

# 46<sup>TH</sup> ANNUAL REPORT 2014-15



## BOARD OF DIRECTORS

GOPAL SITARAM JIWARAJKA –Chairman & Managing Director

GAUTAM KHAITAN – Director

PREM NATH MEHTA – Director

SANJEEV KAUL DUGGAL – Director

PATANJALI GOVIND KESWANI – Director

TARUN JIWARAJKA – Whole Time Director

SUSHMITA SHEKHAR – Additional Director

## CHIEF FINANCE OFFICER

AMIT KUMAR GOEL

## AUDITORS

K. PRASAD & COMPANY, CHARTERED ACCOUNTANTS

## BANKERS

STATE BANK OF INDIA

CANARA BANK

HDFC BANK LTD.

## REGISTERED & CORPORATE OFFICE

SALORA INTERNATIONAL LTD.

D – 13/4, OKHLA INDUSTRIAL AREA, PHASE-II,

NEW DELHI – 110 020.

CIN L74899DL1968PLC004962

sect@salora.com

## MANUFACTURING PLANTS

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

## REGISTRAR & SHARE TRANSFER AGENTS

SKYLINE FINANCIAL SERVICES PVT. LTD.

D-153-A, 1<sup>st</sup> FLOOR, OKHLA INDUSTRIAL AREA,

PHASE -I, NEW DELHI-110020

Tel. No. 011-64732681-82

Fax No. : 011-26812682

Email: admin@skylinerta.com

<b>CONTENTS</b>	<b>Page</b>
AGM Notice	2
Directors' Report	12
Corporate Governance Report	33
Management's Discussion & Analysis	48
<b>Company's Standalone Financial Statement</b>	
Report of the Auditors	51
Balance Sheet	54
Statement of Profit & Loss	55
Notes to Financial Statements	56
Cash Flow Statement	72
<b>Consolidated Financial Statement</b>	
Report of the Auditors	73
Balance Sheet	76
Statement of Profit & Loss	77
Notes to Financial Statements	78
Cash Flow Statement	91
<b>Proxy &amp; Attendance Slip</b>	

## ANNUAL GENERAL MEETING

**Day** : Friday

**Date** : 18<sup>th</sup> September, 2015

**Time** : 11.00 am

**Venue** : Lok Kala Manch, 20, Lodhi Institutional Area,  
Lodhi Road, New Delhi -110 003

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

Visit us at [www.salora.com](http://www.salora.com)

## NOTICE

NOTICE is hereby given that the 46th Annual General Meeting of the Members of Salora International Limited will be held on Friday, the 18th day of September, 2015 at 11.00 A.M. at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi -110 003 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt Balance Sheet of the Company as at 31st March, 2015 and Statement of Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors' thereon.
2. To appoint a director in place of Shri Prem Nath Mehta (holding DIN 00277303), who retires by rotation and being eligible offers himself for re-appointment.
3. To ratify the appointment of M/s. K. Prasad & Company, Chartered Accountants (ICAI Registration No. FRN002755N) to hold office of the Auditors of the Company.

### SPECIAL BUSINESS

4. 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 sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder, read with schedule IV of the Act, as amended from time to time, Smt. Sushmita Shekhar (DIN 02284266), a non-executive additional director of the Company, who has submitted a declaration that meets the criteria for independence of as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period 5 (five) years with effect from 18th September, 2015 up to 17th September, 2020."

5. 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 ending March 31, 2016, be paid remuneration of Rs.40,000/- per annum plus applicable service tax and out of pocket expenses that may be incurred ;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

6. 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 thereunder, read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Articles of Association of the Company and subject to the such approvals as may be necessary and further subject to the approval of shareholders and subject to the approval of the Central Government, if necessary, Shri Tarun Jiwarajka (DIN 00386240) be and is hereby re-appointed as Whole Time Director of the Company for a period of 5 (Five) years w.e.f. 10.11.2014 whose period of office shall be liable for determination by retirement of directors by rotation as per the provisions of Section 152 of Companies Act, 2013 on the following terms of remuneration:

<b>Name of Director</b>	<b>Amount of monthly remuneration</b>
Shri Tarun Jiwarajka	Rs.2,00,000/-

RESOLVED FURTHER THAT pursuant to Section II of Part II of Schedule V and other applicable provisions, if any of the Companies Act, 2013, (including any amendment and modification thereof) and subject to such approvals as may be necessary, in the event of there being loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Whole Time Director shall be the minimum remuneration payable unless revised further."

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

"RESOLVED THAT pursuant to Section 180 (1)(c) and other applicable provisions of the Companies Act, 2013 and pursuant to Articles of Association of the Company, Consent of the shareholders be and is here by given to the Board of Directors to borrow from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board (or any authorized committee thereof) may think fit which together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) at any time may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so

borrowed by the Board (or any authorized committee thereof) shall not at any time exceed the limit of Rs.125.00 crores (Rupees One Hundred Twenty Five Crores);

RESOLVED FURTHER THAT in connection with the above, the Board / Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

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

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and pursuant to Articles of Association of the company, consent of the shareholders be and is hereby given to authorise Board of Directors of the Company to create such mortgage and / or charges and / or hypothecations by way of first charge and / or second charge / subservient charge and / or pari-passu, in addition to the mortgages / charges / hypothecations created or to be created by the Company in such form and manner and with such ranking in consortium with the lender(s) and on such terms and conditions as the Board of Directors (or any authorized committee thereof) may deem fit, on all or any of the movable and / or immovable properties of the Company wheresoever situated both present and future to or in favour of all or any of the financial institutions / banks / any other investing agency / lender(s) / trustees for debentures / bonds / other instruments which may be issued to and subscribed by all or any of the financial institutions / banks / any other investing agency or any other person(s) / bodies corporate to secure rupee / foreign currency loans / debenture / bonds / other instruments and Banks for their credit facility sanctioned or to be sanctioned from time to time to the Company together with interest, commitment charges, liquidated charges, costs, charges, expenses and other monies whatsoever payable by the Company to the aforesaid parties or any of them in terms of the Agreement or Arrangements entered into or to be entered into by the Company in respect of loan(s) / debentures / bonds / other instruments taken or to be taken provided the same shall not exceed a limits of Rs.100.00 crores in terms of Section 180(1)(c) of the Companies Act, 2013 and all other applicable provisions, if any, of the Act;

RESOLVED FURTHER THAT in connection with the above, the Board / Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto.”

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

Dated: 2<sup>nd</sup> July, 2015

(Nitin Agrahari)  
Company Secretary

Notice

**NOTES**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED DULY COMPLETED AND SIGNED, BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Pursuant to the provisions of section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. The Share Transfer Register and Register of Members of the Company will remain closed from 11th September, 2015 to 18th September, 2015 (both days inclusive).
4. Members / Proxies are requested to produce the enclosed Attendance Slip duly filled in and signed as per the specimen signatures recorded with the Company / Depository Participant for attending the meeting.
5. As an economy measure, copies of Annual Report will not be given at Annual General Meeting. Shareholders are, therefore, requested to bring their copies of Annual Report to the Meeting.
6. Members, who hold shares in dematerialized form, are requested to write their Client ID and DP ID Nos. and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
7. A Member desirous of getting any information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
8. Members holding shares in physical form, are requested to notify immediately any change in their address and Bank particulars to the Company or to its Share Transfer Agent and in case their shares are held in dematerialized form, this information should be furnished directly, without any delay, to their respective Depository Participants and not to the Company or the Share Transfer Agents.
9. Members holding shares in physical form who have not yet provided the Bank details are once again requested to provide their Bank Account No., Name of the Bank and address of the Branch, quoting their Folio No. to the Company.
10. In all correspondence with the Company, members are requested to quote their folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
11. Members wishing to claim dividend, which remains unclaimed, are requested to correspond with the Company at its Registered Office at D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110 020. Shareholders may please refer to table showing last date for claiming / due date for transfer to Investors Education and Protection Fund (IEPF) in respect of dividend declared after the Financial Year ended 31st March, 2008, given in the Corporate Governance Report published in the Annual Report, 2014-15.
12. Pursuant to provisions of Section 205A and 205C of the Companies Act, 1956 dividend for the Financial Years ended 1998-99, 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04 (Interim Dividend), 2003-04 (final dividend), 2004-05 (Interim Dividend), 2004-05 (final dividend), 2005-06 (Interim and final Dividend), 2006-07 (final dividend) and 2007-08 (final dividend) has been transferred to Investors Education and Protection Fund (IEPF), set up by the Government of India and no payment there from shall be made.
13. At the ensuing Annual General Meeting, Shri Prem Nath Mehta, Director of the Company, who is longest in the office amongst the Directors liable to retire by rotation and being eligible, offer himself for re-appointment. In terms of Clause 49 of the Listing Agreement, the information or details relating to Shri Prem Nath Mehta, Director of the Company is furnished in the statement on Corporate Governance, which is published in this Annual Report.
14. 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 companies shall be kept available at the head office of the Company for inspection by any member during working hours.
15. Notice along with the instructions for e-voting, attendance slip and proxy form are being sent by the permitted mode to those members who have not registered their email addresses and those who have requested for the same.
16. Notice of the 46th Annual General Meeting along with 46th Annual Report 2015 shall also be available on company's website being: [www.salora.com](http://www.salora.com)
17. The information required in terms of Clause 49 of the Listing Agreement is given in Corporate Governance Report annexed to the Directors' Report which is published in the 46th Annual Report 2015.
18. Members holding shares in demat form are requested to submit their Permanent Account Number (PAN) to their respective Depository

Participant and those holding shares in physical form are requested to submit their PAN details to the Company/ RTA in order to comply with the SEBI guidelines.

19. In terms of the notification issued by the Securities and Exchange Board of India, equity shares of the Company are under compulsory demat trading by all investors w.e.f. January 29, 2001. Shareholders are, therefore, advised to dematerialize their shareholding to avoid inconvenience in future.
20. The members are requested to send the transfers, change of address, bank mandates and other related correspondence to the Registrars and Share Transfer Agents, M/s. Skyline Financial Services Pvt. Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110 020.
21. Members can contact to Mr. Nitin Agrahari, Company Secretary, Tel. No. 011- 49207125 for any information relating to Annual General Meeting:
22. Members are requested to send the queries, if any, on the accounts and operations of the Company to the Company Secretary (e-mail: nitin.agrahari@salora.com) at least 10 days before the meeting so that the answers may be made readily available.
23. 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.
24. 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.

#### 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) Launch an internet browser and open <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder - Login.
- (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 authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at "sanjaygrover7@gmail.com" with a copy marked to [evoting@nsdl.co.in](mailto: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 the downloads section of NSDL's e-voting website [www.evoting.nsdl.com](http://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 Friday, 11th September, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of Annual General Meeting. Accordingly, the voting period shall commence at 9.00 a.m. on Tuesday, 15th September, 2015 and will end at 5:00 p.m. on Thursday, 17th September, 2015. The e-voting module shall be disabled by NSDL at 5.00 p.m. on the same day.
- VI. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a ballot Form is being uploaded on the website of the company or be obtained through writing a request to the Company Secretary at register office of the company. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the ballot Form with assent (for) or dissent (against) and send to Sanjay Grover & Associates, Scrutinizer, B-88, 1st Floor, Defence Colony, New Delhi – 110 024 . The ballot form should be received on or before Thursday, 17th September, 2015 by 5.30 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the members has not been received.
- VII. The results declared along with the Scrutinizer's report shall be placed on the Company's website [www.salora.com](http://www.salora.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within three days of the passing of the resolutions at the 46th Annual General Meeting of the Company on 21st September, 2015 and communicated to the BSE Limited and National Stock Exchange of India 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](mailto:sect@salora.com)

Dated: 2nd July, 2015

(Nitin Agrahari)  
Company Secretary

Notice

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

### ITEM NO. 2

Shri Prem Nath Mehta (holding DIN 00277303), Director of the Company retires by rotation and holds office up to this annual general meeting. He has been steering the Company for decades. With his guidance the company has been expanding its business in diverse fields.

It is proposed that Shri Prem Nath Mehta be appointed as a Director liable to retire by rotation. His brief resume is given in the Corporate Governance Report. Details regarding remuneration, age, qualification and experience are being attached in compliance of SS-2 issued by ICSI and pursuant to other provisions of the Act for member's perusal. Except Shri Prem Nath Mehta, no other director is concerned or interested in this resolution.

### ITEM NO. 4

As per changing paradigm of Indian Regulations, now it is imperative and beneficial for a listed company to appoint at least a Women Director at Board to provide optimum diversity through women representation on Board. Therefore, pursuant to the provisions given under second proviso to Section 149(1) of the Companies Act, 2013 and of the revised Clause 49 of the Listing Agreements entered with the Stock Exchanges, the Board of Directors of the Company appointed Smt. Sushmita Shekhar, as Additional Director in the Category of Non Executive Independent, in compliance with the requirements of the aforesaid provisions.

The Nomination & Remuneration Committee has also recommended her appointment as Independent Director from 18th September, 2015 to 17th September, 2020. Smt. Sushmita Shekhar has also given a declaration to the Board that she meets the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, she fulfilled the criteria of independence given under the act and is independent from the management. In compliance with the provisions of section 149 read with schedule IV of the Act, her appointment as Independent Director is now being placed before the Members for their approval.

A brief profile of her is given below:

Smt. Sushmita Shekhar, aged 51, a post graduate in English from Patna University, has over 27 years of experience in the industry, international organizations and development sector. She is contributing to many social causes and is associated to Sapna & Sarvottam, two such social service organizations. She is also life member of INTACH. She has served as the Secretary General of PHD Chamber of Commerce and Industry, a multi-state apex organization that is a catalyst in the promotion of industry, trade and entrepreneurship, She was a Member of the UN Task Force - Millennium Development Committee for water and sanitation as one of the global experts representing the needs of people from their respective regions. She represented South Asia region in the Task Force and contributed in writing the recommendations for MDG.

Presently, she is an Independent Director and member of CSR & Committees of the Board of Director of Ginni International Ltd.(GIL). She is also a consultant in Blackberrys, Gurgaon, one of India's leading premium fashion brands.

She was awarded by the Islamic Republic of Afghanistan, Kabul Municipality expressing appreciation for her work in the field of environment, sanitation, promoting school health, hygiene and safety in that country. She has also been a recipient of the Desh Sri Environmental award, Sri Lanka. Detailed information regarding remuneration, age, qualification and experience are being attached in compliance of SS-2 issued by ICSI and pursuant to other provisions of the Act for member's perusal. Except Smt. Sushmita Shekhar, no other director is concerned or interested in this 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 30th May, 2015, the Board has, considered and approved the appointment of M/s. Gurvinder Chopra & Co., Cost Accountants as the Cost Auditor for the financial year 2015-16 at a remuneration of Rs.40,000/- per annum plus applicable service tax 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 are in any way, concerned or interested, financially or otherwise, in the resolution.

### ITEM NO. 6

Sections 196, 197, 203 and any applicable provisions of the Companies Act, 2013 and any rules made thereunder, read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Articles of Association of the Company and subject to the such approvals as may be necessary and further subject to the approval of Shareholders and subject to the approval of the Central Government, if necessary for payment of remuneration to the managerial person in case of loss or inadequacy of profits. The remuneration, he was getting during his earlier tenure in the company has also been approved by the remuneration committee of the Company, to be paid to Shri Tarun Jiwrajka, aged 31 years, for a further period of five years w.e.f. 10th November, 2014 subject to approval of the shareholders.

The members are requested to consider and pass the said special resolution and authorize the payment of remuneration as proposed in the said special resolution. Details regarding remuneration, age, qualification and experience are being attached in compliance of SS-2 issued

by ICSI and pursuant to other provisions of the Act for member's perusal.

Shri Tarun Jiwrajka is interested or concerned to the extent of the remuneration proposed in the aforesaid resolution. Shri Tarun Jiwrajka, Whole Time Director of the Company is related to Shri Gopal Sitaram Jiwrajka, Chairman & Managing Director of the Company and deemed to be interested or concerned in this resolution and no other Director is interested or concerned in the resolution.

**ITEM NO. 7 & 8**

Under the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the Members obtained by an Ordinary Resolution, borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Also, under Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Company could, with the consent of the Members obtained by an Ordinary Resolution, create charge/mortgage/hypothecation on the Company's assets, both present and future, in favour of the lenders/trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

Under the provisions of Section 180(1)(c) and Section 180(1)(a) of the Act, the above powers can be exercised by the Board only with the consent of the Members obtained by a Special Resolution. Further, as per clarification dated 25th March 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolutions passed earlier under Section 293(1)(d) and Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. up to 11th September, 2014.

As such, it is necessary to obtain fresh approval of the Members by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid-up share capital and free reserves of the Company.

It is also necessary to obtain fresh approval of the Members by means of a Special Resolution, to enable the Board of Directors of the Company to create charge / mortgage / hypothecation on the Company's assets, both present and future, in favour of the lenders / trustees for the holders of debentures/bonds, to secure the repayment of moneys borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). As the documents to be executed between the Company and the lenders/trustees for the holders of debentures / bonds may contain the power to take over the management and concern of the Company in certain events, it is necessary to obtain Members' approval under Section 180(1)(a) of the Act, by way of a Special Resolution.

At the Extra Ordinary General Meeting of the Company held on 11th April, 1994, the Members had accorded consent to the Board of Directors borrowing any sum or sums of money not exceeding at any time the sum of Rs.100 crore. At the same EGM, the Members had accorded consent to the Board of Directors for creation of mortgages, charges and hypothecations to secure borrowings up to Rs.45 crore.

In view of growth oriented strategies and prospective business requirements in anticipation of the need of additional funds as the Company is in the process of expanding its business operations in the manufacturing of mobile phones, tablet computers and small components thereof. These projects will require capital expenditure, which will need to be financed either by equity infuse or borrowing from Banks or Lenders. Your Company is also required invest extensively in its trading Business to expand its retail operations through various e-commerce sites. The Company is also required to finance marketing strategy of Company's products to compete with other players in the market.

The Board accordingly recommends the revised limit to the extent of Rs.125 Crore (Rupees One Twenty Five Crore) under 180(1)(c) of the Companies Act, 2013 as set out in the Resolution for approval of the Members.

The proposed borrowings of the Company may, if necessary, be secured by way of mortgages, charges and hypothecations on the Company's movable/immovable properties, present and future, in favour of the financial institutions/banks/insurance companies / other investing agencies/trustees for the holders of debentures / bonds / other instruments. As the documents to be executed by, with, or in favour of, the lender/parties may contain the power to take over the management and concern of the Company in certain events, it is necessary for the Members to pass a resolution for creation of mortgages, charges and hypothecation to secure such borrowings. Keeping in view of status of Company's undertakings and aforesaid requirements, It is proposed to seek Members' consent for creation of charges upto Rs.100 crore.

The Board recommends the Resolutions at Item Nos. 7 and 8 of the accompanying Notice for approval by the Members of the Company by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolutions.

By Order of the Board of Directors  
Salora International Ltd.

Regd. Office:  
D – 13/4, Okhla Industrial Area,  
Phase – II, New Delhi – 110 020

Dated: 2nd July, 2015

(Nitin Agrahari)  
Company Secretary



**Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting in compliance of SS-2 issued by ICSI forming part of Explanatory Statement and pursuant to clause 49 of the listing agreement.**

Particulars	Shri Tarun Jiwrajka	Smt. Sushmita Shekhar	Shri P.N. Mehta
Date of Birth (Age)	March 31, 1984 (31 years)	May 13, 1964 (51 years)	June 22, 1936 (79 years)
Date of Appointment in the Company	November 10, 2011	March 30, 2015 as an Additional Director in category of Non-Executive Independent Director	June 19, 2002
Qualification	B.Sc. in Business	Master's Degree in English	C.A.
Experience	Rich experience in Marketing, Finance, Business Management and Administration	Experience in the industry, international organizations and development sector.	Senior partner in AIYAR & Company specializes in taxation and company law.
Directorship held in other public companies.	Salora Components Limited - Director	Ginni International Ltd. - Independent Director  Kajaria Ceramics Ltd.- Independent Director	Panasonic AVC Networks India Company Limited- Independent Director
Membership/ Chairmanship of committees of other companies	-	Member - CSR Committee Ginni International Ltd.	Chairman- Audit Committee ( Panasonic AVC Networks India Limited)
Relationship with other Directors/ MD/ KMPs	Son of Shri Gopal Sitaram Jiwrajka, Chairman and MD.	Not related to any Director or KMP (Non-executive Independent Director)	Not related to any Director or KMP (Non-executive Director)
No. of Board Meetings attended	All 5 Board Meeting held in FY 2014-15	Nil (appointed w.e.f. 30.03.2015)	4 out of total 5 Board Meetings held in FY 2014-15
Shareholding in the Company	3,72,741 shares (4.23%)	Nil	Nil
Present Remuneration	Rs. 2,00,000/- Per Month	Sitting Fees	Sitting Fees
Remuneration last drawn	As mentioned above	Not Applicable (Appointed w.e.f. 30.03.2015)	As mentioned above

**STATEMENT PURSUANT TO SCHEDULE VI PART II SECTION II**

**I GENERAL INFORMATION**

- (1) Nature of Industry : Manufacturing of LED TV, CTV and its components  
: 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 companies, 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	855.16
		ii. PBT	39.39
		iii. PAT	35.53
(5) Foreign investment or collaborations, if any	:	No foreign collaboration or investment	

## II. INFORMATION ABOUT THE APPOINTEE

(1) Background details	:	As provided in explanatory statement.	
(2) Past remuneration	:	Salary: Rs.2,00,000/-p.m.	
		Perquisites: Company's contribution towards Provident Fund, Superannuation or Annuity Fund shall be made as per rules of the Company but to the extent these are not taxable under the Income Tax Act, 1961. Gratuity shall be paid equal to one half month's salary for each completed year of service. Encashment of earned leave shall be permitted at the end of tenure as per rules of the Company, which is 21 days in a year.	
(3) Recognition or awards	:	NIL	
(4) Job profile and his suitability	:	The Company is engaged in the manufacturing of LED TVs, CTV and its components, distribution of IT and telecom products and Wind Power Generation.  Shri Tarun Jiwrajka is a Bachelor of Science in Business from Indiana University, Bloomington and possesses rich experience in marketing, finance and administration. He has extensively traveled all over the globe and got international exposure in relevant fields. He possesses rich experience in cellular phone industry, futuristic vision about the industry and exposure in dealings through online market places.	
(5) Remuneration proposed	:	Provided in relevant Resolution in the AGM Notice.	
(6) Comparative remuneration profile with respect to industry size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).	:	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 Tarun Jiwrajka.	
(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	:	Except for holding position of Whole Time Director and drawing remuneration and as shareholder, he has no other pecuniary relationship with the Company. He is relative of Shri Gopal Sitaram Jiwrajka, Chairman & Managing Director	

## III OTHER INFORMATION

(1) Reasons of loss or inadequate profits		Due to discontinuation of IT Products and some other trading businesses of other Mobile Phone brands. Market sentiments towards CRT type TV sets is also a reason for decline in company's profitability as the Company held strong position in CRT segment.	
---	--	--	--

- (2) Steps taken or proposed to be taken for improvement : For future growth and stability of business, the Company has been focused majorly on Salora Brand products including range of LED TVs, Home Theaters, Smart phone and feature phones.

Company has also plan to commence production of mobile phones at its Noida Plant. Trading through online market places of different IT and consumer electronic goods will also be the area in which company's performance can improve in terms of profitability. Major e-commerce market place service provider companies are already in association with the company.

The Company has decided to start trading of some other commodities like Apparels and Life style accessories through e-commerce service providers directly to end customers on a better margin than wholesale distribution.

The Company has also been extending the market for its smart phone series "arya" through online selling mode and shortly will come up with mobile phone assembly line at its manufacturing plant.

These activities will add to turnover and profit in the year 2015-16.

- (3) Expected increase in productivity and profits in measurable terms

Seeing at the broad profitable avenues, the Company expects a bright future for the company's financial stability and profitability.

#### 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 Report

- (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.

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

Dated: 2nd July, 2015

By Order of the Board of Directors  
Salora International Ltd.

(Nitin Agrahari)  
Company Secretary

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in submitting 46<sup>th</sup> Annual Report of the Company together with Audited Statements of Accounts for the Financial Year ended 31<sup>st</sup> March, 2015

**1. FINANCIAL RESULTS**

The Company's financial performance for the financial year under review along with previous years figures are given hereunder:

	(₹ in Lacs)	
	Year ended 31 <sup>st</sup> March, 2015	Year Ended 31 <sup>st</sup> March, 2014
Net Sales /Income from Business Operations	29842.12	39904.65
Less: Excise Duty	332.29	341.30
Net Sales	29509.83	39563.35
Add: Other Income	70.81	461.22
(Increase) / Decrease in stock	(152.41)	(76.24)
Total	29733.05	40100.81
Less: Total Expenditure	28877.89	39062.34
Operating Profit	855.16	1038.47
Less: Interest	489.68	589.32
Less Depreciation	326.09	352.26
Profit before exceptional item & tax	39.39	96.89
Less: Exceptional Item	-	-
Profit before tax	39.39	96.89
Less: Provision for taxes		
Current Tax	-	-
Deferred Tax	(0.87)	(110.36)
Earlier Year: Deferred Tax	-	-
Earlier Year: Income Tax	4.74	55.26
Profit / (Loss) after tax	35.53	152.00
Add: Balance brought forward from last year	-	-
	35.53	152.00
Less: Appropriations	-	-
Balance carried to Balance Sheet	35.53	152.00

**2. DIVIDEND**

To conserve the resources and non availability of profit, your Directors have not recommended any dividend this year also.

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

In terms of Section 125 of the Companies Act, 2013, unclaimed / unpaid Dividend related to the financial year 2007-08 is due for transfer on 02.08.2015 to the Investor Education and Protection Fund established by the Central Government.

**4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS**

During the period under review, the Company has achieved net sales of Rs. 295.09 crore in the Financial Year 2014-15 as compared to Rs. 395.41 crore in the last Financial Year.

Operating profit for the year was Rs.35.53 lacs against Rs.152 lacs during the preceding year.

For growth and stability of business, the Company has been focusing mainly on Salora Brand products i.e. LED TVs, SMART TVs, Home Theaters, Tablet Computers, Smart Phones and Feature Phones. Technical reviews of these products and market response is very fine.

The Company has plans to start manufacturing and assembling facility for mobile phones of our valued Brand "SALORA".

In order to strengthen, lifestyle division of the Company, Company plans to extend product line in this segment to meet the requirements of brand conscious consumers.

Company's alignment with e-commerce players i.e. Amazon, Flipkart and Snapdeal for sales and marketing of its products, consumers response is very well.

**5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS 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 to which this financial statement relate on the date of this report

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in "Annexure-I" and is attached to this report.

**7. RESEARCH AND DEVELOPMENT**

Particulars 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 furnished in "Annexure-I" and is attached to this report.

**8. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Company has adopted the following measures concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself.

- a) operational, business and market risks including but not limited to technological changes

- b) decrease in product prices
- c) customer defaults
- d) foreign exchange fluctuation
- e) interest rates risk and inventory carrying risk

**9. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Since the Company doesn't fall under the companies required to constitute the Corporate Social Responsibility Committee as per Section 135 of the Companies Act, 2013. Therefore, the Company has not developed and implemented any Policy on Corporate Social Responsibility as the said provisions are not applicable. However, the company formatted a trust "Uttarayan" with a mission and vision to promote education in the field of singing/dancing/arts at its school in Nebsarai, New Delhi. These humble beginning we hope, will for the pillars of an organization wanting to take these activities to a greater heights.

**10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

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 along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the standalone financial statement (Please refer to Note 18 to the standalone financial statement).

**11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All related party transactions are in the ordinary course of business and at arms length basis, which are not material in nature too, hence, outside the scope of Section 188 (1) of the Act. None of the transaction is without approval of the Audit Committee and every such transaction is being placed before for review periodically.

**12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

Statutory Auditors

M/s. K. Prasad & Company, Chartered Accountants (ICAI Registration No. 002755N), Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Secretarial Auditor

The Board has appointed M/s. Navneet K. Arora & Co., Company Secretaries Firm, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as "Annexure-II" to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

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

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is being dealt in the Corporate Governance Report under Nomination and Remuneration Committee section.

**14. EXTRACT OF ANNUAL RETURN**

The extracts 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 furnished in "Annexure-III" and is attached to this Report.

**15. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had five (5) Board Meetings during the financial year under review.

**16. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

- a. in preparation of the annual accounts for the financial year 2014-15, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the accounting policies selected and applied are consistent and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2015 and of the profit / (loss) of the company for year ended on that date;
- c. proper and sufficient care has been taken 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 annual accounts have been prepared the on a going concern basis;

e. 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.

#### **17. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company have one Subsidiary i.e. Salora Components Ltd.

The Company has no joint venture company.

The detail of financial performance of subsidiary Company is furnished in "Annexure-IV" and attached to this report.

#### **18. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

#### **19. DIRECTORS**

Shri Tarun Jiwrajka, Whole Time Director of the Company was reappointed by the Board on 10.11.2014 subject to approval of the members at the ensuing Annual General Meeting.

Smt. Sushmita Shekhar, who was appointed as Additional Director in the category of Non Executive Independent on 30.03.2015 and holds the said office till the conclusion of next Annual General Meeting of the Company. A Notice has been received from a member proposing her candidature for re-appointment.

Shri Prem Nath Mehta, Non Executive Director, who is longest in the office amongst the Directors liable to retire by rotation, retires at this Annual General Meeting and being eligible offer himself for re-appointment.

#### **20. DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **21. STATUTORY AUDITORS**

M/s. K. Prasad & Company, Chartered Accountants (ICAI Registration No. 002755N), G-1, Ground Floor, South Extension Part – II, New Delhi – 110 048 were appointed as Statutory Auditors for a period of three (3) years in the Annual General Meeting held on 29.09.2014. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

#### **22. RISK MANAGEMENT POLICY**

The Statement showing the details regarding the development and implementation of Risk Management Policy of the

Company is already furnished on the website of the Company on [http://salora.com/pdf/Risk\\_management\\_policy.pdf](http://salora.com/pdf/Risk_management_policy.pdf). The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting. The implementation of risk management policy has also been covered in the Management Discussion and Analysis which forms part of this report.

#### **23. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM**

The Audit Committee consists of the following members:

- 1) Shri Gautam Khaitan, Chairman
- 2) Shri Prem Nath Mehta, Member
- 3) Shri Sanjeev Kaul Duggal, Member
- 4) Shri Patanjali Govind Keswani, Member

The above composition of the Audit Committee consists of all non executive directors with majority of independent directors.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of Company employees and the Company.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the financial year.

No. of complaints received: NIL

No. of complaints disposed off: NIL

#### **25. SHARES**

##### **LISTING OF SECURITIES OF COMPANY**

The Equity Shares of the Company continue to be listed at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and listing fees for the Financial Year 2015-16 have been paid to both the Stock Exchanges.

##### **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 the Securities and Exchange Board of India (SEBI). Your Company has achieved higher level of dematerialization with 98.10% of the total number of Equity Shares being held in the electronic mode with the two depositories.

## 26. 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 are given in the "Annexure-V".

## 27. CORPORATE GOVERNANCE REPORT

A separate report of the Board of Directors on Corporate Governance is included in the Annual Report as "Annexure-VI" and the certificate from M/s. Navneet K. Arora & Co., Practicing Company Secretary (CoP No. 3005) confirming compliance with requirements of Corporate Governance as stipulated in Clause 49 of Listing Agreement is annexed as "Annexure-VII".

## 28. MANAGEMENT DISCUSSION ANALYSIS

Management Discussion and Analysis Report as required by Clause 49 of Listing Agreement with Stock Exchanges is given in "Annexure-VIII" forming part of this report. A certificate regarding compliance conditions of Corporate Governance is annexed. A separate section on Corporate Governance is given in Annual Report.

## 29. INTERNAL FINANCIAL CONTROL

Company has a proper and adequate system of internal control to oversee the 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 system, related party transactions etc., and for this purpose the Company has a well constituted Audit Committee headed by a Non-Executive independent Director. Further, the Company's Internal Auditors verify the information concerning the reliability of the financial statements as well as the compliance with your Company policies so as to maintain accountability of all its assets and correctness of recorded transactions.

## 30. EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the Section 134(3)(p) of the Companies Act, 2013 and Clause 49 of Listing Agreement a formal evaluation has been made by the Board of its own performance and that of its committees and individual Directors.

## 31. ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

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

Date: 2nd July, 2015  
Place: New Delhi

(Gopal Sitaram Jiwrajka)  
Chairman & Managing Director

**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 is taking appropriate steps for conservation of energy by using energy efficient equipments 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: : Rs.5.00 lacs for new 22 tones A/c Unit in TPD manufacturing area.

**B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

- (a) the efforts made in technology absorption : Deflection Yoke: 21" Flat DY with aluminum wire for Thomson is being developed with the Company's trained Engineers from Matsushita.  
  
FBT: New models of FBT for Company and different customers and market are being developed with the Company's trained Engineers from Matsushita.
- (b) the benefits derived like product improvement, cost reduction, product development or import substitution:-
- a) Quality improvement
  - b) Cost reduction through Value Engineering in Speakers by changing the parts specification and also VE parts developed locally.
  - c) Low cost 21" Flat Tube DY with aluminum Wire.
  - d) Development and manufacturing of Mobile charger and mobile phone speaker.
- (c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) : N. A.
- 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:

	<u>2014-15</u>	<u>(Rs. in lacs)</u> <u>2013-14</u>
(a) Capital	0.00	0.00
(b) Recurring	0.07	0.50
	-----	-----
(c) Total	0.07	0.50
	====	====



- (d) Total R & D expenditure as a percentage of total turnover
- (e) Specific areas in which R & D carried out by the Company.

R & D expenditure as a percentage of total turnover is negligible.

**Deflection Yoke:** (a) Development of 21" flat DY with aluminum wire for Thomson China. (b) New version of 21" TFT V-2 DY start for Thomson China.

**FBT:** (a) Development of 14", 21" Flat, 21" Ultra Slim FBT for Company and Other customer (b) Developed Market Model FBT in new Plastic Parts (low Cost FBT) and also started many new models for market segment

**Speaker:** (a) Development of Multimedia speakers for Company and different customer like Philips etc. (b) Development of LCD & LED TV Speakers for Company and Videocon, Panasonic, salora & other customer.

**Telecom Product Division:** (a) Development of charger (adopter) for Mobile phone (b) Development of speaker for mobile phone.

### 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.

: Directors and marketing staff visit to different countries for increasing the exports of the Company and better market penetration.

		(Rs. in lacs)	
		2014-15	2013-14
		-----	-----
Total foreign exchange used and earned	:		
Foreign Exchange used		3082.36	3548.40
Foreign Exchange earned		2340.23	14092.82

**Annexure – II**

**Secretarial Audit Report**

**[For the Financial Year ended on 31st March 2015]**

[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**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SALORA INTERNATIONAL LIMITED (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 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 2015 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 2015 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 Transaction was held during the financial year hence not applicable to the Company during the audit period;
- (iv) 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, 1992;
  - (c) The Securities and Exchange Board of India

(Issue of Capital and Disclosure Requirements) Regulations, 2009. No Transaction was held during the financial year hence not applicable to the Company during the audit period;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; No Transaction was held during the financial year hence not applicable to the Company during the audit period;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; No Transaction was held during the financial year hence not applicable to the Company during the audit period;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; No Transaction was held during the financial year hence not applicable to the Company during the audit period; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; No Transaction was held during the financial year hence not applicable to the Company during the audit period;

We have also examined compliance with the applicable clauses of the Listing Agreement entered by the Company with Stock Exchanges.

We have not examined compliance by the Company with:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India as they had not been notified by the Central Government during the audit period.
- (ii) 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. mentioned above.

- (v) We further report that having regard to compliance system prevailing in the company in regard to Labour, Environment & Other 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 certificate 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 Employees 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 Shop and Commercial Establishment Act and Rules (Statewise)
- l. The Electricity Act, 2003 & The Electricity Rules, 1956
- m. The Legal Metrology Act, 2009 & The Legal Metrology (Packaged Commodities) Rules, 2011

- 2) Adequate notice is given to all 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) Majority decision is carried through while the dissenting members' views are 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;
- 6) The Company has not entered into any transaction during the financial year, hence the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act are not applicable.

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.

**We further report that:**

- 1) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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.

For **Navneet K Arora & Co.**  
Company Secretaries

**CS Navneet Arora Prop.**  
FCS: 3214, COP: 3005

Place: New Delhi  
Date: 29th May 2015

To,  
The Members,  
**SALORA INTERNATIONAL LIMITED**

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.

For **Navneet K Arora & Co.**  
Company Secretaries

**CS Navneet Arora Prop.**  
FCS: 3214, COP: 3005

Place: New Delhi  
Date: 29th May 2015

**Form No. MGT-9**

**Annexure – III**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2015**

[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	L74899DL1968PLC00496
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: +91-11-49207100/101 Email: <a href="mailto:sect@salora.com">sect@salora.com</a>
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 <sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Contact Details of RTA	011 26812682/83 Direct No.: 011-41044923

**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 CTV and its Component	4696000	13.56%
2.	Distribution of Telecom Product	4824400	85.19%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	Salora Component Limited	U32301DL2006PLC149584	Subsidiary	3414800 (79.05%)	2(87)

IV. **SHARE HOLDING PATTERN ( Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding

Category of Shareholders	No. of Shares at the beginning of the year				No. of Shares held at the end of the year i.e. 31 <sup>st</sup> March,2015				% of change during the Year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/ HUF	5317337	-	5317337	60.37	5317287	-	5317287	60.37	0.00
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	558929	-	558929	6.35	558929	-	558929	6.35	0.00
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>	<b>5876266</b>	<b>-</b>	<b>5876266</b>	<b>66.72</b>	<b>5876216</b>	<b>-</b>	<b>5876216</b>	<b>66.72</b>	<b>0.00</b>
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Others – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Bank / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Total Sharehold -ing of Promoters (A) = (A) (1)+(A)(2)	5876266	-	5876266	66.72	5876216	-	5876216	66.72	0.00
<b>B. Public Shareholding</b>									
1. Institutions									
(a) Mutual Funds	400	-	400	0.00	400	-	400	0.00	0.00
(b) Banks / FI	100	-	100	0.00	100	-	100	0.00	0.00
(c) Central Govt(s)	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-

(g)	FIIIs	200	-	200	-	200	-	200	0.00	0.00
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Others: Companies	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>		<b>700</b>	<b>-</b>	<b>700</b>	<b>-</b>	<b>700</b>	<b>-</b>	<b>700</b>	<b>0.01</b>	<b>0.00</b>
<b>2. Non Institutions</b>										
<b>(a) Bodies Corp.</b>										
(i)	Indian	906883	5101	911984	10.35	1135996	-	1130895	12.90	2.55
(ii)	Overseas	-	-	-	-	-	-	-	-	-
<b>(b) Individual</b>										
(i)	Individual shareholder holding nominal shares capital up to Rs.1 lakh	1193844	165285	1359129	15.43	1182772	-	1021586	13.43	2.00
(ii)	Individual shareholder holding nominal share capital in excess of Rs.1 lakh	516262	-	516262	5.86	422843	-	422843	4.80	1.06
<b>(c) Others</b>										
(i)	NRI	51296	-	51296	0.58	110603	-	110603	1.26	0.68
(ii)	Clearing House / Public Trust	2300	-	2300	0.03	2300	-	2300	0.03	NO
(iii)	Corp. Bodies (OCB)	175	-	175	0.00	175	-	175	0.00	NO
(iv)	HUF	80759	-	80759	0.92	73475	-	73475	0.83	0.09
(v)	Clearing Members / House	8429	-	8429	0.10	2220	-	2220	0.03	
<b>Sub-Total (B)(2)</b>		<b>2759948</b>	<b>170386</b>	<b>2930334</b>	<b>33.27</b>	<b>2930384</b>	<b>-</b>	<b>2764097</b>	<b>33.27</b>	<b>-</b>
Total Public Shareholding B= (B)(1)+(B)(2)		2759948	171086	2931034	33.28	2931034	-	2764097	33.28	0.01
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>		0.00	0.00	0.00	0.00	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		<b>8636214</b>	<b>171086</b>	<b>8807300</b>	<b>100</b>	<b>8807300</b>	<b>-</b>	<b>8640313</b>	<b>100</b>	<b>-</b>

ii) **Shareholding of Promoters**

S. No.	Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year i.e. 31 <sup>st</sup> March, 2015			% 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.	Sitaram Jiwrajka (HUF)	33000	0.37	Nil	33000	0.37	Nil	0.00%
2.	Shri Gopal Kumar Jiwrajka	2029117	23.04	Nil	2029117	23.04	Nil	0.00%
3.	Gopal Kumar Jiwrajka (HUF)	1498988	17.02	Nil	1498988	17.02	Nil	0.00%
4.	Smt. Savitri Devi Jiwrajka	276894	3.14	Nil	276894	3.14	Nil	0.00%
5.	Smt. Neetu Jiwrajka	731410	8.30	Nil	731410	8.30	Nil	0.00%
6.	Shri Tarun Jiwrajka	372741	4.23	Nil	372741	4.23	Nil	0.00%
7.	Shri Ayush Jiwrajka	375087	4.26	Nil	375087	4.26	Nil	0.00%
8.	R. P. Khaitan (HUF)	Nil	Nil	Nil	50	0.00	Nil	100%
9.	P. N. Mehta	100	0.00	Nil	Nil	Nil	Nil	(100%)
10.	Manori Properties Pvt. Ltd.	558929	6.35	Nil	558929	6.35	Nil	0.00%
	Total	5879266	66.72	Nil	5879216	66.72	Nil	0.00%

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

S. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	<b>R. P. Khaitan (HUF)</b>				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Market Purchase on 10 <sup>th</sup> December, 2014	50	0.00%	50	0.00%
	At the end of the year	50	0.00%	50	0.00%
2.	<b>P. N. Mehta</b>				
	At the beginning of the year	100	0.00%	100	0.00%
	Transfer through market on 1 <sup>st</sup> December, 2014	100	0.00%	100	0.00%
	At the end of the year	Nil	Nil	Nil	Nil



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 LIMITED (IN30292710094771)	177826	2.02	186321	2.11
2.	RAVIRAJ DEVELOPERS LIMITED (IN30292710132151)	18189	0.21	146270	1.66
3.	DARSHAN FINANCIAL SERVICES PRIVATE LIMITED (IN30292710098611)	137229	1.56	140069	1.59
4.	NEW MILLENIUM TECHNOLOGY MANAGEMENT LIMITED (1203330000287126)	116686	1.32	126051	1.43
5.	ATRUN FISCAL PVT LIMITED (IN30292710134695)	102141	1.16	119629	1.36
6.	GLOBE FINCAP LIMITED (IN30096610496350)	103847	1.18	103847	1.18
7.	ANUJ SANTOSH KUMAR GANERIWAL (1204710000004335)	92846	1.05	92846	1.05
8.	TEJASH FINSTOCK PVT LIMITED (IN30292710132819)	77839	0.88	85389	0.97
9.	JM FINANCIAL SERVICES LIMITED (1203330000033802)	11688	0.13	82868	0.94
10.	ANKIT KUMAR GANERIWAL (1204710000030355)	64388	0.73	64388	0.73

\*List of top 10 shareholders is taken according to data available as on March 31<sup>st</sup>, 2015. 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.	<b>GOPAL SITARAM JIWARAJKA</b> Chairman & Managing Director				
	At the beginning of the year	2029117	23.04	2029117	23.04
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year (or the date of separation, if separated during the year)			2029117	23.04

**2. TARUN JIWARAJKA**

Whole Time Director

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.):	Nil	Nil	Nil	Nil
At the end of the year (or the date of separation, if separated during the year)			372741	4.23

**3. PREM NATH MEHTA**

Non-Executive Director

At the beginning of the year	100	0.00%	100	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.):	Sold 100 Shares through open market on 1 <sup>st</sup> December, 2014	0.00%	Nil	Nil
At the end of the year (or the date of separation, if separated during the year)			Nil	Nil

**vi) INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	91.11	390.00	-	481.11
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.59	6.36	-	6.95
Total (i + ii + iii)	91.70	396.36	-	488.06
Change in Indebtedness during the financial year				
Addition	-	84.46	-	84.46
Reduction	6.99	-	-	6.99
Net Change	(6.99)	84.46	-	77.46
Indebtedness at the end of the financial year				
i) Principal Amount	83.89	480.00	-	563.89
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.82	0.81	-	1.63
Total (i + ii + iii)	84.71	480.81	-	565.52

vii) **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

S. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Shri Gopal Sitaram Jiwrajka (MD)	Shri Tarun Jiwrajka (WTD)	
1.	Gross Salary			
	(a) Salary as per provisions contained in sec.17(1) of the Income Tax Act, 1961	81,68,400	21,44,400	1,03,12,800
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4,13,710	2,77,800	6,91,510
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of Profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	85,82,110	24,22,200	1,10,04,310
	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)	1,20,00,000	60,00,000	1,80,00,000

B. Remuneration to other Directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Gautam Khaitan	Shri P. G. Keswani	Shri S. K. Duggal	Smt. Sushmita Shekhar*	
1.	Independent Directors					
	• Fees for attending Board / Committee Meetings	60,000	80,000	60,000	-	2,00,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>60,000</b>	<b>80,000</b>	<b>60,000</b>	<b>-</b>	<b>2,00,000</b>

2.	Other Non Executive Directors	Shri P. N. Mehta	
	• Fees for attending Board / Committee Meetings	80,000	80,000
	• Commission	-	-
	• Others, please specify	-	-
	<b>Total (2)</b>	<b>80,000</b>	<b>80,000</b>
	<b>Total (B) = (1+2)</b>	<b>280,000</b>	<b>2,80,000</b>
	Total Managerial Remuneration		2,80,000
	Overall Ceiling as per Act {Pursuant to section 197(5) of the Companies Act, 2013 and Rule 4 of the Companies (Appointment & Remuneration of Managerial Remuneration) Rules, 2014}	20,00,000	20,00,000

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Shri. Nitin Agrahari Company Secretary	Shri. Amit Goel* CFO	Shri. Surinder Sood# CFO	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,26,331	7,91,121	8,96,850	10,17,452
	(b) Value of perquisites U/S 17(2) Income Tax Act, 1961	54,981	21,600	-	76,581
	(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	-	-	-	-
	<b>Total</b>	<b>2,81,312</b>	<b>8,12,721*</b>	<b>8,96,850#</b>	<b>10,94,033</b>

\*Appointed as CFO for part of year w.e.f. November 10, 2014, however he is on role of the Company since September 8, 2014.

#Retired as CFO of the company w.e.f. September 30, 2014.

viii) **PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

**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 each 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, 2015
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	(1,73,50,196)
6	Total assets	2,25,88,963
7	Total Liabilities	2,91,42,520
8	Investments	Nil
9	Turnover	4,61,32,903
10	Profit before taxation	(1,04,59,550)
11	Provision for taxation	22,71,414
12	Profit after taxation	(81,88,136)
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

**Tarun Jiwrajka**  
Whole Time Director

**Gopal Sitaram Jiwrajka**  
Chairman & Managing  
Director

**Nitin Agrahari**  
Company Secretary

**Amit Kumar Goel**  
Chief Financial Officer

**Annexure – V**

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
		Name of the Director <span style="float: right;">Ratio</span>
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	<p>Shri Gopal Sitaram Jiwaraajka <span style="float: right;">56.46</span></p> <p>Shri Tarun Jiwaraajka <span style="float: right;">13.75</span></p> <p>1) For the purpose, sitting Fees paid to the Directors have not been considered as remuneration. 2) Figures have been rounded off wherever necessary.</p>
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year.	<p>Shri Gopal Sitaram Jiwaraajka – CMD <span style="float: right;">251.23%</span></p> <p>During the previous financial year i.e. FY 2014-15, the Company had taken approval from the shareholders for payment of Remuneration to Shri Gopal Sitaram Jiwaraajka – Chairman &amp; Managing Director, as per provisions of Section 197 read with Schedule V of the Companies Act, 2013, due to inadequate profit available with the Company keeping in view his experience, knowledge, contribution in the Company and remuneration paid by other Companies for similar roles.</p> <p>The effective Capital of the Company falls between Rs. 100 Crores to Rs. 250 Crores and pursuant to Section II of Part II of Schedule V, the overall maximum managerial remuneration shall not exceed the limit of Rs. 120 Lacs per annum with the approval of shareholders by means of special resolution.</p> <p>There is no increment given in the remuneration of CFO and CS during the Financial Year period.</p>
3.	The percentage increase in the median remuneration of employees in the financial year.	During FY 2014-15, the percentage increase in the median remuneration of employees as compared to previous year was approximately 9.61% due to change in number of employees and some other factors.
4.	The number of permanent employees on the rolls of company.	There were 256 employees as on March 31, 2015
5.	The explanation on the relationship between average increase in remuneration and company performance.	During the period of Financial Year 2014-15, the Company had revenue of Rs. 295.09 crore against the revenue earned of Rs. 395.63 Crores in the corresponding period of last financial year 2013-14 and earned net profit of Rs. 35.53 Lacs as compared to Rs.152.00 Lacs earned during last financial year. Reported net profit for the financial year ended 31 <sup>st</sup> March, 2015 declined by 76.62%, whereas the average percentage increase in the remuneration of employees including managerial personnel on roll of the Company in the financial year 2014-15 was 8.26%. The average increase in remuneration and company performance are directly related to each other. However, it is subject to Individual performance and responsibilities, industry benchmarking, comparison to peer companies, economic situation, future growth prospects, regulatory guidelines and possible replacement of employee.
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	For the FY 2015 the remuneration paid to all KMPs i.e. MD, WTD, CFO and CS aggregate to approximately Rs. 1,20,98,343/-. The Company's revenue was Rs. 295.09 crore (previous year Rs. 395.63 Crores), therefore remuneration of KMPs as percentage of revenue is 0.41%.

7. Variations in the market capitalization of the Company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies. The Market capitalization of the company has increased from Rs. 1589.72 Lakhs as on March 31, 2014 to Rs. 3258.70 Lakhs as on March 31, 2015. Over the same period, the price to earnings ratio moved from 14.44 to 50.68.
- Public Issue of Equity Shares were made with an issue price of Rs.10 with a premium of Rs. 40 in the Year 1993, almost 22 years back and average closing price as at March 31, 2015 was Rs. 37.00 therefore comparison between two of them will not suffice the purpose.
8. 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 Personnels and revision in remuneration of Managing Director as per schedule V Part II of the new Companies Act, 2013. Revision in the remuneration of Managing Director was carried out in accordance with provisions of new companies act to commensurate the requirements given in case of inadequate profit. There is no any other exceptional circumstances for increase in the managerial remuneration as mentioned above.
9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.
- | Particulars                       | Remuneration for FY 2014-15 (Rs.) | % of Gross Revenue for FY 2014-15 | % of Net Profit for FY 2014-15 |
|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| Shri Gopal Sitaram Jiwarajka, CMD | 85,82,110                         | 0.30%                             | 249.98%                        |
| Shri Tarun Jiwarajka, WTD         | 24,22,200                         | 0.08%                             | 68.17%                         |
| Shri Amit Kumar Goel, CFO*        | 8,12,721*                         | 0.02%                             | 22.88%                         |
| Shri Surinder Kumar Sood, CFO#    | 8,96,850#                         | 0.03%                             | 25.25%                         |
| Shri Nitin Agrahari, CS           | 2,81,312                          | 0.01%                             | 7.91%                          |
10. The key parameters for any variable component of remuneration availed by the directors. Shri Gopal Sitaram Jiwarajka, Chairman and Managing Director and Shri Tarun Jiwarajka, Whole time Director are being paid variable pay as per policy of the Company. Non Executive Directors of the Company are paid sitting fees for the meetings attended by the Company as per the provisions of the Act and as approved by the Board.
11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year. This is not applicable to the Company.
12. Affirmation that the remuneration is as per the remuneration policy of the Company. Yes, it is confirmed.

**General Note:**

1. Calculation of Market Capitalization, price to earnings and other details are based on stock price on National Stock Exchange of India Limited and Bombay Stock Exchange Ltd., on relevant dates.
2. Profit of the Company is calculated as per section 198 of the Companies Act, 2013
3. Managerial Personnel includes Chairman and Managing Director, Whole Time Director and Key Managerial Personnels.

Annexure - Directors' Report

Sr No.	Employee Name	Designation / Nature of duties	Remuneration received during 2014-15 (Rupees)	Qualification	Age (Years)	Total Experience (Years)	Date of Commencement of Employment	Particulars of Previous employment		
								Organisation	Designation	Period for which last post held (Years)
1.	Shri Gopal Sitaram Jiwarajka	CMD	85,82,110	B. Com	55 years (DOB 15.06.1960)	Over 34 years	28.08.1987	9(a)	9(b)	9(C)
2.	Shri Tarun Jiwarajka	WTD	24,22,200	Bachelor of Science in Business	31 Years (DOB 31.03.1984)	Over 6 years	10.11.2011	He is from promoter group and associated with the Company in many roles since beginning of his carrier.		
3.	Shri Surinder Sood#	CFO#	8,96,850#	C.A.	59 Years (DOB 06.09.1956)	35 years	04.08.2009	Gopal Zarda	Financial Controller	2 yrs
4.	Shri Amit Kumar Goel*	CFO*	8,12,721*	MBA (finance)	48 years (DOB 01.07.1967)	20 years	8.9.2014	Art creations exports Pvt. Ltd	CFO	1.5 yrs
5.	Shri Nitiin Agrahari	CS	2,81,312	C.S., LLB	30 Years (14.04.1985)	2.9 years	01.01.2014	Singhanian & Co. LLP	Associate Legal	1.5 yrs

\*Appointed as CFO for part of year w.e.f. November 10, 2014, however he is on role of the Company since September 8, 2014.

#Retired as CFO of the company w.e.f. September 30, 2014, hence employed for part of year.

Remuneration received includes salary, commission, allowances, medical and leave travel expenses, leave encashment paid, monetary value of perquisites as per Income Tax Rules and Company's contributions to Provident and Superannuation Funds.

Nature of employment is Contractual in the case of Managing Director and Whole Time Director.

In respect of all other employees, the nature of employment is non-contractual, terminable by notice on either side and liable to transfer to any division / subsidiary of the Company.

Total experience shown in Column 7 includes service with previous employers.



## REPORT ON CORPORATE GOVERNANCE

Annexure – VI

This Corporate Governance Report related to the financial year ended 31st March 2015 has been issued in compliance of Clause 49 of Listing Agreement with Stock Exchanges and forms a part of Board's Report to the Members of the Company.

### CORPORATE GOVERNANCE PHILOSOPHY

At Salora we strive to aim our actions to be governed by our values and principles in line with the provisions of the Act and the Regulations issued by the Government. The Company is committed to ensure high standards of transparency and accountability in all its activities. The best management practices and high levels of integrity in decision making are followed to ensure long term wealth generation and creation of value for all the stakeholders. The company follows all the principles of corporate governance in its true spirit and at all times through its code of conduct which serves as guideline to each Directors, Key Managerial Personnel and Employees.

### BOARD OF DIRECTORS

#### COMPOSITION

The composition of the Board is in conformity with Clause 49 of the Listing Agreement. A majority of the Board, 4 out of 7, are Independent Directors including a Women Director, One Non-executive Director and day-to-day management of the company was carried on by the two Executive Directors of the company. Smt. Sushmita Shekhar has been appointed Additional Director in the category of Non Executive & Independent effective from 30<sup>th</sup> March 2015 by the Board. The Board consists of seven (7) Directors and details of the composition of the Board of Directors as on 31<sup>st</sup> March 2015 is as follows:

S. No.	Name	Designation/ Category
1.	Shri Gopal Sitaram Jiwrajka (DIN 00024325)	Chairman & Managing Director (Promoter & Executive Director)
2.	Shri Tarun Jiwrajka (DIN 00386240)	Whole Time Director (Promoter & Executive Director)
3.	Shri Gautam Khaitan (DIN 00021117)	Non Executive & Independent Director (Chairman Audit Committee)
4.	Shri P. N. Mehta (DIN 00277303)	Non Executive Director (Member Audit Committee)
5.	Shri Sanjeev Kaul Duggal (DIN 00004977)	Non Executive & Independent Director (Member Audit Committee)
6.	Shri Patanjali Govind Keswani (DIN 00002974)	Non Executive & Independent Director (Member Audit Committee)
7.	Smt. Sushmita Shekhar (DIN 02284266)	Non Executive & Independent Director

#### Details of the Executive Directors:

Shri Gopal Sitaram Jiwrajka, Chairman and Managing Director of the Company, is a commerce graduate and possesses rich experience in Marketing, Finance, Production and Administration and has extensively traveled all over the globe. He possesses rich experience in TV and electronic industry and possesses in depth knowledge of Indian conditions in respect of this industry.

Shri Tarun Jiwrajka, Whole Time Director of the Company, is a commerce graduate and possesses rich experience in Marketing, Finance, Production and Administration and has extensively traveled all over the globe. He was appointed by the Shareholders since 10 November, 2011 and reappointed by the Board on 10 November, 2014 for another five years period making him liable for rotation subject to regularization by shareholders.

#### Details of Non-executive 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. He is also holding directorships in various companies of leading corporate houses other than holding memberships of International Bar Association, FICCI, Delhi High Court Bar Association etc. He has been appointed as an Independent Director with effect from 29 September, 2014 to 28 September, 2019 for a period of five years.

Shri Patanjali Govind Keswani, Independent Non Executive Director of the Company, a Bachelor in Electrical Engineering from IIT Delhi and holder of a PG Diploma in Business Management from IIM Kolkatta. He has vast experience in working with big business houses like TATA

Group and Taj Hotel Group. As a bright entrepreneur and promoter of Lemon Tree Hotels, he has the capability to steer the Company towards growth. He has been appointed as an Independent Director with effect from 29 September, 2014 to 28 September, 2019 for a period of five years.

Shri Sanjeev Kaul Duggal, Independent Non Executive Director of the Company, 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 by the Institute of Economic Studies. He was appointed as an Independent Director with effect from 29 September, 2014 to 28 September, 2019 for a period of five years.

Shri P. N. Mehta, Non Executive Director of the Company, is a chartered accountant by profession and past chairman of (ICAI-NIRC). He is working as senior partner in AIYAR & Company specialized in taxation and company law.

Smt. Sushmita Shekhar, is appointed by the Board with effect from 30 March, 2015 as an Additional Director in the category of Independent Non Executive subject to regularisation by Shareholders. She is a post graduate in English from Patna University, has over 27 years of experience in the industry, international organizations and development sector. She is contributing to many social causes and is associated to Sapna & Sarvottam, two such social service organizations. She has served as the Secretary General of PHD Chamber of Commerce and Industry, a multi-state apex organization that is a catalyst in the promotion of industry, trade and entrepreneurship, She was a Member of the UN Task Force - Millennium Development Committee for water and sanitation as one of the global experts representing the needs of people from their respective regions. Presently, she is an Independent Director and member of CSR & Committees of the Board of Director of Ginni International Ltd.(GIL). She is also a consultant in Blackberrys, Gurgaon, one of India's leading premium fashion brands.

All Directors have certified that the disqualification mentioned under section 164, 167 and 169 of the Companies Act, 2013 do not apply to them. Independent Directors have confirmed that they have complied with the Code for Independent Directors mentioned in the Schedule IV of the Companies Act, 2013 and that they are not disqualified to act as an Independent Director in compliance with the provisions of section 149 of the Companies Act, 2013.

**Disclosures/ Policies:**

The Company complies with 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 Clause 49 of the Listing Agreement entered into with the Stock Exchanges and other clauses of the same.

Apart from those the Company has formulated many Policies and Code of Conducts to provide better means to Corporate Governance, these can be seen on the Company's website: [www.salora.com](http://www.salora.com). Some of these policies are-

- 1) Code of Conduct for the Board of Directors, KMPs and Employees of the Company as per Clause 49 of the Listing Agreement.
- 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) Risk Management Policy.
- 5) Related Party Transaction Policy.
- 6) Whistle Blower Policy.
- 7) Policy for Determining Material Subsidiary.
- 8) Policy for Board Diversity.
- 9) Terms and Conditions of appointment of Non-executive Independent Directors.

**ATTENDANCE OF EACH DIRECTOR AT BOARD MEETINGS AND AT THE PREVIOUS ANNUAL GENERAL MEETING (AGM)**

S. No.	Name	No. of Board Meeting held	No. of Board Meeting attended	Attendance at the Last AGM
1.	Shri Gopal Sitaram Jiwarajka	5	5	Yes
2.	Shri Tarun Jiwarajka	5	5	Yes
3.	Shri Gautam Khaitan	5	3	No
4.	Shri P. N. Mehta	5	4	Yes
5.	Shri Sanjeev Kaul Duggal	5	3	No
6.	Shri Patanjali Govind Keswani	5	4	Yes
7.	Smt. Sushmita Shekhar (DOA 30.03.2015)	5	-	-

**THE NAMES OF THE DIRECTORS AND DETAILS OF OTHER CHAIRMANSHIP / DIRECTORSHIP / COMMITTEE MEMBERSHIP OF EACH DIRECTOR AS ON 31<sup>st</sup> MARCH 2015 IS GIVEN BELOW:**

Name of Director	Category	Number of Directorship in other Companies		Number of Committee Membership in other Companies	
		Chairman	Member	Chairman	Member
Shri Gopal Sitaram Jiwarajka	Executive & Promoter	-	4	2	1
Shri Tarun Jiwarajka	Executive & Promoter	-	1	-	-
Shri Gautam Khaitan	Non Executive & Independent	-	3	1	3

Shri P. N. Mehta	Non Executive	-	1	1	2
Shri Sanjeev Kaul Duggal	Non Executive & Independent	-	5	-	-
Shri Patanjali Govind Keswani	Non Executive & Independent	1	-	1	1
Smt. Sushmita Shekhar	Woman Director (Non Executive)	-	2	-	-

**Notes:**

- i. Other directorships exclude foreign companies, private limited companies and alternate directorships.
- ii. Membership in Audit Committee and Stakeholders' Relationship Committee has only been reckoned for other committee memberships.

All Independent Directors possess the requisite qualifications and are very experienced in their own fields. Shri Tarun Jiwrajka, Whole Time Director and Shri P. N. Mehta, Director of the Company is liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

**BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS**

The Board met five (5) times during the financial year 2014-2015. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

The relevant details are as under:

S. No.	Date	Board Strength	No. of Directors Present
1.	24.05.2014	6	5
2.	07.08.2014	6	6
3.	10.11.2014	6	4
4.	06.02.2015	6	4
5.	30.03.2015	6	5

The company places before the Board all those details as required under Annexure X to the Listing Agreement. The dates for the Board Meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors with all information required for decision making. Information those are price sensitive and those cannot be included in the agenda are tabled at the meeting for discussion and to take on record or approval. The Chairman and

Managing Director appraise the Board on the overall performance of the Company at every Board Meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the company should follow and ensures financial stability. The Board takes on record the actions taken by the company on all its decisions periodically.

The Board also takes on record the declaration made by the Company Secretary, Chairman and Managing Director, Whole Time Director and Chief Financial Officer regarding compliances of laws on a quarterly basis.

**DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:**

Shri Gopal Sitaram Jiwrajka and Shri Tarun Jiwrajka are related to each other.

**AUDIT COMMITTEE**

i. The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the company. The terms of reference of the audit committee covers all matters specified in Clause 49 of the Listing Agreement and also those specified in Section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems / financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the company. The Audit Committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The Committee also recommends the appointment of Internal Auditor, Statutory Auditor and Cost Auditor. The Audit Committee takes note of any default in the payments to creditors and shareholders. The Committee also looks into those matters specifically referred to it by the Board. The Internal and Statutory Auditors were present at all audit committee meetings where financial statements are being discussed.

- ii. The Audit Committee comprises of the following directors at the year ended 31<sup>st</sup> March 2015:
  1. Shri Gautam Khaitan - Chairman
  2. Shri P. N. Mehta - Member
  3. Shri Patanjali Govind Keswani – Member
  4. Shri Sanjeev Kaul Duggal – Member

As on 31<sup>st</sup> March 2015 the Committee comprises of three Independent & Non Executive Directors and one Non Executive Director. All directors are financially literate and have relevant finance / audit exposure. The Chief Financial Officer is permanent invitee to the meetings of the committee. The executive directors are being invited to attend the audit committee meetings as and when required. The Company Secretary acts as the secretary to the committee. The

composition of the audit committee is as per Clause 49 of the Listing Agreement. Chairman of the Audit Committee was not present at the previous Annual General Meeting of the Company held on 29<sup>th</sup> September 2014. The audit committee met five (5) times during the year on 24.05.2014, 07.08.2014, 10.11.2014, 06.02.2015 & 30.03.2015.

#### ATTENDANCE OF EACH DIRECTOR AT AUDIT COMMITTEE MEETINGS

S. No.	Name of the Director	Number of Audit Committee meeting attended
1.	Shri Gautam Khaitan	3
2.	Shri Prem Nath Mehta	4
3.	Shri Patanjali Govind Keswani	4
4.	Shri Sanjeev Kaul Duggal	3

#### NOMINATION AND REMUNERATION COMMITTEE

- (i) Brief description of terms of reference is for:
- appointment of the directors and key managerial personnel of the Company; and
  - fixation of the remuneration of the Chairman & Managing Director, Whole Time Director and key managerial personnel of the Company.
- (ii) Composition of Committee
1. Shri Patanjali Govind Keswani, Chairman
  2. Shri P. N. Mehta, Member
  3. Shri Sanjeev Kaul Duggal, Member

(iii) Attendance during the Year

S. No.	Name of Director and Position	Meeting / Attendance		
		24.05.2014	10.11.2014	30.03.2015
1.	Shri Patanjali Govind Keswani, Chairman	No	Yes	No
2.	Shri P. N. Mehta, Member	No	No	Yes
3.	Shri Sanjeev Kaul Duggal, Member	Yes	Yes	Yes
4.	Shri Gautam Khaitan, Member	Yes	No	No

\*The company has reconstituted the Remuneration Committee as Nomination and Remuneration Committee during the year with effect from 07 August 2015

- (iv) Nomination & Remuneration Committee recommendation
- The remuneration to be paid to Chairman & Managing Director;
  - The appointment of the Whole Time Director;
  - The payment of remuneration to Whole Time Director; and

- Appointment of employees from the level of key managerial personnel i.e. Chief Financial Officer and Company Secretary.

The remuneration is to be fixed keeping in mind the persons' track record, his potential individual performance, the market trends and scales prevailing in the similar industry.

The Policy inter alia provides for the following:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

The Company Secretary is the secretary to the committee.

During the financial year 2014-2015 the committee met three (3) times on 24.5.2014, 10.11.2014 and 30.03.2015.

#### Nomination & Remuneration Policy & Criteria for Performance evaluation:

The Board had framed Nomination and Remuneration Policy, which is generally in line with the existing industry practice and applicable laws. The Remuneration policy of the company has been displayed on the website of the Company i.e. [www.salora.com](http://www.salora.com) and also a brief of the policy is narrated below.

#### Nomination and Remuneration Policy:

##### Roles and Responsibilities of the Committee

The roles and responsibilities of the Committee shall be within the terms of references given to the Committee by the Board. The terms of reference of the Nomination and Remuneration Committee are as under:

- a) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- b) To carry out evaluation of every director's as well as Key Managerial and Senior Management Personnel's performance at regular interval (yearly).
- c) To formulate the criteria for determining qualifications, positive

attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees and to recommend modification thereof as and when required.

- d) To formulate the criteria for evaluation of Independent Directors and the Board.
- e) To devise a policy on Board diversity.
- f) To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- g) To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Scheme including:
  - the quantum of options to be granted under such schemes per employee and in aggregate;
  - the conditions under which option vested in employees may lapse in case of termination of employment for misconduct;
  - the exercise period within which the employee should exercise the option, and that the option would lapse on failure to exercise the option within the exercise period;
  - the specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee;
  - the right of an employee to exercise all options vested in him at one time or at various points of time within the exercise period;
  - the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions, such as rights issues, bonus issues, merger, sale of division and others;
  - the granting, vesting and exercising of options in case of employees who are on long leave; and
  - the procedure for cashless exercise of options.
- h) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- i) To perform such other functions as may be necessary or appropriate for the performance of its duties.

#### MEMBERSHIP AND QUORUM

- a) The Committee shall comprise three or more Directors, all of whom shall be non-executive Directors and not less than half of them shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.

- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee shall present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

#### FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required.

#### 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:

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 Director:

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.

Further, No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, 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.

#### **REMOVAL**

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 there under, with reasons recorded in writing, subject to the provisions and compliance of the said Act, rules and regulations.

#### **Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to the approval of Shareholders or Central Government, if required.

#### **REMUNERATION TO MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT:**

##### **a) General Provisions:**

The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Increments/variation to the existing remuneration / compensation structure may be recommended by the Committee to the Board and shall be subject to approval of the Shareholders in the case of Managerial Person. Such Increments/variation will be effective from the date of reappointment in respect of Managerial Person or any other date as approved by the Board/ Shareholder.

Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

b) **Fixed pay:** Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be

approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

c) **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

d) **Provisions for excess remuneration:** If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

#### **REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:**

a) **Remuneration / Commission:** The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

b) **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) **Limit of Remuneration /Commission:** Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

d) **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

Further, the company has devised a policy for performance evaluation of Board, Its Committees and individual members inter-se. The Company in consonance with the evaluation criteria as laid down by Nomination and Remuneration Committee of the Company developed an evaluation questionnaire and sent to the individual directors, in order to enable them to evaluate the performance of the Board and its Committees and individual directors through their grading/ ranking.

## CRITERIA FOR EVALUATION AND APPOINTMENT:

- The Committee shall identify and ascertain the relevant skills, 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.
- 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.
- 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.

## DETAILS OF FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of programmes for familiarisation 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 website of the Company at the link: [http://salora.com/pdf/Familiarisation Programme for Independent Director.pdf](http://salora.com/pdf/Familiarisation_Programme_for_Independent_Director.pdf)

## DETAILS OF REMUNERATION PAID TO ALL DIRECTORS

Shri Gopal Sitaram Jiwaraajka, Chairman & Managing Director and Shri Tarun Jiwaraajka, Whole Time Director are executive directors. The remuneration payable to them is determined by the Board on the recommendation of the remuneration committee. This is subject to the approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. The non executive directors do not draw any remuneration from the company except sitting fees for attending the meetings of the board and the committees.

## DETAILS OF REMUNERATION PAID TO SHRI GOPAL SITARAM JIWARAJKA AND SHRI TARUN JIWARAJKA DURING THE FINANCIAL YEAR 2014-2015

Particulars	Shri Gopal Sitaram Jiwaraajka, Chairman & Managing Director	Shri Tarun Jiwaraajka, Whole Time Director
Basic Salary	42,00,000	9,60,000
Bonus / Benefits	8,400	8,400
House Rent Allowance	21,60,000	4,80,000
Other Allowances (performance pay/HMA)	18,00,000	6,96,000
Commission	-	-

Other perquisites / performance linked incentive	4,13,710	2,77,800
Contribution to Provident Fund / Pension	5,04,000	1,15,200
Contribution to Superannuation Fund	-	-
Stock Option	-	-
Service contracts / notice period / severance fees	-	-

- The appointment is subject to termination by giving one month notice in writing by either side, Shri Gopal Sitaram Jiwaraajka has been reappointed as the Chairman and Managing Director with effect from 1<sup>st</sup> July, 2013 for a period of three years and during the period under review his remuneration was revised as per Schedule V Part II of the Act. Shri Tarun Jiwaraajka has been reappointed as Whole Time Director for a period of five years with effect from 10<sup>th</sup> November, 2014 subject to the approval by members at the ensuing General Meeting.
- The Company does not have at present any scheme for grant of stock options to its Directors, KMPs and other employees.
- Shri Gopal Sitaram Jiwaraajka, Chairman & Managing Director and Shri Tarun Jiwaraajka, Whole Time Director are related to each other in terms of section 2(77) of the Act.

## DETAILS OF SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS DURING THE FINANCIAL YEAR 2014-2015

Name of the Director	Board Meeting (Rs.)	Audit Committee Meeting (Rs.)	Remuneration Committee Meeting (Rs.)	Stakeholder's Relationship Committee Meeting (Rs.)	Total (Rs.)
Shri Gautam Khaitan	30,000	30,000	-	-	60,000
Shri P. N. Mehta	40,000	40,000	-	-	80,000
Shri Sanjeev Kaul Duggal	30,000	40,000	-	-	70,000
Shri Patanjali Govind Keswani	40,000	40,000	-	-	80,000

There was no pecuniary relationship or transactions of the non-executive directors vis-à-vis the company during the Financial Year ended 31<sup>st</sup> March, 2015.

## CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:

The Company has created 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 website of the Company ([www.salora.com/Investors/Remuneration Policy](http://www.salora.com/Investors/Remuneration_Policy))

## REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR:

- Remuneration /Commission:** The remuneration /commission

shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

31.12.2014	1	1	1	1
31.03.2015	1	2	2	1

- b) **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) **Limit of Remuneration /Commission:** Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- d) **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

## RISK MANAGEMENT

Periodic assessments to identify the risk areas are carried out and management is briefed on the risks in advance to enable the company to control risk through a properly defined plan. The risks are classified as financial risks, operational risks and market risks. The risks are taken into account while preparing the annual business plan for the year. The Board is also periodically informed of the business risks and the actions taken to manage them. The Company has formulated a policy for Risk management with the following objectives:

- Provide an overview of the principles of risk management
- Explain approach adopted by the Company for risk management
- Define the organizational structure for effective risk management
- Develop a "risk" culture that encourages all employees to identify risks and associated opportunities and to respond to them with effective actions.
- Identify, assess and manage existing and new risks in a planned and coordinated manner with minimum disruption and cost, to protect and preserve Company's human, physical and financial assets.

## RISK MANAGEMENT COMMITTEE

The Board has constituted Risk Management Committee to be involved in the process of identification, measurement, monitoring and mitigation of the various risks faced by the Company. The Committee will meet periodically and report to the top Management and Board.

The Risk Management committee comprises of three members out of two are members of the Board and Chief Financial Officer of the Company. The Committee shall take its terms of references from the Risk Management Policy of the Company.

## COMPOSITION OF THE COMMITTEE

Name	Designation	Category
Shri P. N. Mehta	Chairman	Non-executive Director
Shri Tarun Jiwrajka	Member	Whole Time Director
Shri Amit Kumar Goel	Member	Chief Financial Officer

The Committee may invite any official of the Company at the meeting of the Committee and Company Secretary will act as a Secretary of the Company.

## SHARE TRANSFER COMMITTEE

The terms of reference of the Share transfer Committee includes, to approve, transfer and transmission of shares and issue of new/duplicate share certificates, whenever requested for by the

## STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The terms of reference of the Stakeholders' Relationship Committee (Formerly Known as Share transfer and Investors' Grievances Committee) as stated in the Section 178 of the Companies Act, 2013 and rules made thereof and Clause 49 of the Listing Agreement, and includes:

- a) To look into redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc.
- b) 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.
- c) 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.

## COMPOSITION OF THE COMMITTEE

Name	Designation	Category
Shri Patanjali Govind Keswani	Chairman	Non-executive Independent Director
Shri P. N. Mehta	Member	Non-executive Director
Shri Tarun Jiwrajka	Member	Whole Time Director

Shri Nitin Agrahari, Company Secretary acts as the Secretary for the Committee who is designated as Compliance Officer pursuant to Clause 47(a) of the Listing Agreement with the Stock Exchanges.

As on 31.03.2015 there was no complaint pending

Quarter ended	Outstanding	Complaint received	Replied	Pending
30.06.2014	-	1	1	-
30.09.2014	-	3	2	1



shareholders of the Company. The Committee authorised Chairman & Managing Director and Whole Time Director of the Company to sign the Memorandum of Share Transfer/Transmissions submitted by Registrar of Transfer Agent and counter signed by Company Secretary of the company and same to be rectified by the Committee in subsequent meeting.

Presently, the share transfers which are received in physical form are processed and the share certificates returned within 7 days from the date of receipt, subject to the documents being valid and complete in all respects.

The Board has delegated the authority for approving transfer, transmission etc of the company's securities to the Share Transfer Committee. A summary of share transfer / transmission of the securities of the company so approved by the committee is being placed at every Board Meeting.

#### COMPOSITION OF SHARE TRANSFER COMMITTEE

Name	Designation	Category
Shri Gopal Sitaram Jiwrajka	Chairman	Managing Director
Shri Tarun Jiwrajka	Member	Whole Time Director

Company Secretary will act as a Secretary of the Company.

#### VIGIL MECHANISM & WHISTLE BLOWER POLICY

The company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The company affirms that no personnel has been denied access to the audit committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at [gkhaitan@opkhaitan.com](mailto:gkhaitan@opkhaitan.com). The key directions/actions will be informed to the Managing Director of the Company. The policy on Vigil Mechanism & Whistle Blower Policy may be accessed on the Company's website at the link: [http://salora.com/pdf/whistleblower\\_policy\\_salora.pdf](http://salora.com/pdf/whistleblower_policy_salora.pdf)

#### GENERAL BODY MEETING

Location and time, where last three AGMs held

Venue	Financial Year	Date & Time
Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi – 110 003	2011-2012	1 <sup>st</sup> August, 2012 11.00 A.M.
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi – 110003.	2012-2013	7 <sup>th</sup> August, 2013 11.00 A.M.

Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003. 29<sup>th</sup> September, 2014  
3.30 P. M.

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

#### AGM / EGM Subject

- |                      |   |
|----------------------|---|
| 43 <sup>rd</sup> AGM | Shareholder's approval for appointment of Shri Tarun Jiwrajka, as whole time director.  |
| 44 <sup>th</sup> AGM | Shareholder's approval for appointment of Shri Gopal Sitaram Jiwrajka, as Managing Director.  |
| 45 <sup>th</sup> AGM | <ol style="list-style-type: none"> <li>1) Appointment of Shri Sanjeev Kaul Duggal, as an Independent Director for a term of 5 years.</li> <li>2) Appointment of Shri Gautam Khaitan, as an Independent Director for a term of 5 years.</li> <li>3) Appointment of Shri Patanjali Govind Keswani, as an Independent Director for a term of 5 years.</li> <li>4) Alteration of Articles of Association of the Company.</li> <li>5) To invite / accept / renew / receive money by way of secured / unsecured deposits from public and / or members of the Company.</li> <li>6) Approval of Scheme of granting of loan to Managing Director and Whole time Director.</li> <li>7) Variation in the remuneration payable to Shri Gopal Sitaram Jiwrajka, Managing Director of the Company.</li> </ol> |

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 as per clause 35B of the Listing Agreement.

#### SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT

During the year, the members of the Company have approved amendment in the Objects Clause of the Memorandum of Association of the Company by passing a Special Resolution through postal ballot effective October 1, 2014.

The Board had appointed Shri Sanjay Grover, a Practicing Company Secretary as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

The details of the voting pattern in respect of Special Resolution passed for alteration of the Object Clause of the Memorandum of Association was as under:

Promoter/ Public	No. of Shares held	No. of Valid Votes Polled	% of Votes Polled on outstanding Shares	No. of Votes- In Favour	No. of Votes Against	% of Votes in Favour on Votes Polled	% of Votes Against on Votes Polled
	1	2	(3)=[(2)/(1)]*100	4	5	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter & promoter Group	5,876,266	5,876,166	99.9983	5,876,166	0	100	0
Public-Institutional Holders	700	-	0.0000	-	0	0	0.000
Public-Others	2,930,334	6,167	0.2105	6,066	101	98.3623	1.6377
Total	8,807,300	5,882,333	66.7893	5,882,232	101	99.9983	0.0017

However, it was not certified by Registrar of Companies as the Company did not remove the other object mentioned in Clause III of Memorandum of Association. Therefore, Company needs to amend the MOA again while removing the other object clause and proposes alteration in MOA, a notice of Postal ballot shall also be sent separately to shareholders.

#### DISCLOSURES:

- Disclosures on materially significant related party transaction that may have potential conflict with the interest of company at large - NIL
- Detail of non-compliance by the company, penalties, strictures imposed on 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 has been denied access to the audit committee
- Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause.

The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 are mentioned in Note "40" of the Balance Sheet. However, 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 Exchanges or SEBI or any statutory authority.

The Board has constituted Remuneration Committee. The Company has not put in place other non-mandatory requirements at present.

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 the 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 Pioneer (English) and The Pioneer (Hindi). These are not sent individually to the shareholders.

- The company's website address is: [www.salora.com](http://www.salora.com). The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updation of its website. The company has designated the email-id [sect@salora.com](mailto:sect@salora.com) in order to enable the shareholders to register their grievances.
- Pursuant to the Listing Agreement, all data related to quarterly financial results, shareholding pattern, etc., are filed in NEAPS within the time frame prescribed in this regard.
- No presentations have been made to institutional investors or to analysts.

#### GENERAL SHAREHOLDER INFORMATION

##### ANNUAL GENERAL MEETING

Date and time	Friday, 18 <sup>th</sup> September, 2015 at 11.00 A.M.
Venue	Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi -110 003
Book Closure date	11 <sup>th</sup> September, 2015 to 18 <sup>th</sup> September, 2015 (both days inclusive)
Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March

##### FINANCIAL CALENDAR 2015-2016 (tentative)

Result for the quarter ended 30 <sup>th</sup> June, 2015	On or before 14 <sup>th</sup> August, 2015
Result for the quarter ended 30 <sup>th</sup> September, 2015	On or before 14 <sup>th</sup> November, 2015
Result for the quarter ended 31 <sup>st</sup> December, 2015	On or before 14 <sup>th</sup> February, 2016
Result for the quarter ended 31 <sup>st</sup> March, 2016	On or before 30 <sup>th</sup> May, 2016

#### REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Skyline Financial Services Pvt. Ltd.  
Registrars and Transfer Agents  
Unit: Salora International Limited  
D-153-A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase -1, New Delhi-110020  
Tel. No. 011-26812682, 83 & 84 Fax No. : 011-30857562  
Website: [www.skylinerta.com](http://www.skylinerta.com)  
Email: [admin@skylinerta.com](mailto:admin@skylinerta.com)

## INVESTORS CORRESPONDENCE

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

Nitin Agrahari, Company Secretary

### REGISTERED OFFICE

Salora International Limited  
D-13/4, Okhla Industrial Area, Phase-II, New Delhi – 110 020  
Web site: www.salora.com  
Tel. No. 011- 49207100 & 101, Fax No. 011-26388581  
Email – sect@salora.com

## LISTING ON STOCK EXCHANGES

Name of the Stock Exchange	: Stock Code
National Stock Exchange of India Limited (NSE)	: SALORAINTL
Bombay Stock Exchange Limited	: 500370
CIN	: L74899DL1968PLC004962

## LISTING FEES

Annual Listing fees for the year 2015-16 have been paid to the above stock exchanges.

## STOCK MARKET DATA

Month	Bombay Stock Exchange 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, 2014	22.35	18.75	43737	21.85	18.35	18497
May, 2014	26.50	18.35	53841	26.30	18.05	21632
June, 2014	42.75	25.45	77846	42.95	26.65	50932
July, 2014	45.25	33.05	145721	46.25	33.35	108435
August, 2014	42.20	30.65	37781	40.25	31.20	45175
September, 2014	36.65	28.10	34912	38.00	30.15	52757
October, 2014	43.95	29.60	85215	44.60	30.10	47449
November, 2014	53.80	34.00	72857	53.70	33.10	64617
December, 2014	37.45	28.40	19043	42.00	29.70	26687
January, 2015	54.75	31.10	70228	55.00	30.00	187289
February, 2015	48.40	35.20	23306	49.00	34.50	41030
March, 2015	41.25	33.80	81014	41.00	34.00	86324

## SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH, 2015

Category of Shareholders	No. of Folios	No. Shares held	Percentage
Individuals	4732	1605615	18.23
Companies	159	1135996	12.90
Promoters	8	5317287	60.37
Group Companies	1	558929	6.36
FII's, NRIs, OCBs	36	113078	1.28
Mutual Fund, Banks, FIs	4	700	0.01
Others – Trust	113	75695	0.85
Total	5053	8807300	100.00

## DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2015

Number of Equity Shares held	Number of Share holders	Number of shares	% of capital
Up to 500	4589	530849	6.03
501 – 1000	197	159024	1.81
1001 – 2000	107	163558	1.86
2001 – 3000	45	116774	1.32
3001 – 4000	27	96793	1.10
4001 – 5000	19	87324	0.99
5001 – 10000	33	241471	2.74
10001 and above	36	7411507	84.15
Total :	5053	8807300	100.00

## DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31<sup>st</sup> MARCH, 2015

Name	No. of Shares
Shri Gopal Sitaram Jiwrajka	20,29,117
Shri Tarun Jiwrajka	3,72,741
Shri Gautam Khaitan	-
Shri P. N. Mehta	-
Shri Sanjeev Kaul duggal	-
Shri Patanjali Govind Keswani	-
Smt. Sushmita Shekha	-

## INFORMATION IN RESPECT OF UNCLAIMED DIVIDENDS DUE FOR REMITTANCE INTO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) IS GIVEN BELOW:

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of

declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. The unclaimed dividend as on 31<sup>st</sup> March, 2015 is as follows:

Financial Year	Date of declaration of dividend / Interim dividend	Last date for claiming unpaid dividend	Date of transfer to IEPF
2007-08	04.07.2008	03.07.2015	02.08.2015
2008-09	21.07.2009	20.07.2016	19.08.2016

Shareholders are advised by the company well in advance before transferring the unclaimed dividends to IEPF. Members are requested to note that as per the Companies Act, unclaimed dividend once transferred to IEPF will not be refunded.

Shareholders holding shares in electronic form are requested to deal only with their Depository Participant in respect of change of address, nomination facility and furnishing bank account number, etc.

#### MEETING OF INDEPENDENT DIRECTORS:

The Independent Directors of the Company had met during the year on 30.03.2015 to review the performance of non- Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company and had accessed the quality, quantity and timeliness of flow of information between the company management and the Board.

#### SUBSIDIARY COMPANY(IES)

The financials of the subsidiary company viz., M/s Salora Components Ltd., have been duly reviewed by the audit committee and the Board of the holding company. The board minutes of the unlisted subsidiary companies have been placed before the Board of the holding company. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary company. The Company has also formulated a policy for determining the Material Subsidiary and the details of such policies are disseminated in the website of the Company [http://salora.com/pdf/Policy\\_determining\\_material\\_subsidary.pdf](http://salora.com/pdf/Policy_determining_material_subsidary.pdf)

#### RELATED PARTY TRANSACTION

There have been no materially significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy. Related Party Transaction policy of the Company can be seen on company's website at following link: [http://salora.com/pdf/Related%20Party%20Transactions\\_Salora.pdf](http://salora.com/pdf/Related%20Party%20Transactions_Salora.pdf)

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT and the Related Party Transactions are disseminated in the website of the Company [http://salora.com/pdf/Related%20Party%20Transactions\\_Salora.pdf](http://salora.com/pdf/Related%20Party%20Transactions_Salora.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.

#### CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT

The standards for business conduct provide that the directors and the senior management will uphold ethical values and legal standards as the company pursues its objectives, and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the website [www.salora.com](http://www.salora.com). As provided under Clause 49 of the Listing Agreement with the stock exchanges, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2015-2016.

#### 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 are requested to convert their physical holding to demat/electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

Shareholders holding shares in physical form, should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.

It has become mandatory for transferees to furnish a copy of Permanent Account Number for registration of transfer of shares held in physical mode.

Shareholders holding shares in physical form who 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. Those holding shares in electronic form are advised to contact their DPs.

As required by SEBI, it is advised that the shareholders furnish details of their bank account number and name and address of their bank for incorporating the same in the dividend warrants. This would avoid wrong credits being obtained by unauthorized persons.

#### RECONCILIATION OF SHARE CAPITAL AUDIT

A quarterly audit was conducted by a practising company secretary, reconciling the issued and listed capital of the company with the aggregate of the number of shares held by investors in physical form and in the depositories and the said certificates were submitted to the stock exchanges within the prescribed time limit. As on 31<sup>st</sup> March 2015 there was no difference between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories. 8640313 equity shares representing 98.10% of the paid up equity capital have been dematerialized as on 31<sup>st</sup> March 2015.

## INFORMATION TO SHAREHOLDERS

A brief resume of the director reappointed together with the nature of his experience and details of the other directorships held by him is 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 forms can be obtained from the Company's Registrar and Share Transfer Agent.

## ELECTRONIC CLEARING SERVICE

SEBI had vide its Circular No. DCC/FITTCIR-3/2001 dated 15<sup>th</sup> October, 2001 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 13<sup>th</sup> 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.

## PLANT LOCATIONS

1. Infocom Division  
D-13/4, Okhla Industrial Area, Phase – II,  
New Delhi – 110 020.
2. Consumer Electronics Division  
Plot No. B-31 – 34 & 50 – 53, 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.

Place : New Delhi  
Date : 2<sup>nd</sup> July, 2015

**DECLARATION BY CHAIRMAN AND MANAGING DIRECTOR ON  
CODE OF CONDUCT UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To

The Members

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended 31<sup>st</sup> March, 2015.

**(Gopal Sitaram Jiwrajka)**  
Chairman and Managing Director

Place : New Delhi

Date : 2<sup>nd</sup> July, 2015

**CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR (CMD)  
and CHIEF FINANCIAL OFFICER (CFO) TO THE BOARD**

We, Gopal Sitaram Jiwrajka, Chairman and Managing Director and Amit Kumar Goel, Chief Financial Officer of Salora International Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit

committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.

4. We indicate to the auditors and to the audit committee:
  - a) Significant changes in internal control over financial reporting during the year;
  - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

**Gopal Sitaram Jiwrajka**  
Chairman and Managing Director

**Amit Kumar Goel**  
Chief Financial Officer

Place : New Delhi  
Date : 2<sup>nd</sup> July, 2015

**PRACTISING COMPANY SECRETARY’S REPORT ON CORPORATE GOVERNANCE**

TO THE MEMBERS OF  
Salora International Limited

We have examined the compliance of conditions of Corporate Governance by Salora International Limited for the year ended 31<sup>st</sup> March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

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.

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 M/s. Navneet K. Arora & Co.**  
Practising Company Secretary

**CS Navneet Arora**  
Proprietor

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

Membership No.: FCS 3214  
COP: 3005

## **Annexure – VIII**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report is being included as part of the Directors' Report, in compliance to the Corporate Governance norms as suggested by the Listing Agreements with stock exchanges and as approved by the Securities and Exchange Board of India (SEBI). The Management Discussion and Analysis Report comprises of discussions on following matters:

#### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company is in the business of manufacturing and marketing of consumer electronic products including LED TVs, CRT TVs, Home Theaters and critical TV components, Tablets, Smart phones, Feature Phones, House Hold & Lifestyle Products and distribution of Telecom & IT products. Company is also engaged in the business of after sales service of Salora products and wide range of leading national and international brands of telecom products.

During the financial year 2014-15, Indian economy went through many changes in every aspect, be it financial, economical or political. All these changes have majorly effected the corporate environment in India. Apropos to the "Make in India" movement, the Government, reduced the customs duty on some items which go into the manufacture of various consumer electronic goods including TVs as well as reduction in tax on royalty will encourage indigenous manufacturing and technology proliferation. The Government has specifically targeted LED TVs, one of the largest contributing products of company's revenue, reducing customs duty on organic or OLEDs from 10 per cent to zero. By these reductions, assembling costs will reduce, while manufacturing stands to gain from this, consumers will also be benefitted because we could pass these savings to them.

#### **OPPORTUNITIES AND THREATS**

##### **Opportunities:**

Global sentiment towards the Indian market has seen substantial improvement following the reforms initiated in Policy and Regulatory norms by the Indian Government. Recent Government measures intended structural reforms in the Indian economy are in the right direction to make India as a new manufacturing hub to the World. In order to reduce the import bill, the Government planned to support the manufacturing capabilities in India and with this preference to Indian electronic products, manufacturing companies like Salora will get benefits in terms of profitability and growth as well.

For effective leveraging to achieve desired growth, your Company has been evaluating the opportunities into manufacturing of Mobiles and Tablet Computers and their components. Another horizon of opportunity seems to come shortly in smart phone segment with the debut of fourth generation of mobile telecommunications technology, succeeding to 3G in India, your Company will launch 4G Phones too in time with the launch of 4G services in India.

##### **Threats:**

Due to the stiff competition, there is a constant pressure for reducing the selling prices, however your Company takes this as challenge to be faced for improving the market position with cost reduction

exercises. If the costs are not controlled then it may prove to be a threat and margins will be under pressure.

Another unavoidable challenge being faced by the Company is the technological obsolescence and your Company is all set to replace this risk with developing strength in introduction of technologically advance and innovative products.

#### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

##### **SALORA – TECHNOLOGY FOR HAPPINESS**

The growth in telecom products demand is an encouraging factor to the market development in Consumer Electronics Sector and as per statistical data available, India is adding 2 million mobile phone users every month. With the debut of smart communication devices, telecom segment has started penetrating IT segment within the Sector. The demand for smart communication devices has raised sharply, lowering the demand for Feature Phones and Tablets. Your company is also striving to be a part of this growth story with continuous introduction of new models to serve the needs of Consumer Electronic Sector in following segments:

##### **Consumer Electronics Product:**

Salora is a trusted brand in the television manufacturing industry from last few decades. Your Company constantly strives to provide its best and focused efforts to maintain its hard-earned goodwill by providing consumer friendly products at affordable price. But over the past few years the Indian Television industry has made rapid changes. Moreover, with changing global trends and advanced technologies such as smart HD TVs and energy saving, eco-friendly compact size models have shifted the consumer preference to international Brands. The digitization of cable TV also led to a shortening of the replacement cycle of television sets, as CRT TV owners started upgrading to digital TVs. Due to all these changes the market is experiencing a slow and steady growth.

During the year 2014-15, performance of consumer electronics business was satisfactory keeping in view of the competition faced by the company from its multi-national peers.

##### **E-Commerce:**

In the modern era, technology advancement has extended the reach of market upto the home place of prospective consumers through e-commerce business model. This gives them freedom to choose from a wide range of options just a click away and without sweating much effort for selecting desired item. As our motto, is consumer preference and satisfaction, we adapt ourselves according to consumers' need and strive to provide them a platform to shop their requirements through E-commerce. With the experience gained while partnering with ecommerce companies like Amazon, Flipkart and Snapdeal, your Company has built up capability and expertise in landing up e-commerce business and this will be another core specialized area for the Company's business operation. The Company is also aligned partnership with some other e-commerce market places like Naaptol, Shop Clues, Times Internet Ltd., ebay and HomeShop18.



**Telecom Product:**

During the year under review, the Company has established a premium range of smart phones under the brand name “arya” for selling exclusively through our online business partner “Amazon”. In the coming year, Company is also planning to sell these products through our well established distribution channel in India and to export in different countries. To expand the product portfolio in the telecom business, your company has introduced under the flagship of our very own brand “Salora”, some technologically superior and budget friendly mobile phone models such as njoy E -E4, njoy G -E5, KP-11, KC-11, KC-12 and KC-18 in the smart and feature phone segment. Your Company is also planning to establish a manufacturing line for mobile phones in the coming months. Further, performance of this unit was satisfactory during the F.Y. 2014-15 and seems very prospective for the coming year.

**After Sales Service Business:**

Salora is continuously serving the consumer needs with its strong service network with 251 service centers across the country. Apart from after sales service of own brand “Salora”, we provide after sales service facility to customers of products sold by Huawei, ZTE, Haier in the Country.

**Wind Power Business:**

The Company has five wind turbines having capacity of 1.25 MW each (total 6.25 MW) at the Dhule, Maharashtra. The overall performance of this segment was satisfactory during the financial year.

**OUTLOOK:**

The consumer electronic industry has gained tremendous recognition as the key driver for all round development and growth. Changes in socio-economic conditions of the Country and regulatory support to the manufacturers through various policy decisions led by the new Government, seems favorable for the growth of consumer electronic and durable industry. Following the unprecedented growth in the Mobile Market, the Company expects a profitable avenue in the manufacturing and trading of Mobile communication devices with its strength in marketing and service network. Strategic Alliances with established players in different parts of the globe for technological improvement and cost reduction is in right direction and pace. Your Company is cautiously stepping into every direction within the ambit of its scope to strengthen its position in the Market. Our responsibility is not limited to providing best featured products with at an economical price range, but also to adopt a sincere practice to provide a loyal after sales service to maintain a cordial company-customer relationship. We retain our old customer along with creating new opportunities. We constantly endeavor to create Mass Products with Class Elements.

**RISK AND CONCERNS:**

The Company is exposed to a variety of operational, business and market risks including but not limited to technological changes, decrease in product prices, customer defaults, foreign exchange currency fluctuation, interest rates risk and inventory carrying risk. The Company continuously monitors these risks. The objective of

Company's risk management system is to prepare and maintain a proper strategy to ensure that risk exposure arising out of business does not result in any financial crisis.

The prevailing uncertainty in some legal disputes/demands etc. raised against the Company, arbitrary disallowances in certain tax proceedings and untenable disputes raised are the additional areas of concern perceived by your Company.

**INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company 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)”. At Salora, we have a team of external professionals to monitor our internal processes through Internal Audit functions. The scope, coverage, control, weakness and other relevant issues and updates are shared by Internal Audit at appropriate management levels including Audit Committee for corrective action and the progress thereof is tracked.

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. as well as other areas requiring mandatory review as per Clause 49 of the Listing Agreement.

The Board has deputed the responsibility for the overall process of risk management in the organization to the Risk Management Committee headed by a Non-executive Director. Chief Financial Officer being the member of the Risk Management Committee brings harmony with the reporting procedure of the risk involved in any process and action taken by the management to eradicate those concerns.

**FINANCIAL AND OPERATIONAL PERFORMANCE**

The detailed financial performance for the fiscal year 2014-15 is dealt with in the Directors' Report. During the year under review, the performance of the company was satisfactory in spite of the various challenges and uncertainties across various segments of industry such as financial crisis, volatile prices, sharp movement in currencies and liquidity crisis. During the Financial Year 2014-15, the turnover of the Company stood as Rs.295.09 crores as against Rs. 395.63 crores in the previous financial year. The Company recorded a meager net profit of Rs. 39.39 Lacs.

The company has taken adequate measures to improve its performance in the coming year and the Board is confident for better results in the financial year 2015-16.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The human resource (HR) strategy is focused on creating the performance-driven environment in the Company, where innovation is encouraged, performance is recognised and employees are being motivated to realize their potential which is considered a key factor for the success of any organization. By providing a right opportunity

at right time to deserving individuals here, we motivate people to give their best to achieve the common objective of the Company. On one hand, we develop the team spirit among the employees and on the other, we strive to incubate the leadership qualities in them by encouraging them to take initiatives.

Further, to optimize and utilize the individual potential timely opportunities are being provided within the organization. We also ensure that best and young professionals across the various fields be employed through the talent management process to bring fresh capabilities and aptitude within the company.

The Management is continuously driving on the development of Human Capital to enhance responsiveness and efficiency by facilitating need-based training supported by structured career plans in an ever-changing and dynamic business environment.

Your Company has a team of 256 employees.

#### **CAUTIONARY STATEMENT**

Investors are cautioned that statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas market in which the Company operates, risks inherent in the Company's growth strategy, change in Government regulations, tax laws and other statutes and other incidental factors.

## INDEPENDENT AUDITOR'S REPORT

To the Members of Salora International Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Salora International Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss and 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 Standalone 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 standalone 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 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 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 standalone 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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 31st March 2015, its profit 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 appears from our examination of those books
  - c. the Balance Sheet, 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 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 the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note no. 35 to the financial statements ;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

for **K.Prasad & Company,**  
Chartered Accountants  
Firm's Registration No : 002755N

**R.S. Gupta**  
(Partner)

New Delhi-110049  
Date : 2<sup>nd</sup> July 2015

Membership No : 072666

**Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that :

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Major Fixed assets have been physically verified by the management during the year. As explained to us no material discrepancies were noticed on such verification.
- (ii) (a) Inventories have been physically verified by the management during the year except goods / material in

bond, transit and with third parties. In our opinion, the frequency of physical verification is reasonable.

- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

- (c) The company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.

- (iii) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.

- (iv) In view of above sub-clauses a & b of the order, are not applicable.

In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.

During the course of our audit, we have not observed any major weakness in internal control system.

Auditors' Report

Nature of the Statute	Nature of the dues	Disputed Amount (₹/Lacs)	Amount Deposited (₹/Lacs)	Amount not Deposited (₹/Lacs)	Period to which the amount relates to various years covering the period	Forum where pending
Income Tax Act, 1961	Income Tax	37.88	37.88	NIL	2002 – 2003	Appellate Authority – High court
	Income Tax	12.57	12.57	NIL	2008 – 2009	Appellate Authority – ITAT
	Income Tax	7.12	2.55	4.57	2009 – 2010	Appellate Authority – CIT (A)
Sales Tax Laws	Sales Tax	16.59	16.18	0.41	2000 – 2004	Appellate Authority – Supreme Court
	Sales Tax	38.21	8.32	29.89	1995 – 2002	Appellate Authority – High Court
	Sales Tax	264.22	61.09	203.13	2003 – 2010	Appellate Authority – Sales Tax Tribunal
	Sales Tax	339.21	92.56	246.65	2000 – 2012	Appellate Authority – Sales Tax Commissioner
Finance Act, 1994	Service Tax on Royalty	1.97	-	1.97	2002 – 2003	Appellate Authority – Excise Commissioner
Customs Act, 1962	Custom Duty	Not ascertained	20.00	-	1994 - 1995	Appellate Authority – Tribunal
Central Excise Act, 1944	Excise Duty	2435.21	300.00	2135.21	1993 -1994 to 2003-2004	Appellate Authority – Tribunal
	Excise Duty	89.23	-	89.23	2000-2011	Appellate Authority Tribunal
	Excise Duty	7.66	7.66	-	2006-2007	Assistant Commissioner
	Excise Duty	1.78	2.00	-	1995-1996	Commissioner
	Penalty	2435.22	-	2435.22	1993 -1994 to 2003 – 2004	Appellate Authority - Tribunal

- (v) The company has not accepted any deposits from the public during the year.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act, in respect of Company's products for the year 2014-15. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following are the particulars of dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess, that have not been deposited on account of any dispute as on 31st March, 2015. There is no dues on account of Wealth Tax.
- (c) The amount required to be transferred to investor education and protection fund has been transferred to such fund within time.
- (viii) The company does not have any accumulated losses at the end of the financial year and has not incurred cash loss in such financial year and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the company has not defaulted in repayment of dues to Banks. The Company does not have any debenture holders.
- (x) The company has not given any Guarantee for loans taken by others from bank or financial institution.
- (xi) Term loans raised during the year have been applied for the purpose for which they are obtained.
- (xii) To the best of our knowledge & belief and according to the information & explanations given to us, no material fraud on or by the company was noticed or reported during the year.

Place : New Delhi.  
Date : 2<sup>nd</sup> July 2015.

For **K. PRASAD & COMPANY**  
CHARTERED ACCOUNTANTS  
FRN: 002755N

**(R. S. GUPTA)**  
PARTNER.

Membership No.: 072666

**BALANCE SHEET AS AT 31ST MARCH, 2015**

(₹ In lacs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	881.45	881.45
Reserves and Surplus	2	10,488.04	10,537.71
Sub Total		<u>11,369.48</u>	<u>11,419.16</u>
<b>Share application money pending allotment</b>			
Non - Current Liabilities			
Long Term Borrowings	3	563.89	481.11
Deferred Tax Liability (Net)	4	(221.69)	(179.90)
Other Long Term liabilities	5	215.89	210.64
Long Term Provisions	6	17.72	18.91
Sub Total		<u>575.81</u>	<u>530.76</u>
<b>Current Liabilities</b>			
Short Term Borrowings	7	3,795.42	3,915.43
Trade Payables	8	1,452.94	2,135.71
Other Current Liabilities	9	594.78	293.44
Short Term Provisions	10	80.42	89.42
Sub Total		<u>5,923.56</u>	<u>6,434.00</u>
<b>TOTAL</b>		<u><b>17,868.86</b></u>	<u><b>18,383.92</b></u>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	2,868.60	3,250.62
Intangible Assets	11	28.07	38.93
Capital Work in Progress	12	-	-
Sub Total		<u>2,896.67</u>	<u>3,289.55</u>
Non - Current Investments	13	346.07	352.41
Long term loans and advances	14	849.01	846.88
Sub Total		<u>4,091.76</u>	<u>4,488.84</u>
<b>Current Assets</b>			
Inventories	15	3,874.84	3,867.23
Trade Receivables	16	7,193.57	7,258.91
Cash and Bank Balances	17	213.91	246.52
Short Term Loans and Advances	18	2,385.47	2,355.44
Other Current Assets	19	109.32	166.98
Sub Total		<u>13,777.10</u>	<u>13,895.08</u>
<b>TOTAL</b>		<u><b>17,868.86</b></u>	<u><b>18,383.92</b></u>

SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES ON FINANCIAL STATEMENTS  
As per our report of even date annexed.

1 - 45

For and on behalf of the Board

For **K.Prasad & Company**  
Chartered Accountants  
FRN: 002755N

**Tarun Jiwarajka**  
Whole Time Director

**Gopal Sitaram Jiwarajka**  
Chairman & Managing Director

**R.S.Gupta**  
Partner  
M.No: 072666

**Nitin Agrahari**  
Company Secretary

**Amit Kumar Goel**  
Chief Financial Officer

Place : New Delhi  
Date: 2<sup>nd</sup> July 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(₹ In lacs)

Particulars	Note No.	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>INCOME</b>			
Revenue from Operations	20	29,509.83	39,541.40
Other Income	21	70.81	461.22
Total Revenue		<u>29,580.64</u>	<u>40,002.62</u>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	2,214.04	2,132.41
Purchases of Stock in Trade	23	24,003.90	34,404.02
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	(152.41)	(76.24)
Employees Benefits Expense	25	896.72	888.86
Finance Costs	26	564.12	679.01
Depreciation and Amortization Expenses	27	326.09	352.26
Other Expenses	28	1,688.78	1,525.41
Total Expenses		<u>29,541.25</u>	<u>39,905.73</u>
<b>(Profit)/Loss before Exceptional and Extraordinary items and Tax</b>		<u>39.39</u>	<u>96.89</u>
Exceptional Items		-	-
<b>Profit/(Loss) before Extraordinary items and Tax</b>		<u>39.39</u>	<u>96.89</u>
Extraordinary Items		-	-
<b>Profit/(Loss) before Tax</b>		<u>39.39</u>	<u>96.89</u>
<b>Tax expense:</b>			
<b>Current tax</b>		-	-
Deferred tax		(0.87)	(110.36)
Earlier year Income Tax		4.74	55.25
<b>Total Tax Expenses</b>		<u>3.86</u>	<u>(55.11)</u>
<b>Profit/(Loss) for the year</b>		<u>35.53</u>	<u>152.00</u>
Basic and Diluted	41	<u>0.40</u>	<u>1.73</u>

Statement of Profit & Loss

SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES ON FINANCIAL STATEMENTS  
As per our report of even date annexed.

1 - 45

For and on behalf of the Board

For **K.Prasad & Company**  
Chartered Accountants  
FRN: 002755N

**Tarun Jiwrajka**  
Whole Time Director

**Gopal Sitaram Jiwrajka**  
Chairman & Managing Director

**R.S.Gupta**  
Partner  
M.No: 072666

**Nitin Agrahari**  
Company Secretary

**Amit Kumar Goel**  
Chief Financial Officer

Place : New Delhi  
Date: 2<sup>nd</sup> July 2015

**NOTES TO FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number	₹	Number	₹
<b>1 Share Capital:</b>				
<b>Authorised:</b>				
Equity Shares of Rs. 10/- each	20,000,000	<b>2,000.00</b>	20,000,000	2,000.00
		2,000.00		2,000.00
<b>Issued and Subscribed :</b>				
Equity Shares of Rs. 10/- each	8,820,000	<b>882.00</b>	8,820,000	882.00
		<b>882.00</b>		882.00
<b>Issued, Subscribed and Paid--up :</b>				
Equity Shares of Rs.10/- each	8,807,300	<u><b>880.73</b></u>	8,807,300	<u>880.73</u>
Add: Share Capital forfeited Equity Shares @ 5.65/- each	12,700	<b>0.72</b>	12,700	0.72
<b>Total</b>		<b>881.45</b>		881.45
<b>Note :</b> Number of Shares at the beginning and close of the year are same.				
<b>Details of Shareholders holding more than 5% Shares</b>	<b>No.of Shares</b>	<b>%</b>	<b>No.of Shares</b>	<b>%</b>
Gopal Sitaram Jiwarajka	2029117	<b>23.04</b>	2029117	23.04
Gopal Sitaram Jiwarajka HUF	1498988	<b>17.02</b>	1498988	17.02
Neetu Jiwarajka	731410	<b>8.30</b>	731410	8.30
Manori Properties Pvt Ltd.	558929	<b>6.35</b>	558929	6.35
<b>2 Reserves and Surplus:</b>				
<b>Securities Premium Reserve</b>				
As per last balance sheet				
Share Premium Account		<b>3,244.42</b>		3,244.42
Add : Share Premium Forfeited		<b>2.87</b>		2.87
<b>Sub Total</b>		<u><b>3,247.29</b></u>		<u>3,247.29</u>
<b>General Reserve</b>				
As per last Balance sheet		<b>6,889.67</b>		6,889.67
Less : Effect of Depreciation on Retained Earning as per Companies Act 2013		<b>(126.13)</b>		
Add: Deffered Tax on Depreciation		<b>40.92</b>		
<b>Sub Total</b>		<u><b>6,804.47</b></u>		<u>6,889.67</u>
<b>Profit &amp; Loss Account Balance</b>				
As per last Balance sheet		<b>400.75</b>		248.75
Add : Profit/(Loss) Transferred from Profit & Loss Statement		<b>35.53</b>		152.00
<b>Sub Total</b>		<u><b>436.28</b></u>		<u>400.75</u>
<b>Grand Total</b>		<u><b>10,488.04</b></u>		<u>10,537.71</u>



## NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>3 Long term Borrowings</b>		
<b>Secured Loans:</b>		
Vechile Loans from Banks and Others	113.46	114.50
Less : Current Maturity	<u>29.57</u>	<u>23.39</u>
<b>Sub Total</b>	<u>83.89</u>	<u>91.11</u>
<b>Unsecured Loans:</b>		
Loan from related parties	200.00	
Loan from Others	<u>280.00</u>	390.00
<b>Sub Total</b>	<u>480.00</u>	<u>390.00</u>
<b>Total</b>	<u>563.89</u>	<u>481.11</u>
<b>Additional Information:</b>		
<b>a Details of security for secured loans</b>		
Vehicle Loans are secured against hypothecation of cars.		
<b>b Terms of repayment of term loans and others</b>		
i) Vechile Loans from Banks and Others on monthly instalment basis.		
ii) Unsecured Loans are repayable on demand.		
<b>c There is no continuing default as on the balance sheet date in respect of loans and interest.</b>		
<b>4 Net Deferred Tax Liability</b>		
<b>Deferred tax liability:</b>		
On account of depreciation on fixed assets	593.50	694.17
<b>Sub Total</b>	<u>593.50</u>	<u>694.17</u>
<b>Deferred tax asset:</b>		
a) On account of timing differences in recognition of expenditure	22.52	20.72
b) On account of Unabsorbed loss and depreciation under the Income Tax Act, 1961	713.39	796.87
c) On account of Capital Loss	<u>79.27</u>	<u>56.48</u>
<b>Sub Total</b>	<u>815.19</u>	<u>874.07</u>
<b>Net Deferred Tax Liability</b>	<u>(221.69)</u>	<u>(179.90)</u>
<b>5 Other Long term liabilities</b>		
Trade Deposit	215.89	210.64
<b>Total</b>	<u>215.89</u>	<u>210.64</u>
<b>6 Long term Provisions</b>		
Provisions for employee benefits		
For Leave Pay	17.72	18.91
<b>Total</b>	<u>17.72</u>	<u>18.91</u>

**NOTES TO FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>7 Short Term Borrowings</b>		
<b>Secured Loans:</b>		
<b>Working Capital Loans</b>		
From Banks	3,795.42	3,915.43
<b>Total</b>	<u>3,795.42</u>	<u>3,915.43</u>
<b>Additional Information:</b>		
1. Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge on immovable properties of Noida units as collateral security.		
<b>8 Trade Payables</b>		
i) To Micro, Small and Medium Enterprises		-
ii) Others	1,452.94	2,135.71
<b>Total</b>	<u>1,452.94</u>	<u>2,135.71</u>
<b>Additional Information:</b>		
*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 as at the year end together with interest paid /payable under this Act have not been given.		
<b>9 Other Current Liabilities:</b>		
a) Current maturities of long term debt		
Vehicle Loans	29.57	23.39
b) Interest accrued but not due on borrowings	1.63	6.95
c) Unpaid dividends	3.75	6.87
d) Statutory Liabilities	133.30	89.14
e) Others	426.53	167.09
<b>Total</b>	<u>594.78</u>	<u>293.44</u>
<b>Additional Information:</b>	426.53	
i) Vehicle Loans are secured against hypothecation of cars.		
<b>10 Short Term Provisions:</b>		
a) Provision for employee benefits		
For Salary and Bonus etc.	76.35	84.07
For Leave Pay	3.73	5.02
b) Others		
Provision for Wealth Tax	0.34	0.33
<b>Total</b>	<u>80.42</u>	<u>89.42</u>

## NOTES TO FINANCIAL STATEMENTS

### 11 Fixed Assets :

(₹ In lacs)

PARTICULARS	<-----GROSS BLOCK----->			<-----DEPRECIATION----->				<----NET BLOCK---->			
	Balance as at 01.04.2014	Additions	Deductions/ Adjustments	Balance as at 31.03.2015	Upto 31.03.2014	For The Year	Adjusted to General Reserve	Deductions/ Adjustments	Upto 31.03.2015	Balance as at 31.03.2015	Balance as at 31.03.2014
<b>TANGIBLE ASSETS :</b>											
Lease Hold Land	390.29	-	-	390.29	79.46	6.00	-	-	85.46	304.83	310.83
Building	563.82	-	-	563.82	264.18	14.47	3.22	-	281.87	281.95	299.64
Furniture & Fixtures	441.10	-	-	441.10	349.86	15.94	22.55	-	388.36	52.74	91.24
Plant & Machinery	6,370.87	2.55	-	6,373.42	4,055.25	248.64	84.16	-	4,388.05	1,985.37	2,315.62
Dies & Moulds	1,001.68	25.77	-	1,027.45	947.06	4.56	-	-	951.62	75.83	54.62
Motor Vehicles	239.43	31.00	-	270.43	84.37	24.59	0.00	-	108.96	161.47	155.06
Office Equipment	55.07	0.03	-	55.10	31.46	1.74	15.49	-	48.69	6.41	23.61
<b>Sub Total</b>	<b>9,062.26</b>	<b>59.35</b>	<b>-</b>	<b>9,121.61</b>	<b>5,811.64</b>	<b>315.94</b>	<b>125.42</b>	<b>-</b>	<b>6,253.00</b>	<b>2,868.60</b>	<b>3,250.62</b>
<b>INTANGIBLE ASSETS :</b>											
Trade Mark	106.21	-	-	106.21	67.28	10.16	0.71	-	78.14	28.07	38.93
<b>Total</b>	<b>9,168.47</b>	<b>59.35</b>	<b>-</b>	<b>9,227.82</b>	<b>5,878.92</b>	<b>326.09</b>	<b>126.13</b>	<b>-</b>	<b>6,331.14</b>	<b>2,896.67</b>	<b>3,289.55</b>
<b>PREVIOUS YEAR</b>	<b>9,070.68</b>	<b>144.95</b>	<b>47.16</b>	<b>9,168.47</b>	<b>5,564.83</b>	<b>352.26</b>		<b>38.17</b>	<b>5,878.92</b>	<b>3,289.55</b>	<b>3,505.85</b>

### 12 Capital Work in Progress :

Nil Nil

**NOTES TO FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>13 Non Current Investments:</b>		
<b>Investments in Equity Instruments:</b>		
<b>INVESTMENTS (AT COST):</b>		
Long Term(Unquoted,unless otherwise stated)		
<b>a) Trade Investments in Equity Shares (Fully paid up)</b>		
<b>In Subsidiary Companies :</b>		
i) 3414800 Equity Shares of Salora Component Ltd.of Rs.10/-each.	341.48	341.48
<b>In Other/Associate Companies :</b>		
i) 355000 (P.Y. 855000) Equity Shares of Encompass Software & Systems Pvt.Ltd.of Rs.10/- each.	35.50	85.50
Less: Provision for diminution in value of Investments	(31.18)	(75.09)
ii) 2500 (P.Y. 5000) Equity Shares of Terminal Power Pvt. Ltd. of Rs.10/-each.	0.25	0.50
<b>b) Other Investments in Bond ( Fully paid up)</b>		
2 Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/-each	0.02	0.02
<b>Aggregate value of unquoted investments</b>	<u>377.25</u>	427.50
Less : Provision for diminution in value of investments	31.18	75.09
<b>Total</b>	<u>346.07</u>	<u>352.41</u>
<b>14 Long Term Loans and Advances (Unsecured, considered good) :</b>		
Inter Corporate Loan Given	255.00	255.00
Security Deposits	62.86	75.96
Payment against disputed Sales Tax Demand	178.15	162.91
Payment against disputed Income Tax Demand	53.00	53.01
Payment against disputed Excise Demand	300.00	300.00
<b>Total</b>	<u>849.01</u>	<u>846.88</u>

## NOTES TO FINANCIAL STATEMENT

(₹ In lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>15 Inventories</b>		
Raw materials	354.04	417.69
Work in progress	19.67	33.98
Finished goods	280.20	251.58
Stock in trade	3,213.07	3,074.98
Stores and spares etc.	3.93	0.16
<b>Goods in transit:</b>		
Raw materials	3.92	48.68
Stock in trade		40.16
<b>Total</b>	<b><u>3,874.84</u></b>	<b><u>3,867.23</u></b>
<b>16 Trade Receivables (Unsecured )</b>		
i) Trade receivables exceeding six months		
Considered Good	4,382.79	3,979.17
Considered Doubtful		-
Less : Provision for Doubtful Debts		-
ii) Others, Considered Good	2,810.78	3,279.74
<b>Total</b>	<b><u>7,193.57</u></b>	<b><u>7,258.91</u></b>
<b>17 Cash and Bank Balances</b>		
i) Balances with banks		
- in unpaid dividend accounts	3.75	6.87
- in margin money,	202.97	130.97
- in other accounts	(6.22)	0.86
ii) Cheques, Drafts in hand	9.50	97.80
ii) Cash in hand	3.90	10.02
<b>Total</b>	<b><u>213.91</u></b>	<b><u>246.52</u></b>
<b>18 Short Term Loans and Advances ( Unsecured and Considered Good ) :</b>		
Advances recoverable in cash or in kind or for value to be received	1,863.81	1,681.42
Income Tax Refund Receivable	80.03	111.47
Balance With / Recoverable from Government Authorities	441.63	562.55
<b>Total</b>	<b><u>2,385.47</u></b>	<b><u>2,355.44</u></b>
<b>19 Other Current Assets</b>		
Interest Receivable	104.30	153.82
Duty Drawback Receivable	3.56	11.77
Gratuity Recoverable	0.07	-
Super Annuation Recoverable	1.39	1.39
<b>Total</b>	<b><u>109.32</u></b>	<b><u>166.98</u></b>

**NOTES TO FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>20 Revenue From Operations:</b>		
<b>Sales of Goods/Components</b>		
Domestic	26,374.17	24,402.70
Export	2,325.90	14,861.84
<b>Total</b>	<b>28,700.08</b>	<b>39,264.54</b>
<b>Sale of Services</b>		
Infocom Products	774.42	220.58
Sale of Wind Energy	367.62	419.53
<b>Gross Sales</b>	<b>29,842.12</b>	<b>39,904.65</b>
Less : Excise duty	332.29	363.25
<b>Net Sales</b>	<b>29,509.83</b>	<b>39,541.40</b>
<b>20-A Particulars of Sales of Products</b>		
Mobile Phones and Accessories	22,721.99	32,528.77
Others	5,978.09	6,735.77
<b>Total</b>	<b>28,700.08</b>	<b>39,264.54</b>
<b>21 Other Income:</b>		
Profit on Sale of Long Term Investment	3.16	289.53
Interest on FDRS etc.	23.07	48.22
Bad Debts Recovered	-	14.15
Liability no longer required written back	13.68	75.56
Comission Received	25.04	30.64
Miscellaneous Income	5.86	3.13
<b>Total</b>	<b>70.81</b>	<b>461.22</b>
<b>22 Cost of Materials Consumed:</b>		
Consumption of raw materials :		
Electronic Components and Others	2,214.04	2,132.41
<b>Total</b>	<b>2,214.04</b>	<b>2,132.41</b>
<b>23 Purchases of Stock in Trade</b>		
Mobile Phones and Accessories	22,045.48	31,081.27
Others	1,958.42	3,322.75
<b>Total</b>	<b>24,003.90</b>	<b>34,404.02</b>
<b>24 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
<b>Stocks at the end of the year</b>		
Work in Progress	19.67	33.98
Trading Goods	3,213.07	3,074.98
Finished Goods	280.20	251.58
<b>Sub Total :</b>	<b>3,512.95</b>	<b>3,360.54</b>
<b>Less : Stocks at the beginning of the year</b>		
Work in Progress	33.98	31.52
Trading Goods	3,074.98	3,040.00
Finished Goods	251.58	212.78
<b>Sub Total :</b>	<b>3,360.54</b>	<b>3,284.30</b>
<b>(Increase) / Decrease in Stock :</b>	<b>(152.41)</b>	<b>(76.24)</b>
<b>25 Employees Benefits Expenses</b>		
Salaries and Wages	814.13	790.03
Contribution to Provident and Other Funds	48.55	59.01
Staff Welfare & Other Benefits	34.03	39.82
<b>Total</b>	<b>896.72</b>	<b>888.86</b>

## NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>26 Finance Costs:</b>		
i) Interest	489.68	589.32
ii) Net (gain)/loss on foreign currency transaction	0.37	26.35
iii) Others	74.07	63.34
<b>Total</b>	<b>564.12</b>	<b>679.01</b>
<b>27 Depreciation and Amortization:</b>		
i) Depreciation	320.11	346.27
ii) Amortization of Land	5.99	5.99
<b>Total</b>	<b>326.09</b>	<b>352.26</b>
<b>28 Other Expenses</b>		
Assembly Charges	38.97	42.53
Stores & Spares Consumed	10.48	11.43
Power and fuel	77.42	84.96
Rent	40.63	44.37
Repair & Maintenance :-		
Building		-
Plant & Machinery	59.98	76.73
Others	36.42	30.39
Insurance	18.40	25.50
Rates and taxes	5.65	4.60
Legal and professional charges	114.86	116.69
Payment to the auditors		
Statutory Audit Fee (including Limited review)	11.00	11.00
Tax Audit Fee	1.50	1.50
Certification/Other services	0.47	0.07
Expense / Service Tax reimbursed	2.11	2.05
Travelling & Conveyance	161.64	116.49
Freight and Forwarding	311.29	303.99
Discount, Commission & Incentives	449.56	0.77
Advertisement & Publicity	52.65	20.53
After Sale Service Charges	52.52	130.42
Sales Tax, Entry Tax and Service Tax	35.99	47.91
Bad trade receivables written off	28.76	445.90
Provision for doubtful trade receivables		(162.21)
Irrecoverable loans and advances written off	49.20	0.11
Loss on sale of fixed asset (net)	-	(0.44)
Short / Excess Claims	(17.50)	(0.72)
Miscellaneous expenses	151.47	167.51
Net (gain)/loss on foreign currency transaction	(4.68)	3.33
<b>Total</b>	<b>1,688.78</b>	<b>1,525.41</b>

**NOTES TO FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	Year Ended 31.03.2015		Year Ended 31.03.2014	
	%		%	
Other Additional Information:				
<b>29 Break-up of Material and Component Consumed :</b>				
i) Imported	1,330.35	60.09	859.30	39.89
ii) Indigenous	883.70	39.91	1,273.11	60.11
<b>Total</b>	<b>2,214.05</b>	<b>100.00</b>	<b>2,132.41</b>	<b>100.00</b>
<b>30 Break-up of Store &amp; Spares Consumed :</b>				
i) Imported			-	
ii) Indigenous	10.48	100.00	11.43	100.00
<b>Total Consumption</b>	<b>10.48</b>	<b>100.00</b>	<b>11.43</b>	<b>100.00</b>
<b>31 Value of Imports Calculated on CIF basis:</b>				
i) Raw Material & Components	1,218.57		799.02	
ii) Trading Goods- Direct Purchase	1,222.79		1,635.58	
iii) Trading Goods- High Sea Purchase	634.85		1,106.84	
<b>Total</b>	<b>3,076.21</b>		<b>3,541.44</b>	
<b>32 Expenditure in foreign currency (Gross of TDS)</b>				
i) Foreign Travelling	6.15		6.96	
<b>Total</b>	<b>6.15</b>		<b>6.96</b>	
<b>33 Earning in Foreign Exchange :</b>				
i) Export of Goods calculated on FOB basis	2,298.52		14,056.43	
ii) High Sea Export on FOB basis	-		709.93	
iii) Service Charges including Service Tax	41.71		36.39	
<b>Total</b>	<b>2,340.23</b>		<b>14,802.75</b>	



## NOTES TO FINANCIAL STATEMENTS

### 34 Significant Accounting Policies :

#### i) Basis of Accounting :

The Financial Statements are prepared under the historical cost convention on accrual basis as a going concern, in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 2013.

#### ii) Revenue Recognition :

Sales are recognised on the despatch of goods to customers and accounted for including Excise Duty, excluding Sales tax / VAT and net of returns & claims etc. Net Sales as disclosed are net of Excise Duty. Export Sales are recognised as and when the goods are cleared by custom authorities. Service Income is recognised as and when the service is complete.

#### iii) Fixed Assets and Depreciation:

##### a. Fixed Assets :

Fixed assets ( except freehold land ) are stated at cost of acquisition and/or cost of construction, less accumulated depreciation Cenvat, Vat etc. claimed on fixed assets is reduced from the cost of respective assets. Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalized as part of cost of such assets till such time as the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the period in which incurred. Fixed assets are reviewed for impairment of such assets by taking them as part of a cash generating unit and on assets not in use basis on each Balance Sheet date, Impairment loss and reversal of earlier years, if any is recognised to statement of Profit & Loss. Intangible assets are recorded at cost of acquisition less accumulated depreciation / amortisation.

##### b. Depreciation on Fixed Assets :

Persuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised Depreciation rates on tangible fixed assets as per the useful life specified in part 'C' of schedule II of the Act. Depreciation on Fixed Assets 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. Depreciation is charged on pro-rata basis on Additions/Sales during the year. Depreciation on assets whose actual cost do not exceed Rs.5000/- has been charged 100% without pro-rata basis. Cost of leasehold land and furnishing expenses in leasehold property are amortised over the lease period. Intangible assets are amortised over the useful life of such assets.

#### iv) Lease Assets:

Lease rental in respect of assets taken on operating lease are charged to the statement of Profit and Loss on a straight-line basis over the lease term. Lease under which the Company assumes substantially all the risk and rewards of ownership are classified as operating lease. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever lower.

#### v) Investments :

Investments are classified into Current and Long-term investments. Current investments are stated at the lower of cost or fair value. Long term investments are stated at cost. Provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

#### vi) Inventory Valuation :

- 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 and excise duty in case of finished goods.
- c. Cost is calculated on FIFO basis in respect of Infocom Products and on weighted average basis in respect of Consumer Electronic Product & components thereof.
- d. Obsolete, defective and non/ slow moving inventories are identified at the year end and adequate provision is made in respect thereof.

#### vii) Excise Duty, Custom Duty & Cenvat:

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

#### viii) Employee Benefits :

- a. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.
- b. Defined Contribution Plans for Provident fund, Family pension and Superannuation 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.
- c. Other Post employment and long term employee benefits Gratuity and Leave Pay are recognised as an expense in the statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of Profit and Loss.
- d. Contribution to Employees Provident Fund and Family Pension Scheme are charged to statement of Profit & Loss as incurred under the relevant Act.

- e. Gratuity and Superannuation benefits are charged to statement of Profit & Loss on the basis of payments made to the trust as per actuarial valuation at the end of the year.
- f.) Liability in respect of leave pay is provided on the basis of actuarial valuation at the end of the year.
- g.) Differential / extra / temporary employees Gratuity & Leave Pay paid is charged to statement of Profit & Loss.

**ix) Foreign Currency Transactions :**

Transactions in foreign currency are accounted for at the exchange rates prevalent on the date of transaction. Monetary assets and monetary liabilities related to foreign currency transactions remaining unsettled at the end of the year are worked out at the exchange rate prevalent on the last day of the financial year and exchange difference is charged to statement of Profit & Loss.

**x) Taxation :**

Income-tax expense comprises current tax and deferred tax charge or credit. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on unabsorbed depreciation under tax laws, are recognised, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to reassure realisation.

**xi) Contingent Liabilities and Assets :**

Contingent liability is recognised and provided for when the Company has present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligations and of which a reliable estimate can be made. Contingent liability is disclosed in notes to accounts in case of obligation is disputed and the possibility of an outflow of resources is remote. Contingent assets is not recognised until the realisation of income is virtually certain.

**35 Contingent Liabilities not provided for in respect of :**

- i) Bank Guarantees issued by Bankers ₹ 701.18 lacs (Previous year ₹ 31.33 lacs) including for Sales Tax and Excise demand ₹ 1.18 Lacs (Previous Year ₹ 28.33 lacs), against which margin kept by bank ₹ 68.68 lacs ( Previous year ₹ 2.85 lacs)
- ii) Letter of Credits pending for shipment ₹ 220.98 (Previous year ₹ Nil. )
- iii) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.
- iv) Disputed Sales Tax demands of ₹ 658.24 lacs (Previous year ₹ 570.12 lacs), against which amount deposited ₹ 178.15 lacs lacs (Previous year ₹ 162.91 lacs) has not been provided for as the cases are pending in appeals with higher authorities.
- v) Advance Licence utilised for Import of CPT worth ₹ 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 ₹ 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 by DGFT.
- vi) The demand amounting to ₹ 1113.77 lacs (previous year ₹ 1113.77 lacs) and penalty ₹ 1113.77 lacs (previous year ₹ 1113.77 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 ₹ 28.99 lacs (previous year ₹ 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 afresh 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 CESTAT in remand order. The company has again filed appeal against Commissioner's order before the CESTAT. The demand for ₹ 1292.45 lacs (previous year ₹ 1292.45 lacs) and penalty ₹ 1292.45 lacs (previous year Nil) 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. 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 ₹ 300.00 lacs (previous year ₹ 300.00 lacs). Miscellaneous Excise duty demand amounting to ₹ 98.67 lacs (previous year ₹ 69.15 lacs) and Service Tax demand ₹ 1.97 lacs (previous year ₹ 1.97 lacs) has been raised by the department against which company has filed appeals. The amount deposited against demand ₹ 9.66 lacs ( previous year ₹ 21.79 lacs).
- vii) Income Tax Assessments of the Company have been completed upto Assessment Year 2012-2013 (in previous year upto 2010-11). Demand has been raised of ₹ 57.57 lacs (previous year ₹ 57.57 lacs) for earlier assessment years against which company has filed appeal before appellate authorities and amount ₹ 53.00 lacs (previous year ₹ 53.00 lacs) has been deposited against demands. Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Delhi High Court against refund of ₹ 1151.57 lacs received by the Company in the Financial Year 2002-2003.

**36 Sundry Debtors, considered good includes :**

- i) ₹ 1552.33 lacs (previous year ₹ 1925.72 lacs) due more than six months and ₹ 24.67 lacs due less than six months (previous year ₹ 42.16 lacs) from parties on whom legal action initiated for recovery.
- ii) ₹ 2830.46 Lacs (previous year ₹ 2053.45 lacs) due more than six months are under follow-up, negotiation, reconciliation, settlement and realisation.

## NOTES TO FINANCIAL STATEMENTS

### 37 Employees Benefits disclosure as per accounting standard 15 (Revised) :

	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
	Leave Encashment Unfunded		Gratuity Funded	
<b>i. The Principal assumptions in actuarial valuation are as below</b>				
a . Discount Rate	7.80%	9.00%	7.80%	9.00%
b . Expected rate of return on assets	NA	NA	9.00%	8.50%
<b>c . Expected rate of future salary increase</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
Note :Expected rate of return on assets is taken on the basis of funds past performance.				
<b>ii. Change in present value of obligations</b>				
Present value of obligations at the beginning of the period	23.93	21.25	90.57	97.14
Interest Cost	2.15	1.70	8.15	7.77
Past Service Cost	-	-	-	-
Current Service Cost	4.42	8.39	7.14	8.20
Currtailment / Settelement Cost				
Benefits Paid	(12.07)	(12.72)	(4.49)	(24.93)
Actuarial (gain) / loss on obligations	3.01	5.31	(0.63)	2.39
<b>Present value of obligations at the end of the period</b>	<b>21.44</b>	<b>23.93</b>	<b>100.74</b>	<b>90.57</b>
<b>iii. Change in fair value of plan assets</b>	NA	NA		
Fair value of plan assets at the beginning of the period	-	-	86.15	100
Expected Return on plan assets	-	-	7.32	8.32
Contributions	-	-	-	-
Withdrawals	-	-	-	(20.00)
Actuarial gain / (loss ) on plan assets	-	-	0.55	(2.18)
<b>Fair value of plan assets at the end of the period</b>	<b>-</b>	<b>-</b>	<b>94.02</b>	<b>86.14</b>
<b>Total Actuarial (gain) / loss to be recognised</b>	<b>3.01</b>	<b>5.31</b>	<b>(1.18)</b>	<b>4.57</b>
<b>iv. Actual return on plan assets</b>	NA	NA	NA	NA
Expected return on plan assets	-	-	7.32	8.32
Actuarial gain / (loss ) on plan assets	-	-	0.55	(2.18)
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>	<b>7.87</b>	<b>6.14</b>
<b>v. Liability recognised in the Balance Sheet</b>				
Present value of obligations at the end of the period	21.44	23.93	100.74	90.57
Fair value of plan assets as at the end of the period	-	-	94.02	86.15
Unfunded / ( funded ) status	21.44	23.93	6.72	4.42
<b>Net ( Assets ) / Liability recognised in Balance Sheet</b>	<b>21.44</b>	<b>23.93</b>	<b>6.72</b>	<b>4.42</b>
<b>vi. Expenses recognised in Statement of Profit and Loss</b>				
Current Service Cost	4.42	8.39	7.14	8.20
Past Service Cost	-	-	-	-
Interest Cost	2.15	1.70	8.15	7.77
Expected return on plan assets	-	-	(7.32)	(8.32)
Net Actuarial ( Gain ) / Loss recognised during the year	3.01	5.31	(1.18)	4.57
<b>Expense recognised in Statement of Profit and Loss</b>	<b>9.58</b>	<b>15.40</b>	<b>6.79</b>	<b>12.22</b>
Differential/casuals paid debited to P&L	-	-	-	-
<b>Total Expense recognised in Statement of Profit and Loss</b>	<b>9.58</b>	<b>15.40</b>	<b>6.79</b>	<b>12.22</b>
<b>vii. Breakup of Plan Assets as a percentage of total plan assets</b>	NA	NA	100%	100%
Funds managed by Insurer				
<b>viii. Balance Sheet Reconciliation</b>				
Opening Net Liability	23.93	21.25	4.42	(2.86)
Expenses as above	9.58	15.40	6.79	12.22
Withdrawals	-	-	-	20.00
Benefits Paid	-	-	(4.49)	(24.93)
Employers Contribution Paid	(12.07)	(12.72)	-	-
<b>Closing Net Liability</b>	<b>21.44</b>	<b>23.93</b>	<b>6.72</b>	<b>4.42</b>
<b>Current</b>	<b>3.72</b>	<b>5.02</b>	<b>6.72</b>	<b>4.42</b>
<b>Non Current</b>	<b>17.72</b>	<b>18.91</b>	<b>0.00</b>	<b>0.00</b>

Particulars	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
<b>38 Exchange difference has been charged/ (credited) to revenue accounts as follows:</b>		
On Import of raw material & finished goods including forward contracts	12.12	101.75
On Export sales	(16.80)	(72.07)
Others	0.37	-
Total	<u>(4.31)</u>	<u>29.68</u>

**39 FINANCE LEASE OBLIGATIONS:**

Future obligations towards lease rentals for Fixed assets( Leasehold land ) taken on lease as on 31.03.2015 is as under :

Within one year	6.72	6.72
Later than one year and not later than five years	33.60	33.60
Later than five years	443.52	450.24
Total	<u>483.84</u>	<u>490.56</u>

**40 RELATED PARTIES DISCLOSURES :**

1. Relationship :

**(a) Subsidiary :**

Salora Capital Limited (till February 2014)

Salora Components Ltd

**(c) Other related parties in which key managerial**

**Personnel are able to exercise significant influence :**

Associated Electronics Research Foundation

Encompass Software & Systems Pvt.Ltd. (Till 30.3.2015)

Essjay Ericsson Pvt. Ltd.

Manori Properties P Ltd

Devi Electronics P Ltd

Terminal Power Pvt Ltd. (Till 30.03.2015)

**(b) Associates & Joint Ventures :**

Salora Retail Ventures Ltd. (till 30.03.2014)

**(d) Key Managerial Personnel:**

Shri Gopal Sitaram Jiwaraajka

Shri Tarun Jiwaraajka

**(e) Relative of key managerial personnel**

**where transactions have taken place:**

Smt. Neetu Jiwaraajka

Shri Ayush Jiwaraajka

**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:**

(₹ In Lacs)

Nature of Transactions	Related Parties							
	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) above		Referred in 1 (d) & (e) above	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
<b>Purchases</b>								
Goods and Materials	<b>489.96</b>	585.87	-	-	<b>3.00</b>	-	-	-
<b>Sales</b>								
Goods and Materials	<b>277.77</b>	2,497.65	-	-	<b>857.25</b>	-	-	-
<b>Expenses</b>								
Rent	-	-	-	-	-	0.61	-	-
Interest	-	5.83	-	-	<b>45.84</b>	89.05	<b>0.33</b>	-
Salary	-	-	-	-	-	-	<b>12.58</b>	12.58
Directors Remuneration	-	-	-	-	-	-	<b>111.79</b>	57.94
<b>Finance</b>								
Loans received	-	-	-	-	-	13.00	<b>200.00</b>	-
Loans repaid	-	54.00	-	-	<b>390.00</b>	418.00	-	-
<b>Others</b>								
Expenses/Payment on their behalf	<b>65.64</b>	106.83	-	4.61	<b>6.05</b>	6.27	-	-
Payment Received back	-	<b>6.64</b>			<b>2.82</b>	<b>6.27</b>		
<b>Outstanding</b>								
Payables	-	99.10	-	-	<b>3.03</b>	-	<b>3.86</b>	6.74
Receivables	<b>209.37</b>	-	-	-	<b>12.24</b>	4.63	-	-
Loan Received	-	-	-	-	-	390.00	<b>200.00</b>	-
Interest Payable	-	-	-	-	-	6.36	<b>0.29</b>	-

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>41 PARTICULARS OF EARNING PER SHARE :</b>		
Net Profit/(Loss) after tax as per profit and loss account (₹ Lacs) attributable to equity shareholders	35.54	152.00
Net Profit/(Loss) before extraordinary item net of tax expense (₹ Lacs)	35.54	152.00
Weighted Average number of equity shares used as denominator for calculating EPS	8807300	8807300
Basic and Diluted Earnings per share(in ₹)	0.40	1.73
Basic and Diluted Earnings ( before extraordinary item ) per share(in ₹)	0.40	1.73
Face Value per equity share(in ₹)	10.00	10.00
<b>42 SEGMENT REPORTING :</b>		
<b>A. Information about Primary Business Segments :</b>		
<b>(I) Segment Revenue : (₹ Lacs)</b>		
a) Infocom Division	25,140.28	34,511.02
b) Consumer Electronics Division	4,001.93	4,610.85
c) Wind Energy	367.62	419.53
<b>Total Segment Revenue as per Financial Statements</b>	<b>29,509.83</b>	<b>39,541.40</b>
<b>(II) Segment Results (₹ Lacs) :</b>		
a) Infocom Division	742.36	560.50
b) Consumer Electronics Division	97.50	100.24
c) Wind Energy	211.73	186.73
<b>Total Segment Results</b>	<b>1,051.60</b>	<b>847.47</b>
Less : i) Interest	489.68	589.33
ii) Other un-allocable expenditure net off un-allocable income	522.52	161.25
iii) Provision for Taxes	3.86	(55.11)
<b>Net Profit/(Loss) as per Financial Statements</b>	<b>35.54</b>	<b>152.00</b>
<b>(III) Other Informations (₹ Lacs) :</b>		

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
<b>a) Infocom Division</b>				
Current year	10,522.51	1,757.00	1.13	15.52
(Previous year)	(10,483.37)	(1,967.56)	(0.94)	(16.09)
<b>b) Consumer Electronics Division</b>				
Current year	4,204.61	491.62	26.00	148.16
(Previous year)	(4,487.68)	(634.45)	(1.70)	(113.00)
<b>c) Wind Energy</b>				
Current year	1,797.80	(0.00)	-	116.16
(Previous year)	(1,900.56)	(19.64)	-	(161.79)
<b>d) Unallocated Amounts</b>				
Current year	1,343.93	4,250.75	32.22	46.25
(Previous year)	(1,512.31)	(4,343.11)	(142.31)	(61.38)
<b>Total as per Financial Statements (C.Y.)</b>	<b>17,868.86</b>	<b>6,499.37</b>	<b>59.35</b>	<b>326.09</b>
<b>(Previous year)</b>	<b>(18,383.92)</b>	<b>(6,964.76)</b>	<b>(144.95)</b>	<b>(352.26)</b>

<b>B. Geographical Segments:</b>	<b>Year Ended 31.03.2015 (₹ in Lacs)</b>	<b>Year Ended 31.03.2014 (₹ in Lacs)</b>
<b>Segment Revenue - Turnover</b>		
Domestic	27,183.93	24,679.56
Export	2,325.90	14861.84
Total	29509.83	39541.40

Assets, Liabilities and expenses are common so the same has not been given separately.

**C. OTHER DISCLOSURES :**

- i) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and return of these segments.
- ii) The Company has disclosed Business Segment as the primary segment.
- iii) Type of products and services in each business segment :

<b>Business Segment</b>	<b>Type of Products</b>
a) Infocom Division	Mobile Phones, IT Products and Accessories thereof and other items.
b) Consumer Electronics Division	Fly Back Transformer(EHT), Loudspeaker, Deflection Yoke and TV sets, etc. and sub-assemblies thereof
c) Wind Energy	Wind Energy Generation

- iv) 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 useful life of Fixed Assets has been revised in accordance with the schedule II of the Companies Act 2013. The depreciation for the year is lower by ₹ 3.66 lacs due to change in useful life of Fixed Assets. The Assets whose useful life is already exhausted as on 01.04.2014, yearly depreciation and deferred tax credit amounting to ₹ 126.13 lacs and ₹ 40.92 lacs has been adjusted to General Reserve.**
- 44 **Income Tax / Minimum Alternative Tax has not been provided for in view of brought forward unabsorbed business losses and unabsorbed depreciation.**
- 45 **Previous year figures have been re-grouped and/or re-arranged wherever necessary.**

As per our report of even date annexed.

Signature to Notes '1' to '45'.

For and on behalf of the Board

For **K.Prasad & Company**  
Chartered Accountants  
FRN: 002755N

**Tarun Jiwrajka**  
Whole Time Director

**Gopal Sitaram Jiwrajka**  
Chairman & Managing Director

**R.S.Gupta**  
Partner  
M.No: 072666

**Place :** New Delhi  
**Date:** 2nd July 2015

**Nitin Agrahari**  
Company Secretary

**Amit Kumar Goel**  
Chief Financial Officer

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

(₹ In lacs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit/(Loss) before tax	39.39	96.89
Adjustment for :		
Depreciation	326.09	352.26
Interest	489.68	589.32
Interest Income	(23.07)	(48.22)
(Profit)/Loss on Sale of Long Term Investments	(3.16)	(289.53)
Wealth Tax	0.34	0.33
Loss/(Profit) on sale of Fixed Assets	-	(0.44)
<b>Operating Profit before Working Capital changes</b>	<b>829.28</b>	<b>700.61</b>
Adjustment for :		
Inventories	(7.61)	(69.17)
Trade and other receivables	9.88	1,129.83
Trade and other payables	(384.11)	(1,864.88)
<b>Cash Generated from Operating Activities</b>	<b>447.43</b>	<b>(103.61)</b>
Adjustment for :		
Direct taxes (paid) / Refund Received	26.38	(9.26)
<b>Net cash from Operating Activities</b>	<b>473.81</b>	<b>(112.87)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(59.35)	(144.95)
Sale / adjustment of fixed assets	-	9.43
Sale of Investment in shares	9.50	713.93
<b>Net cash from / ( used in ) Investing Activities</b>	<b>(49.85)</b>	<b>578.41</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayments) of Secured term Loans (Net)	(1.04)	86.95
Proceeds/ (Repayments) of Working Capital Loan (Net)	(120.01)	647.57
Interest Paid	(495.00)	(670.78)
Loan Received (Unsecured)	480.00	13.00
Loan Repaid (Unsecured)	(390.00)	(472.00)
Margin Money	(72.00)	12.44
Interest received	72.59	9.87
Dividend paid	(3.12)	(1.44)
<b>Net cash from/(used in) Financing Activities</b>	<b>(528.59)</b>	<b>(374.39)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents :</b>	<b>(104.62)</b>	<b>91.15</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>115.54</b>	<b>24.39</b>
<b>Cash and cash equivalents at end of the year</b>	<b>10.92</b>	<b>115.54</b>

As per our report of even date annexed.

For and on behalf of the Board

For **K. Prasad & Company**  
Chartered Accountants  
FRN: 002755N

**Tarun Jiwarajka**  
Whole Time Director

**Gopal Sitaram Jiwarajka**  
Chairman & Managing Director

**R.S.Gupta**  
Partner  
M.No: 072666

Place : New Delhi  
Date: 2<sup>nd</sup> July 2015

**Nitin Agrahari**  
Company Secretary

**Amit Kumar Goel**  
Chief Financial Officer



## INDEPENDENT AUDITORS' REPORT

### To the Members of Salora International Limited

#### Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Salora International Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether

due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a 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 Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

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 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 consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

#### Other Matters

- a. We did not audit the financial statements / financial information of subsidiary whose financial statements / financial information reflect total assets of Rs.78992324 as at 31st March, 2015, total revenues of Rs. 46132903 and net cash outflows amounting to Rs. 153753 for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary are based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements / financial information certified by the management.

#### 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, based on the comments in the auditors' reports of the Holding company, subsidiary company, 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, 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 reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards 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 Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, incorporated in India, none of the directors of the Group companies, are disqualified as on 31st 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 Auditor's) Rules, 2014, 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 No. 35 to the financial statements,
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

for **K.Prasad & Company.**  
Chartered Accountants

Firm's Registration No : 02755N

**R.S. Gupta**  
(Partner)

Membership No : 072666

New Delhi-110049  
Date : 2<sup>nd</sup> July 2015

Annexure to Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of the Companies on the consolidated financial statements for the year ended 31 March 2015, we report that :

- (i) (a) Companies have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) Major Fixed assets have been physically verified by the management during the year. As explained to us no material discrepancies were noticed on such verification.
- (ii) (a) Inventories have been physically verified by the management during the year except goods / material in bond, transit and with third parties. In our opinion, the frequency of physical verification is reasonable.  
  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
  
(c) Companies have maintained proper records of inventories and no material discrepancies were noticed on physical verification.
- (iii) Companies have not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.  
  
In view of above sub-clauses a,& b of the order, are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.  
  
During the course of our audit, we have not observed any major weakness in internal control system.
- (v) Companies have not accepted any deposits from the public during the year.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act, in respect of Company's products for the year 2014-15. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, companies have been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and any

other statutory dues with the appropriate authorities during the year. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following are the particulars of dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax and Cess, that have not been deposited on account of any dispute as on 31st March, 2015. There is no dues on account of Wealth Tax.

Nature of the Statute	Nature of the dues	Disputed Amount (₹/Lacs)	Amount Deposited (₹/Lacs)	Amount not Deposited (₹/Lacs)	Period to which the amount relates to various years covering the period	Forum where pending
Income Tax Act, 1961	Income Tax	37.88	37.88	NIL	2002 – 2003	Appellate Authority – High court
	Income Tax	12.57	12.57	NIL	2008 – 2009	Appellate Authority – ITAT
	Income Tax	7.12	2.55	4.57	2009 – 2010	Appellate Authority – CIT (A)
Sales Tax Laws	Sales Tax	16.59	16.18	0.41	2000 – 2004	Appellate Authority – Supreme Court
	Sales Tax	38.21	8.32	29.89	1995 – 2002	Appellate Authority – High Court
	Sales Tax	264.22	61.09	203.13	2003 – 2010	Appellate Authority – Sales Tax Tribunal
	Sales Tax	339.21	92.56	246.65	2000 – 2012	Appellate Authority – Sales Tax Commissioner
Finance Act, 1994	Service Tax on Royalty	1.97	-	1.97	2002 – 2003	Appellate Authority – Excise Commissioner
Customs Act, 1962	Custom Duty	Not ascertained	20.00	-	1994 - 1995	Appellate Authority – Tribunal
Central Excise Act, 1944	Excise Duty	2435.21	300.00	2135.21	1993 -1994 to 2003-2004	Appellate Authority – Tribunal
	Excise Duty	89.23	-	89.23	2000-2011	Appellate Authority Tribunal
	Excise Duty	7.66	7.66	-	2006-2007	Assistant Commissioner
	Excise Duty	1.78	2.00	-	1995-1996	Commissioner
	Penalty	2435.22	-	2435.22	1993 -1994 to 2003 – 2004	Appellate Authority - Tribunal

(c) The amount required to be transferred to investor education and protection fund has been transferred to such fund within time.

(viii) The holding company does not have any accumulated losses at the end of the financial year and has not incurred cash loss in such financial year and in the immediately preceding financial year.

The Subsidiary company has accumulated losses which are less than fifty percent of its net worth and has incurred cash losses in such financial year but not in the immediately preceding financial year;

(ix) According to the information and explanations given to us, companies have not defaulted in repayment of dues to Banks. Companies do not have any debenture holders.

(x) Companies have not given any Guarantee for loans taken by others from bank or financial institution.

(xi) Term loans raised during the year have been applied for the purpose for which they are obtained.

(xii) To the best of our knowledge & belief and according to the information & explanations given to us, no material fraud on or by companies was noticed or reported during the year.

for **K.Prasad & Company.**  
Chartered Accountants  
Firm's Registration No : 002755N

**R.S. Gupta**  
(Partner)

New Delhi-110049  
Date : 2<sup>nd</sup> July 2015

Membership No : 072666

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

(₹ In lacs)

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	881.45	881.45
(b) Reserves and Surplus	2	10,350.89	10,465.29
<b>Sub Total</b>		<u>11,232.34</u>	<u>11,346.74</u>
<b>(2) Minority Interest</b>			
		54.16	71.32
<b>(3) Non - current liabilities</b>			
(a) Long term borrowings	3	803.89	901.11
(b) Deferred tax liabilities (Net)	4	(346.02)	(281.50)
(c) Other long term liabilities	5	215.89	210.64
(d) Long term provisions	6	17.72	18.91
<b>Sub Total</b>		<u>691.49</u>	<u>849.17</u>
<b>(4) Current Liabilities</b>			
(a) Short term borrowings	7	3,795.42	3,915.42
(b) Trade payables	8	1,483.96	2,089.22
(c) Other current liabilities	9	645.81	359.40
(d) Short term provisions	10	80.42	89.42
<b>Sub Total</b>		<u>6,005.61</u>	<u>6,453.46</u>
<b>TOTAL</b>		<u>17,983.60</u>	<u>18,720.70</u>
<b>II. ASSETS</b>			
<b>(1) Non - current assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	11	3,113.04	3,529.14
(ii) Intangible assets	11	28.07	38.93
(iii) Capital work in progress	12	-	-
<b>Sub Total</b>		<u>3,141.11</u>	<u>3,568.07</u>
(b) Non - current investments	13	4.59	10.93
(c) Long term loans and advances	14	902.91	847.36
(d) Other non current assets		-	-
<b>Sub Total</b>		<u>4,048.61</u>	<u>4,426.37</u>
<b>(2) Current Assets</b>			
(a) Inventories	15	3,992.64	3,958.39
(b) Trade receivables	16	7,263.15	7,339.76
(c) Cash and Bank Balances	17	216.05	247.13
(d) Short Term Loans and Advances	18	2,353.83	2,582.06
(e) Other Current Assets	19	109.33	166.98
<b>Sub Total</b>		<u>13,934.99</u>	<u>14,294.33</u>
<b>TOTAL</b>		<u>17,983.60</u>	<u>18,720.69</u>

SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES ON FINANCIAL STATEMENTS  
As per our report of even date annexed.

1 - 38

For and on behalf of the Board

For **K.Prasad & Company**  
Chartered Accountants  
FRN: 002755N

**Tarun Jiwarajka**  
Whole Time Director

**Gopal Sitaram Jiwarajka**  
Chairman & Managing Director

**R.S.Gupta**  
Partner  
M.No: 072666

**Nitin Agrahari**  
Company Secretary

**Amit Kumar Goel**  
Chief Financial Officer

Place : New Delhi  
Date: 2<sup>nd</sup> July 2015

## COSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

(₹ In lacs)

Particulars	Note No.	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>INCOME</b>			
I Revenue from Operations	20	29,289.01	39,315.28
II Other Income	21	91.65	503.10
<b>III Total Revenue ( I + II )</b>		<b>29,380.65</b>	<b>39,818.37</b>
<b>IV Expenses</b>			
Cost of Materials Consumed	22	2,329.73	2,729.54
Purchases of Stock in Trade	23	23,584.35	33,431.42
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	(152.40)	(79.06)
Employees Benefits Expense	25	966.06	965.30
Finance Costs	26	599.95	721.98
Depreciation and Amortization Expense	27	360.34	376.73
Other Expenses	28	1,757.84	1,569.37
<b>Total Expenses</b>		<b>29,445.86</b>	<b>39,715.27</b>
<b>V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)</b>		<b>(65.20)</b>	<b>103.10</b>
VI Exceptional Items	32	-	-
<b>VII Profit/(Loss) before extraordinary items and tax (V-VI)</b>		<b>(65.20)</b>	<b>103.10</b>
VIII Extraordinary Items		-	-
<b>IX Profit before tax (VII-VIII)</b>		<b>(65.20)</b>	<b>103.10</b>
<b>X Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		(23.59)	(107.41)
(3) Earlier year Income Tax		4.74	55.25
		<b>(18.85)</b>	<b>(52.16)</b>
<b>XI Profit/(Loss) for the Year (IX-X)</b>		<b>(46.36)</b>	<b>155.26</b>
XII Less: Share of Profit/ (Loss) transferred to Minority Interest		(17.16)	0.68
<b>Profit/(Loss) for the period (XI + XII)</b>		<b>(29.20)</b>	<b>154.58</b>
<b>Earning per equity share:</b>			
Basic and Diluted		<b>(0.33)</b>	<b>1.76</b>

SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES ON FINANCIAL STATEMENTS  
As per our report of even date annexed.

1 - 38

For and on behalf of the Board

For **K.Prasad & Company**  
Chartered Accountants  
FRN: 002755N

**Tarun Jiwrajka**  
Whole Time Director

**Gopal Sitaram Jiwrajka**  
Chairman & Managing Director

**R.S.Gupta**  
Partner  
M.No: 072666

**Nitin Agrahari**  
Company Secretary

**Amit Kumar Goel**  
Chief Financial Officer

**Place :** New Delhi  
**Date:** 2<sup>nd</sup> July 2015

Consolidated Statement of Profit & Loss

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number	₹	Number	₹
<b>1 Share Capital:</b>				
<b>Authorised:</b>				
20000000 Equity Shares of ₹ 10 /- each	20,000,000	2,000.00	20,000,000	2,000.00
		<u>2,000.00</u>		<u>2,000.00</u>
<b>Issued and Subscribed :</b>				
8820000 Equity Shares of ₹ 10/- each	8,820,000	882.00	8,820,000.00	882.00
		<u>882.00</u>		<u>882.00</u>
<b>Issued, Subscribed and Paid--up :</b>				
8807300 Equity Shares of ₹ 10/- each	8,807,300	880.73	8,807,300.00	880.73
Add: Share Capital forfeited 12700 Equity Shares @ 5.65/- each	12,700	0.72	12,700.00	0.72
<b>Total</b>		<u>881.45</u>		<u>881.45</u>
Note : Number of Shares at the beginning and close of the year are same.				
<b>Details of share holders holding more than 5% Shares:</b>	<b>No.of Shares</b>	<b>%</b>	<b>No.of Shares</b>	<b>%</b>
Gopal Sitaram Jiwarajka	2029117	23.04	2029117	23.04
Gopal Sitaram Jiwarajka HUF	1498988	17.02	1498988	17.02
Neetu Jiwarajka	731410	8.30	731410	8.30
Manori Properties Pvt Ltd.	558929	6.35	558929	6.35
<b>2 Securities Premium Reserve</b>				
<b>As per last balance sheet</b>				
Share Premium Account		3,244.42		3,244.42
Add : Share Premium Forfeited		2.87		2.87
<b>Sub Total</b>		<u>3,247.29</u>		<u>3,247.29</u>
<b>General Reserve</b>				
As per last Balance sheet		6,927.59		6,927.59
Less : Effect of Depreciation on Retained Earning as per Companies Act 2013		(126.13)		
Add: Deffered Tax on Depreciation		40.92		
<b>Sub Total</b>		<u>6,842.39</u>		<u>6,927.59</u>
<b>Profit &amp; Loss Account Balance</b>				
As per last Balance sheet		290.41		441.24
Add : Profit/(Loss) Transferred from Profit & Loss Statement		(29.20)		154.58
Profit & Loss Account Balance		261.21		595.82
Less : Adjusted of Salora Capital Ltd. not subsidiary this year		-		305.42
Profit & Loss Account Balance		261.21		290.41
<b>Grand Total</b>		<u>10,350.89</u>		<u>10,465.29</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2014	As at 31.03.2013
<b>1) Secured Loans:</b>		
Vechile Loans from Banks and Others	113.46	114.50
Less: Current Maturity	29.57	23.39
<b>Sub Total</b>	<b>83.89</b>	<b>91.11</b>
<b>2) Unsecured Loans:</b>		
From Related parties	410.00	810.00
From Others	310.00	-
<b>Sub Total</b>	<b>720.00</b>	<b>810.00</b>
<b>3) Total long term borrowings (1+2)</b>	<b>803.89</b>	<b>901.11</b>
Additional Information:		
a) Details of security for secured loans		
i) Vehicle Loans are secured against hypothecation of cars.		
b) Terms of repayment of term loans and others.		
i) Vechile Loans from Banks and Others on monthly instalment basis.		
ii) Unsecured Loans are repayable on demand .		
c) There is no continuing default as on the balance sheet date in respect of loans and interest.		
<b>4. Net Deferred tax liability:</b>		
<b>i) Deferred tax liability:</b>		
a) On account of depreciation on fixed assets combined	593.50	694.17
<b>Total</b>	<b>593.50</b>	<b>694.17</b>
<b>ii) Deferred tax asset:</b>		
a) On account of timing differences in recognition of expenditure	23.51	20.73
b) On account of capital loss	79.27	56.47
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	836.73	898.48
	<b>939.51</b>	<b>975.68</b>
<b>Net Deferred tax (liability)/asset</b>	<b>(346.02)</b>	<b>(281.51)</b>
<b>5 Other Long term liabilities</b>		
Trade Deposit	215.89	210.64
<b>Total</b>	<b>215.89</b>	<b>210.64</b>
<b>6 Long term Provisions</b>		
Provisions for employee benefits		
For Leave Pay	17.72	18.91
<b>Total</b>	<b>17.72</b>	<b>18.91</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>7 Short Term Borrowings</b>		
<b>Secured Loans:</b>		
<b>Working Capital Loans</b>		
From Banks	3,795.42	3,915.42
<b>Total</b>	<u>3,795.42</u>	<u>3,915.42</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.

**8 Trade Payables**

i) To Micro, Small and Medium Enterprises		
ii) Others	1,483.96	2,089.22
<b>Total</b>	<u>1,483.96</u>	<u>2,089.22</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 as at the year end together with interest paid/payable under this Act have not been given.

**9 Other current liabilities:**

a) Current maturities of long term debt		
Vehicle Loans	29.57	23.39
b) Interest accrued but not due on borrowings	1.63	6.95
c) Interest accrued and due on borrowings	19.54	23.26
d) Unpaid dividends	3.75	6.87
e) Statutory Liabilities	151.63	89.13
f) Others	439.70	209.79
<b>Total</b>	<u>645.81</u>	<u>359.40</u>

**Additional Information:**

i) Vehicle Loans are secured against hypothecation of cars.

**10 Short term provisions:**

a) Provision for employee benefits		
For Salary and Bonus etc.	76.35	84.07
For Leave Pay	3.73	5.02
b) Others:		
Provision for Wealth Tax	0.34	0.33
<b>Total</b>	<u>80.42</u>	<u>89.42</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 11 Fixed Assets :

(₹ In lacs)

PARTICULARS	-----GROSS BLOCK----->			-----DEPRECIATION----->				-----NET BLOCK----->			
	Balance as at 01.04.2014	Additions	Deductions/ Adjustments	Balance as at 31.03.2015	Upto 31.03.2014	For The Year	Adjusted to General Reserve	Deductions/ Adjustments	Upto 31.03.2015	Balance as at 31.03.2015	Balance as at 31.03.2014
<b>TANGIBLE ASSETS :</b>											
Lease Hold Land	390.29	-	-	390.29	79.46	6.00	-		85.46	304.83	310.83
Building	563.82	-	-	563.82	264.18	14.47	3.22		281.87	281.95	299.64
Furniture & Fixtures	447.42	-	-	447.42	352.01	17.30	22.55		391.86	55.56	95.42
Plant & Machinery	6,818.85	2.71	-	6,821.56	4,229.81	281.08	84.16		4,595.05	2,226.52	2,589.04
Dies & Moulds	1,001.68	25.77	-	1,027.45	947.07	4.56	-		951.63	75.82	54.62
Motor Vehicles	239.43	31.00	-	270.43	84.37	24.59	0.00		108.96	161.47	155.06
Office Equipment	56.40	0.03	-	56.43	31.87	2.19	15.49		49.55	6.88	24.54
<b>SUB TOTAL</b>	<b>9,517.89</b>	<b>59.51</b>	<b>-</b>	<b>9,577.40</b>	<b>5,988.75</b>	<b>350.18</b>	<b>125.42</b>		<b>6,464.38</b>	<b>3,113.03</b>	<b>3,529.14</b>
<b>INTANGIBLE ASSETS :</b>											
Trade Mark	106.21	-	-	106.21	67.28	10.16	0.71		78.14	28.07	38.93
<b>TOTAL</b>	<b>9,624.10</b>	<b>59.51</b>	<b>-</b>	<b>9,683.61</b>	<b>6,056.03</b>	<b>360.34</b>	<b>126.13</b>		<b>6,542.52</b>	<b>3,141.10</b>	<b>3,568.07</b>
<b>PREVIOUS YEAR</b>	<b>9,535.79</b>	<b>144.30</b>	<b>56.99</b>	<b>9,624.10</b>	<b>5,723.30</b>	<b>376.73</b>		<b>44.00</b>	<b>6,056.03</b>	<b>3,568.07</b>	<b>3,812.49</b>

### 12 CAPITAL WORK IN PROGRESS :

Nil

Nil

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>13 Non Current Investments:</b>		
<b>Investments in Equity Instruments:</b>		
<b>INVESTMENTS (AT COST):</b>		
<b>Long Term(Unquoted,unless otherwise stated)</b>		
<b>a) Trade Investments in Equity Shares (Fully paid up)</b>		
<b>In Other/Associate Companies :</b>		
i) 355000 (P.Y. 855000) Equity Shares of Encompass Software & Systems Pvt.Ltd.of Rs.10/- each.	35.50	85.50
Less: Provision for diminution in value of Investments	(31.18)	(75.09)
ii) 2500 (P.Y. 5000) Equity Shares of Terminal Power Pvt. Ltd. of Rs.10/-each.	0.25	0.50
<b>b) Other Investments in Bond ( Fully paidup )</b>		
i) 2 Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/-each	0.02	0.02
<b>Aggregate value of unquoted investments</b>	<u>35.77</u>	<u>86.02</u>
Less : Provision for diminution in value of investments	<u>31.18</u>	<u>75.09</u>
<b>Total</b>	<u>4.59</u>	<u>10.93</u>
<b>14 Long term loans and advances (Unsecured considered good) :</b>		
Inter Corporate Loan Given	255.00	255.00
Security Deposits	63.36	76.45
Payment against disputed Sales Tax Demand	188.78	162.91
Payment against disputed Income Tax Demand	53.00	53.00
Payment against disputed Excise Demand	300.00	300.00
Custom duty deposit under protest	42.76	-
<b>Total</b>	<u>902.91</u>	<u>847.36</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
<b>15 Inventories:</b>		
i) Raw materials	411.30	505.42
ii) Work in progress	19.67	33.98
iii) Finished goods	283.62	254.73
iv) Stock in trade	3,213.07	3,075.26
v) Stores and spares etc.	3.93	0.16
<b>Goods in transit:</b>	-	
i) Raw materials	61.04	48.68
ii) Stock in trade	-	40.16
<b>Total</b>	<u>3,992.64</u>	<u>3,958.39</u>
<b>16 Trade receivables:</b>		
i) Trade receivables exceeding six months		
Considered Good	4,451.62	3,979.17
Considered Doubtful	-	-
Less : Provision for Doubtful Debts	-	-
ii) Others, Considered Good	2,811.53	3,360.59
<b>Total</b>	<u>7,263.15</u>	<u>7,339.76</u>
<b>17 Cash and Bank Balances :</b>		
i) Balances with banks		
- in unpaid dividend accounts	3.75	6.87
- in margin money	202.97	130.97
- in other accounts	(4.78)	0.86
-Cheques in hand	9.50	97.80
ii) Cash on hand	4.61	10.63
<b>Total</b>	<u>216.05</u>	<u>247.13</u>
<b>18 Short term loans and advances ( Unsecured Considered Good ) :</b>		
Advances recoverable in cash or in kind or for value to be received	1,654.53	1,684.40
Income Tax Refund Receivable	80.32	111.47
Balance With / Recoverable from Government Authorities	618.98	786.19
<b>Total</b>	<u>2,353.83</u>	<u>2,582.06</u>
<b>19 Other Current Assets (specify nature)</b>		
Duty Drawback Receivable	3.56	11.77
Interest Receivable	104.30	153.82
Gratuity etc Recoverable	0.07	-
Superannuation Recoverable	1.39	1.39
<b>Total</b>	<u>109.33</u>	<u>166.98</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>20 Revenue from operations:</b>		
<b>Sales of Goods/Components</b>		
Domestic	26,153.43	24,265.69
Export	2,325.90	14,861.84
<b>Total</b>	<u>28,479.34</u>	<u>39,127.53</u>
<b>Sale of Services</b>	774.42	220.57
<b>Sale of Wind Energy</b>	367.62	419.53
	29,621.38	39,767.62
Less: Excise duty	332.38	452.35
<b>Net Sales</b>	<u>29,289.01</u>	<u>39,315.28</u>
<b>20-A Particulars of Sales of Products</b>		
Mobile Phones and Accessories	22,721.99	32,528.77
Others	6,567.02	6,786.51
<b>Total</b>	<u>29,289.01</u>	<u>39,315.28</u>
<b>21 Other Income:</b>		
i) Interest	23.07	48.22
iii) Bad Debts Recovered	-	14.15
iv) Profit On Sale of Long Term Investment	3.16	289.53
iv) Liability no longer required w/back	34.43	116.57
v) Comission Received	25.04	30.64
vi) Miscellaneous Income	5.95	3.99
<b>Total</b>	<u>91.65</u>	<u>503.10</u>
<b>22 Cost of materials consumed:</b>		
<b>Consumption of raw materials :</b>		
Electronic Components and Others	2,329.73	2,729.54
<b>Total</b>	<u>2,329.73</u>	<u>2,729.54</u>
<b>23 Purchases of stock in trade</b>		
Mobile Phones and Accessories	22,045.48	31,081.27
<b>Others</b>	1,538.86	2,350.15
<b>Total</b>	<u>23,584.35</u>	<u>33,431.42</u>
<b>24 Changes in inventories of finished goods, work in progress and stock in trade:</b>		
<b>Stocks at the end of the year</b>		
i) Work in progress	19.67	33.98
ii) Trading goods :	3,301.38	3,075.26
iii) Finished goods	195.32	254.73
<b>Sub Total :</b>	<u>3,516.37</u>	<u>3,363.97</u>
<b>Less: Stocks at the beginning of the year</b>		
i) Work in progress	33.98	31.52
ii) Trading goods	3,075.26	3,040.27
iii) Finished goods	254.73	213.12
<b>Sub Total :</b>	<u>3,363.97</u>	<u>3,284.91</u>
<b>Increase/ (Decrease) in Stock :</b>	<u>152.40</u>	<u>79.06</u>
<b>25 Employees Benefit Expenses:</b>		
i) Salaries and wages	878.67	863.65
ii) Contribution to provident and other funds	51.64	59.98
v) Staff Welfare & Other Benefits	35.75	41.66
<b>Total</b>	<u>966.06</u>	<u>965.30</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
<b>26 Finance Costs:</b>		
i) Interest	525.50	632.28
ii) Net (gain)/loss on foreign currency transaction	0.37	26.35
iii) Others	74.07	63.35
<b>Total</b>	<b>599.95</b>	<b>721.98</b>
<b>27 Depreciation and amortization:</b>		
i) Depreciation	354.35	370.74
ii) Amortization of Land	5.99	5.99
<b>Total</b>	<b>360.34</b>	<b>376.73</b>
<b>28 Other expenses:</b>		
i) Assembly Charges	38.97	42.53
ii) Stores & Spares Consumed	10.63	11.43
iii) Power and fuel	90.17	99.53
iv) Rent	50.23	53.97
v) Repair & Maintenance :-		
Building	-	-
Plant & Machinery	59.98	76.73
Others	40.94	30.39
vi) Insurance	18.40	25.50
vii) Rates and taxes	14.00	5.04
viii) Legal and professional charges	122.04	119.62
ix) Payment to the auditors		
Statutory Audit Fee (including Limited review)	12.00	12.00
Tax Audit Fee	1.75	1.75
Certification	0.47	0.07
Expense / Service Tax reimbursed	2.31	2.25
x) Travelling & Conveyance	162.80	120.93
xi) Freight and Forwarding	311.29	303.99
xii) Discount, Commission & Incentives	449.56	0.77
xiii) Advertisement & Publicity	52.67	20.53
xiv) After Sale Service Charges	52.52	130.42
xv) Sales Tax, Entry Tax and Service Tax	35.99	47.91
xvi) Bad trade receivables written off	28.76	445.90
xvii) Provision for doubtful trade receivables	-	(162.21)
xviii) Irrecoverable loans and advances written off	49.20	0.11
xiv) Loss on sale of fixed asset (net)	-	(0.44)
xx) Short / Excess Claims	(17.50)	(0.72)
xxi) Miscellaneous expenses	175.34	178.02
xxii) Net (gain)/loss on foreign currency transaction	(4.68)	3.34
<b>Total</b>	<b>1,757.84</b>	<b>1,569.37</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**29 Significant Accounting Policies :**

**Principles of consolidation :**

The consolidated financial statements relate to Salora International Limited ("the Company") and its subsidiary Company

The consolidated financial statements have been prepared on the following basis :

- i) The financial statements of the Company and its subsidiary Company has been combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - " Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii) In case of associates where the Company directly holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements:

**Significant accounting policies :**

These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Salora International Limited and its subsidiary.

**30 The subsidiary Company considered in the consolidated financial statements is :**

Name of the subsidiary	Country of Incorporation	Proportion of ownership interest	
		Current Year	Previous year
Salora Components Limited	India	79.05%	79.05%

**31 Contingent Liabilities not provided for in respect of :**

- i) Bank Guarantees issued by Bankers ₹ 701.18 lacs (Previous year ₹ 31.33 lacs) including for Sales Tax and Excise demand ₹1.18 Lacs (Previous Year ₹ 28.33 lacs), against which margin kept by bank ₹ 68.68 lacs ( Previous year ₹ 2.85 lacs)
- ii) Letter of Credits pending for shipment ₹ 220.98 (Previous year ₹ Nil. ).
- iii) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.
- iv) Disputed Sales Tax demands of ₹ 658.24 lacs (Previous year ₹ 570.12 lacs), against which amount deposited ₹ 178.15 lacs (Previous year ₹ 162.91 lacs) has not been provided for as the cases are pending in appeals with higher authorities.
- v) Advance Licence utilised for Import of CPT worth ₹ 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 ₹ 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 ₹ 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 by DGFT.
- vi) The demand amounting to ₹ 1113.77 lacs (previous year ₹ 1113.77 lacs) and penalty ₹ 1113.77 lacs (previous year ₹ 1113.77 lacs) for the period April 2002 to April 2003 and demand of ₹ 28.99 lacs (previous year ₹ 28.99 lacs) and penalty of ₹ 28.99 lacs (previous year ₹ 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 afresh 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 CESTAT in remand order. The company has again filed appeal against Commissioner's order before the CESTAT.

The demand for ₹ 1292.45 lacs (previous year ₹ 1292.45 lacs) lacs and penalty ₹ 1292.45 lacs (previous year Nil) 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. 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 ₹ 300.00 lacs ( previous year ₹ 300.00 lacs).Miscellaneous Excise duty demand amounting to ₹ 98.67 lacs (previous year ₹ 69.15lacs) and Service Tax demand ₹ 1.97 lacs (previous year ₹ 1.97 lacs) has been raised by the department against which company has filed appeals. The amount deposited against demand ₹ 9.66 lacs ( previous year ₹ 21.79 lacs).

- vii) Income Tax Assessments of the Company have been completed upto Assessment Year 2012-2013 (in previous year upto 2010-11). Demand has been raised of ₹ 57.57 lacs(previous year ₹ 57.57 lacs) for earlier assessment years against which company has filed appeal before appellate authorities and amount ₹ 53.00 lacs(previous year ₹ 53.00 lacs) has been deposited against demands. Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Delhi High Court against refund of ₹ 1151.57 lacs received by the Company in the Financial Year 2002-2003.

**32 Sundry Debtors, considered good includes :**

- i) ₹ 1552.33 lacs (previous year ₹ 1925.72 lacs) due more than six months and ₹ 24.67 lacs due less than six months (previous year ₹ 42.16 lacs) from parties on whom legal action initiated for recovery.
- ii) ₹ 2899.29 Lacs (previous year ₹ 2053.45 lacs) due more than six months are under follow-up,negotiation,reconciliation, settlement and realisation.

Particulars	Year Ended 31.03.2015 (₹ in Lacs)	Year Ended 31.03.2014 (₹ in Lacs)
<b>33 Exchange difference has been charged/ (credited) to revenue accounts as follows:</b>		
On Import of raw material & finished goods including forward contracts	12.12	101.75
On Export sales	(16.80)	(72.07)
Others	0.37	-
<b>Total</b>	<b>(4.31)</b>	<b>29.68</b>

**34 RELATED PARTIES DISCLOSURES :**

**1. Relationship :**

**(a) Associates & Joint Ventures :**

Salora Retail Ventures Ltd. (till 30.03.2014)  
Encompass Software & Systems Pvt.Ltd. (30.03.2015)

**(b) Other related parties in which key managerial personnel are able to exercise significant influence :**

Associated Electronics Research Foundation  
Manori Properties P Ltd  
Essjay Ericsson Pvt. Ltd.  
Devi Electronics P Ltd  
Terminal Power Pvt Ltd.

**(c) Key Managerial Personnel:**

Shri G.K.Jiwarajka  
Shri Tarun Jiwarajka

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

Smt. Neetu Jiwarajka  
Shri Ayush Jiwarajka

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

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

(₹ In Lacs)

Nature of Transactions	Related Parties					
	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) & (d) above	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
<b>Purchases</b>						
Goods and Materials	-	-	3.00	-	-	-
<b>Sales</b>						
Goods and Materials	-	-	857.25	-	-	-
<b>Expenses</b>						
Rent	-	-	9.60	10.21	-	-
Interest	-	-	56.47	106.25	22.05	5.00
Salary	-	-	-	-	12.58	12.58
Directors Remuneration	-	-	-	-	111.79	57.94
<b>Finance</b>						
Loans received	-	-	-	183.00	200.00	250.00
Loans repaid	-	-	560.00	418.00	80.00	-
<b>Others</b>						
Expenses incurred		4.61	6.05	6.27	-	-
Expenses received back			2.82	6.27		
<b>Outstandings</b>						
Payables	-	-	3.03	9.60	3.86	6.74
Receivables	-	-	12.24	4.63	-	-
Loan Received	-	-	-	560.00	370.00	250.00
Interest Recoverable	-	-	-	9.23	19.83	4.50



Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>35 Particulars of Earning Per Share :</b>		
Net Profit/(Loss) after tax as per profit and loss account (₹ Lacs) attributable to equity shareholders	(29.20)	154.58
Net Profit/(Loss) before extraordinary item net of tax expense (₹ Lacs)	(29.20)	154.58
Weighted Average number of equity shares used as denominator for calculating EPS	8807300	8807300
Basic and Diluted Earnings per share(in ₹)	(0.33)	1.76
Basic and Diluted Earnings ( before extraordinary item ) per share(in ₹)	(0.33)	1.76
Face Value per equity share(in ₹)	10.00	10.00
<b>36 SEGMENT REPORTING :</b>	<b>Year ended</b>	<b>Year ended</b>
<b>A. Information about Primary Business Segments :</b>	<b>31.03.2015</b>	<b>31.03.2014</b>
<b>(I) Segment Revenue :</b>	<b>(Rs. Lacs)</b>	<b>(Rs. Lacs)</b>
a) Infocom Division	25,140.28	34,262.95
b) Consumer Electronics Division	3,781.10	4,632.80
c) Wind Energy	367.62	419.53
<b>Total Segment Revenue as per Financial Statements</b>	<b>29,289.01</b>	<b>39,315.28</b>
<b>(II) Segment Results :</b>		
a) Infocom Division	742.36	609.65
b) Consumer Electronics Division	28.72	100.24
c) Wind Energy	211.73	186.73
<b>Total Segment Results</b>	<b>982.82</b>	<b>896.62</b>
Less : i) Interest	525.50	632.27
ii) Other un-allocable expenditure net off un-allocable income	522.52	161.25
iii) Provision for Taxes	(18.85)	(52.16)
<b>Net Profit/(Loss) as per Financial Statements</b>	<b>(46.35)</b>	<b>155.26</b>

**(III) Other Informations (₹ in Lacs) :**

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
<b>a) Infocom Division</b>				
Current year	10,522.51	1,757.00	1.13	15.52
(Previous year)	(10,883.11)	(1,987.04)	(0.94)	(16.09)
<b>b) Consumer Electronics Division</b>				
Current year	4,319.35	689.35	26.17	182.40
(Previous year)	(4,487.68)	(634.45)	(1.70)	(113.00)
<b>c) Wind Energy</b>				
Current year	1,797.80	-	-	116.16
(Previous year)	(1,900.56)	(19.64)	-	(161.79)
<b>d) Unallocated Amounts</b>				
Current year	1,343.93	4,250.75	32.22	46.25
(Previous year)	(1,449.35)	(4,661.51)	(142.66)	(85.85)
<b>Total as per Financial Statements (C.Y.)</b>	<b>17,983.60</b>	<b>6,697.10</b>	<b>59.51</b>	<b>360.34</b>
<b>(Previous year)</b>	<b>(18,720.70)</b>	<b>(7,302.64)</b>	<b>(145.30)</b>	<b>(376.73)</b>

<b>B Geographical Segments:</b>	<b>Year Ended 31.03.2015 (₹ in Lacs)</b>	<b>Year Ended 31.03.2014 (₹ in Lacs)</b>
<b>Segment Revenue - Turnover</b>		
Domestic	<b>26963.10</b>	24453.44
Export	<b>2325.90</b>	14861.84
Total	<b><u>29289.00</u></b>	<u>39315.28</u>

Assets, Liabilities and expenses are common so the same has not been given separately.

**C. Other Disclosures :**

- i) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and return of these segments.
- ii) The Company has disclosed Business Segment as the primary segment.
- iii) Type of products and services in each business segment :

<b>Business Segment</b>	<b>Type of Products</b>
a) Infocom Division	Mobile Phones, IT Products and Accessories thereof and other items.
b) Consumer Electronics Division	Fly Back Transformer(EHT), Loudspeaker, Deflection Yoke and TV sets, etc. and sub-assemblies thereof .
c) Wind Energy	Wind Energy Generation.
iv) The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and allocated on a reasonable basis.	

**37 The useful life of Fixed Assets has been revised in accordance with the schedule II of the Companies Act 2013. The depreciation for the year is lower for the year by ₹ 3.66 lacs due to change in useful life of Fixed Assets. The Assets whose useful life is already exhausted as on 01.04.2014, yearly depreciation and deferred tax credit amounting to ₹ 126.13 lacs and ₹ 40.92 lacs has been adjusted to General Reserve. In case of consolidated result, depreciation for the year is higher by ₹ 6.08 lacs.**

**38 Previous year figures have been re-grouped and/or re-arranged wherever necessary.**

As per our report of even date annexed.

Signature to Notes '1' to '38'.

For and on behalf of the Board

For **K.Prasad & Company**  
Chartered Accountants  
FRN: 002755N

**Tarun Jiwrajka**  
Whole Time Director

**Gopal Sitaram Jiwrajka**  
Chairman & Managing Director

**R.S.Gupta**  
Partner  
M.No: 072666

**Nitin Agrahari**  
Company Secretary

**Amit Kumar Goel**  
Chief Financial Officer

**Place :** New Delhi  
**Date:** 2<sup>nd</sup> July 2015

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

(₹ In lacs)

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit/(Loss) before tax	(65.20)	103.10
Adjustment for :		
Depreciation	360.34	376.73
Interest	525.50	632.28
Interest Income	(23.07)	(48.22)
Profit/(Loss) on Sale of Long Term Investments	(3.16)	(289.53)
Wealth Tax	0.34	0.33
Deficit/( Surplus ) on sale of Fixed Assets	-	(0.44)
<b>Operating Profit before Working Capital changes</b>	<b>794.75</b>	<b>774.25</b>
Adjustment for :		
Inventories	(34.25)	(108.05)
Trade and other receivables	226.31	1,299.23
Trade and other payables	(321.55)	(2,099.65)
<b>Cash Generated from Operating Activities</b>	<b>665.26</b>	<b>(134.22)</b>
Adjustment for :		
Direct taxes (paid ) / Refund Received	26.08	3.51
<b>Net cash from Operating Activities</b>	<b>691.34</b>	<b>(130.71)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(59.51)	(145.30)
Sale / adjustment of fixed assets	-	13.43
Sale of Investment	9.50	410.38
<b>Net cash from / ( used in ) Investing Activities</b>	<b>(50.01)</b>	<b>278.51</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayments) of Secured term Loans (Net)	(1.04)	86.95
Proceeds/ (Repayments) of Working Capital Loan (Net)	(120.00)	647.56
Interest Paid	(530.83)	(729.64)
Loan Received (Unsecured)	550.00	433.00
Loan Repaid (Unsecured)	(640.00)	(618.00)
Loans Given	-	-
Loans Received Back	-	331.85
Margin Money	(72.00)	12.44
Interest received	72.59	139.20
Dividend paid	(3.12)	(1.45)
Adjustment in Reserve and minority interest	0.00	(365.02)
<b>Net cash from/(used in) Financing Activities</b>	<b>(744.40)</b>	<b>(63.11)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents :</b>	<b>(103.08)</b>	<b>84.68</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>116.17</b>	<b>31.48</b>
<b>Cash and cash equivalents at end of the year</b>	<b>13.09</b>	<b>116.17</b>

Consolidated Cash Flow Statement

As per our report of even date annexed.

For and on behalf of the Board

For **K. Prasad & Company**  
Chartered Accountants  
FRN: 002755N

**Tarun Jiwrajka**  
Whole Time Director

**Gopal Sitaram Jiwrajka**  
Chairman & Managing Director

**R.S.Gupta**  
Partner  
M.No: 072666

**Nitin Agrahari**  
Company Secretary

**Amit Kumar Goel**  
Chief Financial Officer

**Place :** New Delhi  
**Date:** 2<sup>nd</sup> July 2015





# SALORA INTERNATIONAL LTD.

CIN L74899DL1968PLC004962

Regd. Office:D – 13/4, Okhla Industrial Area, Phase – II, New Delhi – 110 020  
Phone : 91 11 4920 7100; E-mail: sect@salora.com , website: www.salora.com

## ATTENDANCE SLIP

{Please complete Attendance Slip and hand it overat 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.



# SALORA INTERNATIONAL LTD.

CIN L74899DL1968PLC004962

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Phone : 91 11 4920 7100; E-mail: sect@salora.com , website: www.salora.com

## 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 46th Annual general meeting of the company, to be held on the 18th September, 2015 at 11 a.m. at LOK KALA MANCH, 20, LODHI INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI -110 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. Adoption Financial Statements of the Company as at 31st March, 2015 including audited Balance Sheet and Statement of Profit & Loss Account as at 31st March, 2015 and Auditors report thereon.
2. Re-appointment of Shri P.N. Mehta as Director.
3. Appointment of Auditors and fixing their remuneration.
4. Appointment of Smt. Sushmita Shekhar as an independent Director.
5. Appointment of Cost Auditors and fixing their remuneration.
6. Appointment of Shri Tarun Jiwrajka as a Whole-time director and fixing his remuneration.
7. Approval to borrow monies in excess of aggregate of paid-up share capital and free reserve up to a limit of Rs. 125 Crores.
8. Approval to create charge or mortgage on Company's properties in respect of borrowings.

Affix  
Revenue  
stamp

Signed this..... day of.....2015

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.



