

Annual Report for the year

2014-2015

of

**SALORA COMPONENTS LIMITED**

*U.K. Aggarwal & Associates*  
*Chartered Accountants*

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# U.K. Aggarwal & Associates

## CHARTERED ACCOUNTANTS

Dated.....

Ref. ....

### INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

SALORA COMPONENTS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of SALORA COMPONENTS LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

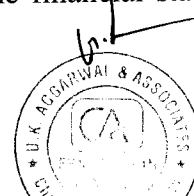
The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

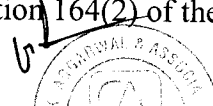
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March 2015, its loss and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2015("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 statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.



- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

**For U K AGGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Firm Registration No. : 009464N**

  
**Umesh Kumar Aggarwal  
Proprietor  
(Membership No.: 082011**



**Place: New Delhi  
Date: 29th May 2015**

## Annexure

The annexure referred to in our independent Auditor's Report to the members of Company on the financial statements for the year ended on 31<sup>st</sup> March, 2015:

- (i) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) As explained to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification, between the book records and the physical inventory.
- (ii) In respect of its inventory:
  - a) Physical verification of inventories has been conducted at reasonable intervals by the Management.
  - b) The procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company is maintaining proper records of its inventories. and discrepancies noticed on physical verification of stocks as compared to book records were not material.
- (iii) The Company has not granted any loans to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our Audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) The company has not accepted any public deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- (vii) In respect of statutory dues:
  - (a) According to the records of the company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance (ESI), Income-tax, Tax Deducted At Sources, Professional Tax, Sales Tax, Value Added Tax (VAT), Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities.



- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of the aforesaid statutory dues, were outstanding as at 31 March, 2015 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no amounts in respect of Income Tax, Sales Tax, Service Tax, Custom Duty & Excise Duty, Value Added Tax (VAT) and Cess have not been deposited with the appropriate authorities on account of any dispute.
- (d) According to the information and explanations given to us, there were no amounts which are required to be transferred in respect of the Investor Education and Protection Fund.
- (viii) The company having accumulated losses which is less than 50% of the net worth of the Company at the end of financial year. The company has incurred Cash losses during the financial covered by our Audit but there were no cash losses in the immediately preceding financial year.
- (ix) According to the records of the company and the information and explanations given to us, the Company don't have any borrowings from financial institution or Banks, therefore this clause is not applicable to the company
- (x) In our opinion, and according to the information and the explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year;
- (xi) The company has not obtained any term loan during the year, therefore this clause of the order is not applicable to the Company.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit..

**For U K AGGARWAL & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Firm Registration No. : 009464N**

*U.K.*  
**Umesh Kumar Aggarwal  
Proprietor  
(Membership No.: 082011**



**Place: New Delhi  
Date: 29<sup>th</sup> May 2015**

**SALORA COMPONENTS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2015**

Particulars	Note No.	Amount in Rupees			
		As at end of current reporting period		As at end of previous reporting period	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	1	43,200,000		43,200,000	
(b) Reserves and Surplus	2	<u>(17,350,196)</u>		<u>(9,162,061)</u>	
			25,849,804		34,037,939
<b>(2) Share application money pending allotment</b>					
		-	-	-	-
<b>(3) Non - current liabilities</b>					
(a) Long term borrowings	3	24,000,000		42,000,000	
(b) Deferred tax liabilities (Net)	4	-		-	
(c) Other long term liabilities		-		-	
(d) Long term provisions		-		-	
		<u>24,000,000</u>		<u>42,000,000</u>	
<b>(4) Current Liabilities</b>					
(a) Short term borrowings		-		-	
(b) Trade payables	5	24,039,041		5,262,238	
(c) Other current liabilities	6	5,103,479		6,596,292	
(d) Short term provisions		-		-	
		<u>29,142,520</u>		<u>11,858,530</u>	
<b>TOTAL</b>		<u><u>78,992,324</u></u>		<u><u>87,896,469</u></u>	
<b>II. ASSETS</b>					
<b>(1) Non - current assets</b>					
(a) Fixed Assets					
(i) Tangible assets	7	24,443,917		27,851,596	
(ii) Intangible assets		-		-	
(b) Non - current investments		-		-	
(c) Deferred tax assets (Net)	4	12,432,228		10,160,814	
(d) Long term loans and advances	8	5,389,422		5,389,422	
(e) Other non current assets	9	<u>14,137,795</u>		<u>13,821,844</u>	
			56,403,361		57,223,677
<b>(2) Current Assets</b>					
(a) Current Investments		-		-	
(b) Inventories	10	11,779,594		9,115,701	
(c) Trade receivables	11	6,958,227		17,994,794	
(d) Cash and cash equivalents	12	214,800		61,046	
(e) Short term loans and advances	13	9,344		252,985	
(f) Other current assets	14	<u>3,626,998</u>		<u>3,248,266</u>	
		<u>22,588,963</u>		<u>30,672,792</u>	
<b>TOTAL</b>		<u><u>78,992,324</u></u>		<u><u>87,896,469</u></u>	

Significant Accounting Policies  
Notes on Financial Statements

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Notes annexed hereto form an integral part of the Balance Sheet

Signed in terms of our report of even date attached

For U.K. Aggarwal & Associates  
Chartered Accountants  
Firm Registration No.: 009464N

For and on behalf of the Board

Umesh Kumar Aggarwal  
Proprietor

Membership No. 082011

Place New Delhi

Date 29<sup>th</sup> May 2015



Director  
DIN \_\_\_\_\_

Director  
DIN \_\_\_\_\_

**SALORA COMPONENTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015**

Particulars	Note No.	Amount in Rupees			
		Current reporting period		Previous reporting period	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	15		44,049,377		257,604,594
II. Other Income	16		2,083,526		4,187,288
III. <b>Total revenue (I + II)</b>			<u>46,132,903</u>		<u>261,791,882</u>
IV. Expenses					
Cost of materials consumed					
Purchases of stock in trade	17		35,759,936		59,712,216
Changes in inventories of finished goods, work in progress and stock in trade	18		-		182,955,787
Employee benefits expense	19		-		(281,520)
Finance costs	20		6,934,185		7,644,119
Depreciation and amortization expense	21		3,582,769		4,297,524
Other expenses	22		3,424,479		2,447,288
	23		6,891,083		4,395,927
<b>Total Expenses</b>			<u>56,592,453</u>		<u>261,171,342</u>
IX. Profit (loss) before tax			(10,459,550)		620,540
X. Tax expense:					
(1) Current tax					
(2) Deferred tax					
		<u>2,271,414</u>		<u>(294,760)</u>	
			2,271,414		(294,760)
* Profit/(Loss) for the period from continuing operations			<u>(8,188,136)</u>		<u>325,779</u>
Earning per equity share:					
(1) Basic			(1.90)		0.08
(2) Diluted			(1.90)		0.08

Significant Accounting Policies

Notes on Financial Statements

24 - 31

Notes annexed hereto form an integral part of the Statement of profit and loss account

Signed in terms of our report of even date attached

For U.K. Aggarwal & Associates  
Chartered Accountants  
Firm Registration No.: 009464N

For and on behalf of the Board

Umesh Kumar Aggarwal  
Proprietor  
Membership No. 082011  
Place : New Delhi

Date 29th May 2015



*[Signature]*  
Director  
DIN

*[Signature]*  
Director  
DIN



**SALORA INTERNATIONAL LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Rs in lakhs

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit/(Loss) before tax	(104.60)	6.21
Adjustment for :		
Depreciation	34.24	24.47
Interest	33.89	42.95
Profit/(Loss) on Sale of Long Term Investments		
Wealth Tax		
Loss/(Profit) on sale of Fixed Assets		
<b>Operating Profit before Working Capital changes</b>	<b>(36.46)</b>	<b>73.63</b>
Adjustment for :		
Inventories	(26.64)	(38.88)
Trade and other receivables	(4.97)	(34.06)
Trade and other payables	283.66	(38.73)
<b>Cash Generated from Operating Activities</b>	<b>215.59</b>	<b>(38.04)</b>
Adjustment for :		
Direct taxes (paid ) / Refund Received		
<b>Net cash from Operating Activities</b>	<b>215.59</b>	<b>(38.04)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(0.17)	(0.35)
Sale / adjustment of fixed assets		
Sale of Investment in shares		
<b>Net cash from / ( used in ) Investing Activities</b>	<b>(0.17)</b>	<b>(0.35)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayments) of Secured term Loans (Net)		
Proceeds/ (Repayments) of Working Capital Loan (Net)		
Interest Paid	(33.89)	(42.95)
Loan Received (Unsecured)	70.00	78.95
Loan Repaid (Unsecured)	(250.00)	
Margin Money		
Interest received		
Dividend paid		
<b>Net cash from/(used in) Financing Activities</b>	<b>(213.89)</b>	<b>36.00</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents :</b>	<b>1.54</b>	<b>(2.39)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>0.61</b>	<b>3.00</b>
<b>Cash and cash equivalents at end of the year</b>	<b>2.15</b>	<b>0.61</b>

**NOTES**

- The above Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 notified under section 133 of the Companies Act, 2013
- Figures in brackets indicate cash outflow.

As per our report of even date attached.

**For and on behalf of Board**

Prakash Aggarwal & Associates  
 Chartered Accountants  
 Firm Registration No.: 009464N

For and on behalf of the Board

Prakash Kumar Aggarwal  
 Proprietor  
 Membership No. 082011

Place : New Delhi

Date : 29th May 2015



*[Signature]*  
 Director  
 DIN \_\_\_\_\_

*[Signature]*  
 Director  
 DIN \_\_\_\_\_

SALORA COMPONENTS LIMITED  
2014-2015

SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF FINANCIAL STATEMENT

- 1) The financial Statements are prepared on the historical cost convention and in accordance with the generally accepted accounting principles. Company follows accrual system of accounting except otherwise stated.
- 2) Accounting policies unless specified otherwise are consistent and in consonance with generally accepted accounting principle.

B) METHOD OF VALUATION OF FIXED ASSETS

Fixed Assets are stated at cost of acquisition and/or cost of construction inclusive of duties, taxes, incidental expenses and erections expenses.

C) DEPRECIATION

Persuant to Companies Act, 2013 being effective from 1st April 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act, on straight line method.

D) INVESTMENT

Company has no Investment during the year

E) INVENTORY VALUATION

Raw material / components, valued at cost

Stock-in-process, valued at cost which includes cost of material, labour and manufacturing overheads.

Finished goods, valued at cost or estimated realizable value whichever is lower. Cost includes cost of material, labour, manufacturing overheads.

F) EXCISE DUTY, CUSTOM DUTY & CENVAT

Excise duty on finished goods and custom duty on raw material is accounted for on clearance of goods from the factory, port/warehouse of the custom and liability for duties is provided at the end of the year on finished goods stock in factory and raw material stock in custom bonded warehouse or under clearance.

Credit of excise duty, vat under cenvat scheme on goods purchased, is reduced from the cost of purchase.  
Credit of service tax under cenvat scheme on expenses is reduced from expenses.

G) RETIREMENT BENEFITS

Liabilities in respect of retirement benefits to employees are provided for as follows:

Defined Benefit Plans

Leave encashment:

Leave salary of employees are not certified by actuarial valuation as per AS 15 (revised).

Gratuity:

Gratuity benefits are charged to Profit & Loss Account on the basis of payments made to the trust as per actuarial valuation at the end of the year.

Defined Contribution Plans

Superannuation Fund:

Liability for superannuation fund not provided during the year.

Provident Fund and ESI:

Defined Contribution plans for provident fund, Family pension and superannuation benefits are recognized by contribution at specified rate.

H) SALES

Sales are accounted for net of returns, claims etc.

I) TAXATION

No provision on account of Income Tax has been made due to losses in the current year under Income Tax Act.

Deferred tax is recognized on the basis that there is a virtual certainty that in future sufficient taxable income will arise against which these deferred tax assets will set-off.

J) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted at the exchange rates prevalent on the date of transaction. Current assets and liabilities related to foreign currency transactions and remain unsettled at the end of the year are worked out at the exchange rate prevalent on the last day of the financial year. Exchange difference is charged to Profit & loss Account. Exchange difference relating to imported fixed assets is adjusted to the relevant fixed assets, wherever applicable..

K) CONTINGENT LIABILITIES

Contingent Liabilities are not recognized until the realizations of Liabilities are virtually certain.

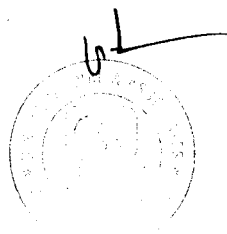


**SALORA INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR 2014-2015**

1 Share Capital:	Particulars	Amount in Rupees			
		As at end of current reporting period		As at end of previous reporting period	
		Number	Rupees	Number	Rupees
<b>Authorized:</b>					
5,000,000 Equity shares of Rs. 10 /- each	5,000,000	<u>50,000,000</u>		5,000,000	<u>50,000,000</u>
		<u>50,000,000</u>			<u>50,000,000</u>
<b>Issued, subscribed fully paid up:</b>					
At the beginning of the reporting period	4,320,000	43,200,000		4,320,000	43,200,000
Issued during the reporting period	-	-		-	-
Bought back during the reporting period	-	-		-	-
At the close of the reporting period	4,320,000	<u>43,200,000</u>		4,320,000	<u>43,200,000</u>

**Other Information:**

1 Equity shares include:		
a. Shares allotted pursuant to a contract without consideration being received in cash.	-	-
b. Shares allotted by way of bonus shares	-	-
c. Shares held by the holding company/ultimate holding company/subsidiaries or associates of the holding company/ultimate holding company, in aggregate	3,414,800	3,414,800
Equity shares bought back during the five years immediately preceding the date of the balance sheet	Nil	Nil
Particulars of equity share holders holding more than 5% of the total number of equity share capital:		
a Salora International Ltd.	79.05%	79.05%
b Jagdip Kaur	20.83%	20.83%

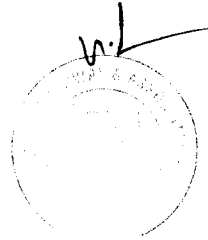


**SALORA INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**2 Reserves and Surplus:**

Particulars	Amount in Rupees							Surplus i.e. balance in Statement of Profit & Loss	Total
	Capital Reserve	Capital redemption reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	Share option outstan ding	Other reserves		
At the beginning of the reporting period	-	-	-	-	-	-	-	(9,162,061)	(9,162,061)
Transferred from/to Profit & Loss Account	-	-	-	-	-	-	-	(8,188,135)	(8,188,135)
Allocation towards allotment of bonus shares	-	-	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-	-	-	-
Provision towards dividend distribution tax	-	-	-	-	-	-	-	-	-
At the close of the reporting period	-	-	-	-	-	-	-	(17,350,196)	(17,350,196)
At the close of the previous reporting period	-	-	-	-	-	-	-	(9,162,061)	(9,162,061)

Debit balance in Profit and Loss Account shall be shown as a negative figure under the head ' Surplus'



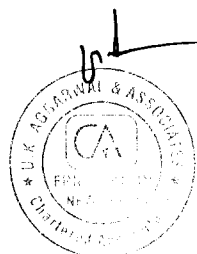
**SALORA INTERNATIONAL LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**3 Long term Borrowings**

Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
<b>1) Secured Loans:</b>	-	-
<b>2) Unsecured Loans:</b>		
a. Bonds & Debentures	-	-
b. Term Loans		
- from Banks	-	-
- from Others	-	-
c. Deferred Payment Liabilities	-	-
d. Deposits	-	-
e. Loans and advances from related parties (Unsecured)	17,000,000	42,000,000
f. Long term maturities of finance lease obligations	-	-
g. Other loans and advances	7,000,000	-
h. Trade payables	-	-
i. Others	-	-
	24,000,000	42,000,000
<b>3) Total long term borrowings (1+2)</b>	24,000,000	42,000,000

**Additional Information:**

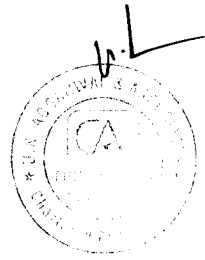
a. Details of security for unsecured loans	Nil	Nil
b. Loans have been guaranteed by directors or others	Nil	Nil
Bonds & Debentures		
Term Loans		
- from Banks		
- from Others		
Deferred Payment Liabilities		
Deposits		
Loans and advances from related parties	17,000,000	42,000,000
Long term maturities of finance lease obligations		
Other loans and advances	7,000,000	-
Unsecured Loans from related parties repayable on demand		



**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Note - 4

Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
<b>i) Deferred tax liability:</b>		
a) On account of depreciation on fixed assets	-	-
b) On account of timing differences in recognition of expenditure	-	-
Total	-	-
<b>ii) Deferred tax asset:</b>		
a) On account of timing differences in recognition of expenditure	98,606	-
b) On account disallowance under section 40 (ia)	-	-
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	12,227,832	10,160,814
	12,326,438	10,160,814
<b>Net Deferred tax (liability)/asset</b>	(12,326,438)	(10,160,814)



**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

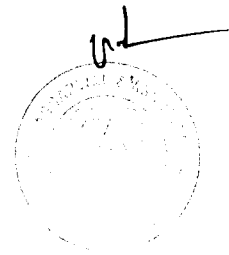
Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
<b>5 Trade Payables</b>		
i) To Micro, Small and Medium Enterprises	-	-
ii) Others	24,039,041	5,262,238
	<u>24,039,041</u>	<u>5,262,238</u>

Additional Information:

\* The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosure relating to amounts unpaid at the year end with interest paid/payable under this Act have not been given.

**6 Other current liabilities:**

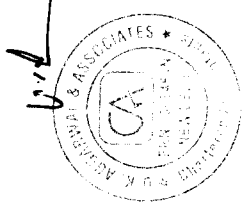
a) Interest accrued and due on borrowings	1,954,356	2,326,322
b) Statutory Liability	1,832,418	466,022
c) Other payables	1,316,705	3,803,948
	<u>5,103,479</u>	<u>6,596,292</u>



SALORA COMPONENTS LIMITED  
NOTES TO FINANCIAL STATEMENTS

Assets Chart as at 31st March 2015

Assets	Useful Life (in Years)	Shift	Gross Block					Accumulated Depreciation/ Amortisation					Net Block		
			Balance as at 1st April 2014	Additions during the year	Addition on account of business acquisition	Deletion during the year	Balance as at 31st March 2015	Balance as at 1st April 2014	Provided during the year	Addition on account of business acquisition	Deletion / adjustments during the year	Written off from retained earning	Impairment/Reversal	Balance as at 31st March 2015	Balance as at 31st March 2014
Intangible assets															
Assets															
Plant and fittings															
MECHANICAL FITTING	10	Single	505,338					505,338	175,434	116,154					329,904
FURNITURE	10	Single	126,538					126,538	39,269	19,823					87,269
Office equipment															
OFFICE EQUIPMENT	5	Single	85,279					85,279	36,093	44,922					49,186
AIR COOLER and Machinery	15	Single	47,700					47,700	4,751	3,118					42,949
TRUCK	15	Single	28,620	16,800				45,420	12,006	2,484					16,614
GENERATOR SET	15	Single	12,080					12,080	2,662	965					9,418
IT AND MACHINERY	15	Single	44,666,260					44,666,260	17,353,730	3,233,881					27,312,530
COMPUTER	3	Single	74,521					74,521	70,795	3,133					3,726
(A)			45,546,336	16,800				45,563,136	17,694,740	3,424,479					27,851,596





**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
<b>8 Long term loans and advances:</b>		
i) Capital advances	-	-
ii) Security Deposits	-	-
iii) Loans and advances to related parties	-	-
iv) Other loans & advances (specify nature)	5,389,422	5,389,422
	<u>5,389,422</u>	<u>5,389,422</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	5,389,422	5,389,422
iii) Doubtful	-	-
Total	<u>5,389,422</u>	<u>5,389,422</u>
Less:		
Provision for doubtful advances	<u>5,389,422</u>	<u>5,389,422</u>
2) a)		
a) Debts due by directors or other officers of the company		
b) Debts due by firm or private company in which any director is a partner or a director		
<b>9 Other non current assets</b>		
i) Long term trade receivables	-	-
ii) Others	14,137,795	13,821,844
	<u>14,137,795</u>	<u>13,821,844</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	14,137,795	13,821,844
iii) Doubtful	-	-
	<u>14,137,795</u>	<u>13,821,844</u>
2) a)		
a) Debts due by directors or other officers of the company	Nil	Nil



**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

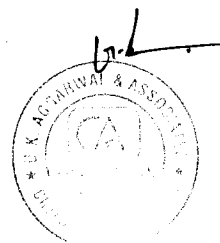
Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
<b>10 Inventories:</b>		
i) Components	5,725,675	8,773,337
ii) Work in progress	-	-
iii) Finished goods	342,364	342,364
Goods in transit:		
i) Components	5,711,555	-
	<u>11,779,594</u>	<u>9,115,701</u>
<b>11 Trade receivables:</b>		
i) Trade receivables exceeding six months	6,882,551	6,882,551
ii) others	75,676	11,112,243
	<u>6,958,227</u>	<u>17,994,794</u>
Less: Provision for doubtful debts	-	-
	<u>6,958,227</u>	<u>17,994,794</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	6,958,227	17,994,794
iii) Doubtful	-	-
	<u>6,958,227</u>	<u>17,994,794</u>
2) a) Debts due by directors or other officers of the company	Nil	Nil
According to the information and explanation given to us, the amount recoverable from JCT Electronics Ltd. of Rs 6,864,076/- is a doubtful debt, but no provision has been made on account of the same during the year.		
<b>12 Cash and cash equivalents:</b>		
i) Balances with banks		
- in other accounts	143,386	-
ii) Cash in hand	71,414	61,046
	<u>214,800</u>	<u>61,046</u>
<b>13 Short Term Loans &amp; Advances</b>		
i) Loans & Advances Recoverable	9,344	252,985
	<u>9,344</u>	<u>252,985</u>
<b>14 Other Current Assets</b>		
i) Others	3,626,998	3,248,266
	<u>3,626,998</u>	<u>3,248,266</u>



**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Amount in Rupees

Particulars	For the current reporting period	For the previous reporting period
<b>15 Revenue from operations:</b>		
<u>Sales</u>		
<u>Manufacturing</u>		
Deflection yoke	46,954,821	81,597,089
Misc. Sales	2,051,057	1,427,157
	49,005,878	83,024,246
Less: Excise duty	4,956,501	8,910,181
	44,049,377	74,114,065
<u>Trading</u>		
Mobile Phone (Trading)	-	201,443,951
Less: Trade Discount	-	17,953,423
Total Sale Net of Discount	-	183,490,529
Grand Total	44,049,377	257,604,594
<b>16 Other Income:</b>		
i) Liability no longer required back	2,074,899	4,101,410
ii) Misc. Balance W/o	8,628	85,878
	2,083,526	4,187,288
<b>17 Cost of materials consumed:</b>		
i) Consumption of raw materials		
Opening Stock	8,773,337	3,190,662
Add: Purchases	38,408,133	65,267,342
Total	47,181,470	68,458,004
Less: Closing Stock (Components)	6,068,039	8,773,337
Less: Closing Stock (Material in Transit)	5,711,555	-
<b>Sub Total</b>	35,401,876	59,684,667
ii) Consumption of stores and spare parts	15,696	27,549
	35,417,572	59,712,216
<b>18 Purchase of Stock in trade</b>		
i) Mobile phones	-	201,444,944
Less: Trade Discount	-	18,489,157
	-	182,955,787



**19 Changes in inventories of finished goods, work in progress and stock in trade:**

Stocks at the end of the year

i) Work in progress	-	-
Work in progress	-	-
Total	-	-
ii) Trading goods	-	-
Television	27,244	27,244
Total	27,244	27,244
iii) Finished goods	-	-
Deflection Yoke	315,120	315,120
Total	315,120	315,120
<b>TOTAL</b>	<b>342,364</b>	<b>342,364</b>

Less:

Stocks at the beginning of the year

i) Work in progress	-	-
Work in progress	-	-
Total	-	-
ii) Trading goods	-	-
Television	27,244	27,244
Total	27,244	27,244
iii) Finished goods	-	-
Deflection Yoke	315,120	33,600
Total	315,120	33,600
<b>TOTAL</b>	<b>342,364</b>	<b>60,844</b>
<b>Change in Inventories</b>	<b>-</b>	<b>281,520</b>

**20 Employee Benefit Expenses:**

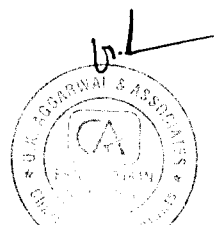
i) Salaries and wages	1,899,386	3,204,409
ii) Contribution to provident and other funds	87,469	87,096
iii) Out source wages	4,554,473	4,157,859
iv) Payment for Gratuity	220,891	10,000
v) Staff welfare expenses	171,966	184,755
	<u>6,934,185</u>	<u>7,644,119</u>

**21 Finance Costs:**

i) Interest expenses	3,388,933	4,294,971
ii) Bank Charges	309	890
iii) Interest on late payment of Taxes	193,527	1,663
	<u>3,582,769</u>	<u>4,297,524</u>

**22 Depreciation and amortization:**

i) Depreciation	<u>3,424,479</u>	<u>2,447,288</u>
	<u>3,424,479</u>	<u>2,447,288</u>



**23 Other expenses:**

i) Advertisement Expenses	1,950	-
ii) Power and fuel	1,274,576	1,457,028
iii) Rent	960,000	960,000
iv) Building & Factory Expenses	452,101	-
v) Rates and taxes	835,453	44,480
vi) Legal and professional charges	718,276	293,706
vii) Conveyance Expenses	115,112	444,548
viii) Miscellaneous expenses	2,387,984	1,051,080
ix) Payment to the auditors		
- as auditor	125,000	125,000
- for reimbursement of expenses	20,631	20,085
	<u>6,891,083</u>	<u>4,395,927</u>

**24 Additional Information:**

## a) Value of Imports calculated on CIF basis:

i) Raw Materials / components	-	44,146,392
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## b) Expenditure in foreign currency: (net of withholding tax)

i) Royalty	Nil	Nil
ii) Know how	Nil	Nil
iii) Professional and consultancy fees	Nil	Nil
iv) Interest	Nil	Nil
v) Other matters	Nil	Nil

## c) Details of non-resident shareholdings

i) Number of nonresident share holders	Nil	Nil
ii) Number of shares held by nonresident shareholders	Nil	Nil

## d) Earnings and expenditure in foreign currency:

Nil Nil

**25 Auditors Remuneration**

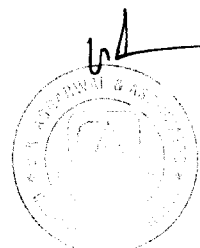
Payment to the auditors	125,000	125,000
- for reimbursement of expenses	20,631	20,085

**26 Directors Remuneration**

Nil Nil

**27 Exchange difference has been charged / (credited) to revenue accounts as follows:**

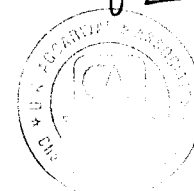
On Import of raw material & finished goods	Nil	Nil
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**28 As a result of change in calculating rate of depreciation under new companies act 2013, the depreciation charged for the year ended March 31, 2015 is higher by Rs. 973,689/-.**

**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE 29

(A) Particulars of Holding Company	1 Salora International Limited							
(B) Particulars of Group Company	1 Manori Proparties Pvt. Ltd.							
(C) Key person	1 Sh GK Jiwarajka							
(D) Other related parties in which key managerial personal or their relatives has significance influence:	1 Devi Electronics Private Limited							
Related Party Transaction	Rupees in Thousand							
Particulars	Holding Company		Group Company		Key person		Other Related Party	
	Cr Year	Pre Year	Cr Year	Pre Year	Cr Year	Pre Year	Cr Year	Pre Year
	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Purchase of goods	27,777	249,765	NIL	NIL	NIL	NIL	NIL	NIL
Loan Taken	NIL	NIL	NIL	17,000	NIL	25,000	NIL	NIL
Loan Repaid	NIL	NIL	17,000	14,105	8,000	NIL	NIL	NIL
Interest Paid	NIL	NIL	1,063	1,720	2,303	500	NIL	NIL
Expenses Paid by SIL	6,564	460	NIL	NIL	NIL	NIL	NIL	NIL
Expenses Recoverd by SIL	NIL	460	NIL	NIL	NIL	NIL	NIL	NIL
Third Party Transaction		11,996 Cr 1,978 Dr	NIL	NIL	NIL	NIL	NIL	NIL
Advance Received and Repaid		NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sale	48,996	58,587	NIL	NIL	NIL	NIL	NIL	NIL
Rent	NIL	NIL	NIL	NIL	NIL	NIL	960	960
Outstanding balance at the end of the year								
Loan Payable	NIL	NIL	NIL	17,000	17,000	25,000	NIL	NIL
Trade/other Payable	20,937	9,910	NIL	NIL	NIL	NIL	NIL	NIL
Rent Payable	NIL	NIL	NIL	NIL	NIL	NIL	NIL	432
Interest Payable	NIL	1,590	NIL	287	1,954	450	NIL	NIL



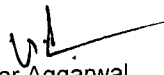
**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

	Rs in	
Particulars	For the current reporting period	For the previous reporting period
<b>30 Earnings per share:</b>		
In accordance with AS-20 "Earning pre share" notified u/s 133 of the Companies Act 2013, read with rule 7 of Companies (Accounts) Rules, 2014.		
After extraordinary item:		
Profit(Loss) for the year after tax expense	(8,188,136)	325,779
	(8,188,136)	325,779
Weighted average number of equity shares	-	-
Earning per share		
Before extraordinary item:		
Profit / (Loss) for the year after tax expense	(8,188,136)	325,779
Adjustment for	-	-
Extraordinary item (net of tax)	(8,188,136)	325,779
Weighted average number of equity shares	4,320,000	4,320,000
Earning per share	(1.90)	0.08

**31** Previous year's figures have been rearranged and re-grouped wherever found necessary to make comparable with those of the current year and the figures have been rounded off to the nearest rupee.

Signed in terms of our report of even date attached

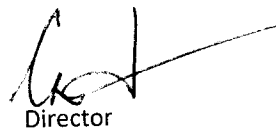
For U.K. Aggarwal & Associates  
Chartered Accountants  
Firm number: 009464N

  
Umesh Kumar Aggarwal  
Proprietor  
Membership No. 082011  
Place: New Delhi  
Date: 29th May 2015



For and on behalf of the Board

  
Director

  
Director

**SALORA COMPONENTS LIMITED**  
**SUB SCHEDULE (2014-2015)**

**NOTE-4**

**CALCULATION OF DEFERRED TAX ASSETS**

**DISALLOWANCE**

UNABSORBED DEPRECIATION	24,734,068	30.90%	7,642,827
BUSINESS LOSS	<u>14,838,204</u>	30.90%	<u>4,585,005</u>
	39,572,272		12,227,832

GRATUITY	308,151		
LEAVE ENCASHMENT	<u>10,961</u>		
TIMING DIFFERENCES	319,112	30.90%	98,606

**12,326,438**

LESS: DTA RECOGNISED EARLIER			<u>10,160,814</u>
TRANSFER TO PROFIT & LOSS ACCOUNT			<u><b>2,165,624</b></u>

**NOTE-5**

**TRADE PAYABLE**

	2014-2015	2013-2014
--	-----------	-----------

**CREDITORS OF INDIGINIOUS MATERIAL**

Bombay Plastic	85,296
Metafix Industries	225,332
Salora International Ltd. HO Delhi	1,462,776
Salora International Ltd.	25,612,787
Salora International Ltd.-A'Bad	(11,792,816)
Khanna Traders & Engineers	397,120
Precision Engineers	622,800
Cleartronics	25,018
Bahubali Fiting & Solution Products	34,600
Elite Enterprises	25,602
Saptarang Packagers	330,752
Shivam engineering	2,350
Shri Hari Traders	21,847
Victor Component Systems Pvt. Ltd.	423,617

**OTHERS**

Super Courier Service	764
Astha Heat Tech	78,456
Parshwa Stationers & General Store.	5,361
Roto Care Engineers	1,365
Salora International Ltd. OA Division	4,944,095
Salora International Ltd. - coimbatore (Mobile)	710,587
Saptarang Print Pack	5,906
Shri Durga Engineering Works	3,500
Noida Electronics	8,091

**PROFESSIONAL**

Harish H Trivedi	54,003
Mehta Sheth & Associates	29,781
U.K. Aggarwal & Associates	126,405
Vishal Multilabels	13,175
N N Trivedi	27,000
D verma & Associates	8,427
UL India Pvt. Led.	74,291



**CONTRACTOR**

Godara Roadways Pvt. Ltd.	15,100
Betanmet Consultancy Pvt. Ltd.	6,083
M Plast Industries	244,297
Meet Roadlines	13,000
Guru Krupa Logistics	15,860
Creative Enterprise	3,861
Cosmos Detectives & Security Services (Regd)	601,942
Sai Dutta clearing Agency Pvt. Ltd.	57,031
Sunder Balan	(519,623)
Om Freight Forwarder Pvt. Ltd.	37,243
Om Logistics Ltd	(4,040)

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24,039,041

**NOTE-6****a) INTEREST ACCRUED AND DUE ON BORROWINGS**

Manori Properties	-
G.K. Jiwarajka	1,954,356
	<hr/> 1,954,356 <hr/>

**b) STATUTORY LIABILITY**

Property Tax Payable	1,137,448	-
ESI Payable	2,865	-
PF Payable	14,292	-
TDS on Contractor	7,793	18,662
TDS on Interest	324,707	81,863
TDS on Professional	23,045	44,903
TDS on Rent	88,000	48,000
CST Payable	46,619	(188,407)
CST Demand Payable	187,649	47,554
Service Tax Reverse charge payable		413,447
	<hr/> 1,832,418 <hr/>	<hr/> 466,022 <hr/>

**c) OTHER LIABILITY**

Ashok Sharma	13,653
Gratuity Payable	308,151
Interest Payable - Abhinav Leasing	4,882
Interest Payable	6,510
Medical reimbursement payable	11,250
LTA Reimbursement Payable	22,500
Electricity Factory payable	136,530
Conveyance Expenses Payable	28,600
Professional Charges Payable	960
Telephone Expenses Payable	2,450
Salary Payable	83,384
Office Expenses payable	6,395
Bonus Payable-2014-2015	37,804
Provision for Leave Payable	10,961
Unpaid Incentive	153,319
Bank Balance in CurrentAccount	489,356
	<hr/> 1,316,705 <hr/>

GRAND TOTAL

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5,103,479

**NOTE-8****OTHER NON CURRENT ASSETS**PLA DEPOSIT

PLA (Add. Duty / Misc on Cus-Excise)	1,802
PLA (Basic Excise Duty)	1,669
PLA (Custom Duty)	88
PLA (Education Cess)	18
PLA (H. Education Cess on Custom & Excise Duty)	12,568
PLA (H. Education Cess on Excise)	6,704
PLA (Special Add. Duty)	164

RG 23A PART-II

RG 23A PART-II (Basic Custom Duty)	3,489,775
RG 23A PART-II (Ed. Cess)	28,052
RG 23A PART-II (Other Duty)	3,827,076
Excise Duty 12.5%	131,862

RG 23C PART-II

RG 23C PART-II	30,934
RG 23C PART-II (Edu. Cess)	967
RG 23C PART-II (Other)	2,677,197

<b>Total</b>	10,208,876	10,208,876
--------------	------------	------------

Service Tax to be claimed after payment a/c	304,954
Service Tax (Cenvat) Cr. Receivable	3,375,794
TDS on FDR (A.Y. 2007-2008)	25,589
TDS on FDR (A.Y. 2008-2009)	3,731
Salora Components P Ltd. Employees group gratuity Fund	448
VAT 15% Credit Receivable (Input A/c)	2,345
VAT 12.5% Credit Receivable (Input A/c)	10,804
VAT 4% Credit Receivable (Input A/c)	2,299
Vat Additional Tax @ 2.5% (Onput)	2,794
Vat Add Tax 1% (Input)	11,754
VAT Account (891246.13 - 702839.13)	188,407
	14,137,795

**LONG TERM LOANS AND ADVANCES**

Custom Duty Deposit Under protest Import Machinery	3,950,493		3,950,493
Custom Duty Deposit Under Protest Import Material	325,995	4,276,488	325,995
Security Deposit	49,700	49,700	49,700
Coimbatore VAT (Debit Balance)	891,246		891,246
CST 2013-14 At Border for VIL	9,143		9,143
CST Appeal 2009-2010	162,845	1,063,234	162,845
		5,389,422	5,389,422

**NOTE-11**  
**TRADE RECEIVABLES**

	OTHERS	MORE THAN 6 MONTHS
Concept Motors India Pvt Ltd.	75,676	
JCT Electronics Ltd.	-	6,864,076
Samtel Color Ltd.	-	18,475
	<u>75,676</u>	<u>6,882,551</u>
GRAND TOTAL	<u><u>6,958,227</u></u>	

**NOTE-13**  
**SHORT TERM LOANS & ADVANCES RECOVERABLE**

Advance against Salary	20,000	6,000
Imprest Account		
Mr. N.N. Trivedi	(10,656)	37,544
Mr. Ashok sharma	-	130,331
Mr. Laxmi Narayan	-	31,110
Mr. Manish Prasad	-	48,000
	<u>9,344</u>	<u>252,985</u>

**NOTE-14**  
**OTHER CURRENT ASSETS**

Excise Refundable on export through SIL	3,626,998	3,202,982
Prepaid Account	-	45,284
	<u>3,626,998</u>	<u>3,248,266</u>

**NOTE-16**  
**LIABILITY NO LONGER REQUIRED (Written Back)**

Riverstone (HK) Ltd.	1,755,139
Shinsei Trading Co. Ltd.	319,760
	<u><u>2,074,899</u></u>

**NOTE-17****MATERIAL CONSUMED & PURCHASES****DEFLECTION YOKE**

Opening Stock		8,773,337	3,190,662
Add: Purchases			
<u>Components for Deflection Yoke</u>		38,408,133	65,267,342
Job Work Purchase	782,709		
C&F Charges (Import material)	459,821		
CST 1% (Input A/c)	10,653		
CST 2% (Input A/c)	148,834		
Freight inward	249,326		
Custom Dduty	2,495		
Freight Outward	40,860		
Detention Charges	12,450		
Purchase (Imported materials)	21,991,600		
Purchase of Raw Materials in Ind.	8,997,830		
Material in Transit	5,711,555		
Less : Closing Stock			
Components	6,068,039	11,779,594	8,773,337
Material in Transit	5,711,555		
Material Consumed		<u>35,401,876</u>	<u>59,684,667</u>

**NOTE-23****MISCELLANEOUS EXPENSES**

Repairs to machinery	46,780
Insurance	4,935
Postage & Telegram	26,028
Printing & Stationery	33,876
Telephone Expenses	35,691
Water Charges	38,228
Computer Software Maintenance	9,612
Miscellaneous Expenses	3,714
Filling & licencing fees	112
Loding Unloding Charges	39,246
Lodging and Boarding Exp	4,600
CST Demand	112,805
Office Expenses	130,116
Factory Office Maintenance	213,137
Foreign Travelling Expenses	92,065
inland Travelling Expenses	41,024
Prior Period Expenses	1,501,995
Penalty	5,000
Other Exps	13,637
Diwali Expenses	6,301
Watch & Ward Expenses	29,083
	<u>2,387,984</u>