. Navneet K Arora & Co. LLP, Company Secretaries situated at E-8/1, LGF Near Geeta Bhawan Mandir, Malviya Nagar, New Delhi, 110017 (Registration No.LLPIN-AAJ-0972) as the Scrutinizers, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.

22. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
23. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

SHAREHOLDERS MAY KINDLY NOTE THAT NO GIFTS / GIFT COUPONS OR CASH IN LIEU OF GIFTS WILL BE DISTRIBUTED AT THE MEETING, AS THE SAME HAS BEEN PROHIBITED UNDER THE SECRETARIAL STANDARDS FRAMED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA FOR HOLDING GENERAL MEETING.

24. The instructions for e-voting are as under:

PROCEDURE FOR E-VOTING

- I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for Annual General Meeting. The instructions for e-voting are as under:

(a)	In case of Members receiving an e-mail from NSDL:	
	i)	Open the PDF file 'SIL e-Voting.pdf' attached to the e-mail, using your Client ID/ Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.
	ii)	Open web browser by typing the following URL: https:// www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
	iii)	Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
	iv)	Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.
	v)	Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.
	vi)	Home page of e-voting will open. Click on e-Voting - Active Voting Cycles
	vii)	Select 'EVEN' (E-Voting Event Number) of Salora International Limited
	viii)	Now you are ready for e-voting as 'Cast Vote' page opens
	ix)	Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted
	x)	Upon confirmation, the message 'Vote cast successfully' will be displayed
	xi)	Once you have voted on the resolution, you will not be allowed to modify your vote
	xii)	Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by an e-mail at info@navneetaroracs.com with copy to evoting@nsdl.co.in .
(b)	In case of Shareholders receiving physical copy of the Notice of Annual General Meeting.	
	(i)	Initial Password is provided, as follows, along with Notice of Annual General Meeting.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

- (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in downloads section of NSDL's e-voting website www.evoting.nsdl.com.
- III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on 21.09.2019. Members are eligible to cast vote electronically only if they are holding shares as on that date.

SALORA INTERNATIONAL LIMITED

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- V. The Electronic voting period shall commence at 9.00 A.M. on 25th September, 2019 and will end at 5:00 p.m. on 27th September, 2019. The e-voting module shall be disabled by NSDL at 5:00 p.m. on the same day.
- VI. In terms of provisions of Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in order to enable its members, who do not have access to e-voting facility, polling facility will be provided at the AGM.
- VII. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.salora.com and on the website of NSDL www.evoting.nsdl.com within three days of the passing of the resolutions at the 50th Annual General Meeting of the Company on 28th September, 2019 and communicated to the BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors
Salora International Ltd.

Regd. Office:
D – 13/4, Okhla Industrial Area,
Phase – II, New Delhi – 110 020
CIN L74899DL1968PLC004962
sect@salora.com

(Silky Gupta)
Company Secretary

Dated: 25.05.2019
Place: New Delhi

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 5 of the accompanying Notice:

Item No. 3

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Sanjeev Kaul Duggal (DIN 00004977) as Independent Director, for a second term of five years from 7th August, 2019 to 6th August, 2024, not liable to retire by rotation. Sanjeev Kaul Duggal was appointed as Independent Director at the 45th Annual General Meeting ("AGM") of the Company and holds office up to 6th August, 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Sanjeev Kaul Duggal would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

Further details of Shri Sanjeev Kaul Duggal, has been given in the Annexure to this Notice.

Shri Sanjeev Kaul Duggal and his respective relatives are concerned or interested, in the Resolutions relating to his re-appointment. None of the other Directors and Key Managerial Personnel of the Company and their respective relatives, is, in any way concerned or interested, financially or otherwise, in the resolutions set out at Item No. 3 of the Notice.

Item No. 4

The present tenure of Shri Gopal Sitaram Jiwrajka, Managing Director of the Company expires on 30th June, 2019 and the Board of Directors of the Company has in its meeting held on 25th May, 2019, considered the report of Nomination and Remuneration Committee constituted by the Board recommending the Company to approve the remuneration payable to Shri Gopal Sitaram Jiwrajka (DIN 00024325), Managing Director of the Company; to restore his remuneration at the level of remuneration which was paid to him by company during the term of his previous appointment. The Board discussed the various aspects to the report of the Committee and analyzed the amount of Salary and other perquisites forming part of remuneration payable to Shri Gopal Sitaram Jiwrajka, Managing Director. The Board approved the recommendation of the Nomination & Remuneration Committee and agreed to seek approval of the members in the ensuing Annual General Meeting on the terms, conditions and remuneration as approved by the Board, in terms of Schedule V of the Companies Act, 2013.

Further details of Shri Gopal Sitaram Jiwrajka have been given in the Annexure to this Notice.

Shri Gopal Sitaram Jiwrajka is interested to the extent of the remuneration proposed in the aforesaid resolution. Smt. Neetu Jiwrajka, Executive Director and Shri Tarun Jiwrajka, Whole Time Director & CFO of the Company is related to Shri Gopal Sitaram Jiwrajka and deemed to be interested in this resolution and no other director is interested or concerned, financially or otherwise, in the resolution.

Item No. 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee at its meeting held on 25th May, 2019, the Board has, considered and approved the appointment of M/s. Gurbinder Chopra & Co., Cost Accountants as the Cost Auditor for the financial year 2019-20 at a remuneration of Rs.40,000/- per annum plus applicable GST and reimbursement of out of pocket expenses.

The Board recommends this resolution for approval of the Members. None of the Directors / Key Managerial Personnel of the Company / their relatives, in any way, is interested or concerned, financially or otherwise, in the resolution.

By Order of the Board of Directors
Salora International Ltd.

Regd. Office:
D – 13/4, Okhla Industrial Area, Phase – II,
New Delhi – 110 020
CIN L74899DL1968PLC004962
sect@salora.com

(Silky Gupta)
Company Secretary

Dated: 25.05.2019
Place: New Delhi

SALORA INTERNATIONAL LIMITED

ANNUAL REPORT 2018-19

Details of Directors seeking Re-appointment at the Annual General Meeting in compliance of SS-2 issued by ICSI and information pursuant to Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 forming part of Explanatory Statement:

Particulars	Smt. Neetu Jiwaraajka	Shri Sanjeev Kaul Duggal	Shri Gopal Sitaram Jiwaraajka
Date of Birth (Age)	04.09.1960	09.12.1961	15.06.1960
Date of Appointment in the Company	30.06.2016	28.10.2005	28.08.1987
DIN No.	00025570	00004977	00024325
Qualification	Graduate	-	Graduate
Experience	Experience in marketing and business development of life style products		Over 30 years of experience across the fields of manufacturing, marketing and consumer goods, telecom & IT products.
Directorship held in other public companies	-	1	3
Membership/ Chairmanship of committees of other companies	-	-	2 2
Relationship with other Directors/ MD/ KMPs	Shri Gopal Sitaram Jiwaraajka, Chairman & Managing Director, and Shri Tarun Jiwaraajka, Whole Time Director	N.A.	Smt. Neetu Jiwaraajka, Executive Director, and Shri Tarun Jiwaraajka, Whole Time Director
Shareholding in the Company	731410	-	2339011
Present Remuneration	Rs.7,20,000/-	-	Rs.1,20,00,000/-
Remuneration Last drawn	Rs.6,98,826/-	-	Rs.6,06,235/-

Annexure - Notice

By Order of the Board of Directors
Salora International Ltd.

Regd. Office:
D – 13/4, Okhla Industrial Area, Phase – II,
New Delhi – 110 020
CIN L74899DL1968PLC004962
sect@salora.com

(Silky Gupta)
Company Secretary

Dated: 25.05.2019
Place: New Delhi

STATEMENT PURSUANT TO SCHEDULE V PART II SECTION – II

I. GENERAL INFORMATION

- | | |
|---|--|
| 1. Nature of Industry | <ul style="list-style-type: none"> • Manufacturing of Smart LED / LED TVs, CRT TV, Speakers, Home Theater, Speaker Tower, Mobile Phone charger, battery, TV Components, Washing machine and Refrigerator • Distribution of IT & Telecom Products • Distribution of Life style Products • Wind Power Generation |
| 2. Date or expected date of Commencement of commercial production. | 29.11.1968 |
| 3. In case of new company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not Applicable |
| 4. Financial performance based on given indicators | (Rs. in lacs) |
| | i. EBITD : 572.50 |
| | ii. PBT : (-) 325.11 |
| | iii. PAT : (-)487.85 |
| 5. Foreign investment or collaborations, if any | No foreign collaboration or investment |

II INFORMATION ABOUT THE APPOINTEE

(A) SHRI SANJEEV KAUL DUGGAL

- | | |
|--|--|
| (1) Background details : | Provided in the Corporate Governance |
| (2) Past remuneration : | Not applicable |
| (3) Recognition or awards : | Udyog Rattan Award of Institute of Economic Studies & Award for “Creating Corporate Advantage in Global Economy” of Delhi School of Economics. |
| (4) Job profile and his suitability : | Non Executive & Independent Director |
| (5) Remuneration proposed : | Sitting fee for attending Board & Audit Committee meetings |
| (6) Comparative remuneration profile with respect to industry | Not Applicable |
| (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any | Except holding position of Non Executive & Independent Director, he has no other pecuniary relationship with the Company. |

(B) SHRI GOPAL SITARAM JIWARAJKA

- | | |
|---|--|
| (1) Background details : | Provided in the Corporate Governance |
| (2) Past remuneration : | Past Remuneration of Shri Gopal Sitaram Jiwaraajka, Managing Director of the company is within the managerial remuneration limit approved by the members earlier. |
| (3) Recognition or awards : | NIL |
| (4) Job profile and his suitability : | Shri Gopal Sitaram Jiwaraajka, is taking care of Company Business operations with his rich experience in manufacturing, marketing, finance, and administration. He has been associated with Company from last 30 years. In view of his varied and vast experience, the Board has bestowed the above responsibilities on him. |
| (5) Remuneration proposed : | Provided in relevant Resolution in the AGM Notice. |
| (6) Comparative remuneration profile with respect to industry | The remuneration for the similar position in the industry, having regard to the size of the Company and profile of persons is not less than the proposed remuneration of Shri Gopal Sitaram Jiwaraajka. |

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any Except holding position of Managing Director and drawing remuneration and as shareholder, he has no other pecuniary relationship with the Company. He is relative of Shri Tarun Jiwrajka, Whole Time Director & CFO and Smt. Neetu Jiwrajka, Executive Director.

III OTHER INFORMATION

(1) Reasons of loss or inadequate profits: During the FY 2018-19, suspension of Mobile phone business, drop in demand for components due to no production of CRT TV & impact of grey market on LED TV Business.

(2) Steps taken or proposed to be taken for improvement The Company is taking all essential steps with utmost concern for future growth and stability of business which inter-alia includes:

- Trading of Apple phones and laptop, through which company has shown an improvement in overall performance during the year.
- Growth in consumer durables like Company has introduced 50 / 55 / 65 Inch televisions to meet demand.
- Salora has launched semi-automated washing machine.

Though the company has been incurring losses but with the launch new products and new alliances for distribution business it expects turnaround and return to profitability

(3) Expected increase in productivity and profits in measurable terms : Rigorous efforts are being made to improve remarkable productivity and profits of the Company.

IV DISCLOSURE

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report. Provided in the Corporate Governance

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;

(ii) Details of fixed components and performance linked incentives along with the performance criteria

(iii) Service contracts, notice period, severance fees.

(iv) Stock option details, if any, and whether the same has been issued at the discount as well as the period over which accrued and over which exercisable.

By Order of the Board of Directors
Salora International Ltd.

Regd. Office:
D-13/4, Okhla Industrial Area
Phase – II, New Delhi – 110 020
CIN L74899DL1968PLC004962
Email: sect@salora.com

(Silky Gupta)
Company Secretary.

Dated: 25.05.2019

Place: New Delhi

To,

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D-153A, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi – 110 020.

Unit – SALORA INTERNATIONAL LIMITED

Sir,

In terms of Securities and Exchange Board of India circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018. I/We hereby furnish the required details as follows:

Name of Shareholders			
Folio No			
PAN (Attached Self attested copy) First Holder Second Holder Third Holder	FIRST HOLDER	SECOND HOLDER	THIRD HOLDER
Bank A/c No (Kindly attach name printed cancel cheque / attested copy of passbook)			
Bank name			
Branch Address			
IFSC No			
MICR No			
Email Id			
Mobile / Telephone No			

Annexure - Notice

Name of Shareholder(s) Signature of Shareholder(s)

1. _____ 1. _____
2. _____ 2. _____
3. _____ 3. _____

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present **50th** Annual Report and Audited Financial Statements for the Financial Year ended **31st March, 2019**.

1. FINANCIAL RESULTS (STAND ALONE)

The financial statement of the company has been prepared in accordance with the Indian Accounting Standards ("Ind AS"). A quick view of the financial performance of the Company for the financial year ended 31st March, 2019 along with the performance figures of previous financial years have been tabled below:

Particulars	(₹ in Lacs)	
	2018-19	2017-18
Net Sales /Income from Business Operations	17516.34	12800.00
Less: Excise Duty	-	53.89
Net Sales	17516.34	12746.11
Add: Other Income	85.48	27.73
Increase / (Decrease) in stock	67.03	459.60
Total	17668.85	13233.44
Less: Total Expenditure	17096.35	13810.84
Operating Profit	572.50	(577.40)
Less: Interest	702.68	634.44
Less: Depreciation & Amortization	194.93	211.01
Profit before exceptional item & tax	(325.11)	(1422.85)
Less: Exceptional Item	-	-
Profit before tax	(325.11)	(1422.85)
Less: Provision for taxes		
Current Tax	-	-
Deferred Tax	(162.74)	418.15
Earlier Year: Deferred Tax	-	-
Earlier Year: Income Tax	-	-
Profit / (Loss) after tax	(487.85)	(1004.70)
Other comprehensive income	(6.89)	0.67
Balance carried to Balance Sheet	(494.74)	(1004.03)

2. DIVIDEND

In view of accumulated losses, the Board of Directors has not recommended any dividend this year also.

3. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Now, no amount of unpaid / unclaimed dividend is available or due with the Company for transfer to IEPF (Investor Education and Protection Fund), established by the Government of India.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the period under review, the Company has achieved net sales of Rs.175.16 crores in the current financial year 2018-19 as compared to Rs.127.46 crores in the last financial year. Its net sales increased by 27.51% in 2018-19.

Company earned operating profit of Rs.572.50 lakhs against the operating loss of Rs.577.40 lacs incurred during the last financial year.

During the year overall performance the company has shown an improvement due to trading of Apple phones and laptop. Company has launched 50 / 55 / 65 Inch Smart LED TVs to meet the increasing demand of LED Segment. Salora has launched semi-automated washing machine of its own brand. Company is hoping for more improvement in current year with these products.

With the vision of spreading happiness in everybody's life, Salora International Ltd. today has emerged as a diversified entity with interests in sourcing and procurement, manufacturing, supply chain management, distribution, marketing, retail and after-sales service. Over three decades of enriched experience in electronics helps us to serve in diverse realms like Consumer Electronics, Telecom and Lifestyle.

Salora has emerged the leading manufacturer and supplier of consumer durable items to sustain its focus on launching innovative products and incorporating technological advancements. Recently Company launched range of direct cool Refrigerators.

The Company has adopted the best and most sophisticated technology to suit household desires. The Company has successfully forayed into market either directly or indirectly.

As per review of performance of SALORA BRAND LED TV, there are positive signs of growth in future and in the coming festive season, company's performance in selling of its own Brand 'SALORA' Smart LED TV will increase.

The management of the company is also exploring all the other permissible measures to boost the sale like interest subsidy, Low Cost EMI Facility to various of its customers. All these measure would definitely shift the consumer sentiments in the market.

On reviewing the performance of Audio-Division of company the company plans to aggressively enhance its speaker production capacity as company, consider that there is lot of scope for doing business in this segment. The management of the company is positive and empathetically conclusive in its words that there is more which can be achieve and done in this business segments.

Due to intense competition company has reduced its focus on mobile phones segment. Although we have been doing the manufacturing of mobile phones in the past and positive efforts are being taken to strengthen our foot steps in this dynamic business segment. We manufacture feature phones

and smart phones (2G, 3G, 4G/LTE, VoLTE and CDMA). On pricing page company claims it to be in reach of ever middle class and lower income group spread in rural areas.

The management has been critically analyzing the performance and taking steps to increase sales and further cost rationalization. The Company is confident of better results in the current financial year.

5 LISTING/DELISTING

The equity shares of the Company are listed at BSE Limited ("BSE"). The equity shares of the Company were also listed on National Stock Exchange of India Limited ("NSE") but suspended from trading on NSE.

Pursuant to approval given by the Board of Directors in its meeting held on March 09, 2019, the Company filed application for voluntary delisting of Company's equity shares from the NSE on March 25, 2019, in terms of regulation 6 and 7 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations") which was approved by NSE vide its Reference no. NSE/LIST/78155 dated April 03, 2019 pursuant to which NSE has withdrawn (delisted) the admission to dealing in securities of the Company w.e.f. April 25, 2019.

The Equity Shares of the Company will remain listed on BSE having nationwide terminals and shareholders of the Company shall continue to avail the benefits of listing and trading on BSE.

In this regard, the Company has made necessary disclosures required under SEBI Delisting Regulations and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the BSE and NSE.

6. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED DURING THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred at the end of the financial year of the Company i.e. 31st March, 2019 and the date of Directors' Report i.e. 25th May, 2019.

Further, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operation in future.

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

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure-'I' to this report forming an integral part of this report.

8. RESEARCH AND DEVELOPMENT

The information regarding Research & Development as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in Annexure-'I' to this report forming an integral part of this report.

9. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT OF THE COMPANY

A well defined risk management framework has been put in place to identify, evaluate and assess the potential risk and challenges and determine the process to mitigate and manage the same.

Detailed exercise has been carried out to identify, evaluate, manage and monitor the potential risks to the operations of the Company. The Board periodically reviews the risks and suggests steps to be taken to mitigate and manage the same.

Audit Committee of the Company with the help of periodical internal audit reports and management's representations is identifying and evaluating all possible risk and inform the Board with their possible recommendations to hedge those risk and minimization procedures. In the opinion of the Board there is no risk that may threaten the existence of the Company's business.

10. CORPORATE SOCIAL RESPONSIBILITY POLICY UNDER THE PROVISION OF SECTION 135 OF THE COMPANIES ACT, 2013

The Section 135 of the Companies Act, 2013 is not applicable on the Company.

11. LOANS, GUARANTEES OR INVESTMENTS

There were no loans, guarantees or investments made by the Company exceeding the limit as specified under Section 186 of the Companies Act, 2013 during the year under review and particulars of loans given, investments made, guarantees given and securities provided under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the purpose for which the loan or guarantee are provided in Note No. 11 & 13 of the standalone financial statement.

12. RELATED PARTY TRANSACTIONS

The Board has, on recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties. This policy is in compliance with the applicable provisions of the Companies Act, 2013, and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy is available on the company's website at: www.salora.com

All related party transactions entered during the year under review were in ordinary course of business, on Arm's Length Basis and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For transactions which are foreseen and repetitive in nature, omnibus approval

of Audit Committee is obtained at the beginning of the financial year. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying in nature, value and terms and conditions of the transactions.

Attention of the members is drawn to the disclosure of Related Party Transactions set out in Note No.41 of the standalone financial statements forming integral part of this Annual Report.

13. AUDITORS

Statutory Auditors

At the 48th AGM held on 13th September, 2017 the Members approved appointment of M/s. R. Gopal & Associates, Chartered Accountants, (Firm Registration No. No.000846C), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 53rd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Navneet K Arora and Co.LLP, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Board at its meeting held on 25th May, 2019, has re-appointed M/s. Navneet K Arora and Co.LLP, as Secretarial Auditor, for conducting Secretarial Audit of the Company for financial year 2019-20.

Cost Auditors

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Company is required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board of Directors of the Company at its meeting held on 25th May, 2019 on the recommendation of the Audit Committee, appointed M/s. Gurvinder Chopra & Co. Cost Accountants to conduct the audit of cost accounting records of the Company for the financial year 2019-20 at a remuneration of Rs.40,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

14. AUDITORS' REPORT

There were no qualifications or reservations or adverse remarks made by the Statutory Auditors of Your Company for the standalone financial statements. However, the auditors have made following Emphasis of Matters:

For Standalone Financial Statements-The point –wise Emphasis of Matters made by the Statutory Auditor and Management's response to the Emphasis of Matter made as above is as under:

Emphasis of Matters

Management's response

- | | |
|---|---|
| <p>i) The Company's has :
inventories as at 31st March, 2019 of Rs.5445.51 lakhs at cost which includes old inventories against which provision of Rs.169.53 lakhs has been considered. Sale done from ageing inventories are not below cost. The additional provision, if any, on inventories shall be accounted for at the time of disposal / realization.</p> <p>ii) Contingent liabilities of :
Rs.6482.77 lakhs related to Sales tax, Excise duty, Income tax etc. against which amount deposited Rs. 862.40 lakhs which are contested by the company and pending before various forums. However management believes that based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.</p> <p>iii) The Company has material :
undisputed statutory dues recoverable of Sales tax Rs.335.98 lakhs, Income tax Rs.109.82 lakhs, Service tax Rs.14.74 lakhs and Modvat Rs.7.82 lakhs has been considered good.</p> | <p>The company is regularlary making effort to reduce the ageing of inventories. Company is getting good response as all goods are in saleable condition and Sale done from ageing inventories are not below cost. There are positive signs of growth in future and in near festive season. Company expects better sale of this inventory during upcoming festival season. The Company is also expecting sale of these products through e-commerce portals.</p> <p>Based on the opinion rendered by expert, the company has strong factors in the cases of all the litigation in its favour. Therefore, the management is of the opinion that all the litigation and claim the outcomes are the most likely to be in favour of the company. In respect of said liabilities, Appeal is in the process of various stages and against the liabilities of Chennai VAT, Chennai high Court has decided in favour of Company as well as Appeal of Gujarat will be decided shortly as personal hearing was completed and order is awaited, against ex-parte order, in favour of Company.</p> <p>The company has strong factors in the cases of realisation in its favour. The management is of the opinion that all the balances are recoverable and considered good and no provision there against at this stage is considered necessary in the financial statements. As on date Rs. 5.75 lakhs GST and Rs 5.25 lakhs Excise/Service tax refund received and refund of Rs 60.32 lakhs from UP VAT authorities is in process and its is expected to be receive ASAP.</p> |
|---|---|

- iv) For deferred tax assets on : Though the company has been unabsorbed depreciation, business losses, impairment provisions and capital losses etc. recognized net of deferred tax liability on account of difference in block of fixed assets amounting to Rs.1834.64 lakhs as at 31st March, 2019, as the management is confident for realization of the same.
- v) The company holds Investments of Rs.341.48 lakhs in its subsidiary Salora Component Limited which has net worth of Rs.89.54 lakhs as on 31st March, 2019. Company has entered into Share Purchase agreement dated 30th March, 2019 to sell the shares at cost, subject to the terms and conditions of this agreement and in consideration thereof for sell and transfer of shares on compliance of all transfer formalities.
- vi) Pending confirmations/ statement of accounts/ follow up documents of old debit balances of certain trade payables and advances amounting to Rs.84.37 lakhs have been considered good, as the management is hopeful of recovery of the same.

The observations and comments given by the Auditors in their report read together with notes on financial statements are self explanatory particularly Note No. 43,44,45,46,47,48(standalone financials) and Note No. 39,40,41,42,43, (consolidated financials) and hence the same to be treated as explanation provided under Section 134 of the Act.

For Consolidated Financial Statements-The point –wise Emphasis of Matters made by the Statutory Auditor and Management’s response to the Emphasis of Matter made as above is as under:

Emphasis of Matters

Management’s response

- i) For deferred tax assets on : Though the company has been unabsorbed depreciation and business losses etc. recognized amounting to Rs.104.52 lakhs (net) as at 31st March, 2019, as the management is confident for realization of the same.
- ii) The Company has material undisputed statutory dues recoverable of GST Rs.104.28 lakhs, Service tax Rs.22 lakhs, Excise Duty Rs.4.54 lakhs and sales tax Rs.3.73 lakhs has been considered good.
- The company has strong factors in the cases of realisation in its favour. Therefore, the management is of the opinion that all the balances are recoverable and considered good and no provision there against at this stage is considered necessary in the financial statements.

Note: With regard to remaining Emphasis of Matters along with Management’s response of Consolidated Financial Statements are same as stated in point number (i), (ii), (iii), (iv) and (vi) of Emphasis of Matters of Standalone Financial Statements.

The audited financial statement drawn up both on standalone and consolidated basis for the financial year ended March 31, 2019, in accordance with the requirements of the Ind-AS Rules.

15. SECRETARIAL AUDITORS’ REPORT

The Secretarial Auditors’ Report contains observation. The observation of the Secretarial Auditor and Management reply with respect to it is as follows:

Observation

Management’s reply

The Company was required but has not transferred 1,11,060 Equity Shares of Rs. 10/- each held by 807 shareholders to IEPF pursuant to Section 124 (6) of the Companies Act, 2013. Further the company has received letter from Investor Education and Protection fund Authority Ministry of Corporate Affairs, (GOI) vide its letter No.17/1/2018/IEPFA/ INSP2/206(4)/CFI/1F44NF/733, dated 05/09/2018 which was replied vide the Company letter dated October 17.2018

As per Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, Company is in the process of sending individual notices, through Company’s Registrar and Share Transfer Agent, Skyline Financial Services Private Limited to the shareholders, who have not claimed dividend for the last seven years for transfer of shares to IEPF. Company will also publish in two newspaper (Financial Express and Jan Satta) the notice for the attention of the shareholders of the Company in respect of transfer

of equity shares of the Company to Investor Education and Protection Fund (IEPF) Account, in accordance with requirement of Section 124(6) of the Companies Act, 2013 read with Investor Education and protection fund (IEPF) Authority (Accounting, Audit, Transfer and refund) Rules, 2016. The Company will also upload the details of such shareholders and shares due for transfer to IEPF on its website at www.salora.com.

Report of the Secretarial Auditors' is furnished in Annexure-'II' and is attached to this report.

16. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Board of Directors has adopted a policy on directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of the directors and other matters as per sub-section (3) of Section 178 of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, forming integral part of this report under Nomination and Remuneration Committee section.

17. COMPANY'S POLICY ON PREVENTION OF INSIDER TRADING

In Terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company framed (a) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and (b) Code of Fair Disclosure (c) Code of Practice & Procedure for fair disclosure of unpublished price sensitive information. The Company's Code, inter alia, prohibits dealing in the shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods.

18. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in MGT- 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is provided in Annexure-'III' to this Report forming an integral part of this report.

19. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

Five Board meetings were held during the financial year 2018-19 on 28th May, 2018, 10th August, 2018, 12th November, 2018, 14th February, 2019 and 9th March, 2019. All directors attending the meeting actively participated in the deliberations at these meetings. The intervening gap between

any two meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. More details of the Board meeting have been provided in the 'Report on Corporate Governance'.

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the directors to the best of their knowledge and ability confirm that:

- a. in preparation of the annual accounts, applicable accounting standards "IND AS" have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of financial year and of the profit / (loss) of the company for that period;
- c. the directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared annual accounts on a going concern basis;
- e. the directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company have one subsidiary i.e. Salora Components Ltd. The financial performance of subsidiary Company is furnished in Form AOC-1 in Annexure-'IV' which forms part of this Annual Report.

The Company has no joint venture / associate company.

22. DEPOSITS

The Company has not accepted/received any deposits during the year under report falling within the ambit of Section 73 of the Companies Act, 2013.

23. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Patanjali Govind Keswani, resigned from the office of Non Executive Independent Director w.e.f. 28th September, 2018

Smt. Savitri Devi Jiwrajka, resigned from the office of Non Executive Director (Promoter Group) w.e.f. 5th November, 2018.

Ms. Silky Gupta was appointed as Company Secretary & Compliance Officer of the Company in place of Shri Mohd. Faisal Farooq w.e.f. 14.02.2019

24. DECLARATION OF INDEPENDENT DIRECTORS

All Independent Directors have submitted declarations confirming that they meet the criteria of independence, as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors have also confirmed compliance with the Company's code of conduct during the financial year 2018-19.

25. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

The Audit Committee consists of the following members:

- 1) Shri Gautam Khaitan, Chairman
- 2) Shri Sanjeev Kaul Duggal, Member
- 3) Shri Karna Singh Mehta, Member

The above composition of the Audit Committee consists of all independent directors.

Shri Patanjali Govind Keswani resigned from the membership of the committee w.e.f. 28.09.2018

26. VIGIL MECHANISM

The Company has in place a Whistle Blower Policy which provides a mechanism for employees / Board Members and others to raise good faith concerns about violation of any applicable laws / Code of Conduct of the Company, gross wastage or misappropriation of funds, substantial or specific danger to public health and safety, abuse of authority or unethical behavior and to protect the individuals who take such action from retaliation or any threat of retaliation and also provides for direct access to the Chairman of the Audit Committee. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

The Whistle Blowers are not denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy are given in the Report on Corporate Governance and are also available on the Company's website at: www.salora.com

27. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 AND PROVIDING VIGIL MECHANISM

The Company is committed towards providing a healthy environment and thus does not tolerate any discrimination and/or harassment of women workers in any form. The Company has in place an Internal Complaints Committee to inter-alia:

- 1) Prevent sexual harassment of women workers at the workplace; and
- 2) Redress the complaints in this regard.

During the year under review, the Company did not receive any complaint.

28. SHARE CAPITAL

The Equity Shares of the Company was listed at BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Board of Directors of the Company in their meeting held on 09.03.2019 had consented for voluntary delisting of equity shares of the Company from National Stock Exchange of India Ltd., Mumbai and Company filed application for voluntary delisting of Company's equity shares from the NSE on March 25, 2019, in terms of regulation 6 and 7 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations") which was approved by NSE vide its Reference no. NSE/LIST/78155 dated April 03, 2019 pursuant to which NSE has withdrawn (delisted) the admission to dealing in securities of the Company w.e.f. April 25, 2019. After completion of all formalities, voluntary delisting has taken place. Listing fee for the Financial Year 2019-20 has been paid to BSE Ltd.

29. DEMATERIALISATION

Trading of Equity Shares of the Company in dematerialized form is compulsory for all shareholders w.e.f. 28.08.2000 in terms of the Notification issued by SEBI. The Company has achieved higher level of dematerialization with 98.24% of the total number of Equity Shares being held in the electronic mode with two depositories (NSDL & CDSL).

30. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in Annexure-'V' forming part of this Report.

31. CORPORATE GOVERNANCE REPORT

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this Annual Report is annexed as Annexure-'VI'. A certificate from M/s. Navneet K. Arora & Co.LLP, Practicing Company Secretary (COP No.3005) confirming the compliance of Corporate Governance is given in Annexure-'VII' forming part of this Annual Report.

32. MANAGEMENT DISCUSSION AND ANALYSIS

As per Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, a separate section on Management Discussion and Analysis is set out in the Annexure-'VIII' forming part of this Report.

33. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Adequate internal control systems, commensurate with size, scale and complexity of company's operations have been put in place to ensure compliance with policies and procedures. The Company has also adopted policies and procedures for ensuring the orderly and efficient conduct of its business,

safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The internal control mechanism comprises a well-defined organization, which undertakes time bound audits and reports its findings to the Audit Committee, documents policy guidelines and determines authority level and processes.

The Audit Committee regularly reviews the systems and operations to ensure their effectiveness and implementation. The Internal Auditors and Statutory Auditors regularly attend Audit Committee meetings and convey their views on the adequacy of internal control systems as well as financial disclosures. The Audit Committee is briefed about corrective actions taken by the management on the audit observations. The Audit scope is regularly reviewed by the Audit Committee for enhancement / modification of scope and coverage of specific areas. The Statutory Auditors review the internal financial controls periodically.

34. EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

The Board has carried out performance evaluation of itself, its committees, and each of the Directors (without participation of the concerned director). Independent Directors collectively evaluated the Board's performance, performance of the Chairman and other executive directors. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

The performance evaluation concluded on the note that each of the individual directors, Committees and the Board as a whole, were performing efficiently and effectively and shared a common vision to turn organization goals into reality.

35. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for support and cooperation, which the Company continues to receive from its employees, customers, vendors, investors and academic partners, Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

For and on behalf of the Board of Directors

Salora International Ltd.
(Gopal Sitaram Jiwarajka)
Chairman & Managing Director
DIN:00024325

Date: 25.05.2019
Place: New Delhi

Annexure-‘I’

STATEMENT CONTAINING PARTICULARS PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY

- (a) THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY : The Company has taken appropriate steps for conservation of energy by using energy efficient equipments i.e. LED lights in factory boundary & at Production floor & workshops and creating awareness in the employees for conservation of energy.
- (b) THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY : N.A
- (c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS : N.A.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- a) THE EFFORTS MADE IN TECHNOLOGY ABSORPTION

Research and Development (R&D)

Speaker & Audio systems:

- (a) Automotive 4” speaker developed for mounting in Rail Coaches with waterproof cones, compatible with PA system.
- (b) Developed 2” woofer with rich bass, for mounting in the popular music system “Saregama Caarvan”.
- (c) Introduced a Home theatre range of 2.1Ch, 4.1Ch & 5.1Ch with Bluetooth connectivity
- (d) Introduced 2.0Ch Tower Audio system with Bluetooth connectivity & wireless microphone
- (e) Speakers developed for Home theatre & Tower audio system in sizes- 3”-satellite,4”-Mid Range,6.5”-Woofer & 8”-Woofer

LED TV:

- (a) Developed new high range LED TV with size 50”, 55” and 65”. These LED TV are equipped with state of the art technology like HDR, ultra high resolution etc.
- (b) Developed new 32” Smart LED TV with internet & Mobile phone connectivity.

After successful adaptation of up to 32” LED TV Panel assembly technology to manufacture open cell based LED TV Panel, company further enhanced its capability to assemble LED TV panels up to 50” size.

This creates job opening for large no of skilled and unskilled workforce and also further cost reduction.

Home appliances:

We started development of Semi Automated washing Machines in the beginning of year and successfully launched product in the market.

- (b) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION
- (a) With increased portfolio of LED TV models, company has deep penetration into the market.
(b) In technology at par with the market.
(c) Cost effectiveness and reduce dependence on the import.
(d) Better control of quality.

(c) IN CASE OF IMPORTED TECHNOLOGY (IMPORTED : N. A. DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR)

- i) the details of technology imported
ii) the year of import
iii) whether the technology been fully absorbed
iv) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

(d) THE EXPENDITURE INCURRED ON RESEARCH & DEVELOPMENT :	2018-19	(Rs. in lacs)	2017-18
	-----		-----
(a) Capital	--		--
(b) Recurring	0.24		0.18

Total	0.24		0.18
	===		===

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows. : Foreign Exchange mainly used during the year for import of goods and visit of Marketing & Engineering staffs to different countries for business purpose and market penetration.

TOTAL FOREIGN EXCHANGE USED AND EARNED :	(Rs. in lacs)	2018-19	2017-18
		-----	-----
Foreign Exchange used		624.51	2366.26
Foreign Exchange earned		---	---

For and on behalf of the Board of Directors
Salora International Ltd.

(Gopal Sitaram Jiwrajka)
Chairman & Managing Director
DIN:00024325

Date: 25.05.2019
Place: New Delhi

Annexure – II

Secretarial Audit Report

[For the Financial Year ended on 31st March 2019]

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SALORA INTERNATIONAL LIMITED
Regd. Office: D- 13/4, Okhla Industrial Area
Phase II, New Delhi- 110020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SALORA INTERNATIONAL LIMITED (CIN No. L74899DL1968PLC004962)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion there on.

Based on our verification of the **SALORA INTERNATIONAL LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance -Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made there under and The Securities Contracts (Regulation) Rules 1957.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.- No such transaction was held during the financial year hence the said Act, Rules and Regulations were not applicable to the Company during the audit period;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Registrars

to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - The Company was not engaged in the activities relating to Registrar to a issue and also not acting as Share Transfer Agent hence the said Regulations were not applicable to the Company during the audit period.

- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- The Board in its Meeting held on 09th March, 2019 decided for Voluntary Delisting of Equity Share from the National Stock Exchange of India Limited (NSE) without giving exist opportunity to the shareholders as per Regulation 6 and 7 of Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009. NSE vide its Reference No.- NSE/LIST/78155 dated 03rd April, 2019 passed the order for withdrawn (delisted) of security of the Company w.e.f 25th April, 2019 subject to the following conditions-
 - a. The company will redress the investors' grievances (if any) for a minimum period of one year from the date of delisting.
 - b. The company will disclose the fact of delisting in the first annual report prepared after the delisting.

[No such Transaction was held during the financial year hence the Regulations stated at (v) d) to g) above were not applicable on the Company during the audit period].

- (iv) Labour, Environment & Other following specific applicable Acts / Laws for which Secretarial Audit was conducted as an overview test check basis audit and was generally based / relied upon on the documents provided to us, Management Confirmation Certificate & other Audit Report and Certificates given by other Professionals, the Company has complied with the following Acts / Laws applicable to the Company during the audit period:
 - a. The Employees State Insurance Act 1948 and The Employees State Insurance (General) Regulation, 1950 and The Employees State Insurance Rules, 1950.
 - b. The Employees Provident Fund & Miscellaneous Provisions Act 1952 & The Employees Deposit-Linked

- Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952.
- c. The Payment of Bonus Act 1965 and the Payment of Bonus Rules, 1975.
 - d. The Payment of Gratuity Act 1972 and the Payment of Gratuity (Central) Rules, 1972.
 - e. The Workmen's Compensation Act 1923 & The Workmen's Compensation Rules, 1924.
 - f. Minimum Wages Act 1948 & Minimum Wages (Central) Rules, 1950.
 - g. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013.
 - h. The Maternity Benefit Act 1961 and the Maternity Benefit Rules, 1963.
 - i. Environment (Protection) Act 1986 read with The Environment (Protection) Rules 1986 & Hazardous Waste (Management Handling & Transboundary Movement) Rules 2008 and other Environment Laws.
 - j. The Explosives Act, 1884 and Gas Cylinder Rules, 2004.
 - k. The Electricity Act, 2003 and the Electricity Rules, 1956.

We have also examined compliance with the applicable clauses of the followings:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect listing of securities with BSE Limited and National Stock Exchange of India Limited.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc as mentioned above except-

The Company was required but has not transferred 1,11,060 Equity Shares of Rs. 10/- each held by 807 shareholders to IEPF pursuant to Section 124 (6) of the Companies Act, 2013. Further the company has received letter from Investor Education and Protection fund Authority Ministry of Corporate Affairs, (GOI) vide its letter No. 17/1/2018/IEPFA/INSP2/206(4)/CFI/1F44NF/733, dated 05/09/2018 which was replied vide the Company letter dated 17/10/2018.

We further report that:

- 1) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that

took place during the period under review were carried out in compliance with the provisions of the Act.

- 2) Adequate notice is given to all the directors to schedule the Board Meetings atleast seven days in advance and agenda and detailed notes on agenda were also sent in advance to all the directors subsequently, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) All the decisions were carried unanimously as evident from the minutes of the meeting of the board and other committees recorded and duly signed by the chairman, there were no dissenting members' views during the audit period and therefore dissenting members' views are not required to be captured and recorded as part of the minutes.
- 4) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act 2013, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- 5) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no instances of:

- a) Public / Rights / Preferential Issue of Shares / Sweat Equity.
- b) Redemption / Buy-back of Securities.
- c) Merger / Amalgamation / Reconstruction etc. and
- d) Foreign Technical Collaborations.

CS Navneet Arora
 Company Secretaries
 FCS: 3214, COP: 3005

Place: New Delhi
 Date: 25th May, 2019

[Note: This report is to be read with our letter of even date which is annexed as "**Annexure-A**" and forms an integral part of this report].

To,
The Members,
SALORA INTERNATIONAL LIMITED
Regd. Office: D- 13/4, Okhla Industrial Area
Phase II, New Delhi- 110020

Our report of even date is to be read along with this letter as under:

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

CS Navneet Arora
Managing Partner
FCS: 3214, COP: 3005

Place: New Delhi
Date: 25th May, 2019

FORM No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L74899DL1968PLC004962
Registration Date	29.11.1968
Name of the Company	Salora International Limited
Category/ Sub-Category of the Company	Public Limited Company
Address of the Registered office	D-13/4 Okhla, Industrial Area, Phase-II, New Delhi-110020
Contact Details	Ph: +91-11-40552341 Email: sect@salora.com
Whether Listed Company Yes/No	YES, Listed on BSE and NSE*
Registrar and Transfer Agent (RTA)	Skyline Financial Services Private Limited
Address of RTA	D-153A, 1 st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Contact Details of RTA	011 – 26812682-83

*The Board of Directors of the Company in their meeting held on 09.03.2019 had consented for voluntary delisting of equity shares of the Company from National Stock Exchange of India Ltd., Mumbai and Company filed application for voluntary delisting of Company's equity shares from the NSE on March 25, 2019, in terms of regulation 6 and 7 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations") which was approved by NSE vide its Reference no. NSE/LIST/78155 dated April 03, 2019 pursuant to which NSE has withdrawn (delisted) the admission to dealing in securities of the Company w.e.f. April 25, 2019.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of Main Products/Services	NIC Code of the Product /Service	% to total turnover of the Company
1.	Manufacturing of LED TVs, CRT TVs its Component and Mobile Phones & accessories, Home Theatre	26401	15%
2.	Distribution of IT & Telecom Products	46524	85%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY(IES) –

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	Salora Component Limited	U32301DL2006PLC149584	Subsidiary	34,14,800 (79.05%)	2(87)

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

S.No.	Category of Shareholders	Shares held at beginning of the year 01-04-2018				Shares Held at the end of the year 31-03-2019				% Change during the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
1	Indian									
a)	Individual /HUF	5317237	0	5317237	60.37	5317237	0	5317237	60.37	0.00
b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c)	State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corporate	558929	0	558929	6.35	558929	0	558929	6.35	0.00
e)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	5876166	0	5876166	66.72	5876166	0	5876166	66.72	0.00
2	Foreign									
a)	NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Share holding of Promoters(A)	5876166	0	5876166	66.72	5876166	0	5876166	66.72	0.00
B	Public Shareholding									
1	Institutions									
a)	Mutual Funds	0	400	400	0.00	0	400	400	0.00	0.00
b)	Banks/FI	0	100	100	0.00	0	100	100	0.00	0.00
c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g)	FIs	0	200	200	0.00	0	200	200	0.00	0.00
h)	Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
i)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
j)	Any Other Foreign	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	0	700	700	0.01	0	700	700	0.01	0.00

2 Non-Institutions

a) Bodies Corporate

1)	Indian	1163385	5101	1168486	13.27	429729	4701	434430	4.93	-8.34
2)	Overseas	175	0	175	0.00	0	175	0	0.00	0.00

b) Individuals

1)	Individual shares holders having nominal share capital up to Rs. 1,00,000	917440	154577	1072017	12.17	899139	149933	1049072	11.91	-0.26
2)	Individual shares holders having nominal share capital Excess of Rs. 1,00,000	321831	0	321831	3.65	342331	0	342331	3.89	0.24

c) Others

a)	HUF	36638	0	36638	0.42	38959	0	38959	0.44	0.02
b)	Non Resident Indian	326596	0	326596	3.71	327281	0	327281	3.72	0.01
c)	Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
d)	Clearing Members	4691	0	4691	0.05	738186	0	738186	8.38	8.38
e)	Trust	0	0	0	0.00	0	0	0	0.00	0.00
e)	Foreign Bodies-DR	0	0	0	0.00	0	0	0	0.00	0.00
f)	NBFC Registered With RBI	0	0	0	0.00	0	0	0	0.00	0.00

	Sub-Total (B)(2)	2770756	159678	2930434	33.27	2775800	154634	2930434	33.27	0.00
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	Total Public Shareholding (B)	2770756	160378	2931134	33.28	2775800	154634	2931134	33.28	0.00
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C)	Shares Held By Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
----	--	---	---	---	------	---	---	---	------	------

	Grand Total	8646922	160378	8807300	100.00	8651966	155334	8807300	100.00	0.00
--	-------------	---------	--------	---------	--------	---------	--------	---------	--------	------

i) **Shareholding of Promoters**

S. No	Name of Shareholder	Shareholding at the beginning of the year 01-04-2018			Shareholding at the end of the year i.e. 31.03-2019			% change in share holding during the year
		No. of shares	% of shares of the Company	% of Shares pledge / encumbered to total shares	No. of shares	% of shares of the Com.	% of shares pledge / encumbered to total shares	
1.	Shri Gopal Sitaram Jiwaraajka	2029117	23.04	Nil	2339011	26.56	Nil	3.52
2.	Gopal Jiwaraajka (HUF)	1498988	17.02	Nil	1498988	17.02	Nil	0.00
3.	Smt. Savitri Devi Jiwaraajka	309894	3.52	Nil	-	-	Nil	3.52
4.	Smt. Neetu Jiwaraajka	731410	8.30	Nil	731410	8.30	Nil	0.00
5.	Shri Tarun Jiwaraajka	372741	4.23	Nil	372741	4.23	Nil	0.00
6.	Shri Ayush Jiwaraajka	375087	4.26	Nil	375087	4.26	Nil	0.00
7.	Manori Properties Pvt. Ltd.	558929	6.35	Nil	558929	6.35	Nil	0.00
Total		5876166	66.72	Nil	5876166	66.72	Nil	0.00

iii) **Change in Promoters' Shareholding (please specify, if there is no change):**

There is no change in Promoters' Shareholding recorded during the financial year.

iv) **Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	JM Financial Services Ltd. (IN30292710000038)	111621	1.27	737830	8.38
2.	Sujay Ajitkumar Hamlai (IN30216410418110)	250000	2.84	250000	2.84
3.	New Millenium Technology Management Ltd. (1203330000287126)	203941	2.32	203941	2.32
4.	Globe Fincap Limited (IN30096610496350)	104047	1.18	104047	1.18
5.	Sachin Srinivas Sawrikar (IN30115122444767)	45892	0.52	45892	0.52
6.	Ashish Chugh (1204980000229481)	40007	0.45	40007	0.45
7.	Mahendra Girdharilal (IN30045010599444)	40003	0.45	40003	0.45
8.	Chhaganlal Meghji Savla (1201120100048669)	40000	0.45	40000	0.45
9.	Vishnukumar Aggarwal (IN30001110250644)	32203	0.37	32203	0.37
10.	Aniruddha Banerjee (1201910101852863)	30000	0.34	30000	0.34

*List of top 10 shareholders is taken according to data available as on March 31st, 2019. The shares of the Company are traded on a daily basis and hence date wise increase/ decrease in shareholding is not indicated.

v) **Shareholding of Directors and Key Managerial Personnel**

S. No.	For each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Gopal Sitaram Jiwrajka, Chairman & Managing Director				
	At the beginning of the year	2029117	23.04	2339011	26.56
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	2339011	26.56
2.	Tarun Jiwrajka, Whole Time Director & CFO				
	At the beginning of the year	372741	4.23	372741	4.23
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	372741	4.23
3.	Neetu Jiwrajka, Executive Director				
	At the beginning of the year	731410	8.30	731410	8.30
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	731410	8.30
4.	Savitri Devi Jiwrajka, Non-Executive Director				
	At the beginning of the year	309894	3.52	0.00	0.00
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	0.00	0.00
4.	Ms. Silky Gupta, Company Secretary				
	At the beginning of the year	--	--	--	--
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	--	--

vi) INDEBTEDNESS

Indebtedness of the Company including outstanding/accrued but not due for payment

(Rs./lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	53.33	700.00	-	753.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.43	31.78	-	32.21
Total (i + ii + iii)	53.76	731.78	-	785.54
Change in Indebtedness during the financial year				
• Addition	-	1718.00	-	1718.00
• Reduction	(32.01)	(1031.00)	-	(1063.01)
Net Change	(32.01)	687.00	-	654.49
Indebtedness at the end of the financial year				
i) Principal Amount	21.32	1387.00	-	1408.32
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.16	101.03	-	101.19
Total (i + ii + iii)	21.48	1488.03	-	1509.51

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ED/Manager			Total Amount
		Shri Gopal Sitaram Jiwarajka (MD)	Shri Tarun Jiwarajka (WTD)	Smt. Neetu Jiwarajka (ED)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Sec.17(1) of the Income Tax Act, 1961	606235	1922377	698826	3233438
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00	0.00
	- as % of Profit				
	- others, specify				
5.	Others, please specify	0.00	0.00	0.00	0.00
	Total	606235	1922377	698826	3233438
	Ceiling as per the Act (Pursuant to the Section II Part II of Schedule V of the Companies Act, 2013 and with the consent of Shareholders through Special Resolution)	12000000	2400000	720000	15120000

B. Remuneration to Independent Directors:

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Gautam Khaitan	Shri P. G. Keswani*	Shri S. K. Duggal	Shri K.S. Mehta	Smt. Savitri Devi Jiwrajka*	
	• Fees for attending Board / Committee Meetings	40,000	40,000	40,000	70,000	10,000	2,00,000
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	40,000	40,000	40,000	70,000	10,000	2,00,000

*resigned from office of Independent & Non Executive Director w.e.f. 28.09.2018

*resigned from the office of Non Executive Director w.e.f. 05.11.2018

C. Remuneration to Key Managerial Personnel other than MD/WTD/ED/Manager

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ms. Silky Gupta Company Secretary*	Shri Mohd. Faisal Farooq Company Secretary #	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	118106	149591	267697
	b) Value of perquisites U/S 17(2) Income Tax Act, 1961	-	-	-
	c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of Profit	-	-	-
	- Others	-	-	-
5.	Others, Please specify	-	-	-
	Total	118106	149591	267697

#Resigned from the office of Company Secretary w.e.f. 29.09.2018

*Appointed as Company Secretary w.e.f. 14.02.2019

viii. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended 31st March, 2019.

For and on behalf of the Board of Directors
Salora International Ltd.

(Gopal Sitaram Jiwrajka)
Chairman & Managing Director
DIN:00024325

Date: 25.05.2019
Place: New Delhi

Form AOC-1

Annexure – IV

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

Part “A”: Subsidiaries

(Information in respect of subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1	Name of the subsidiary	SALORA COMPONENTS LTD.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2019
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	4,32,00,000
5	Reserves & surplus	(3,42,46,483)
6	Total assets	3,86,59,128
7	Total Liabilities	2,97,05,611
8	Investments	Nil
9	Turnover	14,58,957
10	Profit before taxation	(15,95,693)
11	Provision for taxation	(14,91,410)
12	Profit after taxation	(30,87,103)
13	Proposed Dividend	Nil
14	% of shareholding	79.05%

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Company doesn't have any Associate or Joint Venture Company during the reporting period.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal

Partner

M.No: 093209

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN: 00024325

Place :New Delhi

Date: 25.05.2019

Silky Gupta
Company Secretary

Annexure – V

(THIS REPORT FORMS PART OF DIRECTORS' REPORT)

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Name of the Director	Ratio
		Shri Gopal Sitaram Jiwarajka, MD	53.86%
		Smt. Neetu Jiwarajka, ED	3.17%
		Shri Tarun Jiwarajka, WTD	11.96%
		1) For the purpose, sitting Fees paid to the directors have not been considered as remuneration. 2) Figures have been rounded off wherever necessary.	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year.	Shri Gopal Sitaram Jiwarajka-MD	N.A.
		Smt. Neetu Jiwarajka, ED	N.A.
		Shri Tarun Jiwarajka, WTD & CFO	N.A.
		Ms. Silky Gupta – CS*	N.A.
		*Appointed on 14th February, 2019	
3.	The percentage increase in the median remuneration of employees in the financial year	Nil* *Due to decrease in number of employees in comparison to previous FY, the increase in median remuneration can't be ascertained.	
4.	The number of permanent employees on the rolls of company	There were 108 employees as on March 31, 2019.	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There is no average increase recorded in remuneration for Employees other than Managerial Personnel during the period under review. Further, average managerial remuneration was showing an increment due to resignation and appointment of new Key Managerial Personnel. This revision is in line with factors outlined in Remuneration Policy of the Company. Other than this, there are no any other exceptional circumstances for increase in the managerial remuneration.	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

General Note:

1. Profit of the Company is calculated as per Section 198 of the Companies Act, 2013
2. Managerial Personnel includes Chairman and Managing Director, Whole Time Director, Executive Director and Key Managerial Personnel.

The Company believes in best corporate governance practice. This report has been prepared in compliance with requirements stipulated under Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company’s philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company has a strong legacy of fair, transparent and ethical governance practices. The company has adopted a Code of Conduct for its Managing Director, Executive Directors and Employees. In addition the Company has adopted a Code of Conduct for its Non-Executive & Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 (“Act”). The Company’s corporate governance further strengthened through Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (“Insider Trading Code”). The Company is compliant with the latest provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

BOARD OF DIRECTORS

COMPOSITION

- i. As on March 31, 2019, the Company has six (6) directors including one women director. Out of six, three directors are Non-Executive and Independent. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

S. No.	Name	Designation/ Category
1.	Shri Gopal Sitaram JiwaraJka (DIN 00024325)	Chairman & Managing Director (Promoter & Executive Director)
2.	Shri Tarun JiwaraJka (DIN 00386240)	Whole Time Director & CFO (Promoter & Executive Director)
3.	Smt. Neetu JiwaraJka (DIN:00025570)	Executive Director (Promoter & Executive Director)
4.	Shri Gautam Khaitan (DIN 00021117)	Non Executive & Independent Director (Chairman Audit Committee)
5.	Shri Sanjeev Kaul Duggal (DIN 00004977)	Non Executive & Independent Director (Member Audit Committee)
6.	Shri Karna Singh Mehta (DIN 00128166)	Non Executive & Independent Director (Member Audit Committee)

As required under the Companies Act, 2013, two directors are liable to retire by rotation and, if eligible, seek re-appointment at the AGM of Company. Smt. Neetu JiwaraJka, liable to retire by rotation at the ensuing AGM and being eligible seeks re-appointment. The Board has recommended her re-appointment.

- ii. None of the Company’s directors hold directorship in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2019 have been made by the Directors. None of directors are related to each other except Shri Gopal Sitaram JiwaraJka, Smt. Neetu JiwaraJka and Shri Tarun JiwaraJka.
- iii. All Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.
- iv. Five Board Meetings were held during the year i.e. on 28th May, 2018, 10th August, 2018, 12th November, 2018, 14th February, 2019 and 9th March, 2019. All directors attending the meeting actively participated in the deliberations at these meetings. The intervening gap between any two meetings was within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The necessary quorum was present for all the meetings.

DETAILS OF EXECUTIVE DIRECTORS

Shri Gopal Sitaram Jiwaraajka, is Chairman & Managing Director of the Company. He is a commerce graduate from University of Bombay. He possesses over 30 years of experience across the fields of manufacturing, marketing and consumer goods. He serves as a director of PHD Chamber of Commerce and Industry, New Delhi. He serves as an independent director of Lemon Tree Hotels Ltd., New Delhi. He is also having in depth knowledge of Indian market conditions for business of telecom and IT products.

Shri Tarun Jiwaraajka, is Whole Time Director & CFO of the Company. He is a graduate from Indiana University, Bloomington and possesses rich experience of e-commerce business, marketing, finance and administration. He was re-appointed by the Board on 10th November, 2014 for further period of five years, subject to approval of the shareholders. He is liable to retire by rotation.

Smt. Neetu Jiwaraajka, is also Executive Director and associated with the Company since 4th July, 2008 as Director - Business Development. She is looking after products portfolio and business in Life Style Division of the Company. She is also liable to retire by rotation.

Including business, as of now, she also overlooking the philanthropically activities of Company's established trust named "Uttarayan", in Nebsarai, New Delhi to empower and welfare for children and women.

DETAILS OF NON-EXECUTIVE INDEPENDENT DIRECTORS

Shri Gautam Khaitan, Independent & Non Executive Director of the Company is a Graduate from Delhi University and having Law Degree from Law Campus, University of Delhi. Apart from holding directorships in other companies, he is member of International Bar Association, FICCI, Delhi High Court Bar Association, etc.

Shri Sanjeev Kaul Duggal, is Independent & Non Executive Director of the Company. He is the founder & CEO of Centum Learning Limited, an Indian Multinational Training & Skills Company with operations in over 19 countries. He is the winner of Udyog Rattan Award of Institute of Economic Studies & Award for "Creating Corporate Advantage in Global Economy" of Delhi School of Economics.

Shri Karna Singh Mehta, is also Independent & Non Executive Director of the Company. He is a Chartered Accountant by profession and is spearing head of M/s. S.S. Kothari Mehta & Co., Chartered Accountants. He has specialization in Corporate Financial Planning & Corporate Restructuring, Project Financing, Business Valuation, etc. He has been a re-known professional in the recent past and headed important position, like director of SEBI, National Stock Exchange, President of PHD Chamber of Commerce and Industry, Delhi. Shri Mehta has a wide exposure to industry in his capacity as director of some leading companies in the corporate sector.

BOARD MEETING ATTENDANCE:

S. No.	Name	No. of Board Meeting attended	Attendance at the Last AGM
1.	Shri Gopal Sitaram Jiwaraajka	5	Yes
2.	Shri Tarun Jiwaraajka	5	Yes
3.	Shri Gautam Khaitan	2	No
4.	Shri Sanjeev Kaul Duggal	2	No
5.	Shri Patanjali Govind Keshwani*	2	Yes
6.	Smt. Neetu Jiwaraajka	3	Yes
7.	Shri Karna Singh Mehta	4	No
8.	Smt. Savitri Devi Jiwaraajka*	1	No

*resigned w.e.f. 28.09.2018

*resigned w.e.f. 05.11.2018

DETAIL OF CHAIRMANSHIP / DIRECTORSHIP / COMMITTEE MEMBERSHIP IN OTHER COMPANIES

Name of Director	Category	Number of Directorship in other companies		Number of mandatory Committee Memberships in other Public companies	
		Chairman	Member	Chairman	Member
Shri Gopal Sitaram Jiwaraajka	Executive & Promoter	-	5	2	2
Shri Tarun Jiwaraajka	Executive & Promoter	-	2	-	-
Smt. Neetu Jiwaraajka	Executive & Promoter	-	4	-	-
Shri Gautam Khaitan	Non Executive & Independent	-	2	1	1
Shri Sanjeev Kaul Duggal	Non Executive & Independent	-	4	-	-
Shri Karna Singh Mehta	Non Executive & Independent	-	3	3	1

INDEPENDENT DIRECTORS MEETING

During the year a meeting of Independent Directors was held on 14.02.2019. The Independent Directors, inter-alia, have reviewed the following items as required under Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- a) Performance of Non-Independent Directors and the Board as a whole;
- b) Performance of the Chairman & Managing Director of the Company taking into account the views of Executive Directors and Non-Executive Directors;
- c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

DISCLOSURES / POLICIES

The Company is in compliance of the requirements of regulatory authorities on capital markets and other compliances under the Regulations and Laws applicable on the Company in a timely manner. The Company has a track record of better compliance with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

Apart from those, the Company has formulated Mandatory Policies and Code of Conducts to provide better means to the existence of corporate governance in its operations. Following policies/ guidelines are available on Company's website: www.salora.com -

- 1) Code of Conduct for the Board of Directors, KMPs and employees of the Company as per provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- 2) Code of Conduct and Procedures for fair disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015;
- 3) Nomination & Remuneration Policy
- 4) Related Party Transaction Policy
- 5) Whistle Blower Policy and Vigil Mechanism
- 6) Policy for Determining Material Subsidiary
- 7) Policy for Board Diversity
- 8) Terms and Conditions of appointment of Non-executive & Independent Directors
- 9) Archival Policy under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
- 10) Familiarisation Programme for Independent Directors
- 11) Policy on preservation of Books of Accounts
- 12) Composition of Committees
- 13) Anti Sexual Harassment Policy for protection of women workers at work place.

BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board Committees are set up under the formal approval of the Board to carry out the clearly defined roles. The minutes of the meetings of all committees are placed before the Board for review. The Board Committees requires special invitees to join the meeting, as and when considered appropriate.

AUDIT COMMITTEE

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.

Currently, Audit Committee comprises of three directors, namely Shri Gautam Khaitan, Shri Sanjeev Kaul Duggal and Shri Karna Singh Mehta. All members of Audit Committee are Independent Directors. Shri Gautam Khaitan is chairman of the Committee. Shri Patanjali Govind Keswani resigned from the Board and its committees w.e.f. 28.09.2018

Terms of reference -

- Oversight of financial reporting process
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management systems.
- Recommendation for appointment, remuneration and terms of appointment of Statutory auditors, Internal Auditor, Secretarial Auditor and Cost Auditor of the company
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

Other details -

- Four meetings of the Audit Committee were held during the year i.e. on 28th May, 2018, 10th August, 2018, 12th November, 2018 and 14th February, 2019 and gap between two meetings did not exceed one hundred and twenty days.
- Committee invites such of the executives particularly head of finance functions, representatives of statutory auditors and internal auditors, as it considers appropriate, to be present at its meetings.
- The Company Secretary acts as the Secretary to the Audit Committee.
- Ms. Silky Gupta was appointed as Compliance Officer by the Board in place of Shri Mohd. Faisal Farooq w.e.f. 14.02.2019 to ensure compliance of SEBI (LODR) and the Companies Act, 2013.
- The previous AGM of the Company was held on 27.09.2018, which was not attended by Shri Gautam Khaitan, Chairman of the Audit Committee due to his pre-occupation.

The details of member's attendance at the Audit Committee Meetings

during the financial year are as under:

Names	No. of Meeting attended
Shri Gautam Khaitan	2
Shri Sanjeev Kaul Duggal	2
Shri Patanjali Govind Keswani*	2
Shri Karna Singh Mehta	3

*resigned from the membership of the Committee w.e.f. 28.09.2018

The meetings of Audit Committee are also attended by the Chief Financial Officer, representative of Statutory Auditors and Internal Auditors, GM (Fin & Accounts) as special invitees.

NOMINATION AND REMUNERATION COMMITTEE

Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

Terms of references

- Recommend to the Board its composition and the set up and composition of the committees.
- Recommend to the Board the appointment / re-appointment of Directors and Key Managerial Personnel.
- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.
- Recommend to the Board the remuneration policy for directors, executive team, Key Managerial Personnel, as well as the rest of employees.
- Oversee the Human Resource philosophy, Human Resource and people strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning.
- Oversee familiarisation programme for directors.

Currently, the Committee comprises of four directors, namely -

- (1) Shri Sanjeev Kaul Duggal, Chairman
- (2) Shri, Gautam Khaitan, Member
- (3) Shri Karna Singh Mehta, Member
- (4) Shri Gopal Sitaram Jiwrajka, Member

The committee meets periodically as and when required. During the year under review, the Committee met on 14.02.2019.

The member's attendance at the Nomination and Remuneration Committee Meetings during the financial year 2018-19 is as follows:

Names	No. of Meeting attended
Shri Gautam Khaitan	-
Shri Sanjeev Kaul Duggal	1
Shri Karna Singh Mehta	1
Shri Gopal Sitaram Jiwrajka	1

The Company Secretary is the secretary to the committee.

NOMINATION & REMUNERATION POLICY & CRITERIA FOR REMOVAL

PERFORMANCE EVALUATION

The Board had framed Nomination and Remuneration Policy, which is in line with the existing industry practice and applicable laws. The Remuneration policy of the Company is available on the company's website: www.salora.com

APPOINTMENT CRITERIA AND QUALIFICATIONS

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

TERM / TENURE

a) MANAGING DIRECTOR /WHOLE-TIME DIRECTOR / EXECUTIVE DIRECTOR

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) INDEPENDENT DIRECTORS

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Committee may recommend removal of any Director, KMP or Senior Management Personnel to the Board for any disqualification mentioned in the Companies Act, 2013 or under any other applicable act, rules and regulations made thereunder, with the reasons recorded in writing, subject to the provisions and compliance of the said Act, rules and regulations.

DETAILS OF FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of programme for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the company's website: http://salora.com/pdf/Familiarisation_Programme_for_Independent_Director.pdf

DETAILS OF REMUNERATION PAID TO DIRECTORS

Shri Gopal Sitaram Jiwrajka, Shri Tarun Jiwrajka and Smt. Neetu Jiwrajka, are Executive Directors of the Company. The remuneration payable to them is determined by the Board on the recommendation of Nomination & Remuneration Committee and subject to approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. Details of remuneration paid to the executive directors are given under MGT-9 attached as **Annexure 'III'**.

The non executive directors do not draw any remuneration from the Company except sitting fees for attending the meetings of the Board and Audit Committee.

DETAILS OF SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS DURING THE FINANCIAL YEAR 2018-19

Name of the Director	Board Meeting (Rs.)	Audit Committee Meeting (Rs.)	Remuneration Committee Meeting (Rs.)	Stake holder's Relationship Committee Meeting (Rs.)	Total (Rs.)
Shri Gautam Khaitan	20,000	20,000	-	-	40,000
Shri Sanjeev Kaul Duggal	20,000	20,000	-	-	40,000
Shri Patanjali Govind Keswani*	20,000	20,000	-	-	40,000
Shri Karna Singh Mehta	40,000	30,000	-	-	70,000
Smt. Savitri Devi Jiwrajka*	10,000	-	-	-	10,000

*resigned w.e.f. 28.09.2018

*resigned w.e.f. 05.11.2018

There were no signs of pecuniary relationships or transactions with the non-executive directors' vis-à-vis the Company during the financial year ended 31st March, 2019.

CRITERIA FOR MAKING PAYMENTS TO NON - EXECUTIVE DIRECTORS

The Company has laid down the criteria for making payments to the Non- Executive Directors. The details of such criteria are available in the Remuneration Policy disseminated on the company's website:

www.salora.com/Investors/Remuneration_Policy

STAKEHOLDERS RELATIONSHIP COMMITTEE

Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.

Currently, Stakeholder Relationship Committee comprises of four directors, namely Shri Karna Singh Mehta, Shri Gautam Khaitan, Shri Sanjeev Kaul Duggal and Shri Tarun Jiwrajka. Shri Karna Singh Mehta, is Chairman of the Committee. Shri Patanjali Govind Keswani resigned from the membership of the committee from 28.09.2018

Terms of reference

- a) To look into redressal of shareholders'/ investors' complaints related to transfer / transmission of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc. etc.
- To oversee the performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.
- To monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

Other details

- Four meetings of the Stakeholders' Relationship Committee were held during the year i.e. on 28.05.2018, 10.08.2018, 12.11.2018 and 14.02.2019
- The Company has always valued its customer relationship. This philosophy has been extended to investor relationship. The Committee focuses on servicing the needs of various stakeholders viz., investors, analysts and general public.
- Details of investor complaints and compliances thereof are provided in this report.

The member's attendance at the Stakeholder Relationship Committee Meetings during the financial year 2018-19 is as follows:

Names	No. of Meeting attended
Shri Karna Singh Mehta	3
Shri Gautam Khaitan	2
Shri Sanjeev Kaul Duggal	2
Shri Tarun Jiwrajka	4

The Company Secretary is the secretary to the committee.

SHARE TRANSFER COMMITTEE

The Committee comprises of Shri Gopal Sitaram Jiwrajka and Shri Tarun Jiwrajka. The Share Transfer Committee shall consider requests of share transfer / transmission / transposition / split / consolidation / duplicate share certificate etc.

The Company Secretary is the secretary to the committee.

CODE OF CONDUCT

Code of conduct formulated in compliance with Regulation 17 of SEBI Listing Regulations, 2015 and Companies Act, 2013. The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2019. The Annual Report of the

Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declaration received from Independent & Non Executive Directors and senior management. The same is available on the company's website: www.salora.com.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Pursuant to Regulation 22 of SEBI Listing Regulations, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns on gkhaitan@opkhaitan.com about unethical behavior. No person has been denied to access the Chairman of the Audit Committee. The Policy is available on the Company's website at following link: http://salora.com/pdf/whistleblower_policy_salora.pdf

GENERAL BODY MEETING

Location and time, where last three AGMs held -

Venue	Financial Year	Date & Time
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003.	2015-16	14 th September, 2016 11:00 A.M.
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003.	2016-17	13 th September, 2017 11.00 A. M.
India Islamic Cultural Centre, 87-88, Lodhi Road, Lodhi Gardens, Lodhi Estate, New Delhi -110 003	2017-18	27 th September, 2018 11.00 A.M.

The details of special resolutions passed in AGM in the last 3 years are as follows:

AGM No.	Subject
47 th AGM	<ol style="list-style-type: none"> Appointment of Shri Gopal Sitaram, Jiwrajka, as Managing Director for a term of 3 years. Appointment of Smt. Neetu Jiwrajka as Executive Director of the Company for a term of 5 year.
48 th AGM	<ol style="list-style-type: none"> Appointment of Statutory Auditors of the company R Gopal & Associates in place of retiring Auditors K. Prasad & Co. Appointment and Ratification of remuneration of cost Auditors of the company, Gurvinder Chopra and Co. Cost Auditors. Appointment of Shri K.S. Mehta as Non Executive Independent Director for five years Appointment as Smt. Savitri Devi Jiwrajka as Non Executive Directors for three years
49 th AGM	<ol style="list-style-type: none"> Ratification of Cost Auditors' remuneration Revision of remuneration of Shri Gopal Sitaram Jiwrajka, Chairman & Managing Director (DIN: 00024325) Sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013.

During the year under review no EGM was held by the Company.

E-Voting/Poll: E-voting and Poll facility provided at AGM of the Company in compliance of provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the

SEBI Listing Regulations.

OTHER DISCLOSURES

- Disclosures on materially significant related party transaction that may have potential conflict with the interest of Company at large.
- Detail of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.
- Details of compliance with mandatory requirements and adoption of non mandatory requirements of this clause. The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Web link where policy on dealing with related party transactions is disclosed:

The particulars of transactions between the Company and its related parties as per the "IND AS" mentioned in "Note No.41" of the Balance Sheet. These transactions are not likely to have any conflict with the Company's interest. The Company has complied with all applicable laws and regulations and no strictures / penalties have been imposed on the Company by Stock Exchange or SEBI or any other Statutory Authority.

At present, Company has not put in place other non-mandatory requirements.

A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Security Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed equity capital. The Reconciliation of Share Capital Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialize shares held with NSDL and CDSL.

MEANS OF COMMUNICATION

- The unaudited quarterly results of the Company are published in leading newspapers such as the Financial Express (English) and Jansatta (Hindi). These are not sent individually to the shareholders.
- The company's website address is www.salora.com. The website contains basic information about the Company and such other details as required under the listing regulations. The company ensures periodical updation of its website. The Company has designated the email-id sect@salora.com in order to enable the shareholders to register their grievances.
- Pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, all data related to quarterly financial statements, shareholding pattern, etc., are filed electronically on BSE's & NSE's filing portal respectively within the time frame prescribed in this regard.
- No presentations have been made to Institutional Investors or analysts.

GENERAL INFORMATION FOR SHAREHOLDER ANNUAL GENERAL MEETING

Date and time	28 th September, 2019 at 11:00 AM
Venue	India Islamic Culture Centre, 87-88, Lodhi road, Lodhi Garden, Lodhi Estate, New Delhi, Delhi 110003
Book Closure date	22.09.2019 to 28.09.2019 (both days inclusive)
Financial Year	1 st April to 31 st March

FINANCIAL CALENDAR 2019-20

Result for the quarter ended 30 th June, 2019	On or before 14 th August, 2019
Result for the quarter ended 30 th September, 2019	On or before 14 th November, 2019
Result for the quarter ended 31 st December, 2019	On or before 14 th February, 2020
Result for the quarter ended 31 st March, 2020	On or before 30 th May, 2020

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Skyline Financial Services Pvt. Ltd.
 Registrars and Transfer Agents
 Unit: Salora International Limited
 D-153-A, 1st Floor, Okhla Industrial Area,
 Phase -I, New Delhi-110020
 Tel. No. 011-26812682, 83 & 84
 Website: www.skylinerta.com
 Email: admin@skylinerta.com

INVESTORS CORRESPONDENCE

In case of any delay in attending to transfer of shares, non receipt of Annual Report or any other related matter the following officials of Salora International Limited may be contacted:

REGISTERED OFFICE

Salora International Limited
 D-13/4, Okhla Industrial Area,
 Phase-II, New Delhi – 110 020
 Website: www.salora.com
 Tel. No. 011- 40552341
 Email – sect@salora.com

CORPORATE OFFICE & MANUFACTURING PLANT

Salora International Limited
 B-50 Sector-80, Noida, Phase-II,
 Uttar Pradesh, 201305
 Website: www.salora.com
 Tel. No. 0120-4885528,
 Email – sect@salora.com

LISTING ON STOCK EXCHANGES

Name of the Stock Exchange	:	Stock Code
National Stock Exchange of India Limited (NSE)*	:	SALORINTL
BSE Limited (BSE)	:	500370
Company ID Number	:	L74899DL1968PLC004962

*The Board of Directors of the Company in their meeting held on 09.03.2019 had consented for voluntary delisting of equity shares of the Company from National Stock Exchange of India Ltd., Mumbai and Company filed application for voluntary delisting of Company's equity shares from the NSE on March 25, 2019, in terms of regulation 6 and 7 of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("SEBI Delisting Regulations") which was approved by NSE vide its Reference no. NSE/LIST/78155 dated April 03, 2019 pursuant to which NSE has withdrawn (delisted) the admission to dealing in securities of the Company w.e.f. April 25, 2019.

LISTING FEES

Annual Listing fee to BSE Limited for the financial year 2019-20 has been paid.

STOCK MARKET DATA

Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	Month's High	Month's Low	Total volume of shares transacted	Month's High	Month's Low	Total volume of shares transacted
April, 2018	46.50	37.20	37825	48.65	38.05	14170
May, 2018	43.95	35.20	18971	43.50	35.60	13510
June, 2018	34.65	25.20	7357	35.50	23.50	34646
July, 2018	27.40	23.75	1518	26.80	21.55	18916
August, 2018	30.90	22.10	5485	32.60	20.65	36821
September, 2018	31.65	24.00	23768	32.15	23.00	11513
October, 2018	34.40	25.45	11013	35.00	25.80	13954
November, 2018	28.00	25.40	2612	29.80	23.95	1281
December, 2018	27.45	24.95	1160	28.40	23.90	2503
January, 2019	23.75	22.00	661	23.50	19.85	291
February, 2019	23.60	19.80	7602	20.90	16.30	4261
March, 2019	21.75	16.40	33113	22.05	16.25	15900

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

Category of Shareholders	No. of Folios	No. Shares held	Percentage
Individuals	4163	13,91,403	15.80
Companies	89	4,34,605	4.93
Promoters	5	53,17,237	60.37
Group Companies	1	5,58,929	6.35
Mutual Fund, Banks, Fls	4	700	0.01
NRI	29	3,27,281	3.72
HUF	90	38,959	0.44
Trust	0	0	0
Clearing Members	3	7,38,186	8.38
Others	0	0	0
Total	4384	88,07,300	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2019

No. of Equity Shares held Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
(1)	(2)	(3)	(4)	(5)
Up To 5,000	3982	90.84	45,92,530	5.21
5001 To 10,000	169	3.85	13,66,670	1.55
10001 To 20,000	103	2.35	15,22,200	1.73
20001 To 30,000	38	0.87	9,82,260	1.12
30001 To 40,000	23	0.52	8,13,470	0.92
40001 To 50,000	14	0.32	6,21,060	0.71
50001 To 1,00,000	25	0.57	18,82,820	2.14
1,00,000 and Above	30	0.68	7,62,91,990	86.62
Total	4384	100.00	8,80,73,000	100.00

DETAILS OF DIRECTORS' SHAREHOLDING AS ON 31st MARCH, 2019

Name	No. of Shares
Shri Gopal Sitaram Jiwrajka	23,39,011
Shri Tarun Jiwrajka	3,72,741
Smt. Neetu Jiwrajka	7,31,410
Shri Gautam Khaitan	-
Shri Sanjeev Kaul Duggal	-
Shri Karna Singh Mehta	-

INFORMATION IN RESPECT OF UNCLAIMED DIVIDENDS DUE FOR REMITTANCE INTO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

No amount of unclaimed/unpaid dividend is available with Company.

SUBSIDIARY COMPANY

Disclosure required under Regulation 24 of SEBI Listing Regulations, 2015. The Audit Committee reviews the quarterly financial statements of the Company and investments made in its unlisted subsidiary company viz., M/s. Salora Components Ltd. The minutes of the Board Meetings along with report on significant developments of the unlisted subsidiary company is periodically placed before the Board of Directors of the Company. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary company. The Company's policy for determining the material subsidiary is disclosed on the company's website:

http://salora.com/pdf/Policy_determining_material_subsidary.pdf

RELATED PARTY TRANSACTION

Disclosure required under Regulation 24 of SEBI Listing Regulations, 2015. There are no material related party transactions during the year under review that have conflict with the interest of the Company. All the transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business which are not material in nature too, hence, outside the scope of Section 188 of the Companies Act, 2013 and were approved by the Audit Committee.

The Company has Related Party Transactions Policy to ensure the proper approval and reporting of transactions entered between the Company and its related parties. The Company's policy for related party transaction is available on the company's website:

<http://salora.com/pdf/Related%20Party%20TransactionsSalora.pdf>

COMPLIANCES

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchanges or SEBI or any other Statutory Authority on such matters.

REQUEST TO INVESTORS

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

Shareholders holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Shareholders should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market.

Shareholders holding shares in physical form and have not availed nomination facility and would like to do so, are requested to avail the same by submitting the nomination in Form 2B. The form will be made available on request by the Registrars and Share Transfer Agent of the company.

As required by SEBI, shareholders holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR Code and IFSC Code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact number, etc., to their depository participant (DP).

Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or SKYLINE (RTA), the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

RECONCILIATION OF SHARE CAPITAL AUDIT

A quarterly audit was conducted by a Company Secretary in practice to reconcile the total capital of the company admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialized form (held by the depositories). As on 31st March 2019 there was 86,51,946 equity shares representing 98.24% of the paid up equity capital are in dematerialized form.

INFORMATION TO SHAREHOLDERS

Brief particulars of director reappointed together with the nature of his experience and details of directorship held by him/her in other companies are annexed to the Notice convening the Annual General Meeting.

NOMINATION FACILITY

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination form can be obtained from Registrar and Share Transfer Agent of the Company.

ELECTRONIC CLEARING SERVICE

SEBI vide its Circular No. DCC/FITTCIR-3/2001 dated 15th October, 2001 had advised that all companies should mandatory use ECS facility wherever available. In the absence of ECS facility, Company may use warrants for distributing the dividends and vide its Circular No. D&CC/FUTTCUR-4/2001 dated 13th November, 2001, SEBI had advised companies to mandatory print the Bank Account details furnished by the Depositories on the Dividend Warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrant and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the depository account, may notify their DPs about any change in their bank account details.

BUSINESS / PLANT LOCATIONS

1. Consumer Electronics Business
D-13/4, Okhla Industrial Area, Phase – II, New Delhi – 110020.
2. Plant
Plot Nos. 31 – 34 & 50 – 53, Block – B, Sector – 80,
NOIDA (U.P.)
3. Wind Energy Division
Village Petle, Israde and Penhalipada
Taluka Sakri, Distt. Dhule, Maharashtra.

For and on behalf of Board of Directors
Salora International Ltd.

(Gopal Sitaram Jiwrajka)
Chairman & Managing Director
DIN:00024325

Date: 25.05.2019
Place: New Delhi

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per "affirmation of compliance" letters received from the directors and the members of senior managerial personnel of the Company, I hereby declare that members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management during the financial year 2018-19.

For Salora International Limited

(Gopal Sitaram Jiwarajka)
Chairman & Managing Director
DIN:00024325

Date: 25.05.2019

Place: New Delhi

CEO / CFO CERTIFICATE
[Regulation 17(8)]

To
The Board of Directors
Salora International Ltd.

We hereby certify that we have reviewed the financial statements and Cash Flow Statement for the financial year ended 31st March, 2019 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable law and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the aforesaid period which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control systems, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
 - a) There have been no significant changes in internal control over financial reporting during the year.
 - b) There have been no significant changes in accounting policies during the year.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(Gopal Sitaram Jiwarajka)
Chairman & Managing Director
DIN:00024325

(Tarun Jiwarajka)
Whole Time Director & CFO.
DIN:00 386240

Date: 25.05.2019

Place: New Delhi

PRACTISING COMPANY SECRETARY'S REPORT ON CORPORATE GOVERNANCE

To,
The Members of
Salora International Limited
Regd. Office: D- 13/4, Okhla Industrial Area
Phase II, New Delhi- 110020

We have examined the compliance of conditions of Corporate Governance by Salora International Limited for the year ended 31st March, 2019 as referred in the Regulation 15(2) and other relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information, based on the records,, documents, books, and other information furnished

and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement/ applicable guidelines.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Navneet K Arora & Co LLP
Company Secretaries

CS Navneet Arora
Managing Partner
FCS:3214, COP:3005

Place: New Delhi
Date: 25th May, 2019

Annexure – VIII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report has been included in adherence to the spirit enunciated in the code of Corporate Governance, pursuant to requirement of Regulation 34 of SEBI (LODR) Regulations, 2015. The Management Discussion and Analysis presented in this Annual Report focuses on reviewing the performance of the Company.

CONSUMER ELECTRONICS INDUSTRY OVERVIEW

India has the world's third largest television industry.

With increasing innovation and technological improvements in the consumer electronics industry, the cost of Smart TVs is expected to see a downward trend in future as well. Factoring these, we can say that Smart TVs are well on their way to become one of the preferred mainstream products in India. As far as viewing experience are concerned, most of the Smart TVs whether 4K TV's or HDR, are available in large screens format only which magnifies the experience immensely. Hence, Smart TVs certainly offer better viewing experience bundled with their flagship technologies. However, the viewing experience is only got to do with the display technology and nothing much yet with the "Smart Features" of the TV. Growing penetration of internet services and expanding internet consumer base is expected to drive the market over the next few years. In addition, market leaders have been investing in Smart TV technology in order gain competitive advantage. The technology transition from internet TVs that provide convergent services is also expected to result in favourable market conditions. With BEE rating becoming mandatory for Flat Panel Display segment, it is expected to bring energy efficiency into focus for the television sets.

Smart TV could play an important part in the overall Smart city initiative of the Government of India. Being embedded in the government systems, it can be an important element of the Information & Communication Technologies. TVs equipped with technologically advanced and smart features can support the initiative, by enabling users to keep a watch on the streets for specious activities or to warn people who litter the streets. Smart TVs could also download important announcement / videos which could be circulated by the municipal and governing bodies of various regions.

COMPANY PROFILE

The Company is a large conglomerate with diversified business interests. The culture of excellence leads to strong performance in all the spheres of its activity. The Company involves itself in the manufacturing and assembly of Smart LED TVs, CRT TVs, TV Components, Home Theaters, Mobile Phone, Mobile Batteries & Chargers, washing machine and distribution of large variety of IT and Telecom Products such as Laptops, Smart watches, trading of pricey smart phones etc.

➤ COMPANY'S BUSINESS SEGMENT

Our business can be divided into following verticals:

➤ Television (TV'S)

We manufacture LED TVs at Noida Plant Facility which has an installed capacity of significant number LED TVs. Keeping in line

with emerging trends SALORA is also putting greater emphasis on development of LED TV business. Our capabilities in LED TV designing include panel designing, main electronic board designing, mechanical and acoustics. Company has also set up in-house Panel Assembly Facility.

The contribution of Smart TVs to overall sales has gone up to significantly over last few years and share is expected to move up. Smart TVs market in India registered robust growth in 2018-19 attributed to a sharp drop in the prices of the Smart TVs as well as rising penetration of Smart TV vendors. Rise in disposal income level and growing internet penetration in the country contributed to an increase in sales of Smart TVs. Huge investment by video streaming media companies Hotstar, Amazon Prime and Netflix led to an increase in demand for Smart TVs.

Demand for large screen TV is growing due to drop in prices and growth of streaming video content. Company has introduced 50 / 55 / 65 Inch televisions to meet this demand. Company will also introduce Trend Frameless Design LED Television in the near future.

➤ Washing Machine:

Growing disposable income and easy financing options have led to shortened replacement cycles whereas rising influence of modern lifestyle has perceived products such as utility items rather than luxury goods.

In the current scenario washing machines are no more a privilege. It has become an essential item in every house making the practice of washing clothes more intelligent, personalized and time saving. Also, the washing machines now-a-days are given an aesthetic touch that makes them look stylish trendy and user friendly. The dependence on technology has increased considerably during the years. Thought process of people in direction of having a better lifestyle is facilitating trade and commerce. Its demand has been increasing in India due to increasing availability of new innovative models in the market and increasing PPP of the Indian middle class families. To cater to this rising demand your Company has launched a range of Semi Automated Washing Machines.

Washing Machine models of Salora as follows:

1. Model No. SWMS6501SR which is having size of 6.50 K.G
2. Model No. SWMS6801BU which is having size of 6.80 K.G
3. Model No. SWMS7801SR which is having size of 7.80 K.G
4. Model No. SWMS7801SR which is having size of 8.50 K.G

Company also plans to launch Automatic Washing Machine in the near future.

➤ Refrigerator

The Indian refrigerators market is categorized into two product types' i.e. direct cool refrigerators and frost free refrigerators. frost free refrigerators do not manual defrosting is needed. The frost free refrigerator market of India is gaining massive popularity and momentum over traditional refrigerator models. direct cool refrigerators dominate in the Indian market whereas frost free

refrigerators are becoming popular among urban households.

Energy star rating, Rising household income, improving living standards, rapid urbanization, increasing number of nuclear families, large untapped market, environmental changes, warranties, discounts, incentives, easy cleaning facilities are major growth drivers for the refrigerator industry. The efforts of players to offer affordable and eco-friendly variants and strategies to penetrate into smaller towns are acting as a driving force for the industry. New lifestyle where food is kept for longer after cooking is also driving up demand for refrigerators. Penetration of electricity and affordable housing offer the space and possibility of buying a fridge to those who would not be able to use one earlier. The major players are cutting their prices and launching the new models with advanced features and new designs. The utility and need of refrigerator is felt 365 days in a year, and hence has become an indispensable item of every household. Moreover, due to the hot and humid weather conditions in the country, the necessity of the product has increased manifold. Due to increase in utility and need of refrigerator Salora plans to expand its presence in Consumer Durables by launching refrigerator also.

Your Company has launched a range of direct Cool Refrigerators. Your Company will expand the range of Refrigerators in the near future.

➤ **Mobile Phones**

Due to intense competition company has reduce focus on mobile phones. Although We have been doing the manufacturing of mobile phones in the past and positive efforts are being taken to strengthen our foot step in this dynamic business segment. We manufacture feature phones and smart phones (2G, 3G, 4G/LTE, VoLTE and CDMA).

Company considers 'SALORA ARYA' as to be the entry segment smart phones in this business segment. On pricing page company claims it to be in reach of ever middle class and lower income group spread in rural areas.

Mobile phone manufacturing requires controlled environment and testing mobile devices requires special equipment and methodology for which the company has updated and upgraded assembly line. Our strategy in the mobile phones vertical is deepening of relationships with existing key customers, migration towards PCB level assembly as a first step and backward integration for mobile phone chargers.

➤ **AUDIO (Speakers and Music System segment):**

During the year the company has launched wide range of music system, speakers systems, towers speakers and public announcement systems. The initial market trend of sales number has shown a good performance of towers speakers and music systems of the company. Your company is planning to aggressively to enhance its speaker production capacity as company, consider that there is lot of scope for doing business in this segment.

Upgraded production facilities are being planned along with new products like P.A speakers, Car Speakers etc, portable music systems etc.

Such a focus on innovations, combined with a commitment to quality and service excellence, keeps your Company poised to perform

beyond expectations in the hyper-competitive consumer durables sector. After sale service network, spread across the length and breadth of the country, further strengthens your Company's status as a dominant competitor in the sector.

➤ **Wind Power Generation (Wind Energy):**

Wind power generation has the lowest impact on the environment as compared to the other methods of power generation and this is in tandem with our philosophy of being in tune with nature hence we ventured in power generation with Wind Energy. The Company has five (5) wind turbines 1.25 MW Capacity (6.25 MW total) at Dhule Maharashtra operated and maintained by Suzlon Energy Ltd. The business revenue from this segment is remained settled and the performance is remained satisfactory.

➤ **Trading:**

Company has entered into trading business of FMCG products. Market response is good and hopefully it will be a boost for sale and revenue of the company

OPPORTUNITIES AND THREATS

Opportunities: Consumer Electronics Sector

- With rise in income level of the customers and availability of easy finance, the discretionary spending has become important. As a result, the durable goods which were earlier considered to be luxury are now being considered as a necessity.
- Internet subscribers in India have increased significantly in last few years and it is expected to grow further. This could be a driving factor for innovation in the Smart TVs and other consumer durables.
- Increase in awareness about smart TV is a significant factor which could be driving the growth in sales of Smart TVs in India.
- Rise in working age population is expected to stimulate demand.
- Growing number of High Networth Individuals and women in workforce is boosting demand for high end consumer electronics and home appliances.
- Rapid urbanization is helping in the growth of consumer electronics and home appliances industry. There has been a paradigm shift to the Indian population in terms of rural-urban divide. The aspiration of higher income, higher standards of living have drawn more and more people from villages to settle in town and cities. This transition has led to an increase in the demand of goods.
- The growing use of credit and debit card and easy availability of credit has resulted in the increase in spending inter-alia including on purchases of consumer electronics and home appliances thereby fuelling the demand in the durable sector.
- The growth of mediums such as e-commerce and m-commerce has provided retailers to stay in touch with consumers via various mediums and thus increase on their sales by constant promotion of products. Further, the incentives such as cash-

back, discounts, freebies offered through e-commerce has huge positive impact on sales of consumer electronics and home appliances and the demand is further expected to boost over the years.

- The rapid growth of population, affordable housing, opportunities in semi-urban and urban areas have led to growth of nuclear families. This has pushed the demand for consumer electronics and home appliances.
- The growing number of dual income families (both husband and wife earning) has given greater purchasing power and willingness to spend to them which has pushed family's focus towards luxury / semi-luxury products resulting into higher demand for consumer electronics and home appliances.
- With the development of the communication channel and the rise of information, Communication and Technology Industry, a rise in media across the world is seen. Number of people with internet access has increased drastically and it has thus created a new opportunity for companies to position / market their products in a better way using improved and more efficient marketing channels. Social media too is playing vital role in shaping the position of the product.
- Continuous R&D and Innovation, has resulted in development of different products and services and this can be driver for improved sales and growth for the company.
- Recent and upcoming products in the Indian market reiterate the emphasis of product innovation and development to lead the way in future. The companies are increasing their focus on product design and ensuring that consumers get varied features to create a differentiation in the market and create an impact.

Threats: Consumer Electronics Sector

- Due to the high marketing spends of multinational companies (MNCs) and new brands entering in India, the Company faces the threat of a preference developing among consumers for foreign brands. The Company intend to mitigate this threat via appropriate corporate marketing communication stressing the high pedigree of the company and its commitment to innovation and quality.
- Due to the plethora of distributor brands and domestic brands that specialize in import and rebranding, the consumer has a large number of brands to choose from at the low cost end of the price spectrum. Price sensitivity may lead many consumers to overcome their risk aversion. This threat will have to be countered with appropriate marketing communication about the difference in quality of the company's products vis-à-vis such competitors and through highlighting the service reputation of the Company.
- The rise of modern trade retail chains of various hues leads to the risk of concentration of the company's sales to a few large customers. This is a threat to the margins of the Company. It can be countered by enhancing the pull factors that drive sales through brand building measures at the corporate level.

RISK & CONCERNS

Risk relating to Consumer Electronics Business

- International manufacturers are now partnering with e-retailers to promote sales and increase penetration in the Indian market.
- Rising input prices such as the selling, general & administrative expenses along with the cost of goods sold is difficult to control and thus a reduction in profit margin is seen. Despite the fact that the consumer products companies in most cases are able to pass on the cost to the consumers but the same is not likely seen during the downturn when a lag effect of few quarters is seen when the earnings of the companies gets pressurized.
- These days setting up a manufacturing facility or expanding the product line is very capital intensive.

INTERNAL CONTROL SYSTEMS AND ACCURACY

Internal control is all of the policies and procedures management uses to achieve the following goals.

- Promote efficient and effective operations – Internal controls provide an environment in which managers and staff can maximize the efficiency and effectiveness of their operations.
- Safeguard assets – well designed internal controls protect assets from accidental loss or loss from fraud.
- Ensure the reliability and integrity of financial information – internal controls ensure that management has accurate, timely and complete information, including accounting records, in order to plan, monitor and report business operations.
- Ensure compliance – Internal controls help to ensure that company is in compliance with the many federal, state and local laws and regulations affecting the operations of our business.
- Accomplishment of goals and objectives – Internal controls system provide a mechanism for management to monitor the achievement of operational goals and objectives.

Internal control Activities and Best Practices

Internal control activities are the policies and procedures as well as the daily activities that occur within an internal control system. A good internal control system should include the control activities listed below. These activities generally fit into two types of activities.

1. Preventive: Preventive control activities aim to deter the instance of errors or fraud. Preventive activities include thorough documentation and authorization practices. Preventive control activities prevent undesirable "activities" from happening, thus require well thought out processes and risk identification.
2. Detective: Detective control activities identify undesirable "occurrences" after the fact. The most obvious detective control activity is reconciliation.

The Company has in place proper and adequate statutory and internal audit and control system in accordance with the nature

of business and size and complexity of business. Internal control system comprises of policies and procedures which are designed to ensure compliance with achievement of business goals, compliance with inland laws. All assets and resources are used efficiently and adequately. All financial transactions are recorded as per governing inland laws.

The Company's Statutory Auditors and Internal Auditors carried out periodical audit at all business places based on audit plan that test the internal policy and procedure designed by Company. Significant observations are reviewed by management and audit committee.

Salora has a proper and adequate system of internal control with tools of monitoring through use of a strong customized oracle based ERP system "Salora Integrated Management System (SIMS)". Your Company has a vigilant Audit Committee headed by a non-executive independent director, inter-alia, to oversee your Company's financial reporting process, disclosure of financial information, reviewing the performance of statutory and internal auditors with management, adequacy of internal audit function and internal control systems, related party transactions, investigations relating to suspected fraud or failure of internal audit control, systems etc. The Company has adopted the code of ethics & business conduct which lays down the principles / standards that should govern the action of the Company and its employees. The Company is committed to adhere to the highest standards of ethical and moral conduct of the business.

The Company has an internal control system which provides for -

- Accurate recording and custody of assets;
- Compliance with applicable statutes, policies, procedures, SEBI (LODR) requirements, management guidelines and circulars;
- Transaction being accurately recorded; cross verified and promptly reported;
- Efficient use and safeguarding of resources;
- Adherence to applicable accounting standards and policies; and
- Information technology system which include controls for facilitating the above.

The scope of internal audit extends to all functions and locations of the Company.

OUTLOOK

The medium to long term, the view is positive, giving the rise in affordability level (combination of increasing disposable incomes and the trend of reducing prices), and the existing low household penetration base for consumer durables. The grown prospects for individual items would, however, depend on specific demand drivers. The Company has adopted the best and the most sophisticated technology to suit Indian needs. The Company has successfully forayed into market either directly or indirectly.

The Company focuses on Indigenous Strategy, Improved Technology, Innovative products, inspired thinking and insightful marketing. Company focuses on customer and his needs and is committed to delight and deliver beyond what is expected.

The aim of the Company is to serve consumers domestically by creating technologically path breaking products through constant innovation. The Company as a part of reducing manufacturing cost of products has explored the possibility of manufacturing of various components at the in-house facility.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCE

The Human Resource function of your Company plays a critical role in realizing business objectives by leading organizational change and effectively mobilizing talent to sustain the organization's competitive age.

The Company believes in building performance driven organization characterized by performance, pride and happiness. The Company conducts employee engagement surveys to identify the areas to improve upon for building a motivated and productive workforce.

Industrial relations remained cordial during the year under review.

CAUTIONARY STATEMENT

Statements in this report describe the Company's objectives, projections, estimates, expectations and predictions, may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise. These statements don't guarantee future performance and are subject to known and unknown risks, uncertainties and other factors such as change in the government regulations, tax laws, economic conditions and other incidental factors.

INDEPENDENT AUDITOR'S REPORT

To the Members of Salora International Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Salora International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to the following matters

- i) The Company has inventories as at 31st March 2019 of Rs. 5445.51 lacs at cost which includes old inventories against which provision of Rs 169.53 lacs has been considered. Sale done from ageing inventories are not below cost. The additional provision if any on inventories shall be accounted for at the time of disposal / realization as stated in note no 43 of the standalone financial statements.
- ii) Contingent liabilities of Rs 6482.77 lacs related to Sales tax, Excise duty, Income tax etc against which amount deposited Rs 862.40 lacs which are contested by the company at various forums. However management believes that based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable as

stated in note no 44 of the standalone financial statements.

- iii) The Company has material undisputed statutory dues recoverable of Sales tax Rs.335.98 lacs, Income tax Rs.109.82 lacs, Service tax Rs.14.74 lacs and Modvat Rs.7.82 lacs has been considered good as stated in note no 45 of the standalone financial statements.
- iv) For deferred tax assets on unabsorbed depreciation, business losses, impairment provisions and capital losses etc recognized net of deferred tax liability on account of difference in block of fixed assets amounting to Rs 1834.64 lacs as at 31st March 2019, as the management is confident for realization of the same as stated in note no 46 of the standalone financial statements.
- v) The Company holds Investments of Rs 341.48 lacs in its subsidiary Salora Component Limited which has net worth of Rs 89.54 lacs as on 31st March 2019. Company has entered into Share Purchase agreement dated on 30th March 2019 to sell the shares at cost, subject to the terms and conditions of this agreement and in consideration thereof for sell and transfer of shares on compliance of all transfer formalities as stated in note no 47 of the standalone financial statements.
- vi) Pending confirmations / statement of accounts / follow up documents of old debit balances of certain trade payables and advances amounting to Rs 84.37 lacs have been considered good, as the management is hopeful of recovery of the same as stated in note no 48 of the standalone financial statements.

Our opinion is not modified in respect of these matter stated above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion there are no any such matter to be reported by us.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance but does not include the standalone financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this

other information; we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of

not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2 As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note no 37 to the standalone financial statements.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material

foreseeable losses, and

- III. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R Gopal & Associates**

Chartered Accountants

Firm Registration No.: 000846C

S.K. Agarwal

Partner

Membership No.: 093209

Date : 25th May 2019

Place : New Delhi

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2019, we report that:

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) Fixed assets have been physically verified by the management during the year. As explained to us, no major discrepancies were noticed on such verification.
 - c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company, except Lease hold land at D-13/4 Okhla Industrial Area Phase II is in the Company's old name i.e Electronics Consortium Private Limited and necessary steps are being taken for transfer in the company name as explained by the management.
- (ii) Inventories have been physically verified by the management during the year at reasonable intervals except service spares and goods, material in bond, transit or with third party. As per the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories.
- (iii) According to the information and explanation given to us, the Company's has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act 2013 and hence sub clause (a) (b) (c) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has neither given any loans u/s 185 of the companies Act 2013 to its directors and nor has given any loans and guarantee or provided any security in connection with a loan by a company to any person or other body corporate and acquiring securities of any other body corporate by the company, hence clause (iv) is not applicable to the company.
- (v) The company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act

and the Rules framed there under.

- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records are being made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) According to the records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods

& Service Tax, Cess, and other material statutory dues have been deposited regularly during the year with the appropriate authorities. According to the records of the Company and information and explanations given to us there were no arrears of outstanding statutory dues as at 31st March, 2019 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have been not deposited on account of any dispute except the following:

Name of the Statute	Nature of the dues	Amount not Deposited (Rs Lacs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Law	Sales Tax	26.03	2001-2004	Supreme Court
	Sales Tax	0.19	2001-2002	High Court
	Sales Tax	1306.67	2000-2014	Sales Tax Commissioner
	Sales Tax	25.92	1999-2000	Appellate Authority - High Court
	Sales Tax	2.99	1995-1996	Remand back to Tribunal
	Sales Tax	0.78	2000-2001	Tribunal
Finance Act, 1994	Service Tax on Royalty	1.97	2002-2003	Excise Commissioner
Central Excise Act, 1944	Excise Duty	1,835.21	1993-1994 to 2003-2004	Supreme Court
	Penalty	2,435.22	1993-1994 to 2003-2004	Supreme Court
	Excise Duty	3.75	2000-2003	Remand back to Assessing officer
	Excise Duty	1.86	2000-2003	CESTAT

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayments of dues to any banks and financial institution. The Company does not have any loan and borrowings from government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan and hence clause (ix) is not applicable to the company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us and to best of our knowledge, we are of the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanation given to us and based on our examination of the records, all the transactions with related parties are in compliance with section 177 and

188 of the Companies Act, 2013 and all the details have been disclosed in the financial statements as per applicable Indian Accounting Standard.

- (xiv) According to the information and explanation given to us and to the best of our knowledge, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the company.
- (xv) According to the information and explanation given to us and to the best of our knowledge, the Company has not entered into any non-cash transactions during the year with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

S.K. Agarwal
Partner
Membership No.: 093209

Place: New Delhi
Date : 25th May 2019

Report on the Internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to financial statements of Salora International Limited (“the Company”) as of 31st March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act..

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control over financial reporting is

a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that: -

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management, override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31st March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, which needs to be strengthened.

For **R Gopal & Associates**
Chartered Accountants
Firm Registration No.: 000846C

S.K. Agarwal
Partner
Membership No.: 093209

Date : 25th May 2019
Place : New Delhi

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. in lakhs)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
1.Non-current assets			
(a) Property, Plant and Equipment	3	2,152.78	2,348.35
(b) Capital work-in-progress		-	2.95
(c) Other Intangible Assets	4	5.08	5.08
(d) Financial Assets			
(i) Investments	5	345.82	345.82
(ii) Trade Receivables	6	1,587.98	1,467.47
(iii) Loans	7	-	-
(iv) Other Financial Assets	8	24.42	27.76
(e) Deferred Tax Assets (Net)	9	1,834.64	1,994.26
(f) Other Non-Current Assets	10	905.73	586.75
Total Non-current assets		6,856.45	6,778.44
2.Current assets			
(a) Inventories	11	5,445.51	5,660.81
(b) Financial Assets			
(i) Trade Receivables	12	4,620.56	1,607.91
(ii) Cash and cash equivalents	13	8.85	21.44
(iii) Bank Balances other than (ii) above	14	11.64	8.85
(iv) Other Financial Assets	15	144.86	167.93
(c) Current Tax Assets (Net)	16	112.81	112.48
(d) Other Current Assets	17	543.69	493.17
Total current assets		10,887.92	8,072.59
TOTAL ASSETS		17,744.37	14,851.03
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	881.45	881.45
(b) Other Equity	19	5,963.65	6,458.40
Total Equity		6,845.10	7,339.85
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	1,393.85	723.61
(ii) Other Financial Liabilities	21	118.31	118.22
(b) Provisions	22	18.09	17.88
Total non-current liabilities		1,530.25	859.71
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	5,147.23	4,905.63
(ii) Trade payables	24	3,912.97	1,408.92
(iii) Other Financial Liabilities	25	145.99	110.98
(b) Other current liabilities	26	110.39	180.59
(c) Provisions	27	52.44	45.35
Total Current liabilities		9,369.02	6,651.47
TOTAL EQUITY AND LIABILITIES		17,744.37	14,851.03

SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

The accompanying notes (1-51) form an integral part of the Standalone financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal

Partner

M.No: 093209

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN: 00024325

Place :New Delhi

Date: 25.05.2019

Silky Gupta
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

(Rs. in lakhs)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I. Revenue from Operations	28	17,583.36	12,812.16
II. Other Income	29	18.46	15.57
III. Total Income (I+II)		<u>17,601.82</u>	<u>12,827.73</u>
IV. EXPENSES			
Cost of materials consumed		935.52	2,639.69
Excise Duty		-	53.89
Purchases of Stock-in-trade		15,353.77	9,059.05
Changes in Inventories of finished goods, Stock-in-trade and work in progress	30	-67.03	-459.60
Employee benefits expenses	31	501.37	879.47
Finance costs	32	743.01	681.62
Depreciation and amortization expenses	33	194.93	211.01
Other expenses	34	265.36	1,185.45
Total expenses (IV)		<u>17,926.93</u>	<u>14,250.58</u>
V. Profit/(Loss) before exceptional items and tax (III-IV)		-325.11	-1,422.85
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		-325.11	-1,422.85
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	36	-162.74	418.15
IX. Profit/(loss) for the year (VII-VIII)		<u>-487.85</u>	<u>-1,004.70</u>
X. Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss		-	-
(ii) Re-measurement gains (losses) on defined benefit plans		-10.01	0.97
(iii) Income Tax effect (Deferred Tax)		3.12	-0.30
		-6.89	0.67
XI. Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		<u>-494.74</u>	<u>-1,004.03</u>
XII. Earnings per equity share			
(1) Basic(in Rs.)	35	-5.54	-11.41
(2) Diluted (in Rs.)	35	-5.54	-11.41
XIII. Significant accounting policies	2		

The accompanying notes (1-51) form an integral part of the Standalone financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal
Partner
M.No: 093209

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN: 00024325

Place :New Delhi
Date: 25.05.2019

Silky Gupta
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March, 2019

(₹ In lacs)

A. EQUITY SHARE CAPITAL

	As at March 31, 2018	Changes during the year	As at March 31, 2019
Equity Share Capital	881.45	-	881.45

B. OTHER EQUITY

Particulars	Reserves & Surplus			Items of Other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1 st April, 2018	3,247.29	4,045.58	-832.04	-2.43	6,458.40
For the Year	-	-	-487.85	-6.89	-494.74
Balance as at 31 st March, 2019	<u>3,247.29</u>	<u>4,045.58</u>	<u>-1,319.90</u>	<u>-9.32</u>	<u>5,963.66</u>

The accompanying notes (1-51) form an integral part of the Standalone financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal

Partner

M.No: 093209

Tarun Jiwrajka

Whole Time Director & CFO

DIN No. 00386240

Gopal Sitaram Jiwrajka

Chairman & Managing Director

DIN: 00024325

Place :New Delhi

Date: 25.05.2019

Silky Gupta

Company Secretary

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2019

(₹ In lacs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	-325.11	-1,422.85
Adjustment for :		
Depreciation	194.93	211.01
Lease hold land amoritisation	2.50	2.50
Interest Paid	702.68	634.44
Interest Income	-7.39	-12.76
Allowance for doubtful receivables	-454.73	303.91
Provision for Interest receivable written back	-0.24	-
Bad Debts	9.23	92.87
Loss/(Profit) on sale of Property, Plant and Equipment	11.13	0.81
Irrecoverable loans and advances written off	-	108.32
Provision/Liability no longer required written back	-65.03	-119.23
Operating Profit before Working Capital changes	67.97	-200.98
Adjustment for :		
(Increase) /Decrease in inventories	215.30	-645.49
(Increase)/Decrease in Trade and other receivables	-3,035.22	2,301.80
(Increase)/Decrease in Trade and other payables	2,477.54	-1,007.76
Cash Generated from Operating Activities	-274.41	447.57
Adjustment for :		
Direct taxes (paid) / Refund Received	-0.33	-4.08
Net cash from Operating Activities	-274.74	443.49
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant & Equipment	-26.00	-54.55
Proceeds from sale of Property, Plant & Equipment	18.45	9.91
Interest received	9.60	8.87
Net cash from / (used in) Investing Activities	2.05	-35.77
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of Non Current Borrowings (Net)	-32.01	-44.87
Proceeds/ (Repayments) of Current Borrowings (Net)	241.60	128.21
Interest Paid	-633.70	-619.28
Loan Received (Unsecured)	1,718.00	329.00
Margin Money (given)/realised	-2.79	24.74
Loan Repaid (Unsecured)	-1,031.00	-229.00
Net cash from/(used in) Financing Activities	260.10	-411.20

Notes to Financial Statements

Net Increase/ (Decrease) in cash and cash equivalents :	-12.59	-3.48
Cash and cash equivalents at beginning of the year	21.44	24.92
Cash and cash equivalents at end of the year	8.85	21.44

The accompanying notes (1-51) form an integral part of the Standalone financial statements.

Note:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS-7 notified under Section 133 of the Companies Act 2013.

2. Components of Cash and Cash equivalents

Particulars	2018-19	2017-18
Balances with banks		
Current accounts	5.05	18.61
Cash in hand	3.80	2.83
Total (refer Note-13)	8.85	21.44

3. Figures in bracket indicate cash outflows.

For and on behalf of the Board

As per our report of even date attached.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal

Partner

M.No: 093209

Place :New Delhi

Date: 25.05.2019

Tarun Jiwrajka

Whole Time Director & CFO

DIN No. 00386240

Silky Gupta

Company Secretary

Gopal Sitaram Jiwrajka

Chairman & Managing Director

DIN: 00024325

Significant Accounting Policy and notes on accounts

1 Corporate Information

Salora International Limited is a public limited company incorporated and domiciled in India, listed at Bombay Stock Exchange (BSE Ltd.) and National Stock Exchange of India Ltd. (NSE). The address of its registered office is D-13/4 Okhla Industrial Area Phase-II New Delhi 110020. The principal activity of Company is manufacturing and assembly of LED TVs, CRT TVs, TV Components, Home Theatres, Mobile Phone, Mobile Batteries & Chargers and also distribution of large variety of IT, Telecom Products, whole selling of consumer items and generation of electricity (Wind Power).

2 Significant accounting policies

A Basis of preparation

These financial statements have been prepared to comply in all material respects with the Notified accounting standard under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments there after. The financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") under the historical cost convention on an accrual basis except for certain financial instruments which are required to be measured at fair values at the end of each reporting period as explained in the accounting policies below.

The financial statements are presented in Indian rupees and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

The Standalone Financial statements were approved by the Board of Directors on 25 May 2019.

B Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

C Property Plant and Equipment (PPE):

Property, plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase net of input of taxes price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of Property, Plant and Equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Improvement to Property, Plant and Equipment which has the effect of increasing the future benefits from the existing assets beyond their previously assessed standard of performance is included in the Gross Block.

Property, plant and Equipment assets not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation and amortisation

Depreciation on Property, Plant and Equipment is provided as per Straight Line Method on the basis of useful life of assets specified and in the manner specified in the Schedule II of the Companies Act, 2013.

Leasehold land is amortised on the straight line basis over the period of lease term except land on perpetual lease.

D Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Intangible assets are stated at original cost less accumulated amortisation and impairment losses, if any.

Intangible assets are amortised over the useful life of such assets.

E Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

F Current versus non-current

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
 - It is held primarily for the purpose of trading;
 - It is due to be settled within twelve months after the reporting period; or
 - There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- All other liabilities are classified as non-current. Current liabilities include current portion of non-current financial liabilities.

G Financial instruments

(i) Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent measurement

a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets carried at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

c) Financial assets carried at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

e) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

f) Investment in subsidiary

Investment in subsidiary is carried at cost in the separate financial statements.

(iii) Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

H Impairment:

Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing components is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in profit or loss.

Non-financial assets

Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

I Inventories

- a) Inventories are valued at cost or net realisable value whichever is lower.
- b) Cost of manufactured finished goods and work in progress includes cost of material, labour and manufacturing overheads.
- c) Cost is calculated on FIFO basis in respect of mainly trading goods and on weighted average basis in respect of manufactured goods.

J Revenue from contracts with customers

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account

customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

Variable consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct good or service, the transaction price is allocated to each performance obligation based on relative stand-alone selling prices. If stand-alone selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

Sale of products

The Company recognizes revenues on the sale of products, net of returns and trade discounts, when substantial risks and rewards of ownership are transferred to the buyer usually on delivery of goods. Sales of goods is net of taxes.

Sale of service

Service income is recognised as and when service is complete and net of taxes.

Sale of power

Revenue from the sale of power generated from wind is recognised on the basis of the number of units of power sold on monthly basis to MSEDCL at rates agreed upon.

Other operating revenue

Other operational revenue represents income earned from activities incidental to the business and is recognised when right to receive the income is established.

Other Income

Interest income from a financial asset is recognized using the effective interest rate.

Other income is recognized on accrual basis net of taxes.

K Foreign exchange transactions

Functional currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian rupees.

Transactions and translations

Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gain or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currency are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

L Employee benefits

Short term employee benefits :

All employee benefits due wholly within twelve months of rendering of services are classified as short term employee benefits. Benefits like salaries, wages, leave salary, contribution to Provident Fund/ Employee State Insurance contributions etc. paid or payable during the reporting period and the expected bonus expense are recognised as an expense on an undiscounted basis in the period in which the employee renders the related service.

Long term employee benefits :

Compensated absence:

The liability for leave encashment and other compensated absences is recognized on the basis of actuarial valuation made at the end of the year.

Post -employment benefits

a) Defined contribution plan

Defined Contribution Plans for Provident Fund, Family Pension benefits are recognised by contribution at specified rate or percentage on salary. No actuarial assumptions are required to measure the obligations or expenses and there is no possibility of any actuarial gain or loss. Moreover the obligations are measured on an undiscounted basis. The contribution paid /payable under the schemes is recognised during the period in which employee renders the related service.

b) Defined benefit plan

The Company's Gratuity is Defined Benefit Retirement Plan. The Company's liability towards Gratuity is determined using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement.

The liability is provided based on actuarial valuation certified by consulting actuary. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) relating to retirement benefit plans are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

M Income taxes

The accounting treatment followed for taxes on income is to provide for Current Income Tax and Deferred Income Tax. Income tax expense is recognized in the net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior period is the aggregate amount of income tax determined as payable in respect of taxable income for the period, using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Income Tax asset and liability are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred Income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

N Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure.

O Earnings Per Share (EPS)

Basic EPS are computed by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earning per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

P Leases

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Other leases are treated as operating leases, with payments are recognised as expense in the statement of profit & loss on a straight-line basis over the lease term.

Q Cash and cash equivalents

Cash and cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

R Cash flows statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

S Operating segment

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

T Standards issued but not yet effective

Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – “Leases”. Ind AS 116 will replace the existing leases standards Ind AS 17 – “Leases” and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019.

Ind AS 12 –“Income taxes” - Appendix C – Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates.

Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is accounting year beginning on or after April 1, 2019. There will be no effect on adoption of Ind AS 12 on the financial statements.

Amendment to Ind AS 19 – Employee Benefits

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: •) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and •) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is accounting year beginning on or after April 1, 2019.

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

3. PROPERTY, PLANT & EQUIPMENT

Particulars	Leasehold Land	Building	Furniture & Fittings	Plant & Machinery	Dies & Moulds	Vehicles	Office Equipment	Total Tangible Assets
Gross Carrying Amount								
Balance as at 1st April, 2017	315.29	576.73	444.42	6,305.57	1,045.46	262.46	56.41	9,006.34
Additions	-	17.99	18.45	16.86	0.37	-	0.23	53.90
Deduction/ Adjustment	-	-	-	33.44	-	13.34	-	46.78
Balance as at 31st March, 2018	315.29	594.72	462.87	6,288.99	1,045.83	249.12	56.64	9,013.46
Accumulated Depreciation								
Balance as at 31st March, 2017	70.73	312.09	414.53	4,582.37	962.84	99.61	50.74	6,492.91
For the year	3.50	14.84	11.77	143.16	5.41	28.62	0.97	208.27
Deduction/ Adjustment	-	-	-	32.23	-	3.84	-	36.07
Balance as at 31st March, 2018	74.23	326.93	426.30	4,693.30	968.25	124.39	51.71	6,665.11
Net carrying amount as at 31st March, 2018	241.06	267.79	36.57	1,595.69	77.58	124.73	4.93	2,348.35
Net carrying amount as at 31st March, 2017	244.56	264.64	29.89	1,723.20	82.63	162.85	5.67	2,513.43
Gross Carrying Amount								
Balance as at 1st April, 2018	315.29	594.72	462.87	6,288.99	1,045.83	249.12	56.64	9,013.46
Additions	-	-	0.06	27.79	-	-	1.10	28.95
Deduction/ Adjustment	-	-	-	56.26	515.53	9.06	-	580.85
Balance as at 31st March, 2019	315.29	594.72	462.93	6,260.52	530.30	240.06	57.74	8,461.56
Accumulated Depreciation								
Balance as at 31st March, 2018	74.23	326.93	426.30	4,693.30	968.25	124.39	51.71	6,665.11
For the year	3.50	15.38	3.43	139.90	5.31	26.67	0.74	194.93
Deduction/ Adjustment	-	-	-	53.45	489.78	8.03	-	551.26
Balance as at 31st March, 2019	77.73	342.31	429.73	4,779.75	483.78	143.03	52.45	6,308.78
Net carrying amount as at 31st March, 2019	237.56	252.41	33.20	1,480.77	46.52	97.03	5.29	2,152.78
Net carrying amount as at 31st March, 2018	241.06	267.79	36.57	1,595.69	77.58	124.73	4.93	2,348.35

Note: Leasehold Land of Delhi and Noida are under finance lease for 99 years and 90 years respectively
 Lease hold land at D-13/4, Okhla Industrial Area, Phase-II is in the company's old name i.e. Electronics Consortium Private Limited.
 For assets provided as security refer note no. 20 and 23

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
4	Other Intangible Assets		
	Cost as at beginning of the year	106.21	106.21
	Cost at the end of the year	106.21	106.21
	Opening Accumulated Amortisation	101.13	98.39
	Amortisation for the year	-	2.74
	Total Amortisation at the end of the year	101.13	101.13
	Net Carrying amount as at the end of the year	5.08	5.08
5	Non-Current Investments		
	Investments in Equity Instruments:		
	Unquoted, fully paid-up		
	Investment carried at Cost		
	In Subsidiary Company :		
	3414800 (P.Y. 3414800) Equity Shares of Salora Component Ltd.of Rs.10/-each.	341.48	341.48
	Investment carried at fair value through other comprehensive income		
	In Other Company :		
	355000 (P.Y. 355000) Equity Shares of Encompass Software & Systems Pvt.Ltd.of Rs.10/- each.	35.50	35.50
	Less: Provision for diminution in value of Investments	-31.18	-31.18
	Investments carried at amortized cost		
	Other Investments in Bond (Fully paid)		
	2 (P.Y. 2) Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/- each	0.02	0.02
	Total	<u>345.82</u>	<u>345.82</u>
	Aggregate amount of Unquoted Investments:	377.00	377.00
	Aggregate amount of impairment in value of investments:	31.18	31.18

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
6	Trade Receivables-Non current		
	- Unsecured, considered goods	1,587.98	1,467.47
	- Doubtful	1,998.76	2,400.11
	Less : Allowance for bad & doubtful debts	-1,998.76	-2,400.11
	Total	<u>1,587.98</u>	<u>1,467.47</u>
7	Loans- Non current (Unsecured, Considered Doubtful)		
	Inter Corporate Loan Given	255.00	255.00
	Less: Allowance for Impairment loss	-255.00	-255.00
	Total	-	-
8	Other Financial Assets-Non Current (Unsecured, considered doubtful unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received	1,334.18	1,334.18
	Less: Allowance for Impairment Loss	-1,334.18	-1,334.18
	Interest Receivable	94.40	94.64
	Less: Allowance for Impairment Loss	-94.40	-94.64
	Security Deposits (considered good)	24.42	27.76
	Total	<u>24.42</u>	<u>27.76</u>
9	Deferred tax Assets (Net)		
	Deferred tax liability:		
	On account of depreciation on property, plant & equipment and other intangible assets	433.88	475.51
	Sub Total	433.88	475.51
	Deferred tax assets:-		
	On account of timing differences in recognition of expenditure	31.00	25.57
	On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	977.12	1,054.01
	On account of ECL & Impairment losses	1,183.00	1,312.79
	On account of capital Loss	77.40	77.40
	Total	2,268.52	2,469.77
	Deferred tax assets (net)	<u>1,834.64</u>	<u>1,994.26</u>

Notes to Financial Statements

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
10	Other Non-Current Assets		
	(Unsecured, Considered goods)		
	Deposits with Statutory Authorities	862.40	540.92
	Prepayment of Leasehold Land	43.33	45.83
	Total	<u>905.73</u>	<u>586.75</u>
11	Inventories:		
	Raw materials	534.67	602.99
	Work in progress	54.85	205.92
	Finished goods	1,374.50	884.84
	Stock in Trade	3,440.49	3,712.05
	Fuel	-	0.88
	Goods in transit:		-
	Raw materials	41.00	254.13
	Total	<u>5,445.51</u>	<u>5,660.81</u>
12	Trade Receivables (Unsecured)		
	- Considered good	4,620.56	1,607.91
	- Doubtful	98.77	152.15
	Less : Allowance for bad & doubtful debts	-98.77	-152.15
	Total	<u>4,620.56</u>	<u>1,607.91</u>
13	Cash and Cash Equivalents		
	Cash balance in hand	3.80	2.83
	Balances with banks	-	-
	- in current accounts	5.05	18.61
	Note: Balance of Rs. 3.95 Lakhs (P.Y. Rs. 11.55 Lakhs) seized by Sales Tax Department		
	Total	<u>8.85</u>	<u>21.44</u>

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
14	Bank Balances other than above		
	Fixed Deposits - Margin Money with Banks	11.64	8.85
	Total	<u>11.64</u>	<u>8.85</u>
15	Other Financial Assets		
	(Unsecured, considered goods unless otherwise stated)		
	Superannuation Recoverable	1.43	1.43
	Interest Receivable	1.91	3.88
	Advances recoverable in cash or in kind or for value to be received:		
	-Considered Goods	141.52	162.62
	-Considered Doubtful	10.53	10.53
	Less: Allowance for Impairment Loss	-10.53	-10.53
	Total	<u>144.86</u>	<u>167.93</u>
16	Current Tax Assets (Net)		
	Income Tax Refund Receivable	112.81	112.48
	Total	<u>112.81</u>	<u>112.48</u>
17	Other Current Assets (Unsecured, Considered good)		
	Balance With / Recoverable from Government Authorities	503.88	475.68
	Prepaid expenses	39.81	17.49
	Total	<u>543.69</u>	<u>493.17</u>

Notes to Financial Statements

NOTES TO STANDALONE FINANCIAL STATEMENTS

(In lacs)

Note No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Number	Rs.	Number	Rs.
18	(a) Equity Share Capital:				
	Authorised:				
	Equity Shares of Rs. 10/- each	20,000,000	2,000.00	20,000,000	2,000.00
			-		-
	Issued and Subscribed :				
	Equity Shares of Rs. 10/- each	8,820,000	882.00	8,820,000	882.00
	Issued, Subscribed and Paid--up :				
	Equity Shares of Rs.10/- each	8,807,300	880.73	8,807,300	880.73
	Share Capital forfeited Equity Shares @ 5.65/- each	12,700	0.72	12,700	0.72
	Total		<u>881.45</u>		<u>881.45</u>

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Rs.	Number	Rs.
Equity shares outstanding at the beginning of the Year	8,807,300	880.73	8,807,300	880.73
Add: Issued during the year	-	-	-	-
Less: Shares bought back	-	-	-	-
Equity shares outstanding at the end of the year	8,807,300	880.73	8,807,300	880.73

(c) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of Capital are as under:

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Name of shareholders:	As at March 31, 2019		As at March 31, 2018	
	No.of Shares	% of holding	No.of Shares	% of holding
Gopal Kumar Jiwaraajka	2,339,011	26.56	2,029,117	23.04
Gopal Kumar Jiwaraajka HUF	1,498,988	17.02	1,498,988	17.02
Neetu Jiwaraajka	731,410	8.30	731,410	8.30
Manori Properties Pvt Ltd.	558,929	6.35	558,929	6.35

NOTES TO STANDALONE FINANCIAL STATEMENTS

(In lacs)

Note No.		As at 31st March 2019	As at 31st March 2018
19	Other Equity		
a.	Securities Premium Reserve		
	As per last balance sheet		
	Share Premium Account	3,244.42	3,244.42
	Share Premium Forfeited	2.87	2.87
	Sub Total	<u>3,247.29</u>	<u>3,247.29</u>
b.	General Reserve		
	As per last Balance sheet	4,045.58	4,045.58
	Sub Total	<u>4,045.58</u>	<u>4,045.58</u>
c.	Surplus in Statement of Profit and Loss		
	As per last Balance sheet	-832.04	172.66
	Add : Profit/(Loss) Transferred from Statement of Profit & Loss	-487.85	-1,004.70
	Sub Total	<u>-1,319.90</u>	<u>-832.04</u>
d.	Other Comprehensive Income		
	Opening balance	-2.43	-3.10
	Add : Re-measurements of Defined Employee Benefits plans(Net of Tax)	-6.89	0.67
	Less: Adjustment of Tax	3.12	-0.30
	Sub Total	<u>-9.32</u>	<u>-2.43</u>
	Total	5,963.65	6,458.40

Notes to Financial Statements

Nature and purpose of Reserves:

(i) Securities Premium

Securities premium reserves represents the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) General Reserve

This represents appropriation of profit after tax by the company.

(iii) Surplus

This comprise company's undistributed profit after tax.

NOTES TO STANDALONE FINANCIAL STATEMENTS

(In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
20	Borrowings- Non Current		
	(a) Secured		
	Term Loan:		
	Vehicle Loans from Banks	21.32	53.33
	Less : Current Maturities of vehicle loans(Refer Note No. 25)	14.47	29.72
	Sub Total	<u>6.85</u>	<u>23.61</u>
	(b) Unsecured Loans:		
	Loans from related parties	1,052.00	700.00
	Loan from NBFC	335.00	-
	Sub Total	<u>1,387.00</u>	<u>700.00</u>
	Total	<u>1,393.85</u>	<u>723.61</u>
	Additional Information:		
	Vehicle Loans are secured against hypothecation of cars.		
	Vehicle Loans from Banks, repayment on monthly instalment basis.		
	Unsecured loan from NBFC is secured by pledge of shares of other listed company held by promoters and their relatives.		
21	Other Financial Liabilities-Non Current		
	Trade Deposit	118.31	118.22
	Total	118.31	118.22
22	Provisions-Non Current		
	Employees benefits:		
	Provision for Leave	18.09	17.88
	Total	18.09	17.88
23	Borrowings-Current		
	Secured Loans:		
	Working capital From Banks	5,147.23	4,905.63
	Total	5,147.23	4,905.63
	Additional Information:		
	Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge on immovable properties of Noida units as collateral security.		

NOTES TO STANDALONE FINANCIAL STATEMENTS

(In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
24	Trade Payables		
	Dues to Micro, Small and Medium Enterprises*	24.54	-
	Others	3,888.43	1,408.92
	Total	<u>3,912.97</u>	<u>1,408.92</u>
	Additional Information:		
	*The Company has declared the dues to Micro, Small and Medium Enterprises on the basis of confirmations received from parties.		
25	Other Financial liabilities- Current		
	Current maturities of long term debt: Vehicle Loans	14.47	29.72
	Interest accrued & due on borrowings	101.19	32.21
	Payable to Employees	30.33	49.05
	Total	<u>145.99</u>	<u>110.98</u>
	Additional Information:		
	Vehicle Loans are secured against hypothecation of cars.		
	Interest accrued & due on borrowings includes Rs. 0.80 lacs of MSMED parties.		
26	Other Current liabilities		
	Statutory Liabilities	44.92	91.60
	Others	65.47	88.99
	Total	<u>110.39</u>	<u>180.59</u>
27	Provisions-Current		
	Employee benefits:		
	Provision for Leave	8.95	13.98
	Provision for Gratuity	43.49	31.37
	Total	<u>52.44</u>	<u>45.35</u>

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
28	Revenue from Operations:		
	Sales of Goods		
	Domestic	16,995.49	12,428.21
	Export	45.90	-
	Total	<u>17,041.39</u>	<u>12,428.21</u>
	Sale of Services		
	Wind Energy	474.95	371.79
	Total	<u>474.95</u>	<u>371.79</u>
	Gross Sales	<u>17,516.34</u>	<u>12,800.00</u>
	Other Operating Income		
	Bad Debts Recovered	0.98	-
	Liability no Longer required written back	65.03	10.91
	Miscellaneous Income	1.01	1.25
		<u>67.02</u>	<u>12.16</u>
	Total Revenue from Operations	<u>17,583.36</u>	<u>12,812.16</u>
29	Other Income:		
	Interest	7.39	12.76
	Miscellaneous Income	11.07	2.81
	Total	<u>18.46</u>	<u>15.57</u>

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
30	Changes in Inventories of finished goods, Stock-in-trade and work in progress		
	Stock at the end of the year		
	Work in progress	54.85	205.92
	Stock in Trade	3,440.49	3,712.05
	Finished goods	1,374.50	884.84
	Sub Total :	<u>4,869.84</u>	<u>4,802.81</u>
	Less : Stock at the beginning of the year		
	Work in progress	205.92	133.63
	Stock in Trade	3,712.05	3,719.78
	Finished goods	884.84	489.80
	Sub Total :	<u>4,802.81</u>	<u>4,343.21</u>
	Increase / (Decrease) in Stock :	<u>67.03</u>	<u>459.60</u>
31	Employee benefits expenses:		
	Salaries and wages	440.80	801.69
	Contribution to provident and other funds	49.73	61.78
	Staff Welfare & Other Benefits	10.84	16.00
	Total	<u>501.37</u>	<u>879.47</u>
32	Finance Costs:		
	Interest	702.68	634.44
	Bank charges and Others	40.33	47.18
	Total	<u>743.01</u>	<u>681.62</u>
33	Depreciation and amortization:		
	Depreciation	191.43	207.51
	Amortization of Land	3.50	3.50
	Total	<u>194.93</u>	<u>211.01</u>

Notes to Financial Statements

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
34	Other expenses:		
	Assembly Charges	5.53	13.83
	Stores & Spares Consumed	4.88	7.17
	Power and fuel	51.06	64.18
	Lease Rent	2.50	2.50
	Rent	17.67	29.32
	Repair & Maintenance :-		
	Building	1.78	0.02
	Plant & Machinery	89.25	88.36
	Others	11.56	19.55
	Insurance	12.90	12.63
	Rates and taxes	5.50	4.92
	Legal and professional fees	71.65	63.34
	Payment to Auditors		
	Statutory Audit Fees (including Limited review)	11.20	11.00
	Tax Audit Fees	1.50	1.50
	Certification	-	0.09
	Expenses reimbursed	1.00	1.00
	In Other capacity	1.50	1.50
	Travelling & Conveyance	51.69	116.39
	Freight and Forwarding	42.53	99.71
	Discount, Commission & Incentives	244.21	86.59
	Advertisement & Publicity	0.82	0.76
	After Sale Service Charges	14.64	49.59
	Sales Tax etc.	0.28	2.97
	Bad Debts	9.23	92.87
	Irrecoverable loans and advances written off	-	108.32
	Less: Provision for Irrecoverable Loans & Advance Written Back	-	-108.32
	Loss on sale of property, plant & equipment (net)	11.13	0.81
	Short / (Excess) Claims	-15.44	-2.45
	Miscellaneous expenses	67.09	114.11
	Net (gain)/loss on foreign currency transaction	4.43	-0.72
	Allowance for doubtful receivables	-454.73	303.91
	Total	<u>265.36</u>	<u>1,185.45</u>

NOTES TO STANDALONE FINANCIAL STATEMENTS

(₹ In lacs)

35 Earnings per Share

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
a).Net profit / (loss) available to equity shareholders	-487.85	-1,004.70
b).Number of weighted average equity shares outstanding during the year for the purpose of calculation of earnings per share	8,807,300.00	8,807,300.00
c).Nominal value of equity share (in Rs.)	10.00	10.00
d).Basic earnings per share (in Rs)	-0.00	-0.00
e).Diluted earnings per share (in Rs.)	-0.00	-0.00

36 Income tax:

(a) Income Tax Expense

i) Income tax recognised in Statement of Profit and Loss

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Current tax expense		
Current year	-	-
Total	-	-
Deferred tax expense	-162.74	418.15
Total income tax expense	<u>-162.74</u>	<u>418.15</u>

ii) Income tax recognised in other comprehensive income

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Net actuarial gains/(losses) on defined benefit plans		
Before tax	-10.01	0.97
Tax expense/ (benefit)	3.12	-0.30
Net of tax	<u>-6.89</u>	<u>0.67</u>

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(₹ In lacs)

Particulars	For the Year ended 31.03.2019	For the Year ended 31.03.2018
Profit before tax	-325.11	-1,422.85
Tax using the Company's domestic tax rate of 31.20%	-101.43	-443.93
Tax effect of:		
Business Loss Expired	237.38	-
Adjustment in respect of Deferred tax related to earlier years	36.31	19.48
Others	-12.63	5.90
Income Tax Expenses (Income) recognised in the statement of profit and loss account	-162.74	418.15

Income tax recognised in other comprehensive income Rs. 3.12 lacs.

b) The movement in deferred tax assets and liabilities during the year ended March 31, 2019:

Deferred tax assets/ (liabilities)	As at 1st April, 2017	Credit/ (charge) in statement of Profit and Loss	As at 31st March, 2018	Credit/ (charge) in statement of Profit and Loss	As at 31st March, 2019
On account of Depreciation	-535.72	60.21	-475.51	41.63	-433.88
On account of amount allowable on payment basis & others	20.52	5.04	25.56	5.44	31.00
On account of brought forwarded business losses and depreciations	757.81	296.20	1,054.01	-76.89	977.12
On account of ECL & Impairment losses	1,251.77	61.02	1,312.79	-129.80	1,182.99
On account of Capital losses	82.02	-4.62	77.40	-	77.40
Total	1,576.40	417.85	1,994.25	-159.62	1,834.63

37 A. Contingent Liabilities not provided for in respect of :

Particulars	As at 31st March 2019	As at 31st March 2018
Letter of credit pending for shipment	8.07	8.46
Income Tax Matters	37.88	37.88
Sales Tax Matters	1,565.10	1,023.10
Service Tax Matters	1.97	1.97
Excise Matters	4,877.81	4,961.62

Note:

- i) Bank Guarantees issued by Bankers Rs.502.21 lacs (Previous year Rs. 4.79 lacs) including for Sales Tax and Excise demand Rs.9.20 lacs (Previous Year Rs.4.79 lacs), against which margin kept by bank Rs. 5.93 lacs (Previous year Rs.0.50 lacs)
 - ii) Advance Licence utilised for Import of CPT worth Rs. 87.50 lacs during the period from January, 1995 to May 1995 , DGFT issued Show Cause Notice to pay duty and penalty thereof on all above imports and included the company's name in the defaulters list. Company challenged the said Notice in Delhi High Court and after admitting the petition and taking into consideration all the facts, the Delhi High Court directed the Company to deposit a sum of Rs. 20.00 lacs with the Collector of Customs and ordered DGFT to remove Company's name from the defaulters list. Accordingly Company has deposited the sum of Rs.20.00 lacs within the time stipulated by the Court. Duty and penalty amount is not ascertainable at this stage. Petition has been refiled against appeal order of DGFT.
 - iii) The demand amounting to Rs.1113.78 lacs (previous year Rs. 1113.78 lacs) and penalty Rs. 1113.78 lacs (previous year Rs.1113.78 lacs) for the period April 2002 to April 2003 and demand of Rs.28.99 lacs (previous year Rs.28.99 lacs) and penalty of Rs.28.99 lacs (previous year Rs.28.99 lacs) for the period July 1993 to February 1994 are on the basis of differential duty on Chassis, Sub assembly parts of T.V.considered as T.V. The Honorable Supreme Court has decided on the classification issue for the period 1989-90 and the facts of these cases are different from the case decided by the Supreme Court. The company had gone in appeal before CESTAT. The appeal before CESTAT were remanded back to the Commissioner Adjudication to decide a fresh while considering the differential facts of the case. The Commissioner has decided the cases against the company without considering the differential facts as per directions given by the CESTAT in remand order. The company has again filed appeal against Commissioner's order before the CESTAT. CESTAT has decided the case against the company. The company has filed the SLP against the order of CESTAT before the Supreme Court.
 - iv) The demand for Rs.1292.44 lacs (previous year Rs. 1292.44 lacs) and penalty Rs.1292.44 lacs (previous year Rs. 1292.44 lacs) for the period June 1998 to March 2002 raised on the same basis by the department is time barred and case had been decided in favour of the company.The department had gone in appeal before CESTAT. The CESTAT had remanded this matter to Commissioner Adjudication who has decided the case against the company without considering direction / differential facts of the CESTAT. The company has again filed appeal on the matter before CESTAT. CESTAT has decided the case against the company. The company has filed the SLP against the order of CESTAT before the Supreme Court. Therefore considering directions / differential facts given by CESTAT in remand order not considered in Commissioner's orders, the company has good case on merits. Demand deposited amounting to Rs.600.00 lacs(previous year Rs. 300.00 lacs).Miscellaneous Excise duty demand amounting to Rs.7.39 lacs(previous year Rs. 91.01 lacs) and Service Tax demand Rs.1.97 lacs(previous year Rs. 1.97 lacs) has been raised by the department against which company has filed appeals. The amount deposited against demand Rs.2.00 lacs (previous year Rs.6.20 lacs).
 - v) The Central Sales Tax and VAT/ State Sales Tax Authorities has raised demand of Rs. 1565.10 Lac (Previous Year Rs. 1023.10) primarily pertains to exparte order and/or some interpretation related issues, which is under appeal and an amount of Rs.202.52 deposited under protest, which has been disputed by the company. However in most of the cases, required documents are being filed. The Company's appeal against the said demands are pending before various appellate authorities forums.
 - vi) Income Tax Assessments of the Company have been completed upto Assessment Year 2016-17 (in previous year upto 2015-16). Demand has been raised of Rs.37.88 lacs (previous year Rs. 37.88 lacs) for earlier assessment year 2002-03 against which company has filed appeal before appellate authorities and amount Rs. 37.88 lacs (previous year Rs.37.88 lacs) has been deposited against demands.
 - vii) Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Supreme Court against refund of Rs.1151.57 lacs (previous year Rs. 1151.57 lacs) received by the Company in the Financial Year 2002-2003. There is final demand of Rs. 382.99 lacs on Rs. 17.64 crores direct benefit to share holders is only in SLP as High Court relieved depreciation part of Rs. 32.48 crores.
- Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.
- B.** Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advances) is Rs. Nil.(previous year Rs. 0.77 lacs).

38 Employee benefits

A. Defined benefit plan

Gratuity

The Company provides to the eligible employees, defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements based on actuarial valuation report:

i) Change in Present Benefit Obligation	(Amount in Rs.)	
	2018-19	2017-18
Present value of obligations at the beginning of the period	105.35	105.25
Current Service Cost	5.70	6.26
Interest Cost	8.00	7.26
Re-measurement(or actuarial)(gain)/loss arising from:		-
a) change in financial assumptions	2.40	-2.95
b) experience variance(i.e actual experience vs assumptions)	7.72	1.23
Past Service Cost	-	9.48
Benefits Paid	-5.98	-21.18
Present value of obligations at the end of the period	<u>123.19</u>	<u>105.35</u>
ii) Change in fair value of plan assets	(Amount in Rs.)	
	2018-19	2017-18
Fair value of plan assets at the beginning of the period	73.99	110.25
Investment Income	5.62	7.60
Benefits Paid	-	-43.11
Return on plan assets ,excluding amount recognised in net interest expense	0.11	-0.75
Fair value of plan assets at the end of the period	<u>79.72</u>	<u>73.99</u>
iii) Expenses recognised in Income statement	(Amount in Rs.)	
	2018-19	2017-18
Current Service Cost	5.70	6.26
Past Service Cost	-	9.48
Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	2.38	-0.34
Expense recognised in Statement of Profit and Loss	8.08	15.40

iv) Other Comprehensive Income (OCI)	(Amount in Rs.)	
	2018-19	2017-18
Actuarial Gain/Losses		
a) Change in Financial Assumptions	2.40	-2.95
b) Experience Variance (i.e Actual experience Vs Assumptions)	7.72	1.23
Return on Plan Assets, excluding amount recognised in net Interest expense	-0.11	0.75
Components Of Defined Benefit costs recognised in other Comprehensive Income	10.01	-0.97

v) Sensitivity Analysis of the defined benefit obligation	2018-19	2017-18
a) Impact of the change in discount rate		
Impact due to increase of 1 %	-118.92	-101.43
Impact due to decrease of 1 %	127.81	109.60
b) Impact of the change in salary increase		
Impact due to increase of 1 %	127.77	109.58
Impact due to decrease of 1 %	-118.90	-101.40
c) Impact of change in Attrition Rate		
Impact due to increase of 0.5 %	125.95	108.33
Impact due to decrease of 0.5 %	-119.28	-100.94
d) Impact of change in Mortality Rate		
Impact due to increase of 10 %	123.23	105.39
Impact due to decrease of 10 %	123.17	105.32

vi) Expected maturity analysis of the undiscounted gratuity benefits is as follows	(Amount in Rs.)	
	2018-19	2017-18
1 year	41.40	32.81
2 to 5 years	70.65	54.73
6 to 10 years	35.77	42.87
More than 10 years	15.52	17.34

Expected contributions to post-employment benefit plans for the year ending 31 March 2020 are Rs. 49.06 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 3 years.

vii) **The assumptions used in accounting for the defined benefit plan are set out below:**

Particulars	As at 31st March 2019	As at 31st March 2018
Discount Rate	0.07	0.08
Future Salary Increase	0.03	0.03
Retirement Age	58 years	58 years
Mortality rates	1.00 (IALM 06-08)	1.00 (IALM 06-08)
Withdrawal rate	0.10	0.10

B. Long term employee benefit plans

Compensated Absence

The liability for leave encashment is recognized on the basis of actuarial valuation made at the end of the year. A provision of Rs. 1.73 Lakhs (31 March 2018: Rs. 11.27 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

C Defined contribution plans

The company's contribution to provident fund, pension fund and ESI scheme recognised as expense for the year are as under:

	2018-19	2017-18
- Contribution to Provident fund	26.15	38.23
- Contribution to ESI	5.48	9.23

39 Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, and
- maintain an appropriate capital structure of debt and equity.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

Particulars	As at 31st March 2019	As at 31st March 2018
Total borrowings	6,656.74	5,691.17
Less : Cash and cash equivalents	8.85	21.44
Net debt	6,647.89	5,669.73
Total equity	6,845.10	7,339.85
 Net debt to equity ratio	 0.97	 0.77

40 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company.

The risks which the company is exposed to and policies and framework adopted by the company to manage these risks are explained as under:

A Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Company is exposed to interest rate risk as its Market risk.

B Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these

financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	Carrying Amount (Rs.)	
	As at 31st March 2019	As at 31st March 2018
Fixed rate instruments		
Long term borrowings	6.85	23.61
Current maturities of long term debt	14.47	29.72
Unsecured loans	1,387.00	700.00
Variable rate instruments		
Short term borrowings	5,147.23	4,905.63

A change of 50 bps in interest rate would have following impact on profit and loss:

Particulars	2018-19	2017-18
Increase in 50 basis point	25.74	24.53
Decrease in 50 basis point	-25.74	-24.53

C Liquidity Risk

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	As at 31st March 2019	As at 31st March 2018
Borrowings:		
0-1 year	5,161.70	4,935.35
More than 1 year	1,393.85	723.61
Trade Payables:		
0-1 year	3,912.97	1,408.92
More than 1 year	-	-
Other Financial liabilities:		
0-1 year	131.52	81.26
More than 1 year	118.31	118.22

D Credit Risk

"Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured and other financial assets. Majority of the company's transactions are earned in cash or cash equivalents.

The company assesses the creditworthiness of the customers internally to whom services are rendered on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL."

(i) **Exposure to Credit Risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31st March 2019	As at 31st March 2018
Financial assets for which loss allowance is measured using:		
-Lifetime expected credit losses		
Trade receivables	6,208.54	3,075.38
-12 months expected credit losses		
Investments	345.82	345.82
Cash and cash equivalent	8.85	21.44
Other bank balances	11.64	8.85
Loans	-	-
Other current financial assets	169.28	195.69
Total	6,744.13	3,647.18

(ii) **Provision for expected credit losses**

Financial assets for which loss allowance is measured using life time expected credit losses

The Company uses a provision matrix to determine expected loss on portfolio of its trade receivable which is measured using lifetime expected credit loss model. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

The following table summarises the change in the loss allowances measured using life time expected credit loss model (ECL):

Particulars	(in Rs.) ECL on Trade Rceivable
As at 1st April, 2018	2,552.26
Provided during the year	-454.73
As at March 31, 2019	2,097.53

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is high. Accordingly, loss allowance for impairment on certain financial assets has been recognised as disclosed in this Note under 'Reconciliation of impairment loss provisions'.

Reconciliation of impairment loss provisions

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Provision	1,725.54	1,726.00
Add: Provided during the year	-	-
Less: Reversal of loss allowance *	-0.24	-0.46
Closing Provision	1,725.30	1,725.54

* During the financial year ended 31st March 2019, company has written back provision of Rs. 0.24 lakh (previous year Rs. 0.47 Lakh), consequently the allowance for loss on those asset have been written back.

E Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates internationally and the Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

Foreign currency exposure	Currency	As at 31st March 2019	As at 31st March 2018
Trade Receivables	US\$	0.36	2.52
Trade payables	US\$	0.38	2.60
Net Exposure to foreign currency risk	US\$	-0.02	-0.08

Foreign Currency Risk Sensitivity

A change in 1% in foreign currency would have following impact on profit before tax:

Particulars	2018-19		2017-18	
	1% Appreciation in US\$	1% Depreciation in US\$	1% Appreciation in US\$	1% Depreciation in US\$
Increase/(Decrease) in Profit or Loss (in Rs.)	-0.01	0.01	-0.05	0.05

F. Fair Value Measurement:

Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31st March, 2019

Particulars	FVTPL	FVTOCI	(Amount in ₹)	
			Amortised Cost	Carrying Cost
Financial Assets:				
Non current Investment-others	-	4.32	341.50	345.82
Other Financial Assets-Non Current	-	-	24.42	24.42
Trade Receivables	-	-	6,208.54	6,208.54
Cash and Cash Equivalents	-	-	8.85	8.85
Other Bank Balances	-	-	11.64	11.64
Other financial asset -Current	-	-	144.86	144.86
Financial Liabilities:				
Non - Current Borrowings	-	-	1,393.85	1,393.85
Trade Deposits	-	-	118.31	118.31
Current Borrowings	-	-	5,147.23	5,147.23
Trade Payables	-	-	3,912.97	3,912.97
Other Financial liabilities	-	-	145.99	145.99

The carrying value and fair value of financial instruments by categories as of 31st March, 2018

(Amount in ₹)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
Financial Assets:				
Non current Investment-others	-	4.32	341.50	345.82
Other Financial Assets-Non Current	-	-	27.76	27.76
Trade Receivables	-	-	3,075.38	3,075.38
Cash and Cash Equivalents	-	-	21.44	21.44
Other Bank Balances	-	-	8.85	8.85
Other financial asset -Current	-	-	167.93	167.93
Liabilities:				
Non - Current Borrowings	-	-	723.61	723.61
Trade Deposits	-	-	118.22	118.22
Current Borrowings	-	-	4,905.63	4,905.63
Trade Payables	-	-	1,408.92	1,408.92
Other Financial liabilities	-	-	110.98	110.98

* FVTPL - Fair value through profit and loss, FVTOCI - Fair value through other comprehensive income.

41 RELATED PARTIES DISCLOSURES :

1. Relationship :

- (a) Subsidiary : Salora Components Ltd
- (b) Other related parties in which key managerial Personnel are able to exercise significant influence :
- Associated Electronics Research Foundation
- Manori Properties Private Limited
- Devi Electronics Private Limited
- Quick Load 247 Private Limited
- Tiss Technologies LLP
- PJTJ Technologies Private Limited
- SSAMSCONN Technologies Pvt. Ltd.
- (c) Key Managerial Personnel:
- Mr. Gopal Sitaram Jiwaraajka(Chairman & Managing Director)
- Mr. Tarun Jiwaraajka(Whole Time Director & CFO)
- Mrs. Neetu Jiwaraajka (Director)
- Mr. Mohd. Faisal Farooq (Company Secretary,till 29.9.2018)
- Ms. Silky Gupta (Company Secretary, w.e.f. 21.12.2018)
- (d) Relative of key managerial personnel where transactions have taken place:
- Mr. Ayush Jiwaraajka
- Mrs. Savitri Devi Jiwaraajka
- (e) Other Related Parties
- Mr. Gautam Khaitan (Chairman Audit Committee & Independent Director)
- Mr. Patanjali Govind Keswani (Independent Director) upto 28.9.2018
- Mr. Sanjeev Kaul Duggal (Independent Director)
- Mr. K.S. Mehta (Independent Director)

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

2. Transactions carried out with related parties as above , in ordinary course of business:

Nature of Transactions	Related Parties							
	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) & (d) above		Referred in 1 (e) above	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Purchases								
Goods and Materials	-	12.09	151.37	-	-	-	-	-
Capital Assets	24.33	-	-	-	-	-	-	-
Maintenance item	0.38	-	-	-	-	-	-	-
Sales								
Goods and Materials	-	-	179.42	-	-	-	-	-
Expenses								
Interest	-	-	0.95	-	93.47	69.27	-	-
Directors Remuneration & Perquisite	-	-	-	-	32.33	111.91	-	-
Director Sitting Fee	-	-	-	-	-	-	2.00	2.16
Salary of Others	-	-	-	-	9.67	6.98	-	-
Income								
Rental & Other Incomes	-	-	12.68	0.86	-	-	-	-
Finance								
Loans received	-	-	75.00	-	316.00	100.00	-	-
Loans repaid	-	-	5.00	-	34.00	-	-	-
Others								
Advance Received for sale of shares	-	-	5.00	-	-	-	-	-
Expenses/Payment on their behalf	4.87	8.35	1.01	1.89	-	-	-	-
Outstandings								
Payables	-	-	-	-	1.28	1.70	-	-
Receivables	5.85	18.12	10.14	5.32	-	-	-	-
Loan Payable	-	-	70.00	-	982.00	700.00	-	-
Interest Payable	-	-	0.85	-	97.14	31.78	-	-
Advance Received for sale of shares	-	-	5.00	-	-	-	-	-

42 Segment reporting :

The Company's Chief Operational Decision Makers examines the company's performance both from product and geographic perspective and has identified two segments, i.e., Consumer Electronic Division & Wind Energy .The business segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment.

The reporting segments of the company and the type of product and services in each segment are as follows:

Business Segment	Type of Products
a) Consumer Electronics Division	Mobile Phones, IT Products and Accessories thereof. Fly Back Transformer(EHT), Loudspeaker, Deflection Yoke. LED TV sets and sub-assemblies thereof.
b) Wind Energy	Wind Energy Generation

Summary of Segment information are as follows:

	Year Ended 31.03.2019	Year Ended 31.03.2018
Information about Primary Business Segments :		
(I) Segment Revenue : (Rs.)		
a) Consumer Electronics Division	17,108.41	12,440.37
b) Wind Energy	474.95	371.79
Total Segment Revenue as per Financial Statements	17,583.36	12,812.16
(II) Segment Results (Rs.) :		
a) Consumer Electronics Division	387.68	-509.69
b) Wind Energy	272.88	173.97
Total Segment Results	660.56	(336)
Add : Extraordinary Item		
Less : i) Interest	702.67	634.62
ii) Other un-allocable expenditure net off un-allocable income	283.00	452.51
iii) Provision for Taxes	-162.74	418.15
Net Profit/(Loss) as per Financial Statements	-487.85	-1,004.70

(III) Other Informations (Rs.) :

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
a) Consumer Electronics Division				
As at 31st March 2019	13,721.25	4,016.40	23.51	46.83
As at 31st March 2018	10,669.35	1,684.18	17.19	56.85
b) Wind Energy				
As at 31st March 2019	1,500.75	78.02	-	116.14
As at 31st March 2018	1,432.90	12.79	-	116.14
c) Unallocated Amounts				
As at 31st March 2019	2,522.37	6,804.84	5.44	31.96
As at 31st March 2018	2,748.78	5,814.21	36.71	38.02
Total as per Financial Statements				
As at 31st March 2019	17,744.37	10,899.26	28.95	194.93
As at 31st March 2018	14,851.03	7,511.18	53.90	211.01

	Year Ended 31.03.2019	Year Ended 31.03.2018
	(Rs.)	(Rs.)
GEOGRAPHICAL SEGMENTS:		
Revenue from External Customer		
Domestic	17,470.44	12,800.00
Export	45.90	-
Total	17,516.34	12,800.00

Segments have been identified in line with the Ind AS 108 taking into account the organisation structure as well as the differential risks and return of these segments.

The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and allocated on a reasonable basis.

- 43 The Company has inventories as at 31st March 2019 of Rs. 5445.51 lakhs at cost which includes old inventories against which provision of Rs 169.53 lakhs has been considered . Sale done from ageing inventories are not below cost. The additional provision if any on inventories shall be accounted for at the time of disposal / realization.
- 44 Contingent liabilities of Rs 6482.77 lakhs related to Sales tax, Excise duty, Income tax etc against which amount deposited Rs 862.40 lakhs which are contested by the company and pending before various forums. However management believes that based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.
- 45 The Company has material undisputed statutory dues recoverable of Sales tax Rs.335.98 lakhs, Income tax Rs.109.82 lakhs, Service tax Rs.14.74 lakhs and Modvat Rs.7.82 lakhs has been considered good based on the opinion rendered by expert and considered current.
- 46 For deferred tax assets on unabsorbed depreciation, business losses, impairment provisions and capital losses etc recognized net of deferred tax liability on account of difference in block of fixed assets amounting to Rs 1834.64 lakhs as at 31st March 2019, as the management is confident for realization of the same.
- 47 The company holds Investments of Rs 341.48 lakhs in its subsidiary Salora Component Limited which has net worth of Rs 89.54 lakhs as on 31st March 2019. Company has entered into Share Purchase agreement dated 30th March 2019 to sell the shares at cost, subject to the terms and conditions of this agreement and in consideration thereof for sell and transfer of shares on compliance of all transfer formalities.
- 48 Pending confirmations / statement of accounts / follow up documents of old debit balances of certain trade payables and advances amounting to Rs 84.37 lakhs have been considered good. Management is in the process to reconcile / confirmations of balances and expect that there will be no material impact on the financial statements.
- 49 Debtors , creditors,loans and advances are subject to confirmations except received of some parties.
- 50 In the opinion of the board, any of the assets other than property ,plant and equipment and non current investments have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated.
- 51 Previous year figures have been re-grouped / re-arranged wherever considered necessary.

The accompanying notes (1-51) form an integral part of the Standalone financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal

Partner

M.No: 093209

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN: 00024325

Place :New Delhi

Date: 25.05.2019

Silky Gupta
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the Members of Salora International Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Salora International Limited ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, the consolidated Loss, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

We draw attention to the following matters of the Holding company

- i) The Company has inventories as at 31st March 2019 of Rs. 5445.51 lacs at cost which includes old inventories against which provision of Rs 169.53 lacs has been considered. Sale done from ageing inventories are not below cost. The additional provision if any on inventories shall be accounted for at the time of disposal / realization as stated in note no 39 of the consolidated financial statements.
- ii) Contingent liabilities of Rs 6482.77 lacs related to Sales tax, Excise duty, Income tax etc against which amount deposited

Rs 862.40 lacs which are contested by the company at various forums. However management believes that based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable as stated in note no 40 of the consolidated financial statements.

- iii) The Company has material undisputed statutory dues recoverable of Sales tax Rs.335.98 lacs, Income tax Rs.109.82 lacs, Service tax Rs.14.74 lacs and Modvat Rs.7.82 lacs has been considered good as stated in note no 41 of the consolidated financial statements.
- iv) For deferred tax assets on unabsorbed depreciation, business losses, impairment provisions and capital losses etc recognized net of deferred tax liability on account of difference in block of fixed assets amounting to Rs 1834.64 lacs as at 31st March 2019, as the management is confident for realization of the same as stated in note no 42 of the consolidated financial statements.
- v) Pending confirmations / statement of accounts / follow up documents of old debit balances of certain trade payables and advances amounting to Rs 84.37 lacs have been considered good, as the management is hopeful of recovery of the same as stated in note no 43 of the consolidated financial statements.
- vi) The Statutory auditor in their report of the year ended 31st March 2019 of Salora Components Limited have drawn attention on following matters:

- a) The subsidiary company has material undisputed statutory dues recoverable of GST Rs. 104.28 lakhs, Service tax Rs.22 lakhs, Excise Rs. 4.54 lakhs and Sales tax Rs.3.73 lakhs has been considered good as stated in note no 41 of the consolidated financial statements.
- b) For deferred tax assets of subsidiary company on unabsorbed depreciation and business losses etc recognized amounting to Rs 104.52 lakhs (net) as at 31st March 2019, as the management is confident for realization of the same as stated in note no 42 of the consolidated financial statements.

Our opinion is not modified in respect of these matter stated above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in our opinion there are no any such matters to be reported by us.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon. The above-referred

information is expected to be made available to us after the date of this audit report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The respective Board of Directors of the company included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary company which are company incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by him. We remain solely

responsible for our audit opinion.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements in respect of one subsidiary in the consolidated financial results, whose financial statements reflect the total assets of Rs 386.59 lacs as at 31.03.2019 and total revenue of Rs. 14.59 lacs for the year ended 31.03.2019. These Financial Statements and other financial information have been audited by other auditor whose report has been furnished to us by the management. Our opinion on the consolidated financial results, to the extent they have been derived from such financial statements is based solely on the report of such auditor.

Our opinion on the consolidated financial statements is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of other auditor.

- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company and its subsidiary company incorporated in India and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the holding company and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the company and its subsidiary company incorporated in India.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The group has disclosed the impact of Pending litigations on its financial position in its financial statements- Refer note 36 to the consolidated financial statements,
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

S.K. Agarwal
Partner
Membership No.: 093209

Date : 25.05.2019
Place : Delhi

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Salora International Limited (hereinafter referred to as “Holding Company”) and its subsidiary company, which are company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary company, which are company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary company, which are company incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI, which needs to be strengthened.

Other Matters

Our aforesaid reports u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Holding company, insofar as it relates to subsidiary which are company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

For **R Gopal & Associates**

Chartered Accountants
Firm Registration No.: 000846C

S.K. Agarwal
Partner

Membership No.: 093209

Place: New Delhi
Date:- 25.05.2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ In lacs)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
ASSETS			
1.Non-current assets			
(a) Property, Plant and Equipment	3	2,247.98	2,493.14
(b) Capital work-in-progress		-	2.95
(c) Other Intangible Assets	4	5.08	5.08
(d) Financial Assets			
(i) Investments	5	4.34	4.34
(ii) Trade Receivables	6	1,587.98	1,467.47
(iii) Loans	7	-	-
(iv) Other Financial Assets	8	24.42	27.76
(e) Deferred Tax Assets (Net)	9	1,939.16	2,113.70
(f) Other Non-Current Assets	10	959.93	653.33
Total Non-current assets		<u>6,768.89</u>	<u>6,767.77</u>
2.Current assets			
(a) Inventories	11	5,446.36	5,661.65
(b) Financial Assets			
(i) Trade receivables	12	4,621.32	1,608.66
(ii) Cash and cash equivalents	13	10.85	23.12
(iii) Bank Balances other than (ii) above	14	11.64	8.85
(iv) Other Financial Assets	15	139.01	160.18
(c) Current Tax Assets (Net)	16	113.61	112.48
(d) Other Current Assets	17	676.39	600.04
Total current assets		<u>11,019.18</u>	<u>8,174.98</u>
TOTAL ASSETS		<u>17,788.07</u>	<u>14,942.75</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	881.45	881.45
(b) Other Equity	19	5,696.45	6,217.49
Equity attributable to owners of the Parent		6,577.90	7,098.94
Non Controlling Interest		19.69	26.65
Total		<u>6,597.59</u>	<u>7,125.59</u>

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ In lacs)

Liabilities

1. Non-current liabilities

(a) Financial Liabilities

(i) Borrowings	20	1,648.86	978.61
(ii) Other Financial Liabilities	21	118.31	118.22

(b) Provisions	22	18.09	17.88
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Total non-current liabilities		<u>1,785.26</u>	<u>1,114.71</u>
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Current liabilities

(a) Financial Liabilities

(i) Borrowings	23	5,147.23	4,905.63
(ii) Trade payables	24	3,924.50	1,423.11
(iii) Other Financial Liabilities	25	166.32	135.32

(b) Other current liabilities	26	114.73	193.04
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(c) Provisions	27	52.44	45.35
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Total Current liabilities		<u>9,405.22</u>	<u>6,702.45</u>
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TOTAL EQUITY AND LIABILITIES		<u>17,788.07</u>	<u>14,942.75</u>
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Significant Accounting Policies	2	-	-
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The accompanying notes (1-47) form an integral part of the consolidated financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal

Partner

M.No: 093209

Tarun Jiwrajka

Whole Time Director & CFO

DIN No. 00386240

Gopal Sitaram Jiwrajka

Chairman & Managing Director

DIN: 00024325

Place :New Delhi

Date: 25.05.2019

Silky Gupta

Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(₹ In lacs)

Particulars	Note No.	For the year ended 31st March 2019	For the year ended 31st March 2018
I. Revenue from Operations	28	17,591.42	12,812.16
II. Other Income	29	22.60	15.64
III. Total Income (I+II)		17,614.02	12,827.80
IV. EXPENSES			
Cost of materials consumed		935.52	2,631.04
Excise Duty		-	53.89
Purchases of Stock-in-trade		15,353.77	9,059.05
Changes in Inventories of finished goods, Stock-in-trade and work in progress	30	-67.03	-450.96
Employee benefits expenses	31	501.38	883.82
Finance costs	32	743.01	682.46
Depreciation and amortization expense	33	224.07	242.20
Other expenses	34	266.75	1,195.47
Total expenses (IV)		17,957.47	14,296.97
V. Profit before exceptional items and tax (III-IV)		-343.45	-1,469.17
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		-343.45	-1,469.17
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-177.66	426.03
IX. Profit/(loss) for the year (VII-VIII)		-521.11	-1,043.14
X. Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains (losses) on defined benefit plans		-10.01	0.97
Income Tax effect (Deferred Tax)		3.12	-0.30
		-6.89	0.67
XI. Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		-528.00	-1,042.47
Profit for the Year			
Attributable to:			
Owners of the parent		-514.15	-1,035.10
Non-controlling interests		-6.97	-8.06
Other comprehensive for the year			
Attributable to:			
Owners of the parent		-6.89	0.67
Non-controlling interests		-	-
Total comprehensive income of the year:			
Attributable to:			
Owners of the parent		-521.04	-1,034.43
Non-controlling interests		-6.97	-8.06
XII. Earnings per equity share			
(1) Basic (in Rs.)	37	-5.92	-11.84
(2) Diluted (in Rs.)	37	-5.92	-11.84
XIII. Significant accounting policies	2		

The accompanying notes (1-47) form an integral part of the consolidated financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal
Partner
M.No: 093209

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN: 00024325

Place :New Delhi
Date: 25.05.2019

Silky Gupta
Company Secretary

Consolidated statement of changes in equity for the year ended 31st March, 2019

(₹ In lacs)

A. Equity Share Capital

	As at March 31, 2018	Changes during the year	As at March 31, 2019
Equity Share Capital	881.45	-	881.45

B. Other Equity

(₹ In lacs)

Particulars	Equity attributable to owners of the Parent				Total	Non- Controlling Interest	Total
	Reserves & Surplus			Items of Other Comprehensive Income			
	Securities Premium	General Reserve	Retained Earnings				
Balance as 1 st April, 2018	3,247.29	4,005.29	-1,032.66	-2.43	6,217.49	26.65	6,244.14
for the year	-	-	-514.15	-6.89	-521.04	-6.96	-528.00
Balance as at 31st March, 2019	3,247.29	4,005.29	-1,546.81	-9.32	5,696.45	19.69	5,716.14

The accompanying notes (1-47) form an integral part of the consolidated financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For R Gopal & Associates

Chartered Accountants
Firm Reg No. 000846C

S K Agarwal

Partner
M.No: 093209

Place :New Delhi

Date: 25.05.2019

Tarun Jiwrajka

Whole Time Director & CFO
DIN No. 00386240

Silky Gupta

Company Secretary

Gopal Sitaram Jiwrajka

Chairman & Managing Director
DIN: 00024325

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019

(₹ In lacs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	-343.45	-1,469.17
Adjustment for :		
Depreciation	224.07	242.20
Lease hold land amoritisation	2.50	2.50
Interest	702.68	634.47
Interest Income	-7.39	-12.83
Allowance for doubtful receivables	-454.73	303.91
Provision for Interest receivable written back	-0.24	-
Bad Debts	9.23	92.87
Loss/(Profit) on sale of Property, Plant and Equipment	11.13	0.81
Irrecoverable loans and advances written off	-	108.32
Liability no longer required written back	-73.10	-119.23
Operating Profit before Working Capital changes	70.70	-216.15
Adjustment for :		
(Increase) /Decrease in inventories	215.29	-636.72
(Increase)/Decrease in Trade and other receivables	-3,050.59	2,299.39
(Increase)/Decrease in Trade and other payables	2,474.84	-1,001.85
Cash Generated from Operating Activities	-289.76	444.67
Adjustment for :		
Direct taxes (paid) / Refund Received	-1.13	-4.08
Net cash from Operating Activities	-290.89	440.59
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant & Equipment	-23.60	-53.03
Proceeds from sale of Property, Plant & Equipment	36.52	9.91
Interest received	9.60	8.94
Net cash from / (used in) Investing Activities	22.52	-34.18
CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of Non current Borrowings (Net)	-32.00	-44.87
Proceeds/ (Repayments) of Current Borrowings (Net)	241.60	128.20
Interest Paid	-637.71	-619.30
Loan Received (Unsecured)	1,718.00	329.00
Loan repaid(Unsecured)	-1,031.00	-229.00
Margin Money (given)/realised	-2.79	24.74
Net cash from/(used in) Financing Activities	256.10	-411.23

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2019

(₹ In lacs)

Net Increase/ (Decrease) in cash and cash equivalents :	-12.27	-4.82
Cash and cash equivalents at beginning of the year	23.12	27.94
Cash and cash equivalents at end of the year	10.85	23.12

The accompanying notes (1-47) form an integral part of the consolidated financial statements.

Note: 1. The above cash flow statement has been prepared under the “Indirect Method” as set out in IND AS-7 notified under Section 133 of the Companies Act 2013.

2. Components of Cash and Cash equivalents

Particulars	2018-19	2017-18
Balances with banks		
Current accounts	7.05	20.29
Cash in hand	3.80	2.83
Total (refer Note-13)	10.85	23.12

3. Figures in bracket indicate cash outflows.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal

Partner

M.No: 093209

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN: 00024325

Place :New Delhi

Date: 25.05.2019

Silky Gupta
Company Secretary

SALORA INTERNATIONAL LIMITED

Consolidated Significant accounting policies

1 Group Overview

Salora International Limited is a public limited company incorporated and domiciled in India, listed at Bombay Stock Exchange (BSE Ltd.) and National Stock Exchange of India Ltd. (NSE). The address of its registered office is D-13/4 Okhla Industrial Area Phase-II New Delhi 110020. The principal activity of Company is manufacturing and assembly of LED TVs, CRT TVs, TV Components, Home Theatres, Mobile Phone, Mobile Batteries & Chargers and also distribution of large variety of IT, Telecom Products, whole selling of consumer items and generation of electricity (Wind Power).

Group Structure

Name of the Company	% of Share held by Parent Company	
	As at 31st March 2019	As at 31st March 2018
Subsidiary:		
Salora Components Ltd.	79.05%	79.05%

2 Significant accounting policies

A. Basis of preparation

These Consolidated Financial Statements have been prepared to comply in all material respects with the Notified accounting standard under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments there after. The financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") under the historical cost convention on an accrual basis except for certain financial instruments which are required to be measured at fair values at the end of each reporting period as explained in the accounting policies below.

The Consolidated financial statements are presented in Indian rupees and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

The Consolidated financial statements were authorized for issue by the company's Board of Directors on 25th May 2019.

B Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiary as at 31 March 2019. Control is achieved when the group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances Indicates that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Assets, Liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statement in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e. year ended on 31 March.

Profit or loss, each component of other comprehensive income (OCI) is attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if the results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

C Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows to the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary. Business combination policy explains how to account for any related goodwill.
- "Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may Indicate an impairment that requires recognition in the consolidated financial statement. Ind AS 12 Income tax

applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

D Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

E Operating segment

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

F Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Property, Plant & Equipment

(₹ In lacs)

Particulars	Leasehold Land	Building	Furniture & Fittings	Plant & Machinery	Dies & Moulds	Motor Vehicles	Office Equipment	Total Tangible Assets
Gross Carrying Amount								
Balance as at 1st April, 2017	315.29	576.73	451.94	6,752.35	1,045.46	262.46	57.74	9,461.97
Additions	-	17.99	18.45	15.35	0.37	-	0.23	52.39
Deductions/ Adjustment	-	-	-	33.44	-	13.34	-	46.78
Balance at 31st March, 2018	315.29	594.72	470.39	6,734.26	1,045.83	249.12	57.97	9,467.58
Accumulated Depreciation								
Balance as at 1st April, 2017	70.73	312.09	421.08	4,853.02	962.84	99.60	51.69	6,771.05
For the year	3.50	14.84	12.02	174.07	5.41	28.62	1.00	239.46
Deduction/ Adjustment	-	-	-	32.23	-	3.84	-	36.07
Balance as at 31st March, 2018	74.23	326.93	433.10	4,994.86	968.25	124.38	52.69	6,974.44
Net carrying amount as at 31st March, 2018	241.06	267.79	37.29	1,739.40	77.58	124.74	5.28	2,493.14
Net carrying amount as at 31st March, 2017	244.57	264.64	30.82	1,899.29	82.62	162.86	56.95	2,690.92
Particulars								
Gross Carrying Amount								
Balance as at 1st April, 2018	315.29	594.72	470.39	6,734.26	1,045.83	249.12	57.97	9,467.58
Additions	-	-	0.06	7.34	-	-	1.10	8.50
Deletions / Adjusted	-	-	-	56.26	515.52	9.06	-	580.84
Cost at 31st March, 2019	315.29	594.72	470.45	6,685.34	530.31	240.06	59.07	8,895.24
Accumulated Depreciation								
Accumulated Depreciation upto 31st March, 2018	74.23	326.93	433.10	4,994.86	968.25	124.39	52.69	6,974.45
Depreciation for the year	3.50	15.38	3.59	168.85	5.31	26.67	0.77	224.07
Written Back / Adjusted	-	-	-	53.45	489.78	8.03	-	551.26
Accumulated Depreciation up to 31st March, 2019	77.73	342.31	436.69	5,110.26	483.78	143.03	53.46	6,647.26
Net carrying amount as at 31st March, 2019	237.56	252.41	33.76	1,575.08	46.53	97.03	5.61	2,247.98
Net carrying amount as at 31st March, 2018	241.06	267.79	37.29	1,739.40	77.58	124.74	5.28	2,493.14

Note: Leasehold Land of Delhi and of Noida are under finance lease for 99 years and 90 years respectively

Lease hold land at D-13/4, Okhla Industrial Area, Phase-II is in the company's old name i.e. Electronics Consortium Private Limited.

For assets provided as security refer note no. 20 and 23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
4	Other Intangible Assets		
	Cost as at beginning of the year	106.21	106.21
	Cost at the end of the year	106.21	106.21
	Opening Accumulated Amortisation	101.13	98.39
	Amortisation for the year	-	2.74
	Total Amortisation at the end of the year	101.13	101.13
	Net Carrying amount as at the end of the year	<u>5.08</u>	<u>5.08</u>
5	Non-Current Investments		
	Investments in Equity Instruments: Unquoted, fully paid-up		
	Investment carried at fair value through other comprehensive income		
	In Other Companies :		
	355000 (P.Y. 355000) Equity Shares of Encompass Software & Systems Pvt. Ltd. of Rs.10/- each.	35.50	35.50
	Less: Provision for diminution in value of Investments	-31.18	-31.18
	Investments carried at amortized cost		
	Other Investments in Bond (Fully paid)		
	2 (P.Y.) Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/- each	0.02	0.02
	Total	<u>4.34</u>	<u>4.34</u>
	Aggregate amount of Unquoted Investments:	35.52	35.52
	Aggregate amount of impairment in value of investments:	31.18	31.18
6	Trade Receivables-Non current		
	- Unsecured, considered good	1,587.98	1,467.47
	- Doubtful	1,998.76	2,400.11
	Less : Allowance for bad & doubtful debt	-1,998.76	-2,400.11
	Total	<u>1,587.98</u>	<u>1,467.47</u>

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
7	Loans- Non current		
	(Unsecured -Considered Doubtful)		
	Inter Corporate Loan Given	255.00	255.00
	Less:Allowances for Impairment Loss	-255.00	-255.00
	Total	<u>—</u>	<u>—</u>
8	Other Financial Assets-Non Current		
	(Unsecured, considered doubtful unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received	1,334.18	1,334.18
	Less:Allowances for Impairment Loss	-1,334.18	-1,334.18
	Interest Receivable	94.40	94.64
	Less:Allowances for Impairment Loss	-94.40	-94.64
	Security Deposits (considered good)	24.42	27.76
	Total	<u>24.42</u>	<u>27.76</u>
9	Deferred tax Assets (Net)		
	Deferred tax liability:		
	On account of depreciation on property, plant & equipment and other intangible assets	448.41	475.51
	Sub Total	<u>448.41</u>	<u>475.51</u>
	Deferred tax asset:		
	On account of timing differences in recognition of expenditure	31.00	25.57
	On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	1,078.33	1,155.60
	On account of ECL & Impairment losses	1,200.84	1,330.64
	On account of capital Loss	77.40	77.40
	Total	<u>2,387.57</u>	<u>2,589.21</u>
	Deferred tax assets (net)	1,939.16	2,113.70

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
10	Other Non-Current Assets		
	(Unsecured Considered good)		
	Deposits with Statutory Authorities	916.60	607.50
	Prepayments of Leasehold Land	43.33	45.83
	Total	<u>959.93</u>	<u>653.33</u>
11	Inventories:		
	Raw materials	535.52	603.83
	Work in progress	54.85	205.92
	Finished goods	1,374.50	884.84
	Stock in Trade	3,440.49	3,712.05
	Fuel	-	0.88
	Goods in transit:		
	Raw materials	41.00	254.13
	Total	<u>5,446.36</u>	<u>5,661.65</u>
12	Trade Receivables (Unsecured)		
	- considered good	4,621.32	1,608.66
	- Doubtful	167.41	220.79
	Less : Allowance for bad & doubtful debt	-167.41	-220.79
	Total	<u>4,621.32</u>	<u>1,608.66</u>
13	Cash and Cash Equivalentents		
	Cash balance on hand	3.80	2.83
	Balances with banks	-	-
	- in current accounts	7.05	20.29
	Note: Balance of Rs. 3.95 lacs (P.Y. Rs. 11.55 lacs) seized by Sales Tax Department		
	Total	<u>10.85</u>	<u>23.12</u>
14	Bank Balances other than above		
	Fixed Deposit - Margin Money with Bank	11.64	8.85
	Total	<u>11.64</u>	<u>8.85</u>

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
15	Other Financial Assets		
	(Unsecured considered good unless otherwise stated)		
	Interest Receivable	1.91	3.88
	Superannuation Recoverable	1.43	1.43
	Advances recoverable in cash or in kind or for value to be received:	-	-
	-Considered Goods	135.67	154.87
	-Considered Doubtful	10.53	10.53
	Less: Allowance for Impairment Loss	-10.53	-10.53
	Total	<u>139.01</u>	<u>160.18</u>
16	Current Tax Assets (Net)		
	Income Tax Refund Receivable	113.61	112.48
	Total	<u>113.61</u>	<u>112.48</u>
17	Other Current Assets (Unsecured, Considered good)		
	Balance With / Recoverable from Government Authorities		
	-Considered Goods	636.58	582.55
	Prepaid expenses	39.81	17.49
	Total	<u>676.39</u>	<u>600.04</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	As at 31st March, 2019		As at 31st March, 2018	
		Number	Rs.	Number	Rs.
18	(a) Equity Share Capital:				
	Authorised:				
	Equity Shares of Rs. 10/- each	200,00,000	2,000.00	200,00,000	2,000.00
	Issued and Subscribed :				
	Equity Shares of Rs. 10/- each	8,820,000	882.00	8,820,000	882.00
	Issued, Subscribed and Paid--up :				
	Equity Shares of Rs.10/- each	8,807,300	880.73	8,807,300	880.73
	Share Capital forfeited Equity Shares @ 5.65/- each	12,700	0.72	12,700	0.72
	Total		881.45		881.45

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number	Rs.	Number	Rs.
Equity shares outstanding at the beginning of the Year	8,807,300	880.73	8,807,300	880.73
Equity shares outstanding at the end of the year	8,807,300	880.73	8,807,300	880.73

(c) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of Capital are as under:

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Nme of shareholders:	As at March 31, 2019		As at March 31, 2018	
	No.of Shares	% of holding	No.of Shares	% of holding
Gopal Kumar Jiwarajka	2,339,011	26.56	2,029,117	23.04
Gopal Kumar Jiwarajka HUF	1,498,988	17.02	1,498,988	17.02
Neetu Jiwarajka	731,410	8.30	731,410	8.30
Manori Properties Pvt Ltd.	558,929	6.35	558,929	6.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
19	Other Equity		
a.	Securities Premium Reserve		
	As per last balance sheet		
	Share Premium Account	3,244.42	3,244.42
	Share Premium Forfeited	2.87	2.87
	Sub Total	<u>3,247.29</u>	<u>3,247.29</u>
b.	General Reserve		
	As per last Balance sheet	4,005.29	4,005.29
	Sub Total	<u>4,005.29</u>	<u>4,005.29</u>
c.	Surplus in Statement of Profit and Loss		
	As per last Balance sheet	-1,032.66	2.44
	Add : Profit/(Loss) Transferred from Statement of Profit & Loss	-514.15	-1,035.10
	Sub Total	<u>-1,546.81</u>	<u>-1,032.66</u>
d.	Other Comprehensive Income		
	Opening balance	-2.43	-3.10
	Add : Re-measurements of Defined Employee Benefits plans(Net of Tax)	-6.89	0.67
	Sub Total	<u>-9.32</u>	<u>-2.43</u>
	Total	<u>5,696.45</u>	<u>6,217.49</u>

Nature and purpose of Reserves:

(i) Securities Premium

Securities premium reserves represents the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) General Reserve

This represents appropriation of profit after tax by the company.

(iii) Surplus

This comprise company's undistributed profit after tax.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
20	Borrowings- Non Current		
	(a) Secured		
	Term Loan		
	Vehicle Loans from Banks	21.33	53.33
	Less : Current Maturities of Vehicle Loan(Refer Note No. 25)	14.47	29.72
	Sub Total	6.86	23.61
	(b) Unsecured Loans:		
	Loans from related parties	1,307.00	955.00
	Loan from Others	335.00	-
	Sub Total	1,642.00	955.00
	Total	<u>1,648.86</u>	<u>978.61</u>
	Additional Information:		
	Vehicle Loans are secured against hypothecation of cars.		
	Vehicle Loans from Banks , repayment on monthly instalment basis.		
	Unsecured loan from NBFC is secured by pledge of shares of other listed company held by promoters and their relatives.		
21	Other Financial Liabilities-Non Current		
	Trade Deposit	118.31	118.22
	Total	<u>118.31</u>	<u>118.22</u>
22	Provisions-Non Current		
	Employees benefits:		
	Provision for Leave	18.09	17.88
	Total	<u>18.09</u>	<u>17.88</u>
23	Borrowings-Current		
	Working capital loan From Banks (Secured)	5,147.23	4,905.63
	Total	<u>5,147.23</u>	<u>4,905.63</u>
	Additional Information:		
	Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge on immovable properties of Noida units as collateral security.		

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	As at 31st March 2019	As at 31st March 2018
24	Trade Payables		
	Dues to Micro, Small and Medium Enterprises*	24.54	-
	Others	3,899.96	1,423.11
	Total	<u>3,924.50</u>	<u>1,423.11</u>
	Additional Information:		
	*The Company has declared the dues to Micro, Small and Medium Enterprises on the basis of confirmations received from parties.		
25	Other Financial liabilities- Current		
	Current maturities of long term debt: Vehicle Loans	14.47	29.72
	Interest accrued but not due on borrowings	121.52	56.55
	Payable to Employees	30.33	49.05
	Total	<u>166.32</u>	<u>135.32</u>
	Additional Information:		
	Vehicle Loans are secured against hypothecation of cars.		
	Interest accrued & due on borrowings includes Rs. 0.80 lacs of MSMED parties.		
26	Other Current liabilities		
	Statutory Liabilities	49.27	104.06
	Others	65.46	88.98
	Total	<u>114.73</u>	<u>193.04</u>
27	Provisions-Current		
	Employees benefits:		
	Provision for Leave	8.95	13.98
	Provision for Gratuity	43.49	31.37
	Total	<u>52.44</u>	<u>45.35</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
28	Revenue from Operations:		
	Sales of Goods		
	Domestic	16,995.50	12,428.21
	Export	45.90	-
	Total	<u>17,041.40</u>	<u>12,428.21</u>
	Sale of Services		
	Wind Energy	474.94	371.79
	Total	<u>474.94</u>	<u>371.79</u>
	Gross Sales	<u>17,516.34</u>	<u>12,800.00</u>
	Other Operating Income		
	Bad Debts Recovered	0.97	-
	Liability no Longer required written back	73.10	10.91
	Miscellaneous Income	1.01	1.25
		<u>75.08</u>	<u>12.16</u>
	Total Revenue from Operations	<u>17,591.42</u>	<u>12,812.16</u>
29	Other Income:		
	Interest	7.39	12.83
	Miscellaneous Income	12.75	2.81
	Short/excess claim	2.46	-
	Total	<u>22.60</u>	<u>15.64</u>
30	Changes in Inventories of finished goods, Stock-in-trade and work in progress		
	Stock at the end of the year		
	Work in progress	54.85	205.92
	Stock in Trade	3,440.49	3,712.05
	Finished goods	1,374.50	884.84
	Sub Total :	<u>4,869.84</u>	<u>4,802.81</u>
	Less : Stock at the beginning of the year		
	Work in progress	205.92	133.63
	Stock in Trade	3,712.05	3,719.78
	Finished goods	884.84	498.44
	Sub Total :	<u>4,802.81</u>	<u>4,351.85</u>
	Increase / (Decrease) in Stock :	67.03	450.96

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
31	Employee Benefits Expenses:		
	Salaries and wages	440.81	806.03
	Contribution to provident and other funds	49.73	61.79
	Staff Welfare & Other Benefits	10.84	16.00
	Total	<u>501.38</u>	<u>883.82</u>
32	Finance Costs:		
	Interest	702.68	634.47
	Bank charges and Others	40.33	48.00
	Total	<u>743.01</u>	<u>682.47</u>
33	Depreciation and amortization:		
	Depreciation	220.57	238.70
	Amortization of Land	3.50	3.50
	Total	<u>224.07</u>	<u>242.20</u>
34	Other expenses:		

Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
	Assembly Charges	5.53	13.84
	Stores & Spares Consumed	4.88	7.17
	Power and fuel	51.06	64.51
	Lease Rent	2.50	2.50
	Rent	17.67	29.32
	Repair & Maintenance :-	-	-
	Building	1.78	0.02
	Plant & Machinery	89.25	88.36
	Others	11.56	19.55
	Insurance	12.90	12.63
	Rates and taxes	6.11	12.18
	Legal and professional fees	71.89	63.36
	Payment to Auditors		
	Statutory Audit Fees	11.40	11.50
	Tax Audit Fees	1.50	1.50
	Certification	-	0.09
	Expenses reimbursed	1.00	1.08
	In Other capacity	1.50	1.50
	Travelling & Conveyance	51.69	116.44
	Freight and Forwarding	42.53	99.71
	Discount, Commission & Incentives	244.21	86.59
	Advertisement & Publicity	0.82	0.76
	After Sale Service Charges	14.64	49.60
	Sales Tax, Entry Tax and Service Tax	0.28	2.97
	Bad Debts	9.23	92.87
	Irrecoverable loans and advances written off	-	108.32
	Less: Provision for Irrecoverable Loans & Advance Written Back	-	-108.32
	Loss on sale of property, plant & equipment (net)	11.13	0.81
	Short / (Excess) Claims	-15.44	-2.45
	Miscellaneous expenses	67.43	115.87
	Net (gain)/loss on foreign currency transaction	4.43	-0.73
	Allowance for doubtful receivables	-454.73	303.91
	Total	<u>266.75</u>	<u>1,195.46</u>

Notes to Consolidated Financial Statements

Note No. 35

Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information

(₹ in Lakhs)

Particulars	Net Asset, i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (Rs. in lacs)	As % of consolidated Profit and Loss	Amount (Rs. in lacs)	As % of consolidated Other Comprehensive Income	Amount (Rs. in lacs)	As % of consolidated Total Comprehensive Income	Amount (Rs. in lacs)
Parent:								
Salora International Limited	104.06	6,845.10	93.62	-487.86	100.00	-6.89	93.70	-494.75
Subsidiaries:								
Indian:								
Salora Component Ltd.	1.36	89.54	5.92	-30.87	0.00	-	5.85	-30.87
Foreign:								
Non controlling Interest in Subsidiary	0.30	19.69	1.34	-6.97	0.00	-	1.32	-6.97

36 A. Contingent Liabilities not provided for in respect of :

Particulars	As at 31 March 2019	As at 31 March 2018
Letter of credit other than for capital expenditure	8.07	8.46
Income Tax Matters	37.88	37.88
Sales Tax Matters	1,565.10	1,023.10
Service Tax Matters	1.97	1.97
Excise Matters	4,877.81	4,961.62

Note:

- i) Bank Guarantees issued by Bankers Rs.502.21 lacs (Previous year Rs. 4.79 lacs) including for Sales Tax and Excise demand Rs.9.20 lacs (Previous Year Rs.4.79 lacs), against which margin kept by bank Rs. 5.93 lacs (Previous year Rs.0.50 lacs)
- ii) Advance Licence utilised for Import of CPT worth Rs.87.50 lacs during the period from January, 1995 to May 1995 , DGFT issued Show Cause Notice to pay duty and penalty thereof on all above imports and included the company's name in the defaulters list. Company challenged the said Notice in Delhi High Court and after admitting the petition and taking into consideration all the facts, the Delhi High Court directed the Company to deposit a sum of Rs. 20.00 lacs with the Collector of Customs and ordered DGFT to remove Company's name from the defaulters list. Accordingly Company has deposited the sum of Rs.20.00 lacs within the time stipulated by the Court. Duty and penalty amount is not ascertainable at this stage. Petition has been refiled against appeal order of DGFT.
- iii) The demand amounting to Rs.1113.78 lacs(previous year Rs. 1113.78 lacs) and penalty Rs. 1113.78 lacs (previous year Rs.1113.78 lacs) for the period April 2002 to April 2003 and demand of Rs.28.99 lacs (previous year Rs.28.99 lacs) and penalty of Rs.28.99 lacs (previous year Rs.28.99 lacs) for the period July 1993 to February 1994 are on the basis of differential duty on Chassis, Sub assembly parts of T.V.considered as T.V. The Honorable Supreme Court has decided on the classification issue for the period 1989-90 and the facts of these cases are different from the case decided by the Supreme Court. The company had gone in appeal before CESTAT. The appeal before CESTAT were remanded back to the Commissioner Adjudication to decide a fresh while considering the differential facts of the case. The Commissioner has decided the cases against the company without considering the differential facts as per directions given by the CESTAT in remand order. The company has again filed appeal against Commissioner's order before the CESTAT. CESTAT has decided the case against the company. The company has filed the SLP against the order of CESTAT before the Hon'ble Supreme Court.
- iv) The demand for Rs.1292.44 lacs (previous year Rs. 1292.44 lacs) and penalty Rs.1292.44 lacs (previous year Rs. 1292.44 lacs) for the period June 1998 to March 2002 raised on the same basis by the department is time barred and case had been decided in favour of the company.The department had gone in appeal before CESTAT. The CESTAT had remanded this matter to Commissioner Adjudication who has decided the case against the company without considering direction / differential facts of the CESTAT. The company has again filed appeal on the matter before CESTAT. CESTAT has decided the case against the company. The company has filed the SLP against the order of CESTAT before the Supreme Court. Therefore considering directions / differential facts given by CESTAT in remand order not considered in Commissioner's orders, the company has good case on merits. Demand deposited amounting to Rs.600.00 lacs(previous year Rs. 300.00 lacs).Miscellaneous Excise duty demand amounting to Rs.7.39 lacs(previous year Rs. 91.01 lacs) and Service Tax demand Rs.1.97 lacs(previous year Rs. 1.97 lacs) has been raised by the department against which company has filed appeals. The amount deposited against demand Rs.2.00 lacs (previous year Rs.6.20 lacs).
- v) The Central Sales Tax and VAT/ State Sales Tax Authorities has raised demand of Rs. 1565.10 Lac (Previous Year Rs. 1023.10) primarily pertains to exparte order and/or some interpretation related issues, which is under appeal and an amount of Rs.202.52 deposited under protest, which has been disputed by the company. However in most of the cases, required documents are being filed. The Company's appeal against the said demands are pending before various appellate authorities forums.
- vi) Income Tax Assessments of the Company have been completed upto Assessment Year 2016-17 (in previous year upto 2015-16). Demand has been raised of Rs.37.88 lacs (previous year Rs. 37.88 lacs) for earlier assessment year 2002-03 against which company has filed appeal before appellate authorities and amount Rs. 37.88 lacs (previous year Rs.37.88 lacs) has been deposited against demands.
- vii) Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Supreme Court against refund of Rs.1151.57 lacs (previous year Rs. 1151.57 lacs) received by the Company in the Financial Year 2002-2003. There is final demand of Rs. 382.99 lacs on Rs. 17.64 crores direct benefit to share holders is only in SLP as High Court relieved depreciation part of Rs. 32.48 crores.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

- B. Estimated amount of contracts remaining to be executed on capital account & not provided for(net of advances) is Rs. Nil.(previous year Rs. 0.77 lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

37 Earning per Share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a).Net profit / (loss) available to equity shareholders	-521.11	-1,043.15
b).Number of weighted average equity shares outstanding during the year for the purpose of calculation of earnings per share	8,807,300	8,807,300
c).Nominal value of equity share (in Rs.)	10	10
d).Basic earning per share (in Rs.)	(5.92)	(11.84)
e).Diluted earning per share (in Rs.)	(5.92)	(11.84)

38 RELATED PARTIES DISCLOSURES:

1. Relationship:

(a) Other related parties in which key managerial Personnel are able to exercise significant influence :

Associated Electronics Research Foundation
Manori Properties Private Limited

Devi Electronics Private Limited
Quick Load 247 Private Limited
Tiss Technologies LLP
PJTJ Technologies Private Limited
SSAMSCONN Technologies Pvt. Ltd.

(b) Key Managerial Personnel:

Mr. Gopal Sitaram Jiwrajka(Chairman & Managing Director)
Mr. Tarun Jiwrajka(Whole Time Director & CFO)
Mrs. Neetu Jiwrajka (Director)
Mr. Mohd. Faisal Farooq (Company Secretary, till 29.9.2018)
Ms. Silky Gupta (Company Secretary, w.e.f. 21.12.2018)

(c) Relative of key managerial personnel where transactions have taken place:

Mr. Ayush Jiwrajka
Mrs. Savitri Devi Jiwrajka

(d) Other Related Parties:

Mr. Gautam Khaitan (Chairman Audit Committee & Independent Director)
Mr. Patanjali Govind Keswani (Independent Director) upto 28.9.2018
Mr. Sanjeev Kaul Duggal (Independent Director)
Mr. K.S. Mehta (Independent Director)

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

2. Transactions carried out with related parties as above , in ordinary course of business:

Nature of Transactions	Related Parties					
	Referred in 1 (a) above		Referred in 1 (b) & (c) above		Referred in 1 (d) above	
	31.03.19	31.03.18	31.03.19	31.03.18	31.03.19	31.03.18
Purchases						
Goods and Materials	151.37	-	-	-	-	-
Sales						
Goods and Materials	179.42	-	-	-	-	-
Rent & Other Income	12.68	0.86	-	-	-	-
Expenses						
Interest	0.95	-	93.47	69.27	-	-
Directors Remuneration	-	-	32.33	111.91	-	-
Directors Sitting Fee	-	-	-	-	2.00	2.16
Salary of others	-	-	9.67	6.98	-	-
Finance						
Loans received	75.00	-	316.00	100.00	-	-
Loans repaid	5.00	-	34.00	-	-	-
Others						
Advance Received for sale of shares	5.00	-	-	-	-	-
Expenses/Payment on their behalf	6.10	1.89	-	-	-	-
Outstandings						
Payables	-	-	1.28	1.70	-	-
Receivables	10.14	5.32	-	-	-	-
Loan Payable	70.00	-	1,237.00	955.00	-	-
Interest Payable	0.85	-	117.47	56.11	-	-
Rent Payable	11.18	11.18	-	-	-	-
Advance Received for sale of shares	5.00	-	-	-	-	-

Notes to Consolidated Financial Statements

- 39 The Company has inventories as at 31st March 2019 of Rs. 5445.51 lakhs at cost which includes old inventories against which provision of Rs 169.53 lakhs has been considered . Sale done from ageing inventories are not below cost. The additional provision if any on inventories shall be accounted for at the time of disposal / realization.
- 40 Contingent liabilities of Rs 6482.77 lakhs related to Sales tax, Excise duty, Income tax etc against which amount deposited Rs 862.40 lakhs which are contested by the company and pending before various forums. However management believes that based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.
- 41 The Company has material undisputed statutory dues recoverable of Sales tax Rs.335.98 lakhs, Income tax Rs.109.82 lakhs, Service tax Rs.14.74 lakhs and Modvat Rs.7.82 lakhs has been considered good based on the opinion rendered by experts and considered current.
- The subsidiary company has material undisputed statutory dues recoverable of GST Rs.104.28 lakhs,service tax Rs.22.00 lakhs, excise Rs. 4.54 lakhs and sales tax Re. 3.73 lakhs has been considered good based on the opinion rendered by experts and considered current.
- 42 For deferred tax assets on unabsorbed depreciation, business losses, impairment provisions and capital losses etc recognized net of deferred tax liability on account of difference in block of fixed assets amounting to Rs 1834.64 lakhs as at 31st March 2019, as the management is confident for realization of the same.
- For deferred tax assets of subsidiary company on unabsorbed depreciation, business losses etc. recognised amounting to Rs 104.52 lakhs (net) as at 31st March 2019, as the management is confident for realization of the same.
- 43 Pending confirmations / statement of accounts / follow up documents of old debit balances of certain trade payables and advances amounting to Rs 84.37 lakhs have been considered good. Management is in the process to reconcile / confirmations of balances and expect that there will be no material impact on the financial statements.
- 44 Debtors , creditors,loans and advances are subject to confirmations except received of some parties.
- 45 There is only one subsidiary company with insignificant transactions. The accounting policies and notes to accounts being similar to that of the holding company as stated in standalone financial statements are not appended hereto.
- 46 In the opinion of the board, any of the assets other than property ,plant and equipment and non current investments have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated.
- 47 Previous year figures have been re-grouped / re-arranged wherever considered necessary.
- The accompanying notes (1-47) form an integral part of the consolidated financial statements.

For and on behalf of the Board

As per our seperate report of even date annexed.

For **R Gopal & Associates**

Chartered Accountants

Firm Reg No. 000846C

S K Agarwal

Partner

M.No: 093209

Tarun Jiwarajka

Whole Time Director & CFO

DIN No. 00386240

Gopal Sitaram Jiwarajka

Chairman & Managing Director

DIN: 00024325

Place :New Delhi

Date: 25.05.2019

Silky Gupta

Company Secretary



SALORA INTERNATIONAL LTD.

CIN L74899DL1968PLC004962

Regd. Office: D-13/4, Okhla Industrial Area, Phase – II, New Delhi – 110 020
Phone: 91-11-40552341; E-mail: sect@salora.com, website: www.salora.com

ATTENDANCE SLIP

{Please complete Attendance Slip and hand it over at the entrance of the Meeting Hall}

Folio No. D. P. ID No. Client ID No.

Name of Member Signature

Name of Proxyholder Signature

1. Only Member/Proxy holder can attend the meeting.
2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the meeting.

Signature of the Member or Proxy*

*Please indicate whether Member or Proxy.



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PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)

Registered Address

E-mail Id

Folio No./ Client ID No DP ID No.....

I/We, being the member (s) of shares of the Salora International Limited, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:.....,

or failing him

2. Name:

Address:

E-mail Id:

Signature:.....,

or failing him

3. Name:

Address:

E-mail Id:

Signature:.....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 50th Annual general meeting of the company,

to be held on the Saturday, 28th September, 2019 at 11 A.M. at INDIA ISLAMIC CULTURAL CENTRE, 87-88, LODHI ROAD, LODHI GARDENS, LODI ESTATE, NEW DELHI -110 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Audited Financial Statements (including the consolidated financial statements) of the Company as at 31st March, 2019 and the Reports of Board of Directors and Auditors' thereon.
2. Appointment of director in place of Smt. Neetu Jiwarajka (holding DIN 00025570), who retires by rotation and being eligible offers herself for re-appointment.
3. Appointment of Shri Sanjeev Kaul Duggal (DIN: 00004977) Independent Director
4. Appointment of Shri Gopal Sitaram Jiwarajka (DIN: 00024325) Managing Director
5. Ratification of Cost Auditors' remuneration

Signed this..... day of.....2019

Affix
Revenue
stamp

Signature of shareholder
Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Those members who have multiple folios with different joint holders may use copies of this attendance slip/Proxy.

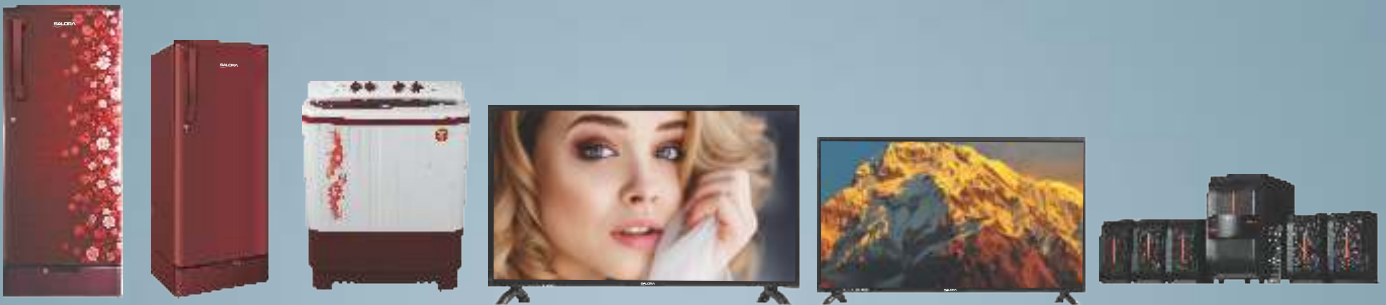


SALORA

Technology for Happiness

REFRIGERATOR





SALORA INTERNATIONAL LIMITED

Regd Office:- D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110020
Tel-011-40552341, Email: info@salora.com

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