



# 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 (Standalone) financial statements of SALORA COMPONENTS LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### 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 there under.

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 2016 and its profit for the period ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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 paragraphs 3 and 4 of the Order.

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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d. in our opinion, the aforesaid (Standalone) 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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. 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 derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
Umesh Kumar Aggarwal  
Proprietor  
Membership No. 82011



Place: New Delhi  
Date: 27<sup>th</sup> May, 2016

## "Annexure A" to the Independent Auditors' Report

Annexure referred to our Independent Auditors' Report of even date to the financial statements of the Company for the year ended March 31, 2016:

### 1) In respect of Fixed assets

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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.

(c) The title deeds of immovable properties are held in the name of the company.

### 2) In respect of its inventory:

(a) The management has conducted the physical verification of inventory at reasonable intervals.

b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.

b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.



8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act; therefore this provision is not applicable to the company and hence not commented upon.

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.


13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

  
Umesh Kumar Aggarwal  
Proprietor  
Membership No. 82011



Place: New Delhi  
Date: 27<sup>th</sup> May, 2016

**“Annexure B” to the Independent Auditors’ Report of even date on the standalone financial statements of Salora Components Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) for the year ending 31<sup>st</sup> March, 2016**

We have audited the internal financial controls over financial reporting of **Salora Components Limited** (“the Company”) as of March 31, 2016 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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) 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 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting



principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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".

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

  
**Umesh Kumar Aggarwal**  
**Proprietor**  
**Membership No. 82011**



**Place: New Delhi**  
**Date: 27<sup>th</sup> May, 2016**

**SALORA COMPONENTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

Rs in thousands

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit/(Loss) before tax	1,512.00	(10,460.00)
Adjustment for		
Depreciation	3,364.00	3,424.00
Interest	2,740.00	3,389.00
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>7,616.00</b>	<b>(3,647.00)</b>
Adjustment for		
Inventories	5,738.00	(2,664.00)
Trade and other receivables	18.00	11,037.00
Other Current Assets	(12.00)	(695.00)
Trade Payables	(12,418.00)	18,777.00
Other Current Liabilities	1,841.00	(1,493.00)
<b>Cash Generated from Operating Activities</b>	<b>2,783.00</b>	<b>21,315.00</b>
Adjustment for :		
Direct taxes (paid) / Refund Received	-	-
<b>Net cash from Operating Activities</b>	<b>2,783.00</b>	<b>21,315.00</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	-	(17.00)
Sale / adjustment of fixed assets	-	-
Sale of Investment in shares	-	-
<b>Net cash from / ( used in ) Investing Activities</b>	<b>-</b>	<b>(17.00)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayments) of Secured term Loans (Net)	-	-
Proceeds/ (Repayments) of Working Capital Loan (Net)	-	-
Interest Paid	(2,740.00)	(3,389.00)
Loan Received (Unsecured)	-	7,000.00
Loan Repaid (Unsecured)	-	(25,000.00)
Short Term Loans and Advances	1.00	244.00
Margin Money	-	-
Interest received	-	-
Dividend paid	-	-
<b>Net cash from/(used in) Financing Activities</b>	<b>(2,739.00)</b>	<b>(21,145.00)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents :</b>	<b>44.00</b>	<b>154.00</b>
Cash and cash equivalents at beginning of the year	215.00	61.00
Cash and cash equivalents at end of the year	<b>259.00</b>	<b>215.00</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


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: 27th May, 2016



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

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



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

**NOTE 24**  
**RELATED PARTY TRANSACTIONS**

(A) Particulars of Holding Company	Salora International Limited							
(B) Particulars of Group Company	Manori Proparties Pvt. Ltd.							
(C) Key person	Sh GK Jiwarajka							
(D) Other related parties in which key managerial personal or their relatives has significance influence:	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
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Purchase of goods	35,792	27,777	NIL	NIL	NIL	NIL	NIL	NIL
Loan Taken	NIL	NIL	NIL	NIL	NIL	17,000	NIL	NIL
Loan Repaid	NIL	NIL	NIL	17,000	NIL	8,000	NIL	NIL
Interest Paid	NIL	NIL	NIL	1,063	2,040	2,303	NIL	NIL
Expenses Paid by SIL	8,596	6,564	NIL	NIL	NIL	NIL	NIL	NIL
Expenses Recoverd by SIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Third Party Transaction			NIL	NIL	NIL	NIL	NIL	NIL
Advance Received and Repaid			NIL	NIL	NIL	NIL	NIL	NIL
Sale	74,006	48,996	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	NIL	17,000	17,000	NIL	NIL
Trade/other Payable	8,805	20,937	NIL	NIL	NIL	NIL	NIL	NIL
Rent Payable	NIL	NIL	NIL	NIL	NIL	NIL	864	864
Interest Payable	NIL	NIL	NIL	NIL	2,413	1,954	NIL	NIL



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

Rs in

Particulars	For the current reporting period	For the previous reporting period
<b>25 Earnings per share:</b>		
<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, 2015.</b>		
After extraordinary item:		
Profit(Loss) for the year after tax expense	1,085,471	(8,188,136)*
	<u>1,085,471</u>	<u>(8,188,136)</u>
Weighted average number of equity shares	-	-
Earning per share		
Before extraordinary item:		
Profit / (Loss) for the year after tax expense	1,085,471	(8,188,136)
Adjustment for Extraordinary item (net of tax)	-	-
	<u>1,085,471</u>	<u>(8,188,136)</u>
Weighted average number of equity shares	4,320,000	4,320,000
Earning per share	0.25	(1.90)

26 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

For and on behalf of the Board

  
Umesh Kumar Aggarwal  
Proprietor  
Membership No. 082011  
Place: New Delhi  
Date: 27th May, 2016



  
Director

  
Director

**SALORA COMPONENTS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

Amount in Rupees

Particulars	Note No.	As at end of current reporting period		As at end of previous reporting period	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' Funds					
(a) Share Capital	1	43,200,000		43,200,000	
(b) Reserves and Surplus	2	(16,264,725)		(17,350,196)	
			26,935,275		25,849,804
(2) Share application money pending allotment					
(3) Non-current liabilities					
(a) Long term borrowings	3	24,000,000		24,000,000	
(b) Deferred tax liabilities (Net)	4	-		-	
(c) Other long term liabilities		-		-	
(d) Long term provisions		-		-	
			24,000,000		24,000,000
(4) Current Liabilities					
(a) Short term borrowings		-		-	
(b) Trade payables	5	11,621,478		24,039,041	
(c) Other current liabilities	6	6,944,695		5,103,479	
(d) Short term provisions		-		-	
			18,566,173		29,142,520
<b>TOTAL</b>			<b>69,501,449</b>		<b>78,992,324</b>

**II. ASSETS**

(1) Non-current assets					
(a) Fixed Assets					
(i) Tangible assets	7	21,079,836		24,443,917	
(ii) Intangible assets		-		-	
(b) Non-current investments		-		-	
(c) Deferred tax assets (Net)	4	12,005,867		12,432,228	
(d) Long term loans and advances	8	5,389,422		5,389,422	
			38,475,125		42,265,567
(2) Current Assets					
(a) Current Investments		-		-	
(b) Inventories	9	6,042,042		11,779,594	
(c) Trade receivables	10	6,939,751		6,958,227	
(d) Cash and cash equivalents	11	259,123		214,800	
(e) Short term loans and advances	12	17,785,407		17,774,137	
(f) Other current assets		-		-	
			31,026,323		36,726,755
<b>TOTAL</b>			<b>69,501,449</b>		<b>78,992,324</b>

Significant Accounting Policies

Notes on Financial Statements

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Notes annexed hereto form an integral part of the Balance Sheet

Given in terms of our report of even date attached

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

Umesh Kumar Aggarwal  
Proprietor  
Membership No. 082011  
Place: New Delhi  
Date: 27th May, 2016



For and on behalf of the Board

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

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

**SALORA COMPONENTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

Amount in Rupees

Particulars	Note No.	Current reporting period		Previous reporting period	
		Rs.	Rs.	Rs.	Rs.
		I Revenue from Operations	13		64,851,626
II Other Income	14		8,960,979		2,083,526
III Total revenue (I + II)			<u>73,812,605</u>		<u>46,132,903</u>
IV Expenses					
Cost of materials consumed	15		51,932,711		35,759,936
Changes in inventories of finished goods, work in progress and stock in trade	16		65,884		
Employee benefits expense	17		9,094,511		6,934,185
Finance cost	18		2,741,444		3,582,769
Depreciation and amortization expense	19		3,364,080		3,424,479
Other expenses	20		5,102,142		6,891,083
<b>Total Expenses</b>			<u>72,300,773</u>		<u>56,592,453</u>
IX Profit (loss) before tax			1,511,832		(10,459,549)
X Tax expense:					
(1) Current tax					
(2) Deferred tax		(426,361)		2,271,414	
			(426,361)		2,271,414
XI Profit/(Loss) for the period from continuing operations			<u>1,085,471</u>		<u>(8,188,136)</u>
XII Earning per equity share:					
(1) Basic			0.25		(1.90)
(2) Diluted			0.25		(1.90)

Significant Accounting Policies

Notes on Financial Statements

21 - 26

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

Umesh Kumar Aggarwal  
Proprietor  
Membership No. 082011  
Place: New Delhi  
Date: 27th May, 2016



For and on behalf of the Board

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

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

**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR 2015-2016**

**1 Share Capital:**

Amount in Rupees

Particulars	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	50,000,000	5,000,000	50,000,000
		<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
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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 COMPONENTS LIMITED  
NOTES TO FINANCIAL STATEMENTS

2 Reserves and Surplus:

Particulars	Capital Reserve	Capital redemption reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	Share option outstanding	Other reserves	Amount in Rupees	
								Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period	-	-	-	-	-	-	-	(17,350,196)	(17,350,196)
Transferred from/to Profit & Loss Account	-	-	-	-	-	-	-	1,085,471	1,085,471
Allocation towards allotment of bonus shares	-	-	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-	-	-	-
Provision towards dividend distribution tax	-	-	-	-	-	-	-	-	-
At the close of the reporting period	-	-	-	-	-	-	-	(16,264,725)	(16,264,725)
At the close of the previous reporting period	-	-	-	-	-	-	-	(17,350,196)	(17,350,196)

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

*ud*



SALORA COMPONENTS 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
1) Secured Loans:	-	-
2) Unsecured Loans:		
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	17,000,000
f. Long term maturities of finance lease obligations	-	-
g. Other loans and advances	7,000,000	7,000,000
h. Trade payables	-	-
i. Others	-	-
	24,000,000	24,000,000
3) Total long term borrowings (1+2)	24,000,000	24,000,000

**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	17,000,000
Long term maturities of finance lease obligations		
Other loans and advances	7,000,000	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	<u>-</u>	<u>-</u>
<b>ii) Deferred tax asset:</b>		
a) On account of timing differences in recognition of expenditure	108,567	98,606
b) On account disallowance under section 40 (ia)	-	-
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	11,897,300	12,333,623
	<u>12,005,867</u>	<u>12,432,228</u>
<b>Net Deferred tax (liability)/asset</b>	<b>(12,005,867)</b>	<b>(12,432,228)</b>





**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	11,621,478	24,039,041
	<u>11,621,478</u>	<u>24,039,041</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	2,413,356	1,954,356
b) Statutory Liability	1,613,467	1,832,418
c) Other payables	2,917,872	1,316,705
	<u>6,944,695</u>	<u>5,103,479</u>



ASSETS	GROUP	OWNED/LEASED	USEFUL LIFE (IN YEARS)	SHIFT	GROSS BLOCK			ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK							
					BALANCE AS AT 1ST APRIL 2018	ADDITIONS DURING THE YEAR	DELETION DURING THE YEAR	BALANCE AS AT 31ST MARCH 2018	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION	DELETION ON ACCOUNT OF BUSINESS ACQUISITION	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION	DELETION ON ACCOUNT OF BUSINESS ACQUISITION	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION	ADDITION ON ACCOUNT OF BUSINESS ACQUISITION
FACTORY FITTING					500,538.00	-	-	500,538.00	291,588.75	-	-	291,588.75	-	-	-	-	-	-	208,949.25	208,949.25
FURNITURE					126,838.00	-	-	126,838.00	56,081.08	-	-	56,081.08	-	-	-	-	-	-	70,756.92	70,756.92
OFFICE EQUIPMENT					85,278.00	-	-	85,278.00	81,015.05	-	-	81,015.05	-	-	-	-	-	-	4,262.95	4,262.95
WATER-COOLER					47,700.00	-	-	47,700.00	7,888.55	-	-	7,888.55	-	-	-	-	-	-	39,811.45	39,811.45
WATER PUMPSET					45,420.00	-	-	45,420.00	14,489.69	-	-	14,489.69	-	-	-	-	-	-	30,930.31	30,930.31
COMPUTER					12,080.00	-	-	12,080.00	3,627.05	-	-	3,627.05	-	-	-	-	-	-	8,452.95	8,452.95
PLANT AND MACHINERY					74,521.00	-	-	74,521.00	73,927.50	-	-	73,927.50	-	-	-	-	-	-	593.50	593.50
TOTAL					44,065,356.00	-	-	44,065,356.00	20,587,811.00	-	-	20,587,811.00	-	-	-	-	-	-	23,477,545.00	23,477,545.00
PREVIOUS YEAR					45,583,356.00	16,900.00	-	45,600,256.00	21,119,219.52	-	-	21,119,219.52	-	-	-	-	-	-	24,483,036.48	24,483,036.48
					45,546,356.00	16,900.00	-	45,563,256.00	17,694,740.00	-	-	17,694,740.00	-	-	-	-	-	-	27,868,516.00	27,868,516.00



**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>



**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>9 Inventories:</b>		
i) Components	5,507,974	5,725,675
ii) Work in progress	-	-
iii) Finished goods	276,480	342,364
Goods in transit:		
i) Components	257,588	5,711,555
	<u>6,042,042</u>	<u>11,779,594</u>
<b>10 Trade receivables:</b>		
i) Trade receivables exceeding six months	6,939,751	6,882,551
ii) others	-	75,676
	<u>6,939,751</u>	<u>6,958,227</u>
Less: Provision for doubtful debts	-	-
	<u>6,939,751</u>	<u>6,958,227</u>
<b>Additional information:</b>		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	6,939,751	6,958,227
iii) Doubtful	-	-
	<u>6,939,751</u>	<u>6,958,227</u>
2) a) Debts due by directors or other officers of the company	Nil	Nil
<b>11 Cash and cash equivalents:</b>		
i) Balances with banks		
- in other accounts	143,272	143,386
ii) Cash in hand	115,851	71,414
	<u>259,123</u>	<u>214,800</u>
<b>12 Short Term Loans &amp; Advances</b>		
i) Loans & Advances Recoverable	8,000	9,344
ii) Balance With Government Authorities	17,777,407	17,764,793
	<u>17,785,407</u>	<u>17,774,137</u>



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

Particulars	Amount in Rupees	
	For the current reporting period	For the previous reporting period
<b>13 Revenue from operations:</b>		
<u>Sales</u>		
<u>Manufacturing</u>		
Deflection yoke	79,436,880	46,954,821
Misc. Sales	3,450,059	2,051,057
	<u>82,886,939</u>	<u>49,005,878</u>
Less: Excise duty	9,208,993	4,956,501
Less: Rate Difference	8,826,320	-
Grand Total	<u>64,851,626</u>	<u>44,049,377</u>
<b>14 Other Income:</b>		
i) Liability no longer required back		2,074,899
ii) Misc. Balance W/o	134,659	8,628
iii) Excise Recoverable	8,826,320	-
	<u>8,960,979</u>	<u>2,083,526</u>
<b>15 Cost of materials consumed:</b>		
i) Consumption of raw materials		
Opening Stock	5,725,675	8,773,337
Add: Purchases	51,972,598	38,408,133
Total	57,698,273	47,181,470
Less: Closing Stock (Components)	5,507,974	5,725,675
Less: Closing Stock (Material in Transit)	257,588	5,711,555
Sub Total	51,932,711	35,744,240
ii) Consumption of stores and spare parts		15,696
	<u>51,932,711</u>	<u>35,759,936</u>



16 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
Total		27,244
iii) Finished goods		
Deflection Yoke	276,480	315,120
Total	276,480	315,120
TOTAL	276,480	342,364
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	315,120
Total	315,120	315,120
TOTAL	342,364	342,364
Change in inventories	(65,884)	

17 Employee Benefit Expenses:

i) Salaries and wages	1,912,452	1,899,386
ii) Contribution to provident and other funds	107,805	87,469
iii) Out source wages	6,928,055	4,554,473
iv) Payment for Gratuity	1,360	220,891
v) Staff welfare expenses	144,839	171,966
	9,094,511	6,934,185

18 Finance Costs:

i) Interest expenses	2,740,000	3,388,933
ii) Bank Charges	1,254	309
iii) Interest on late payment of Taxes	190	193,527
	2,741,444	3,582,769

19 Depreciation and amortization:

i) Depreciation	3,364,080	3,424,479
	3,364,080	3,424,479



20 Other expenses:

i) Advertisement Expenses		1,950
ii) Power and fuel	1,286,230	1,274,576
iii) Rent	960,000	960,000
iv) Building & Factory Expenses	239,456	452,101
v) Rates and taxes	935,564	835,453
vi) Legal and professional charges	442,852	718,276
vii) Conveyance Expenses	388,748	115,112
viii) Miscellaneous expenses	710,436	2,387,984
ix) Payment to the auditors		
- as auditor	125,000	125,000
- for reimbursement of expenses	13,856	20,631
	5,102,142	6,891,083

21 Additional Information:

a) Value of Imports calculated on CIF basis:

i) Raw Materials / components	Nil	Nil
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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) Earnings and expenditure in foreign currency: (Travelling)	39,460	Nil
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22 Auditors Remuneration

Payment to the auditors	125,000	125,000
- for reimbursement of expenses	13,856	20,631

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

On Import of raw material & finished goods	Nil	Nil
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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 2015, 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 carried forward losses.

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) CONTINGENT LIABILITIES

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

