

47TH ANNUAL REPORT 2015-16



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

CHIEF FINANCE OFFICER

ASHOK KUMAR KUCHERIA

COMPANY SECRETARY

NITIN AGRAHARI

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, 1st FLOOR, OKHLA INDUSTRIAL AREA,

PHASE -I, NEW DELHI-110020

Tel. No. 011-26812682, 83 & 84

Fax No. : 011-30857562

Email: admin@skylinerta.com

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ANNUAL GENERAL MEETING

Day : Wednesday

Date : 14th September, 2016

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

NOTICE TO THE 47TH ANNUAL GENERAL MEETING

NOTICE is hereby given that 47th Annual General Meeting of the Members of Salora International Limited will be held on Wednesday, the 14th day of September, 2016 at 11.00 A.M. at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi -110 003, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt audited financial statements (including the consolidated financial statements) of the Company as at 31st March, 2016 and the Reports of Board of Directors and Auditors' thereon.
2. To appoint a director in place of Shri Tarun Jiwarajka (holding DIN 00386240), 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, and to pass the following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder, as amended from time to time, pursuant to the recommendation of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by shareholders at the 46th AGM held on 18th September, 2015, the appointment of M/s. K. Prasad & Co, Chartered Accountants (Firm Registration No. 002755N), as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 48th Annual General Meeting of the Company to be held in the year 2017, be and is hereby ratified at such remuneration plus service tax, out-of-pocket, boarding and lodging expenses, as mutually agreed between Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a 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, 2017, 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."
5. 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 pursuant to recommendation of Nomination & Remuneration Committee and Board of the Company and subject to the approval of the Central Government or subject to such approvals, if necessary, Shri Gopal Sitaram Jiwarajka (DIN 0024325) be and is hereby re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 1st July, 2016 to 30th June, 2019 on the following terms of remuneration:
 1. Salary: Rs 4,00,000/- (Rupees Four Lacs Only) per month;
 2. Executive Pay: Rs 2,00,000/- (Rupees Two Lacs Only) per month;
 3. Perquisites: Perquisites shall be distributed in two categories
Category A-
 - a) House Rent Allowance @60% of the salary;
 - b) Reimbursement of expenses incurred on Gas, Electricity and Water;
 - c) Reimbursement of medical expenses actually incurred for self and family;
 - d) Leave Travel Concessions for self and family every year;
 - e) Fees of clubs subject to maximum of two clubs shall be borne by the Company but admission fee and life membership fee shall not be paid;
 - f) Provision of Company's car for use on Company's business and for personal use, mobile and telephone at residence and long distance personal calls on telephone will be charged by the Company;
 - g) Ex-gratia / Bonus as per company's policyCategory B- Perquisites not included in computation of total managerial remuneration ceiling as per schedule V;
 - a) 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;

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

FURTHER RESOLVED THAT Shri Gopal Sitaram Jiwrajka (DIN00024325), Managing Director shall be entitled to receive - reimbursement of actual entertainment, travelling, boarding, and lodging expenses incurred by him in connection with the Company's business;

RESOLVED FURTHER THAT 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 (inclusive of the sums specified in Category A and exclusive of sums specified in Category B above) payable to Shri Gopal Sitaram Jiwrajka (DIN 00024325), Managing Director of the Company shall not exceed the limit of Rs.120 lacs p.a. and shall be paid with effect from 1st July, 2016, if the approval of the shareholders granted by means of a Special Resolution."

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

"RESOLVED FURTHER THAT pursuant to provision of Section 196, 197 and schedule V of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (and any other modification, insertion or alteration time being enforced as law of the land) and Articles of Association of company on the recommendation of the Nomination & Remuneration Committee and Board of the Company, Smt. Neetu Jiwrajka (DIN 00025570), Additional Director of the Company, be and is hereby appointed Executive Director for five (5) years from 30th June, 2016 upto 29th June, 2021, on the following terms of remuneration:

Name of Director	Amount of monthly remuneration inclusive of perquisites in the computation of the ceiling of Managerial Remuneration
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Smt. Neetu Jiwrajka	Rs. 60,000/-
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RESOLVED FURTHER THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, her period of office shall be liable for determination by retirement of directors by rotation;

FURTHER RESOLVED THAT appointment of Smt. Neetu Jiwrajka (DIN 00025570) on the board, be and is considered in compliance of provisions of the second proviso of section 149(1) of Companies Act, 2013 and provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in regard to the appointment of Women Director;

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 / or modification thereof) and subject to such approval as may be necessary, in the event of there being loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Smt. Neetu Jiwrajka (DIN 00025570) being executive of the Company, shall be the minimum remuneration payable unless revised further."

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: 30th June, 2016

(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 8th September, 2016 to 14th September, 2016 (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 distributed 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, 2009, given in the Corporate Governance Report published in the Annual Report, 2015-16.
12. Pursuant to provisions of Section 205A and 205C of the Companies Act, 1956 (corresponding to the provisions of Section 124 of the Companies Act, 2013) 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), 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. Unclaimed / Unpaid dividend for the financial year 2008-09 is due for transfer on 19.08.2016.
13. At the ensuing Annual General Meeting, Shri Tarun Jiwrajka, is liable to retire by rotation and being eligible, offer himself for re-appointment. In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the information or details relating to Shri Tarun Jiwrajka, Whole Time 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 company 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 47th Annual General Meeting along with 47th Annual Report, 2016 shall also be available on company's website being: www.salora.com
17. The information required in terms of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is

given in Corporate Governance Report annexed to the Directors' Report which is published in the 47th Annual Report, 2016.

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 Shri Nitin Agrahari, Company Secretary, Tel. No. 011- 49207125 for any query 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 can 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.nsd.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.

- (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.nsd.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 7th September, 2016. 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 9:30 a.m. on 11th September, 2016 and will end at 5:00 p.m. on 13th September 2016. The e-voting module shall be disabled by NSDL at 5:00 p.m. on the same day.
- VI. In terms of provisions of Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in order to enable its members, who do not have access to e-voting facility. Poling facility will be provided at the AGM.
- VII. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.salora.com and on the website of NSDL www.evoting.nsdl.com within three days of the passing of the resolutions at the 47th Annual General Meeting of the Company on 14th September, 2016 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,
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CIN L74899DL1968PLC004962
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Dated: 30th June, 2016

(Nitin Agrahari)
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 2**

Shri Tarun Jiwrajka (holding DIN 00386240), Whole Time Director of the Company retires by rotation and holds office up to this Annual General Meeting.

Shri Tarun Jiwrajka was appointed for 5 (Five) years w.e.f. 10th November, 2014 as Whole Time Director, which was approved by shareholders in the 46th Annual General Meeting of the Company held on 18th September, 2015 and under the terms of his appointment in the Company period of his office is liable for retire by rotation as per the provisions of section 152 of Companies Act, 2013.

He has been steering the Company. With his leadership the company has been expanding its business in diverse fields.

Except Shri Tarun Jiwrajka, Shri Gopal Sitaram Jiwrajka and Smt. Neetu Jiwrajka, no other director is interested or concerned in this resolution.

ITEM NO. 4

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 27th May, 2016, the Board has, considered and approved the appointment of M/s. Gurbinder Chopra & Co., Cost Accountants as the Cost Auditor for the financial year 2016-17 at a remuneration of Rs.40,000/- per annum plus applicable service tax and reimbursement of out of pocket expenses.

None of the director is interested or concerned in this resolution.

ITEM NO. 5

The present tenure of Shri Gopal Sitaram Jiwrajka, Managing Director of the Company expires on 30th June, 2016 and the Board of Directors of the Company in its meeting held on 27th May, 2016, has re-appointed him subject to shareholder's approval, to the office of Managing Director for a further period of 3 years, with effect from 1st July, 2016, on the terms and conditions as to remuneration as specified in the resolution as per Item No. 5 of Notice. The remuneration as proposed has also been approved by the Nomination & Remuneration Committee. The re-appointment of Shri Gopal Sitaram Jiwrajka requires approval of the shareholders in terms of Schedule V of the Companies Act, 2013.

Shri Gopal Sitaram Jiwrajka was appointed as director of the Company on 28.08.1987 and has been holding office of the Chairman & Managing Director since 10th November, 2011. He is 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, electronic & IT industry and possesses in depth knowledge of Indian conditions in respect of this industry.

Your Directors recommend the resolution for approval of members as a Special Resolution.

Shri Gopal Sitaram Jiwrajka is interested or concerned to the extent of the remuneration proposed in the aforesaid resolution. Shri Tarun Jiwrajka, Whole time Director and Smt. Neetu Jiwrajka, Director of the Company are related to Shri Gopal Sitaram Jiwrajka and deemed to be interested or concerned in this resolution and no other Director is interested or concerned in the resolution.

ITEM NO. 6

As per duly constituted provisions of section 149 of Companies Act, 2013 and of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Company is required to appoint a Lady Director on Board. In place of Smt. Sushmita Shekhar, who had resigned on 11th February, 2016, the candidature with brief profile of Smt. Neetu Jiwrajka including her detailed working and professional life, academic qualifications and other social engagement is being produced for consideration of our respected members.

Smt. Neetu Jiwrajka, aged about 56 Years is a graduate from Delhi University. She is spouse of Shri Gopal Sitaram Jiwrajka, Chairman & Managing Director and mother of Shri Tarun Jiwrajka, Whole Time Director of the Company. She has been associated with the Company since 4th July, 2008 with the designation of Director- Business Development. In the field of lifestyle products and other similar activities, Smt. Neetu Jiwrajka got an enormous experience and exposure. Products portfolio and Business in Life Style Division of the Company are being developed and managed by her.

Presently, Smt. Neetu Jiwrajka is also at the Board of Companies like Devi Electronics Private Limited & Manori Properties Private Limited, Company expect a large benefit from taking her on Board through her long standing career and expertise in development of Lifestyle Division.

On humanitarian and social grounds too, she is a personality to adore for generations to come. As of now, she is overlooking the philanthropical activities of Company's established trust named "Uttarayan", to empower and welfare for children and women in Nebsarai, New Delhi through imparting lessons in Singing/ Arts/ Dancing.

Pursuant to Section 161 of the Companies Act, 2013, Smt. Neetu Jiwrajka holds office as Additional Director up to the date of the ensuing Annual General Meeting and is eligible for appointment as a Director of the Company. The Company has received notices from a shareholder under Section 160 of the Companies Act, 2013, proposing the names of Smt. Neetu Jiwrajka for appointment as Directors of the Company.

The members are hereby requested to consider the candidature of Smt. Neetu Jiwrajka and if thought fit for company growth and prosperity may approve her appointment as recommended by the Board.

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

By Order of the Board of Directors
Salora International Ltd.

Regd. Office:

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

Dated: 30th June, 2016

(Nitin Agrahari)
Company Secretary

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

Particulars	Shri Gopal Jiwrajka	Shri Tarun Jiwrajka	Smt. Neetu Jiwrajka
Date of Birth (Age)	15.06.1960 (56 years)	31.03.1984 (31 years)	04.09.1960 (56 years)
Date of Appointment in the Company	August 28, 1987	November 10, 2011	June 30, 2016
Qualification	Commerce Graduate	B.Sc. in Business	Graduate
Experience	Rich experience in Marketing, Finance, Production and Administration. He possesses depth knowledge of TV, Electronics & IT industry.	Rich experience in Marketing, Finance, Business Management and Administration	Experience in marketing and business development of life style products
Directorship held in other public companies.	Salora Components Limited Lemon Tree Hotels Ltd.	Salora Components Limited -	-
Membership/ Chairmanship of committees of other companies	Lemon Tree Hotels Ltd. Fleur Hotels Pvt. Ltd.	-	-
Relationship with other Directors/ MD/ KMPs	Shri Tarun Jiwrajka, Whole Time Director and Smt. Neetu Jiwrajka, Add. Director	Shri Gopal sitaram Jiwrajka, Chairman & Managing Director and Smt. Neetu Jiwrajka, Add. Director	Shri Gopal Sitaram Jiwrajka, Chairman & Managing Director and Shri Tarun Jiwrajka, Whole Time Director
No. of Board Meetings attended	All 5 Board Meeting held in FY 2015-16	All 5 Board Meeting held in FY 2015-16	n.a.
Shareholding in the Company	20,29,117 Shares (23.04%)	3,72,741 shares (4.23%)	7,31,410 shares (8.30%)
Present Remuneration	Rs 1,20,00,000/- Per Annum	Rs. 24,00,000/- Per Annum	Rs. 7,20,000/- Per Annum
Remuneration last drawn	Rs 1,06,07,415/- drawn during the FY 2015-16	Rs 22,22,046/- drawn during the FY 2015-16	Rs 6,04,312/- drawn during the FY 2015-16

Annexure - Notice

STATEMENT PURSUANT TO SCHEDULE V PART II SECTION II

I. GENERAL INFORMATION

- | | | | |
|--|---|---|---------------|
| (1) Nature of Industry | : | Manufacturing of Mobile Phone, LED TV, CRT TV 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 | 666.93 |
| | | ii. PBT | (-) 142.34 |
| | | iii. PAT | (-) 87.02 |

(5) Foreign investment or collaborations, if any : No foreign collaboration or investment

II. INFORMATION ABOUT THE APPOINTEE

(A). Shri Gopal Sitaram Jiwaraajka

(1) Background details : As provided in explanatory statement.
 (2) Past remuneration : Remuneration paid to Shri Gopal Sitaram Jiwaraajka as Chairman & Managing Director of the Company during the FY 2015-16 is Rs. 1,06,07,415/-

Perquisites:

Company's contribution towards Provident Fund shall be made as per rules of the Company but to the extent these are not taxable under the Income Tax Act, 1961.

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 Gopal Sitaram Jiwaraajka, is taking care of Company Business operations with his rich experience in Marketing, Finance, Production and Administration. He has been associated with Company from last many years. In view of his varied and vast experience, the Board has bestowed the above responsibilities on him.

(5) Remuneration proposed : Provided in relevant Resolution in the AGM Notice.

(6) Comparative remuneration profile with respect to industry 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 Gopal Sitaram Jiwaraajka.

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

(B) Smt. Neetu Jiwaraajka

(1) Background details : As provided in explanatory statement.

(2) Past remuneration : Remuneration paid to Smt. Neetu Jiwaraajka as an executive of the Company during the FY 2015-16 is Rs. 6,04,312/-.

(3) Recognition or awards : NIL

(4) Job profile and his suitability : The Company is also in the business of Life Style products, however small but this business has returned decently to the investment made. Smt. Neetu Jiwaraajka has been on the roll of the Company from last 8 years as Director-Business Development to take care of Company's Life Style Product business. Now, Board has bestowed the above responsibilities on her and to take her on Board.

(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 Smt. Neetu Jiwrajka.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any : Except for holding position of an Executive Director and drawing remuneration and as shareholder, she has no other pecuniary relationship with the Company. She is relative of Shri Tarun Jiwrajka, Whole Time Director and Shri Gopal Sitaram Jiwrajka, Chairman & Managing Director.

III OTHER INFORMATION

- (1) Reasons of loss or inadequate profits : For the FY 2015-16, due to sluggish demand and weak market for Company's established product range, profit margins have been impacted. However, Company has launched several new products in LED TV and Mobile Phones range.
- (2) Steps taken or proposed to be taken for improvement : The Company is taking all necessary steps and efforts with utmost caution for future growth, improvement of performance and stability of business which inter-alia include:
 - Company has been focused majorly on manufacturing of Salora Brand products to improve margin rates.
 - Trading of highly demanded products through its online market place service providers.
 - Company has launched several new products into its LED TVs and Mobile Phones range at its NOIDA Plant to broaden its product range.
These activities will add to turnover and profit in the year 2016-17.
- (3) Expected increase in productivity and profits in measurable terms : Efforts are being made with a foreseen improved performances and further result in 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.

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: 30th June, 2016

(Nitin Agrahari)
Company Secretary.

DIRECTORS' REPORT

Dear Members,

Your Directors present the 47th Annual Report of the Company together with Audited Financial Statements for the Financial Year ended 31st March, 2016:

1. FINANCIAL RESULTS (STANDALONE)

A snap shot of the Company's financial performance for the financial year under review along with previous years' figures are given hereunder:

	(₹ in Lacs)	
	Year ended 31 st March, 2016	Year Ended 31 st March, 2015
Net Sales /Income from Business Operations	31169.95	29842.12
Less: Excise Duty	221.88	332.29
Net Sales	30948.07	29509.83
Add: Other Income	329.35	70.81
Increase / (Decrease) in stock	522.65	152.41
Total	31800.07	29733.05
Less: Total Expenditure	31133.14	28877.89
Operating Profit	666.93	855.16
Less: Interest	558.35	489.68
Less: Depreciation & Amortization	250.92	326.09
Profit before exceptional item & tax	(142.34)	39.39
Less: Exceptional Item	-	-
Profit before tax	(142.34)	39.39
Less: Provision for taxes		
Current Tax	-	-
Deferred Tax	55.32	(0.87)
Earlier Year: Deferred Tax	-	-
Earlier Year: Income Tax	-	4.74
Profit / (Loss) after tax	(87.02)	35.53
Add: Balance brought forward from last year	-	-
	(87.02)	35.53
Less: Appropriations	-	-
Balance carried to Balance Sheet	(87.02)	35.53

2. DIVIDEND

Due to non availability of profits, your Directors have not recommended any dividend this year.

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 2008-09 is due for transfer on 19.08.2016 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.309.48 crores in the Financial Year 2015-16 as compared to Rs.295.09 crores in the last Financial Year.

Operating profit for the year was stood at Rs.666.93 lacs against Rs.855.16 lacs during the preceding year.

Company has started commercial production of LED TVs on the new Production Conveyor Line with a capacity of 10,000 units per month installed at our factory premises situated in NOIDA (U.P.). The Company has also started manufacturing and assembling facility for Mobile phones and its Components under flagship of our valued Brand "SALORA". Company's alignment with e-commerce players i.e. Amazon, Flipkart, Snapdeal, ebay, Justbuy and Gadgets 360 for sales and marketing of its products, consumers' response is very enthusiastic.

Company has finalized an alignment with Amazon, which will boost our top line as well as bottom line. This will be regular business with them and your company will be one of their preferred partners in their phase of growth in India.

After agreed alignments your company would be procuring some other well known cross border brands having sharp dominant presence in the ecommerce space to boost up the sales revenue through our well established distribution channels.

Company has been working with Zojirushi Corporation, Japan into Life Style sector to distribute small appliances and thermo-ware products and in the months to come we will be launching some new products in the segment.

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 relates 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

Risk Management is attempting to identify, assessment, minimization and then management of threats that could severally impact or bring down an organization. Your Company believes that it is need of the hour in the present market scenario for any Business organization to impeccably recognise and effectively address the risk existing in the environment. Your Board, Audit Committee and Executive Management are continuously identifying the possible risk and make guidance to the management to hedge against those threats.

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

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

Provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

10. LOANS, GUARANTEES OR INVESTMENTS

There were no loans, guarantees or investments made by the Company exceeding the limit as specified under Section 186 of the Companies Act, 2013 during the year under review and particulars of loans given, investments made, guarantees given and securities provided under Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the purpose for which the loan or guarantee are provided in Note 13 & 14 of the standalone financial statement.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All Related Party Transactions are placed before the Audit Committee as well as Board, for prior approval wherever required. None of the transaction is without approval of the Audit Committee and every such transaction is being placed before for review periodically. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval is placed before the Audit Committee for their review on a quarterly basis. All related party transactions are in the Ordinary Course of Business and at Arm's Length Basis, which are not material in nature too, hence, outside the scope of Section 188(1) of the Act. Related Party Transaction Statement for approval of the Board and Audit Committee

is supported by a certificate of an Independent Chartered Accountant Firm.

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is available on the website of the Company at www.salora.com.

Attention of the members is drawn to the disclosure of Related Party Transactions set out in Note 40 of the Standalone Financial Statements forming part of this Annual Report.

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 Auditor

M/s. K. Prasad & Co., 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 and Co., Company Secretaries Firm, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as Annexure-'II' to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company maintains the cost audit records for its business. The Board of Directors of the Company has, on the recommendation of the Audit Committee, at its meeting held on 30th June, 2016, appointed M/s. Gurbinder Chopra & Co. Cost Accountants as the Cost Auditors for the financial year 2016-17 and has recommended their remuneration to the Shareholders for their ratification.

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 with a gap of statutory time limit provided under the Companies Act, 2013 and SEBI (Listing Obligations & Listing Requirements) Regulations, 2015. Members of the Board duly met on 30th May, 2015, 2nd July, 2015, 13th August, 2015, 5th November, 2015 and 11th February, 2016.

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 2015-16, 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, 2016 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, who is liable to retire by rotation, retires at this Annual General Meeting and being eligible offer himself for re-appointment.

Smt. Sushmita Shekhar, had resigned from the office of director w.e.f. 11.02.2016

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 continue as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

21. 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 P. N. Mehta, Member
- 3) Shri Sanjeev Kaul Duggal, Member
- 4) Shri Patanjali Govind Keswani, Member

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

The Company has established a vigil mechanism and oversee 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.

22. 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 each calendar year.

No. of complaints received: NIL

No. of complaints disposed off: NIL

23. 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 2016-17 have been paid to both the Stock Exchanges in advance. Recently company has executed new listing agreements with Stock Exchanges under the requirements of provisions of newly introduced SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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.

24. 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’.

25. 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 SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 (previously for Clause 49 of the Listing Agreement) is annexed as Annexure-‘VII’.

26. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report as required by Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 is given in Annexure-‘VIII’

forming part of this report. A certificate regarding compliance conditions of Corporate Governance is annexed. A separate section on Management Discussion and Analysis is given in Annual Report.

27. 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 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.

28. EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a formal evaluation has been made by the Board of its own performance and that of its committees and individual directors.

29. 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 the Company.

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

Date: New Delhi
Place: 30th June, 2016

(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. Introduction of LED lights in Production floor and workshops.
- (b) The Steps Taken by the Company for Utilizing Alternate Sources of Energy : N.A.
- (c) The Capital Investment on Energy Conservation Equipments : N.A.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- (a) The Efforts Made in Technology Absorption : **Research and Development (R & D):**
Deflection Yoke: 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 customers
(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 customers like Philips etc.
(b) Development of LCD & LED TV Speakers for Company and Videocon, Panasonic & other customers.
CRT TV: Designed a new CTV chassis based on Toshiba Micom for 14" and 21" Pure Flat CPT and another for 21" Ultra Slim CPT with new features.
LED TV: Developed new 80 CM LED TV in single board concept (Power supply and small signal processing are combined) for better reliability, productivity and serviceability
Telecom Product Division:
(a) Development of CDMA Mobile Phone for Tata and MTS Telecom providers
(b) Development of charger (adopter) for Mobile phone
(c) Development of speaker for mobile phone
(d) Development of Battery for mobile Phone
Company has successfully absorbed the LED TV assembly technology to manufacture LED TV in house and started use of LED TV technology for mass production.
This creates a new opening for company to produce cost effective high end CTV for masses adding margin to the company. Localization of Mobile Phone charger reduced dependency on foreign suppliers.

- (b) The Benefits Derived Like Product Improvement, Cost Reduction, Product Development or Import Substitution: : a. Cost competitiveness w.r.t. competition
b. Use of latest technology
c. Being in pace with the latest trend of the industry
d. Getting leadership position in market latest technology absorption and quality improvement
- (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>2015-16</u>	<u>(Rs. in lacs)</u> <u>2014-15</u>
(a) Capital	0.00	0.00
(b) Recurring	0.81	0.07
	-----	-----
(c) Total	0.81	0.07
	=====	=====

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. : Mainly Foreign Exchange used during the year was for import of goods and it includes minor expenses of visits of marketing staffs to different countries for increasing the exports of the Company and better market penetration.

	<u>(Rs. in lacs)</u>	
	<u>2015-16</u>	<u>2014-15</u>
Total foreign exchange used and earned	-----	-----
Foreign Exchange used	2394.41	3082.36
Foreign Exchange earned	4143.82	2340.23

Annexure – II

Secretarial Audit Report

[For the Financial Year ended on 31st March 2016]

[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 (CIN No. L74899DL1968PLC004962) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion there on.

Based on our verification of the SALORA INTERNATIONAL LIMITED'S 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 2016** 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 2016** according to the provisions of:

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

Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.- No such transaction was held during the financial year hence the said Regulations were not applicable to the Company during the audit period;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;- No such transaction was held during the financial year hence the said Regulations were 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 such Transaction was held during the financial year hence the said Regulations were 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;- The Company was not engaged in the activities relating to Registrar to a issue and also not acting as Share Transfer Agent hence the said Regulations were not applicable to the Company during the audit period
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - No such transaction was held during the financial year hence the said Regulations were not applicable to the Company during the audit period; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - No such Transaction was held during the financial year hence the said Regulations were not applicable to the Company during the audit period;
- (vi) Other 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 certificates given by other professionals, the company has complied with the following Acts / Laws applicable to the Company during the audit period:
 - a. The Employees State Insurance Act 1948 and The Employees State Insurance (General) Regulation, 1950 and The Employees State Insurance Rules, 1950

- b. The Employees Provident Fund & Miscellaneous provisions Act 1952 & The Employees Deposit-Linked Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952
- c. The Payment of Bonus Act 1965 and the Payment of Bonus Rules. 1975
- d. The Payment of Gratuity Act 1972 and The Payment of Gratuity (Central) Rules, 1972
- e. The 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 Electricity Act, 2003 & The Electricity Rules, 1956

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Listing Agreements (Equity) entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

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.

- 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, if any, were captured and recorded as part of the minutes.
- 4) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act 2013, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- 5) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

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

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

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

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

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

Place: New Delhi
Date: 27th May, 2016

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

To,
The Members,
SALORA INTERNATIONAL LIMITED

Annexure –“A”

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: 27th May, 2016

Form No. MGT-9

Annexure – III

**EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2016**

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L74899DL1968PLC004962
Registration Date	29.11.1968
Name of the Company	Salora International Limited
Category/ Sub-Category of the Company	Public Limited Company
Address of the Registered office	D-13/4 Okhla, Industrial Area, Phase-II, New Delhi-110020
Contact Details	Ph: +91-11-49207100/101 Email: sect@salora.com
Whether Listed Company Yes/No	YES, Listed on BSE and NSE
Registrar and Transfer Agent (RTA)	Skyline Financial Services Private Limited
Address of RTA	D-153A, 1st 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 Mobile Phone, LED TVs and its Component	26401	14.17
2.	Distribution of Telecom and IT Products	46524	64.43

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 st March,2016				% of change during the Year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual / HUF	5317287	-	5317287	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	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	5876216	-	5876216	66.72	5876216	-	5876216	66.72	0.00
(2) Foreign									
(a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b) Others – Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Bank / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	5876216	-	5876216	66.72	5876216	-	5876216	66.72	0.00
B. Public Share-holding									
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) FII's	200	-	200	-	200	-	200	0.00	0.00
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others: Companies	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	700	-	700	-	700	-	700	0.01	0.00
2. Non Institutions									
(a) Bodies Corp.									
(i) Indian	1130895	5101	1135996	12.90	1075172	5101	1080273	12.27	0.63
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individual									
(i) Individual shareholder holding nominal shares capital up to Rs.1 lakh	1021586	161186	1182772	13.43	1016123	158687	1174810	13.34	0.09
(ii) Individual shareholder holding nominal share capital in excess of Rs.1 lakh	422843	-	422843	4.80	312729	-	312729	3.55	1.25
(c) Others									
(i) NRI	110603	-	110603	1.26	314974	-	314974	3.58	2.32
(ii) Clearing House / Public Trust	2300	-	2300	0.03	2300	-	2300	0.03	0.00
(iii) Corp. Bodies (OCB)	175	-	175	0.00	175	-	175	0.00	0.00
(iv) HUF	73475	-	73475	0.83	42245	-	42245	0.48	0.35
(v) Clearing Members / House	2220	-	2220	0.03	2878	-	2878	0.03	0.00
Sub-Total (B)(2)	2764097	166287	2930384	33.27	2766596	163788	2930384	33.27	0.00
Total Public Shareholding B= (B)(1)+(B)(2)	2764797	166287	2931084	33.28	2767296	163788	2931084	33.27	0.00
C. Shares held by custodian for GDRs & ADRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)	8641013	166287	8807300	100	8643512	163788	8807300	100	0.00

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 st 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.	Shri Gopal Sitaram Jiwaraajka	2029117	23.04	Nil	2029117	23.04	Nil	0.00%
2.	GopalSitaram Jiwaraajka (HUF)	1498988	17.02	Nil	1498988	17.02	Nil	0.00%
3.	Smt. Savitri Devi Jiwaraajka	309894	3.52	Nil	309894	3.52	Nil	0.00%
4.	Smt. Neetu Jiwaraajka	731410	8.30	Nil	731410	8.30	Nil	0.00%
5.	Shri Tarun Jiwaraajka	372741	4.23	Nil	372741	4.23	Nil	0.00%
6.	Shri Ayush Jiwaraajka	375087	4.26	Nil	375087	4.26	Nil	0.00%
7.	R. P. Khaitan (HUF)	50	0.00	Nil	50	0.00	Nil	0.00%
9.	Manori Properties Pvt. Ltd.	558929	6.35	Nil	558929	6.35	Nil	0.00%
	Total	5876216	66.72	Nil	5876216	66.72	Nil	0.00%

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

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

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.	R. P. Khaitan (HUF)				
	At the beginning of the year	Nil	Nil	Nil	Nil
	Market Purchase on 10 th December, 2014	50	0.00%	50	0.00%
	At the end of the year	50	0.00%	50	0.00%

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.	Raviraj Developers Ltd. (IN30292710132151)	146270	1.66	365114	4.15
2.	Sujay Ajitkumar Hamlai (IN30216410418110)	-	-	211065	2.40
3.	New Millenium Technology Management Ltd. (1203330000287126)	140069	1.59	203941	2.32
4.	Atrun Fiscal Pvt . Ltd. (IN30292710134695)	119629	1.36	123651	1.40
5.	Tejash Finstock Pvt. Ltd. (IN30292710132819)	85389	0.97	119344	1.36
6.	Globe Fincap Limited (IN30096610496350)	103847	1.18	104047	1.18
7.	Sachin Srinivas Sawrikar (IN30115122444767)	-	-	45892	0.52
8.	Vasudev Gurmukhdas Chhabria (IN30088813038119)	-	-	43502	0.49
9.	Chhaganlal Meghji Savla (1201120100048669)	40000	0.45	40000	0.45
10.	Aniruddha Banerjee (1201910101852863)	39817	0.45	33740	0.38

*List of top 10 shareholders is taken according to data available as on March 31st, 2016. The shares of the Company are traded on a daily basis and hence date wise increase/ decrease in shareholding is not indicated.

v) Shareholding of Directors and Key Managerial Personnel

S. No.	For each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Gopal Sitaram Jiwarajka 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 Jiwrajka

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

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	113.46	480.00		593.46
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	0.82	0.81		1.63
Total (i + ii + iii)	114.28	480.81		595.09
Change in Indebtedness during the financial year				
❖ Addition	47.50	-		47.50
❖ Reduction	(33.82)	-		(33.82)
Net Change	13.68	-		13.68
Indebtedness at the end of the financial year				
i) Principal Amount	127.14	480.00		607.14
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	1.05	21.19		22.24
Total (i + ii + iii)	128.19	501.19		629.38

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 Jiwarajka (MD)	Shri Tarun Jiwrajka (WTD)	
1.	Gross Salary			
(a)	Salary as per provisions contained in sec.17(1) of the Income Tax Act, 1961	1,00,80,000	21,93,246	1,22,73,246
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	5,27,415	28,800	5,56,215
(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)	1,06,07,415	22,22,046	1,28,29,461
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	24,00,000	1,44,00,000

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	80,000	80,000	60,000	20,000	2,40,000
	• Commission	-	-			
	• Others, please specify	-	-			
	Total (1)	80,000	80,000	60,000	20,000	2,40,000

* Smt. Sushmita Shekhar was appointed on 30th March, 2015 and has resigned on 11th February, 2016

2.	Other Non Executive Directors	Shri Prem Nath Mehta	Total Amount
	Fees for attending Board / Committee Meetings	80,000	80,000
	Commission	-	
	Others, please specify	-	-
	Total (2)	80,000	80,000
	Total (1+2)	3,20,000	3,20,000
	Total Managerial Remuneration	3,20,000	3,20,000
	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}	25,00,000	25,00,000

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 Ashok Kumar Kucheria, CFO*	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3,73,188	4,39,820	13,33,104	21,46,112
	(b) Value of perquisites U/S 17(2) Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	-	-	-	-
	Stock Option	-	-	-	-
2.					
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of Profit	-	-	-	-
	- Others	-	-	-	-
5.	Others, Please specify	-	-	-	-
	Total	3,73,188	4,39,820	13,33,104	21,46,112

*Appointed as CFO for part of year w.e.f. 02.07. 2015.

#Resigned from the office of CFO w.e.f. 02.07.2015.

viii. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

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, 2016
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	(1,62,64,725)
6	Total assets	6,95,01,449
7	Total Liabilities	4,25,66,174
8	Investments	Nil
9	Turnover	7,38,12,605
10	Profit before taxation	15,11,832
11	Provision for taxation	(4,26,361)
12	Profit after taxation	10,85,471
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.

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

Dated: 30th June, 2016

Tarun Jiwrajka
Whole Time Director
DIN: 00386240

Nitin Agrahari
Company Secretary

For and on behalf of the Board

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN: 00024325

Ashok Kumar Kucheria
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	Ratio
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Name of the Director Shri Gopal Sitaram Jiwrajka Shri Tarun Jiwrajka 1) For the purpose, sitting Fees paid to the Directors have not been considered as remuneration. 2) Figures have been rounded off wherever necessary.	71.40 17.39
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year.	Shri Gopal Sitaram Jiwrajka-MD Shri Tarun Jiwrajka-WTD Shri Amit Goel-CFO* Shri Ashok Kumar Kucheria-CFO# Shri Nitin Agrahari – Company Secretary *Resigned w.e.f. 2nd July, 2015 #Appointed w.e.f. 2nd July, 2015	N.A. N.A. N.A. N.A. 29.63%
3.	The percentage increase in the median remuneration of employees in the financial year	Nil* *Due to increase in number of employees in comparison to previous FY, the increase in median remuneration can't be ascertained.	
4.	The number of permanent employees on the rolls of company	There were 276 employees as on March 31, 2016	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There is no average increase recorded in remuneration for Employees other than Managerial Personnel during the period under review. Further, average managerial remuneration was showing a increase due to resignation and appointment of new Key Managerial Personnel and revision in remuneration of Company Secretary. This revision is in line with factors outlined in Remuneration Policy of the Company. Other than this, there is no any other exceptional circumstances for increase in the managerial remuneration.	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

General Note:

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

REPORT ON CORPORATE GOVERNANCE

Annexure – VI

This Corporate Governance Report related to the financial year ended 31st March 2016 has been issued in compliance of provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 and forms a part of Board's Report to the Members of the Company.

CORPORATE GOVERNANCE PHILOSOPHY

Our attitude towards Corporate Governance is to maximizing shareholders worth and enhancing stakeholders trust through our fair, ethical and legal corporate behavior for compliance of the laws of land in letter as well as in spirit. The Company is committed to ensure high standards of transparency and accountability to its stakeholders. The mutual fiduciary responsibilities shared by Directors, Key Managerial Personnel and Employees are being justified through collective sustainable action.

BOARD OF DIRECTORS

COMPOSITION

The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. During the FY 2015-16, more than half of the Board i.e. 4 out of 6, are comprise of Independent Directors, One Non-executive Director, Two Executive Directors for day-to-day management of the Company.

One Women Director, Smt. Sushmita Shekhar was also appointed as an Additional Director in the category of Non Executive & Independent w.e.f. 30th March, 2015 by the Board. However, with a continuous serving period of almost a financial year, she had resigned from the office of director on 11.02.2016.

The Board consists of six (6) directors and details of composition of Board of Directors as on 31st March 2016 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)

Details of the Executive Directors:

Shri Gopal Sitaram Jiwrajka, Chairman & Managing Director of the Company, is a commerce graduate and possesses rich experience in Marketing, Finance, Production and Administration. He has extensively traveled all over the globe and possesses rich experience of TV/ Electronic and IT industry and also having depth knowledge of Indian conditions in respect of the industry. He is also having reverent official position in various trade associations like CEAMA, PHD Chamber of Commerce.

Shri Tarun Jiwrajka, Whole Time Director of the Company, is a Commerce graduate and possesses rich experience in Marketing, Finance or Administration and e-commerce industry. He was appointed as Whole Time Director by the Board of Directors in their meeting held on 10th November, 2011 and re-appointed by the Board on 10th November, 2014 for further period of five years making him liable to retire by rotation subject to approval of the shareholders of the Company.

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 eminent corporate houses apart from these directorship he is also a member of Intenational Bar Association, FICCI, Delhi High Court Bar Association etc. He has been appointed as an Independent Director with effect from 29th September, 2014 to 28th 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 Hotel Group, he has the capability to steer the Company towards growth. He has been appointed as an Independent Director with effect from 29th September, 2014 to 28th 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 29th September, 2014 to 28th 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.

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 and under provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

Disclosures / Policies:

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

Apart from those, the Company has formulated many Policies and Code of Conducts to provide better means to the existence of corporate governance in its operations. All these can be seen on Company's website: www.salora.com. Some of these policies/guidelines are-

- 1) Code of Conduct for the Board of Directors, KMPs and Employees of the Company as per provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- 2) Code of Conduct and Procedures for fair disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015;
- 3) Nomination & Remuneration Policy
- 4) Risk Management Policy

- 5) Related Party Transaction Policy
- 6) Whistle Blower Policy and Vigil Mechanism
- 7) Policy for Determining Material Subsidiary
- 8) Policy for Board Diversity
- 9) Terms and Conditions of appointment of Non-executive Independent Directors
- 10) Archival Policy under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
- 11) Familiarisation Programme for 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	4	Yes
4.	Shri P. N. Mehta	5	4	Yes
5.	Shri Sanjeev Kaul Duggal	5	3	Yes
6.	Shri Patanjali Govind Keswani	5	4	No
7.	Smt. Sushmita Shekhar (DOR 11.02.2016)	5	2	No

THE NAMES OF THE DIRECTORS AND DETAILS OF OTHER CHAIRMANSHIP / DIRECTORSHIP / COMMITTEE MEMBERSHIP OF EACH DIRECTOR AS ON 31st MARCH 2016 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	1	6	3	3
Shri Tarun Jiwarajka	Executive & Promoter	-	2	-	1
Shri Gautam Khaitan	Non Executive & Independent	-	3	1	2
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	2	-	2
Smt. Sushmita Shekhar R - 11.02.2016	Woman Director (Non Executive)	-	3	-	-

Notes:

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

All Independent Directors possess the requisite qualifications and they are very experienced in their own fields.

Shri Tarun JiwaraJka, 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 2015-2016. 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.	30.05.2015	7	5
2.	02.07.2015	7	6
3.	13.08.2015	7	5
4.	05.11.2015	7	5
5.	11.02.2016	7	6

The company places before the Board all those details as required under Part A Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. 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 Chairman & Managing Director, Whole Time Director, Company Secretary and Chief Financial Officer regarding compliances of laws on a quarterly basis.

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE:

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

AUDIT COMMITTEE

i) The Audit Committee assists the Board in 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 Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 31st March 2016:

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 31st March 2016 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 Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 18th September 2015. The Audit Committee met five (5) times during the year under review i.e. on 30.05.2015, 02.07.2015, 13.08.2015, 05.11.2015 and 11.02.2016.

ATTENDANCE OF EACH DIRECTOR AT AUDIT COMMITTEE MEETINGS

S. No.	Name of the Director	Number of Audit Committee meeting attended
1.	Shri Gautam Khaitan	4
2.	Shri P. N. 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 during the FY 2015-16
 - 1) Shri Patanjali Govind Keswani, Chairman
 - 2) Shri Sanjeev Kaul Duggal, Member
 - 3) Shri, P. N. Mehta Member

(iii) Attendance during the Year

S. No.	Name of Director and Position	Meeting / Attendance 02.07.2015
1.	Shri Patanjali Govind Keswani, Chairman	No
2.	Shri P. N. Mehta, Member	Yes
3.	Shri Sanjeev Kaul Duggal, Member	Yes

(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 2015-2016 the committee met one (1) time only on 02.07.2015

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 and a brief of the policy is also 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 up to 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.

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

DETAILS OF REMUNERATION PAID TO ALL DIRECTORS

Shri Gopal Sitaram Jiwrajka, Chairman & Managing Director and Shri Tarun Jiwrajka, 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 2015-2016

- Details of remuneration paid to Executive Directors are given under the MGT-9 as Annexure 'III'
- The appointment is subject to termination by giving one month notice in writing by either side, Shri Gopal Sitaram Jiwrajka has been reappointed as the Chairman and Managing Director on 27th May, 2016 by the Board subject to approval of Shareholders in the ensuing general meeting of the company for a period of three years with effect from 1st July 2016 upto 30th June, 2019 and his remuneration has been paid as per Schedule V Part II of the Act due to inadequate profit available to the Company. Shri Tarun Jiwrajka has been re-appointed as Whole Time Director for a period of five years with effect from 10th November, 2014, which was approved by members at the 46th Annual 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 Jiwrajka, Chairman & Managing Director and Shri Tarun Jiwrajka, 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 2015-2016

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	40,000	40,000	-	-	80,000
Shri P. N. Mehta	40,000	40,000	-	-	80,000
Shri Sanjeev Kaul Duggal	30,000	30,000	-	-	60,000
Shri Patanjali Govind Keswani	40,000	40,000	-	-	80,000
Smt. Sushmita Shekhar	20,000	-	-	-	20,000

There were no signs of pecuniary relationships or transactions with the non-executive directors' vis-à-vis the company during the Financial Year ended 31st March, 2016.

CRITERIA FOR MAKING PAYMENTS TO NON- EXECUTIVE DIRECTORS:

The Company has laid down the criteria for making payments to the Non- Executive Directors. The details of such criteria are available in the Remuneration Policy disseminated on the website of the Company (www.salora.com/Investors/Remuneration_Policy)

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The terms of reference of the Stakeholders' Relationship Committee as stated in the Section 178 of the Companies Act, 2013 and rules made thereof and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and includes:

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

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 Regulation 20 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

As at 31.03.2016 there was no complaint pending.

Quarter ended	Outstanding	Complaint received	Dis-posed	Pending
30.06.2015	1	2	2	1
30.09.2015	1	1	1	1
31.12.2015	Nil	Nil	Nil	Nil
31.03.2016	Nil	Nil	Nil	Nil

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

Your Company had constituted Risk Management Committee which has now become non- mandatory as per Regulation 21(5) of newly enforceable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company obtained Board's consent to dissolve the Committee effective from 11.02.2016 so that company's time and energy can be focused on other mandatory requirements under the said Regulations, Now, Risk Management activities is being overseen by Audit Committee 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 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 acts as a Secretary of the Committee.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

The company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, 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 have 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. 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

GENERAL BODY MEETING

Location and time, where last three AGMs held

Venue	Financial Year	Date & Time
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi – 110003.	2012-2013	7th August, 2013 11.00 A.M.
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003.	2013-2014	29th September, 2014 3.30 P. M.
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003.	2014-2015	18th September, 2015 11.00 A.M.

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

AGM / EGM	Subject
44 th AGM	Shareholder's approval for appointment of Shri Gopal Sitaram Jiwrajka, as Managing Director.
45 th AGM	<ol style="list-style-type: none"> 1) Appointment of Shri Sanjeev Kaul Duggal, as an Independent Director for a term of 5 years. 2) Appointment of Shri Gautam Khaitan, as an Independent Director for a term of 5 years. 3) Appointment of Shri Patanjali Govind Keswani, as an Independent Director for a term of 5 years. 4) Alteration of Articles of Association of the Company. 5) To invite / accept / renew / receive money by way of secured / unsecured deposits from public and / or members of the Company. 6) Approval of Scheme of granting of loan to Managing Director and Whole time Director. 7) Variation in the remuneration payable to Shri Gopal Sitaram Jiwrajka, Managing Director of the Company.
46 th AGM	<ol style="list-style-type: none"> 1. Appointment of Smt. Sushmita Shekhar, as an Independent Director for a term of 5 years. 2. Appointment of M/s. Gurvinder Chopra & Co., as Cost Auditor of the Company. 3. Appointment of Shri Tarun Jiwrajka, as Whole Time Director for a term of 5 years. 4. Increase in borrowing powers of the Board of Directors of the Company from Rs.100.00 crores to Rs.125.00 crores
	5. Shareholder's approval to give power to the Board of directors of the Company to create mortgage / charges on the movable / immovable assets of the Company.

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 erstwhile applicable 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 and adoption of new set of Articles of Association of the Company by passing a Special Resolution through postal ballot.

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 and the Scrutinizer had submitted his report on e-voting results dated 26th September, 2015 to the Company and accordingly informed to the Stock Exchanges.

The details of the voting pattern in respect of Special Resolution passed for:

a) Amendment of Object Clause and Liability Clause of Memorandum of Association of the Company was as under:

Particulars	No. of Share-Holders	No. of Equity Shares	Paid-up value of the Equity Shares(In Rs.)	% of Total Paid-up Equity Capital (Approx.)
a) Total votes received	31	5878570	58785700	66.74656
b) Less: Invalid/abstained votes	0	0	0	0
c) Net valid votes	31	5878570	58785700	66.74656
d) Votes with assent	30	5878569	58785690	66.74655
e) Votes with dissent	1	1	10	0.00001

a) Adoption of a new set of Article of Association of the Company was as under:

Particulars	No. of Share-Holders	No. of Equity Shares	Paid-up value of the Equity Shares (In Rs.)	% of Total Paid-up Equity Capital (Approx.)
a) Total votes received	31	5878570	58785700	66.74656
b) Less: Invalid/abstained votes	0	0	0	0

c) Net valid votes	31	5878570	58785700	66.74656
d) Votes with assent	31	5878570	58785700	66.74656
e) Votes with dissent	0	0	0	0

It was also certified by Registrar of Companies vide its Certificate of Registration dated 2nd November, 2015 of the Special Resolution confirming the Alteration of Object Clause(s).

DISCLOSURES:

- i. Disclosures on materially significant related party transaction that may have potential conflict with the interest of company at large - NIL
- ii. Detail of non-compliance by the company, penalties and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- iii. Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee
- iv. 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 No. 40" of the Balance Sheet. These transactions are not likely to have any conflict with the Company's interest. The Company has complied with all applicable laws and regulations and no strictures/penalties have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority.

The Board has constituted Nomination & 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

- 1) 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.
- 2) The company's website address is: www.salora.com. The website contains basic information about the company and such other details as required under the listing agreement. The company ensures periodical updation of its website. The company has designated the email-id sect@salora.com in

order to enable the shareholders to register their grievances.

- 3) Pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, all data related to quarterly financial statements, shareholding pattern, etc., are filed electronically on BSE's & NSE's filing portal respectively within the time frame prescribed in this regard.
- 4) No presentations have been made to institutional investors or to analysts.

GENERAL SHAREHOLDER INFORMATION

ANNUAL GENERAL MEETING

Date and time	14th September, 2016 at 11:00 A.M.
Venue	Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi -110 003
Book Closure date	8th September, 2016 to 14th September, 2016 (both days inclusive)
Financial Year	1st April, 2015 to 31st March, 2016

FINANCIAL CALENDAR 2016-2017 (tentative)

Result for the quarter ended 30th June, 2016	On or before 14th August, 2016
Result for the quarter ended 30th September, 2016	On or before 14th November, 2016
Result for the quarter ended 31st December, 2016	On or before 14th February, 2017
Result for the quarter ended 31st March, 2017	On or before 30th May, 2017

REGISTRAR AND SHARE TRANSFER AGENTS

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

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
Company ID Number	: L74899DL1968PLC004962

LISTING FEES

Annual Listing fees for the year 2016-17 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, 2015	72.40	36.25	161266	74.40	38.35	296585
May, 2015	60.95	47.00	98524	63.00	44.10	109287
June, 2015	58.95	42.65	59433	57.00	40.05	90072
July, 2015	64.95	50.00	311822	66.80	50.00	350981
August, 2015	61.95	44.00	22789	61.85	43.00	42472
September, 2015	47.10	40.00	4288	48.00	41.00	12962
October, 2015	47.90	41.20	7692	49.70	40.15	30660
November, 2015	49.20	39.10	6196	47.10	38.80	13946
December, 2015	65.55	38.10	32515	66.70	39.05	316164
January, 2016	63.50	44.50	76733	63.80	44.00	81551
February, 2016	54.00	38.00	63469	53.95	38.00	26767
March, 2016	50.50	40.00	626658	54.00	40.00	39280

SHAREHOLDING PATTERN AS ON 31st MARCH, 2016

Category of Shareholders	No. of Folios	No. Shares held	Percentage
Individuals	4411	1487440	16.89
Companies	136	1077278	12.22
Promoters	7	5317287	60.37
Group Companies	1	558929	6.34
Mutual Fund, Banks, FIs	4	700	0.01

NRI	28	314973	3.58
HUF	100	42245	0.48
Trust	1	2300	0.02
Clearing Members	3	6048	0.07
Others	1	100	0.00
Total	4692	8807300	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2016

No. of Equity Shares held Nominal Value (Rs.)	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
(1)	(2)	(3)	(4)	(5)
Up To 5,000	4253	90.64	5045800	5.73
5001 To 10,000	185	3.94	1507370	1.71
10001 To 20,000	97	2.07	1441960	1.64
20001 To 30,000	39	0.83	1013170	1.15
30001 To 40,000	34	0.72	1228580	1.39
40001 To 50,000	20	0.43	919730	1.04
50001 To 1,00,000	33	0.7	2495350	2.83
1,00,000 and Above	31	0.66	74421040	84.5
Total	4692	100	88073000	100

DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31st MARCH, 2016

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

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 31st March, 2016 is as follows:

Financial Year	Date of declaration of dividend / Interim dividend	Last date for claiming unpaid dividend	Date of transfer to IEPF
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 11.02.2016 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 company has 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

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

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

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 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. As provided under SEBI LODR Regulations, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2016-2017.

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 Practicing 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 31st March 2016 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 31st March 2016.

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 form can be obtained from Registrar and Share Transfer Agent of the Company.

ELECTRONIC CLEARING SERVICE

SEBI vide its Circular No. DCC/FITTCIR-3/2001 dated 15th October, 2001 had advised that all Companies should mandatory use ECS facility wherever available. In the absence of ECS facility, Company may use warrants for distributing the dividends and vide its Circular No. D&CC/FUTTCUR-4/2001 dated 13th November, 2001, SEBI had advised Companies to mandatory print the Bank Account details furnished by the Depositories on the Dividend Warrants. This ensures that the dividend warrants, even if lost or stolen, cannot

be used for any purpose other than for depositing the money in the accounts specified on the dividend warrant and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the depository account, may notify their DPs about any change in their bank account details.

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 : 30th June, 2016

**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, as provided under Schedule V (D) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, to confirm that the Board Members and Senior Management of the Company have confirmed compliance with the Code of Conduct for the year ended March 31, 2016.

(Gopal Sitaram Jiwrajka)
Chairman and Managing Director

Place : New Delhi
Date : 27 May, 2016

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

A Certificate as specified in Part B of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 provided by Chairman & Managing Director (CMD) and Chief Financial Officer (CFO) to the Board.

Gopal Sitaram Jiwrajka
Chairman and Managing Director

Ashok Kumar Kucheria
Chief Financial Officer

Place : New Delhi
Date : 27 May, 2016

PRACTISING COMPANY SECRETARY'S REPORT ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
Salora International Limited
Regd. Office: D- 13/4, Okhla Industrial Area
Phase II, New Delhi- 110020

We have examined the compliance of conditions of Corporate Governance by Salora International Limited for the year ended 31st March, 2016 as stipulated in Clause 49 of the Listing Agreement("Listing Agreement") of the Company with the Stock Exchange(s) for the period from 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) as referred to in Regulation 15(2) of the Listing Regulations for the period from 1st December 2015 to 31st March 2016.

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

In our opinion and to the best of our information, based on the records,, documents, books, and other information furnished and according to the explanations given to us, we certify that the company has complied in general with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement/ applicable guidelines.

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

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

CS Navneet Arora
Proprietor
FCS 3214 COP: 3005

Place : New Delhi
Date : 27th May, 2016

Annexure – VIII

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis Report is being included as part of the Directors' Report, in compliance to the requirement of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Management Discussion and Analysis Report comprises of discussions on following matters:

(a) Industry Structure and Developments:

Consumer Electronics Sector is continuously playing an important role in people's well being and the economy of the Country, therefore, Government always keep its eyes on giving impetus with its policy decisions. Indian TV and consumer durable market is flourishing with positive YoY growth and with the Indian Government's strong will to support manufacturing activity under its flagship programmes "Make in India" and "Digital India", this sector is expecting another approaching era of burgeoning growth.

Your Company from the very beginning is into manufacturing of consumer electronic durables and in acknowledgement of our DNA's identity into manufacturing of these products and seeing a larger benefit in manufacturing, now the Company is more focused on manufacturing of its products and its components for B2B supplies. During the fiscal 2015-16, your Company has commissioned new production lines for mobile phones and LED TVs at its Noida Plant and Now, we are also into component manufacturing for mobile phones. However, small but these success stories are giving existence to our vision. These new developments and market responses for our products are much enthusiastic and we expect a prospective future for the Company.

(b) Opportunities and Threats:

Our Strength is Our Opportunity

Consumer Electronics Sector has been growing around 15% and it is expected to fetch a growth of around 20% in years to come. We believe that our strength in penetrating Indian rural and sub-urban market with help of our strong distribution channel provides us an advantageous position in comparison to similar size peers. Apart from this, our e-commerce presence is successful enough to reach directly to the consumers as well as eliminating midmen commissions and expenses, this will surely impact positively our profitability.

Bricks & Clicks Strategy: Past fiscal year, your Company has managed to get a respectable position in the league of Seller Companies having e-commerce presence. We have tied up almost all the big online e-commerce service portal service providers as Seller Company. Combining our established offline channel with newly developed online mode of distribution, your company has successfully implementing its Bricks & Clicks strategy to make its distribution channel more strong.

Our competency in developing products as per requirement of Indian consumer and understanding of the needs of Indian consumers, is the key constituent of our strength. In the era where consumer electronics segment in India moving forward from driven by imports to steered by manufacturing, our increasing footprints into manufacturing business

will leverage a large profitable avenues. Rising of disposable income through implementation of suggestions of seventh pay commission and urbanization of consumers as this sector accounts for more than 40% of end consumer spending in India, our presence in the sector with continuous efforts will be remarkable.

We treat our Threats as our Challenges

With a rapidly and ever changing technology, emergence of new foreign competitors, we feel intense competition in the sector. To face challenges, your company always strive to choose most updated economically available technology. Other constraints we feel, are expensive debt capital, increased excise duty, time consuming approvals from regulatory bodies and absence of incentives for domestic manufacturing.

(c) Segment-wise or product-wise performance:

The Company has three business segments, namely Infocom division, Consumer Electronic division and Wind Energy division. Segment wise performance, business development and future outlook for each segments are given as under:

i. Infocom Division

In this division, company do trading of telecom and IT products such as Mobile phones, Laptops, Tablet Computers, Printers etc. Last fiscal year we have commissioned a new production line for mobile phone manufacturing as promised in our last Annual Report with an impetus of "Make in India" and "Digital India" regime started by the Indian government. The Company had introduced many new models into our premium range of smart phones under the brand name "arya" for selling exclusively through our online business partner "Amazon" and through our distribution channel. First time, we also presented into market our innovative smart wearable product, a smart watch under our eminent brand name arya as "arya uwear". We have added some new budget friendly mobile phone models into our product basket such as Bullet, Cruz, Airy, Sport, CDMA Champ and KT-18 in feature phone segment. Sales of this division during the year was Rs 282.97 Crores as compared to Rs 251.40 Crores in the previous year with a positive growth of 12.56%. Further, EBIT was also improved significantly to Rs 8.39 Crores in comparison to Rs 7.42 Crores of previous year with growth of 13.07%.

ii. Consumer Electronics Product

Television manufacturing industry is again on its transition period with the emergence of smart and innovative technology in the sector. Your company is privileged with its goodwill, acceptability of its products by Indian consumers, trust of buyers in its products, understanding of consumer expectations and offering affordable products to buyers. Market is experiencing a rapid growth in past few quarters and during the year 2015-16, Company is preparing itself to cope up with new expectations of the market through strengthening product range and specification. We have introduced new range of LED TVs, all were accepted well in the market. CE

Division has contributed to the turnover a sum of Rs. 22.94 Crores as compared to Rs.40.01 Crores in the previous year. EBIT was also declined in this segment with a loss of Rs 39.39 Crores in compare to Rs 97.50 Crores.

iii. Wind Energy

Wind power generation has the lowest impact on the environment as compared to the other methods of power generation and this is in tandem with our philosophy of being in tune with nature hence we ventured in power generation with Wind Energy. The Company has five wind turbines having capacity of 1.25 MW each (total 6.25 MW) at the Dhule, Maharashtra operated and maintained by a leading Wind Turbine Generator (WTG) manufacturer and wind park developer Suzlon Energy Ltd. The overall performance of this segment was satisfactory during the financial year. Selling of power generated revenue of Rs 3.57 Crores as compared to Rs 3.67 Crores in the previous year. The wind energy division fetched an EBIT of Rs 1.63 Crores in compare to Rs 2.12 Crores.

(d) Outlook

With our Bricks & Clicks strategy, focused approach on manufacturing and continuous developing range of our innovative products, your Company expects an approaching era full of prosperity and profitable business opportunities to come shortly. Our sincere efforts will always tend towards our responsibility to provide Indian Consumers a best featured and innovative product at an affordable price point matching with the budget criteria of Indian consumers. We continuously strive to introduce innovative products as well as extend loyal after sales service back-up to maintain customers trust in our products.

(e) Risks and concerns

Your Company is continuously evaluating variety of risks such as operational, business and market and executing the strategies to prevaricate those threats as an inherent function of its internal review task. Our most threatening risks are technological obsolescence, credit risks, customer defaults, foreign currency fluctuation, interest rates and inventory carrying risk. Your Board is continuously monitoring these risks as well as providing visionary direction to the management to hedge these threats.

(f) Internal control systems and their adequacy

Your Company has monitoring and managing its internal processes and control systems through a team of external professionals i.e. Internal Auditors appointed by Audit Committee. The scope, coverage, controls, weakness and other relevant issues and updates are shared by Internal Audit at appropriate management levels within defined intervals before the Audit Committee for taking corrective actions and the progress thereof is being tracked. Salora has a proper and adequate system of internal control with tools of monitoring through use of a strong customized oracle based ERP system "Salora Integrated Management System (SIMS)".

Your Company has a vigilant Audit Committee headed by a non-executive independent director, inter-alia, to oversee your Company's financial reporting process, disclosure of financial information, reviewing the performance of statutory and internal auditors with management, adequacy of internal audit function and internal control systems, related party transactions, investigations relating to suspected fraud or failure of internal audit control, systems etc.

(g) Discussion on financial performance with respect to operational performance

A detailed statement of financial performance for the fiscal period 2015-16 is scribed in the Directors' Report. During the year under review, the performance of the company was satisfactory in spite of the various stiff challenges and uncertainties across the industry in various segments such as financial crisis, volatile prices, sharp movement in currencies and liquidity crisis. During the Financial Year 2015-16, the turnover of the Company stood at Rs.309.48 crores as against Rs.295.09 crores in the previous financial year. The Company generated cash profit but due to provisioning of some bad debts recorded a negative result of Rs. 87.02 Lacs in the books.

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 2016-17.

(h) Material developments in Human Resources / Industrial Relations front, including number of people employed

At Salora, we always welcome the best professionals across the various fields to be employed through the talent management process for bringing fresh capabilities and aptitude within the company. As of now, your Company has an asset of 276 employees. Being a tech-driven company and having grand history, our 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.

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 March 31, 2016, 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 and presentation 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 the 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 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 company has in place an adequate internal financial controls system over financial reporting

and the operating effectiveness of such controls of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 aforesaid 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, 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in exercise of powers conferred by sub-section 11 of section 143 of the Act, we give in the "Annexure A" attached hereto our comments on the matters specified in the paragraphs 3 and 4 of the said Order.
- 2) As required by sub-section 3 of Section 143 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms section 164 (2) of the Companies Act, 2013.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
 - g) With respect to the 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 35 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative 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 : 27th May 2016

Membership No : 072666

THE ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016, WE REPORT THAT:

1.
 - 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 discrepancy were noticed on such verification.
 - c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company, except the following-
 - Lease hold land at D-13/4 Okhla Industrial Area, Phase II, New Delhi is in the Company's old name.
2. Inventories has been physically verified by the management during the year except service spares and goods/ material in

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

3. According to the information and explanation given to us, the Company's has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act 2013 and hence sub clause (a) (b) (c) are not applicable.
4. According to the information and explanation given to us, In respect of loans, investments, guarantees and security the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the Rules framed there under.
6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records are being made and maintained.
7.
 - a. According to the records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax, Value added tax, and other material statutory dues have been deposited regularly during the period with the appropriate authorities. According to the records of the Company and information and explanations given to us there were no arrears of outstanding statutory dues as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of Income tax, Sales Tax, Custom Duty, Excise Duty and Service tax as at the last day of the period ending 31st March, 2016 are as follows:

Auditors' Report

Name of the Statute	Nature of the dues	Dispute 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	0	2002-2003	Appellate Authority - High Court
	Income Tax	7.12	2.55	4.57	2009-2010	Appellate Authority - CIT (A)
Sales Tax Law	Sales Tax	42.21	16.18	26.03	2000-2004	Appellate Authority - Supreme Court
	Sales Tax	38.21	8.32	29.89	1995-2002	Appellate Authority - High Court
	Sales Tax	808.35	166.62	641.73	2000-2012	Appellate Authority - Sales Tax Commissioner

Finance Act, 1994	Service Tax on Royalty	1.97	0	1.97	2002-2003	Appellate Authority - Excise Commissioner
Custom Act, 1962	Custom Duty	Not ascertained	20	0	1994-1995	Appellate Authority - Tribunal
	Custom Duty	20.14	20.14	0	2015-2016	Commissioner
Central Excise Act, 1944	Excise Duty	2435.21	300.00	2135.21	1993-1994 to 2003-2004	Appellate Authority - Tribunal
	Excise Duty	89.23	0	89.23	2000-2011	Appellate Authority - Tribunal
	Excise Duty	7.66	7.66	0	2006-2007	Assistant Commissioner
	Excise Duty	1.78	2.00	0	1995-1996	Commissioner
	Excise Duty	41.65	4.20	37.45	2009-2010	Appellate Authority - Tribunal
	Penalty	2435.22	0	2435.22	1993-1994 to 2003-2004	Appellate Authority - Tribunal

8. According to the information and explanation given to us by the management, the Company has not defaulted in the repayment of dues to banks. The company did not have any debenture holders during the year.

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

9. Term loans were applied for the purpose for which they were raised. The company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) during the year.

Place : New Delhi.
Date : 27th May 2016.

(**R. S. GUPTA**)
PARTNER.
Membership No.: 072666

10. To the best of our knowledge and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SALORA INTERNATIONAL LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

11. According to the information and explanation given to us and to best of our knowledge, we are of the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

We have audited the internal financial controls over financial reporting of SALORA INTERNATIONAL LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

12. According to the information and explanation given to us, the provisions of any Special Statute applicable to Nidhi Companies are not applicable to the Company, so the provisions of this clause is not applicable to the Company.

13. According to the information and explanation given to us and based on our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statements as per Accounting Standard-18.

14. According to the information and explanation given to us and to the best of our knowledge, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and

15. According to the information and explanation given to us and to the best of our knowledge, the Company has not entered into any non-cash transactions during the period with directors or persons connected with him.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : New Delhi.
Date : 27th May 2016.

(R. S. GUPTA)
PARTNER.
Membership No.: 072666

BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ In lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	881.45	881.45
(b) Reserves and Surplus	2	10,401.02	10,488.04
Sub Total		11,282.47	11,369.48
Non - Current Liabilities			
(a) Long Term Borrowings	3	558.06	563.89
(b) Deferred Tax Liability (Net)	4	(277.02)	(221.69)
(c) Other Long Term Liabilities	5	174.14	215.89
(d) Long Term Provisions	6	17.03	17.72
Sub Total		472.21	575.81
Current Liabilities			
(a) Short Term Borrowings	7	3,234.40	3,795.42
(b) Trade Payables	8	3,986.99	1,452.94
(c) Other Current Liabilities	9	330.80	594.78
(d) Short Term Provisions	10	88.97	80.42
Sub Total		7,641.16	5,923.56
TOTAL		19,395.84	17,868.86
ASSETS			
Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	2,747.60	2,868.60
(ii) Intangible Assets	11	17.94	28.07
(iii) Capital Work In Progress	12	-	-
Sub Total		2,765.54	2,896.67
(b) Non - Current Investments	13	346.07	346.07
(c) Long Term Loans and Advances	14	885.92	849.01
Sub Total		3,997.53	4,091.76
Current Assets			
(a) Inventories	15	4,754.19	3,874.84
(b) Trade Receivables	16	8,100.84	7,193.57
(c) Cash and Bank Balances	17	215.63	213.91
(d) Short Term Loans and Advances	18	2,218.74	2,385.47
(e) Other Current Assets	19	108.91	109.32
Sub Total		15,398.31	13,777.10
TOTAL		19,395.84	17,868.86

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

1 - 44
For and on behalf of the Board

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

R.S.Gupta
Partner
M.No: 072666

Place : New Delhi
Date: 27th May 2016

Tarun Jiwrajka
Whole Time Director
DIN No. 00386240

Nitin Agrahari
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

Ashok Kumar Kucheria
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(₹ In lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
INCOME			
Revenue from Operations	20	30,948.07	29,509.83
Other Income	21	329.35	70.81
Total Revenue		<u>31,277.42</u>	<u>29,580.64</u>
Expenses			
Cost of Materials Consumed	22	1,684.47	2,214.04
Purchase of Trading Goods	23	26,848.33	24,003.90
Changes in Inventories of Finished Goods, Work in Progress and Trading Goods	24	(522.65)	(152.41)
Employees Benefits Expenses	25	905.72	896.72
Finance Costs	26	625.45	564.12
Depreciation and Amortization Expenses	27	250.92	326.09
Other Expenses	28	1,627.52	1,688.78
Total Expenses		<u>31,419.76</u>	<u>29,541.25</u>
Profit/(Loss) before Exceptional and Extraordinary Items and Tax		<u>(142.34)</u>	<u>39.39</u>
Exceptional Items			
Profit/(Loss) before Extraordinary Items and Tax		<u>(142.34)</u>	<u>39.39</u>
Extraordinary Items		-	-
Profit/(Loss) before Tax		<u>(142.34)</u>	<u>39.39</u>
Tax Expense:			
Current Tax		-	-
Deferred tax		55.32	(0.87)
Earlier year Income Tax		-	4.74
Total Tax		<u>55.32</u>	<u>3.86</u>
Profit/(Loss) for the year		<u>(87.02)</u>	<u>35.53</u>
Earning per equity share:			
Basic and Diluted	41	(0.99)	0.40

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

1 - 44

For and on behalf of the Board

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

R.S.Gupta
Partner
M.No: 072666

Place :New Delhi
Date: 27th May 2016

Tarun Jiwrajka
Whole Time Director
DIN No. 00386240

Nitin Agrahari
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

Ashok Kumar Kucheria
Chief Financial Officer

Statement of Profit & Loss

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	₹	Number	₹
1 Share Capital:				
Authorised:				
Equity Shares of Rs. 10/- each	20,000,000	2,000.00	20,000,000	2,000.00
Issued and Subscribed :				
Equity Shares of Rs. 10/- each	8,820,000	882.00	8,820,000	882.00
Issued, Subscribed and Paid--up :				
Equity Shares of Rs.10/- each	8,807,300	880.73	8,807,300	880.73
Add: Share Capital forfeited Equity Shares @ Rs. 5.65/- each	12,700	0.72	12,700	0.72
Total		881.45		881.45
Note : Number of Shares at the beginning and close of the year are same.				
Details of Shareholders holding more than 5% shares	No. of Shares	%	No. of Shares	%
Gopal Kumar Jiwarajka	2029117	23.04	2029117	23.04
Gopal Kumar 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
2 Reserves and Surplus:				
Securities Premium Reserve				
As per last balance sheet				
Share Premium Account		3,244.42		3,244.42
Add : Share Premium Forfeited		2.87		2.87
Sub Total		3,247.29		3,247.29
General Reserve				
As per last Balance sheet		6,804.47		6,889.67
Less : Effect of Depreciation on Retained Earning as per Companies Act 2013		-		(126.13)
Add: Deffered Tax on Depreciation		-		40.92
Sub Total		6,804.47		6,804.47
Profit & Loss Account Balance				
As per last Balance sheet		436.28		400.75
Add : Profit/(Loss) Transferred from Profit & Loss Statement		(87.02)		35.53
Sub Total		349.26		436.28
Total		10,401.02		10,488.04

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
3 Long term Borrowings		
Secured Loans:		
Vehicle Loans from Banks and Others	127.14	113.46
Less : Current Maturity	49.08	29.57
Sub Total	<u>78.06</u>	<u>83.89</u>
Unsecured Loans:		
Loan from Related party	200.00	200.00
Loan from Others	280.00	280.00
Sub Total	<u>480.00</u>	<u>480.00</u>
Total	<u>558.06</u>	<u>563.89</u>
Additional Informations:		
a Details of security for Secured Loans		
Vehicle Loans are secured against hypothecation of cars.		
b Terms of repayment of Term Loans and others		
i) Vehicle 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.		
4 Deferred tax liability (Net)		
Deferred tax liability:		
On account of depreciation on fixed assets	569.92	593.50
Sub Total	<u>569.92</u>	<u>593.50</u>
Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	16.38	22.52
b) On account of unabsorbed business loss and depreciation under the Income Tax Act, 1961	748.54	713.39
c) On account of capital Loss	82.02	79.27
Sub Total	<u>846.94</u>	<u>815.19</u>
Net Deferred tax liability/(asset)	<u>(277.02)</u>	<u>(221.69)</u>
5 Other Long term liabilities		
Trade Deposit	174.14	215.89
Total	<u>174.14</u>	<u>215.89</u>
6 Long term Provisions		
Provisions for employees benefits		
For Leave Pay	17.03	17.72
Total	<u>17.03</u>	<u>17.72</u>

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
7 Short Term Borrowings		
Secured Loans:		
Working Capital Loans		
From Banks	3,234.40	3,795.42
Total	<u>3,234.40</u>	<u>3,795.42</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	3,986.99	1,452.94
Total	<u>3,986.99</u>	<u>1,452.94</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:		
Current Maturities of Long Term Debt		
Vehicle Loans	49.08	29.57
Interest accrued & due/but not due on borrowings	22.24	1.63
Unpaid Dividend	1.17	3.75
Statutory Liabilities	136.00	133.30
Others	122.31	426.53
Total	<u>330.80</u>	<u>594.78</u>
Additional Information:		
Vehicle Loans are secured against hypothecation of cars.		
10 Short term provisions:		
a) Provision for Employee Benefits		
For Salary and Bonus etc.	84.63	76.35
For Leave Pay	4.34	3.73
b) Provision for Wealth Tax	-	0.34
Total	<u>88.97</u>	<u>80.42</u>

NOTES TO FINANCIAL STATEMENTS

11 Fixed Assets :

(₹ In lacs)

PARTICULARS	<-----GROSS BLOCK----->				<-----DEPRECIATION----->				<----NET BLOCK---->		
	Balance as at 01.04.2015	Additions	Deductions/ Adjustments	Balance as at 31.03.2016	Upto 31.03.2015	For The Year	Adjusted to General Reserve	Deductions/ Adjustments	Upto 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
TANGIBLE ASSETS :											
Lease Hold Land	390.29	-	-	390.29	85.46	6.00	-	-	91.46	298.83	304.83
Building	563.82	12.91	-	576.73	281.87	14.84	-	-	296.71	280.02	281.95
Furniture & Fixtures	441.10	3.71	0.22	444.59	388.36	14.03	-	0.22	402.17	42.42	52.74
Plant & Machinery	6,373.42	43.25	104.37	6,312.30	4,388.05	170.81	-	99.16	4,459.70	1,852.60	1,985.37
Dies & Moulds	1,027.45	15.12	-	1,042.57	951.62	4.71	-	-	956.33	86.24	75.83
Motor Vehicles	270.43	54.76	51.47	273.72	108.96	29.14	-	45.56	92.54	181.18	161.47
Office Equipment	55.10	1.16	0.05	56.21	48.69	1.26	-	0.05	49.90	6.31	6.41
Sub Total	9,121.61	130.91	156.11	9,096.41	6,253.01	240.79	-	144.99	6,348.81	2,747.60	2,868.60
INTANGIBLE ASSETS :											
Trade Mark	106.21	-	-	106.21	78.14	10.13	-	-	88.27	17.94	28.07
Total	9,227.82	130.91	156.11	9,202.62	6,331.15	250.92	-	144.99	6,437.08	2,765.54	2,896.67
PREVIOUS YEAR	9,168.47	59.35	-	9,227.82	5,878.92	326.09	126.13	-	6,331.14	2,896.67	3,289.55

12 Capital Work in Progress :

Nil Nil

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
13 Non Current Investments:		
Investments in Equity Instruments:		
INVESTMENTS (AT COST):		
Long Term (Unquoted, unless otherwise stated)		
a) Trade Investments in Equity Shares (Fully paid up)		
In Subsidiary Companies :		
i) 3414800 Equity Shares of Salora Component Ltd.of Rs.10/-each.	341.48	341.48
In Other Companies :		
i) 355000 (P.Y. 355000) Equity Shares of Encompass Software & Systems Pvt.Ltd.of Rs.10/- each.	35.50	35.50
Less: Provision for diminution in value of Investments	(31.18)	(31.18)
ii) 2500 (P.Y. 2500) Equity Shares of Terminal Power Pvt. Ltd. of Rs.10/-each.	0.25	0.25
b) Other Investments in Bond (Fully paid)		
2 Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/-each	0.02	0.02
Aggregate value of Unquoted investments	<u>377.25</u>	<u>377.25</u>
Less : Provision for diminution in value of investments	31.18	31.18
Total	<u>346.07</u>	<u>346.07</u>
14 Long term loans and advances (Unsecured considered good) :		
Inter Corporate Loan Given	255.00	255.00
Security Deposits	40.46	40.86
Payment against Disputed Sales Tax Demand	191.12	178.15
Payment against Disputed Income Tax Demand	53.00	53.00
Payment against Disputed Excise Demand	306.20	302.00
Payment against Custom Demand	40.14	20.00
Total	<u>885.92</u>	<u>849.01</u>

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
15 Inventories:		
Raw materials	511.90	354.04
Work in progress	97.34	19.67
Finished goods	487.56	280.20
Trading Goods	3,450.69	3,213.07
Stores,spares & fuel	1.82	3.93
Goods in transit:		
Raw materials	204.88	3.92
Total	<u>4,754.19</u>	<u>3,874.84</u>
16 Trade Receivables (Unsecured)		
i) Trade Receivables exceeding six months		
Considered Good	4,431.69	4,382.79
Considered Doubtful	-	-
Less : Provision for Doubtful Debts	-	-
ii) Others, Considered Good	3,669.15	2,810.78
Total	<u>8,100.84</u>	<u>7,193.57</u>
17 Cash and Bank Balances :		
i) Balances with banks		
- in Unpaid Dividend accounts	1.17	3.75
- in Margin Money	175.63	202.97
- in Other accounts	15.68	(6.22)
ii) Cheques/ drafts in hand	9.25	9.50
iii) Cash in hand	13.90	3.90
Total	<u>215.63</u>	<u>213.91</u>
18 Short Term Loans and Advances (Unsecured and Considered Good) :		
Advances recoverable in cash or in kind or for value to be received	1,680.46	1,863.81
Income Tax Refund Receivable	95.04	80.03
Balance With / Recoverable from Government Authorities	443.24	441.63
Total	<u>2,218.74</u>	<u>2,385.47</u>
19 Other Current Assets		
Interest Receivable	102.85	104.30
Duty Drawback Receivable	1.98	3.56
Gratuity Recoverable	2.65	0.07
Superannuation Recoverable	1.43	1.39
Total	<u>108.91</u>	<u>109.32</u>

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
20 Revenue from operations:		
Sale of Goods		
Domestic	26,295.69	26,374.17
Export	4,155.55	2,325.90
Total	30,451.24	28,700.08
Sale of Services		
Infocom Products	361.82	774.42
Wind Energy	356.89	367.62
Total	718.71	1,142.04
Gross Sales	31,169.95	29,842.12
Less : Excise duty	221.88	332.29
Net Sales	30,948.07	29,509.83
20-A Particulars of Sale of Products		
Mobile Phones and Accessories	20,152.50	22,721.99
IT Products & Accessories	5,865.93	-
Others	4,432.81	5,978.09
Total	30,451.24	28,700.08
21 Other Income:		
Profit on Sale of Long Term Investment	-	3.16
Interest on FDRs etc.	16.70	23.07
Bad Debts Recovered	1.85	-
Liability no Longer required written back	304.18	13.68
Commission Received	-	25.04
Miscellaneous Income	6.62	5.86
Total	329.35	70.81
22 Cost of Materials Consumed:		
Consumption of raw materials :		
Electronic Components and Others	1,684.47	2,214.04
Total	1,684.47	2,214.04
23 Purchase of Trading Goods		
Mobile Phones and Accessories	16,656.58	22,045.48
IT Products & Accessories	6,635.26	-
Others	3,556.49	1,958.42
Total	26,848.33	24,003.90
24 Changes in inventories of finished goods, work in progress and trading goods:		
Stocks at the end of the year		
Work in progress	97.34	19.67
Trading goods	3,450.69	3,213.07
Finished goods	487.56	280.20
Sub Total :	4,035.59	3,512.95
Less : Stocks at the beginning of the year		
Work in progress	19.67	33.98
Trading goods	3,213.07	3,074.98
Finished goods	280.20	251.58
Sub Total :	3,512.94	3,360.54
Increase / (Decrease) in Stock :	(522.65)	(152.41)

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
25 Employee Benefits Expenses:		
Salaries and wages	811.20	814.13
Contribution to provident and other funds	59.71	48.55
Staff Welfare & Other Benefits	34.81	34.03
Total	905.72	896.72
26 Finance Costs:		
i) Interest	558.35	489.68
ii) Net (Gain)/Loss on Foreign Currency Transaction	(2.35)	0.37
iii) Others	69.45	74.07
Total	625.45	564.12
27 Depreciation and amortization:		
i) Depreciation	244.92	320.11
ii) Amortization of Land	6.00	5.99
Total	250.92	326.09
28 Other expenses:		
Assembly Charges	17.51	38.97
Stores & Spares Consumed	12.88	10.48
Power and Fuel	78.54	77.42
Rent	35.61	40.63
Repair & Maintenance :-		
Building	0.27	-
Plant & Machinery	88.09	59.98
Others	34.73	36.42
Insurance	17.80	18.40
Rates and taxes	3.64	5.65
Legal and Professional fees	154.98	114.86
Payment to Auditors		
Statutory Audit Fee (including Limited review)	11.00	11.00
Tax Audit Fee	1.50	1.50
Certification	0.41	0.47
Expense / Service Tax reimbursed	2.23	2.11
Travelling & Conveyance	169.56	161.64
Freight and Forwarding	239.83	311.29
Discount, Commission & Incentives	289.96	449.56
Advertisement & Publicity	18.95	52.65
After Sale Service Charges	47.66	52.52
Sales Tax, Entry Tax and Service Tax	33.90	35.99
Bad Trade Receivables written off	247.27	28.76
Irrecoverable Loans and Advances Written off	4.22	49.20
Loss/(Profit) on Sale of Fixed Assets (net)	(0.48)	-
Short / Excess Claims	(0.89)	(17.50)
Miscellaneous Expenses	150.41	151.47
Net (Gain)/Loss on Foreign Currency Transaction	(32.06)	(4.68)
Total	1,627.52	1,688.78

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
		%		%
Other Additional Information:				
29 Break-up of Material and Components Consumed :				
i) Imported	1,087.78	64.58	1,330.35	60.09
ii) Indigenous	596.69	35.42	883.70	39.91
Total	1,684.47	100.00	2,214.05	100.00
30 Break-up of Store & Spares Consumed :				
i) Imported				
ii) Indigenous	12.88	100.00	10.48	100.00
Total	12.88	100.00	10.48	100.00
31 Value of Imports calculated on CIF basis:				
i) Raw Material & Components	1,357.37		1,218.57	
ii) Trading Goods- Direct Purchase	521.55		1,222.79	
iii) Trading Goods- High Sea Purchase	513.18		634.85	
Total	2,392.10		3,076.21	
32 Expenditure in foreign currency (Gross of TDS)				
i) Foreign Travelling	2.31		6.15	
Total	2.31		6.15	
33 Earning in foreign exchange :				
i) Export of Goods calculated on FOB basis	3,962.41		2,298.52	
ii) High Sea Export on FOB basis	167.46		-	
iii) Service Charges including Service Tax	13.95		41.71	
Total	4,143.82		2,340.23	

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. 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 :

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 ₹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) 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.

v) 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.

vi) 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 duty 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.

vii) 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 is charged to statement of Profit & Loss on the basis of 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.

viii) 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.

ix) 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 business loss and 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.

x) 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 ₹255.47 lacs (Previous year ₹701.18 lacs) including for Sales Tax and Excise demand ₹5.47 Lacs (Previous Year ₹1.18 lacs), against which margin kept by bank ₹1.18 lacs (Previous year ₹68.68 lacs)
 - ii) Letter of Credits pending for shipment ₹315.47 lacs (Previous year ₹220.98 lacs.)
 - iii) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.
 - iv) Disputed Sales Tax demands of ₹888.77 lacs (Previous year ₹658.24 lacs), against which amount deposited ₹191.12 lacs (Previous year ₹178.15 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. Custom Department has raised demand of ₹20.14 lacs for the year 2015-16 against amount of drawback for which company has deposited Rs. 20.14 lacs under protest and appeal has been filed against the 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 ₹1292.45 lacs) for the period June 1998 to March 2002 raised on the same basis by the department is time barred and case had been decided in favour of the company. The department had gone in appeal before CESTAT. The CESTAT had remanded this matter to Commissioner Adjudication who has decided the case against the company without considering direction / differential facts of the CESTAT. The company has again filed appeal on the matter before CESTAT. 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 lacs (previous year ₹300.00 lacs).Miscellaneous Excise duty demand amounting to ₹98.84 lacs(previous year ₹98.84 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 ₹14.03 lacs (previous year ₹9.66 lacs).
 - vii) Income Tax Assessments of the Company have been completed upto Assessment Year 2013-2014 (in previous year upto 2012-13). Demand has been raised of ₹45 lacs(previous year ₹57.57 lacs) for earlier assessment years against which company has filed appeal before appellate authorities and amount ₹40.43 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 (previous year 1151.57 lacs) received by the Company in the Financial Year 2002-2003.
- 36 Sundry Debtors, considered good includes :**
- i) ₹1606.76 lacs (previous year ₹1552.33 lacs) due more than six months and ₹7.94 lacs due less than six months (previous year ₹24.67 lacs) from parties on who legal action initiated for recovery.
 - ii) ₹2824.93 Lacs (previous year ₹2830.46 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 31.03.2016 (₹ Lacs)	Year Ended 31.03.2015 (₹ Lacs)	Year Ended 31.03.2016 (₹ Lacs)	Year Ended 31.03.2015 (₹ Lacs)
	Leave Encashment Unfunded		Gratuity Funded	
i. The Principal assumptions in actuarial valuation are as below				
a . Discount Rate	7.80%	7.80%	7.80%	7.80%
b . Expected rate of return on assets	NA	NA	8.00%	9.00%
c . Expected rate of future salary increase	3%	3%	3%	3%
Note :Expected rate of return on assets is taken on the basis of funds past performance.				
ii. Change in present value of obligations				
Present value of obligations at the beginning of the period	21.44	23.93	100.74	90.57
Interest Cost	1.68	2.15	7.87	8.15
Past Service Cost	-	-	-	-
Current Service Cost	3.99	4.42	6.56	7.14
Curtailement / Settelement Cost	-	-	-	-
Benefits Paid	(8.75)	(12.07)	(14.45)	(4.49)
Actuarial (gain) / loss on obligations	3.00	3.01	(1.59)	(0.63)
Present value of obligations at the end of the period	<u>21.37</u>	<u>21.44</u>	<u>99.14</u>	<u>100.74</u>
iii. Change in fair value of plan assets	NA	NA		
Fair value of plan assets at the beginning of the period	-	-	94.02	86.15
Expected Return on plan assets	-	-	8.48	7.32
Actuarial gain / (loss) on plan assets	-	-	(0.71)	0.55
Fair value of plan assets at the end of the period	<u>-</u>	<u>-</u>	<u>101.79</u>	<u>94.02</u>
Total Actuarial (gain) / loss to be recognised	<u>3.00</u>	<u>3.01</u>	<u>(0.88)</u>	<u>(1.18)</u>
iv. Actual return on plan assets	NA	NA	NA	NA
Expected return on plan assets	-	-	8.48	7.32
Actuarial gain / (loss) on plan assets	-	-	(0.71)	0.55
Actual return on plan assets	<u>-</u>	<u>-</u>	<u>7.77</u>	<u>7.87</u>
v. Liability recognised in the Balance Sheet				
Present value of obligations at the end of the period	21.37	21.44	99.14	100.74
Fair value of plan assets as at the end of the period	-	-	101.79	94.02
Unfunded / (funded) status	21.37	21.44	(2.65)	6.72
Net (Assets) / Liability recognised in Balance Sheet	<u>21.37</u>	<u>21.44</u>	<u>(2.65)</u>	<u>6.72</u>
vi. Expenses recognised in Statement of Profit and Loss				
Current Service Cost	3.99	4.42	6.56	7.14
Interest Cost	1.68	2.15	7.87	8.15
Expected return on plan assets	-	-	(8.48)	(7.32)
Net Actuarial (Gain) / Loss recognised during the year	3.00	3.01	(0.88)	(1.18)
Expense recognised in Statement of Profit and Loss	<u>8.68</u>	<u>9.58</u>	<u>5.08</u>	<u>6.79</u>
Differential/casuals paid debited to P&L	-	-	-	-
Total Expense recognised in Statement of Profit and Loss	<u>8.68</u>	<u>9.58</u>	<u>5.08</u>	<u>6.79</u>
vii. Breakup of Plan Assets as a percentage of total plan assets	NA	NA	100%	100%
Funds managed by Insurer				
viii. Balance Sheet Reconciliation				
Opening Net Liability	21.44	23.93	6.72	4.42
Expenses as above	8.68	9.58	5.08	6.79
Benefits Paid	-	-	(14.45)	(4.49)
Employers Contribution Paid	(8.75)	(12.07)	-	-
Closing Net Liability	<u>21.37</u>	<u>21.44</u>	<u>(2.65)</u>	<u>6.72</u>
Current	<u>4.34</u>	<u>3.72</u>	<u>(2.65)</u>	<u>6.72</u>
Non Current	<u>17.03</u>	<u>17.72</u>	<u>0.00</u>	<u>0.00</u>

Particulars	Year Ended 31.03.2016 (₹ Lacs)	Year Ended 31.03.2015 (₹ Lacs)
38 Exchange difference has been charged/ (credited) to revenue accounts as follows:		
On Import of raw material & finished goods including forward contracts	9.81	12.12
On Export sales	22.24	(16.80)
Others	0.25	0.37
On Working Capital FC Loan	2.10	0.00
Total	<u>34.40</u>	<u>(4.31)</u>
39 FINANCE LEASE OBLIGATIONS:		
Future obligations towards lease rentals for Fixed assets(Leasehold land) taken on lease as on 31.03.2016 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	436.80	443.52
Total	<u>477.12</u>	<u>483.84</u>
40 RELATED PARTIES DISCLOSURES :		
1. Relationship :		
(a) Subsidiary :		
Salora Components Ltd		
(b) Other related parties in which key managerial Personnel are able to exercise significant influence :		
Encompass Software & Systems Pvt Ltd (Till 30.03.15)		
Associated Electronics Research Foundation		
Manori Properties P Ltd		
Devi Electronics P Ltd		
Terminal Power Pvt. Ltd. (Till 30.03.15)		
(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 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) & (d) above	
	31.03.16	31.03.15	31.03.16	31.03.15	31.03.16	31.03.15
Purchases						
Goods and Materials	740.06	489.96		3.00	-	-
Services - Job Work Charges	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Sales						
Goods and Materials	357.92	277.77		857.25	-	-
Services - Job Work Income	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
Expenses						
Rent	-	-	-	-	-	-
Technical Charges	-	-	-	-	-	-
Other Charges/ Reimbursements	-	-	-	-	-	-
Lease Liability Paid	-	-	-	-	-	-
Interest	-	-	-	45.84	24.07	0.33
Royalty	-	-	-	-	-	-
Salary	-	-	-	-	13.30	12.58
Commission	-	-	-	-	-	-
Directors Remuneration	-	-	-	-	137.70	111.79
Directors Fees	-	-	-	-	-	-
Income						
Rent	-	-	-	-	-	-
Hire Charges	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other Recoveries	-	-	-	-	-	-
Discount	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Diminution in Investment written back	-	-	-	-	-	-
Investment						
Shares	-	-	-	-	-	-
Shares Application Money	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-
Finance						
Loans given	-	-	-	-	-	-
Loans received back	-	-	-	-	-	-
Loans received	-	-	-	-	-	200.00
Loans repaid	-	-	-	390.00	-	-
Advance received	-	-	-	-	-	-
Advance given and received back	-	-	-	-	-	-
Others						
Expenses/Payment on their behalf	85.96	65.64	14.00	6.05	-	-
Payment Received back	-	-	-	2.82	-	-
Outstandings						
Payables	-	-	-	3.03	15.84	3.86
Receivables	88.05	209.37	0.56	12.24	-	-
Loan Received	-	-	-	-	-	200.00
Loan Given	-	-	-	-	-	-
Interest Payable	-	-	-	-	5.76	0.29

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
41 PARTICULARS OF EARNING PER SHARE :		
Net Profit/(Loss) after tax as per profit and loss account (₹ Lacs) attributable to equity shareholders	(87.02)	35.54
Net Profit/(Loss) before extraordinary item net of tax expense (₹ Lacs)	(87.02)	35.54
Weighted Average number of equity shares used as denominator for calculating EPS	8807300	8807300
Basic and Diluted Earnings per share(in ₹)	(0.99)	0.40
Basic and Diluted Earnings (before extraordinary item) per share(in ₹)	(0.99)	0.40
Face Value per equity share(in Rs.)	10.00	10.00
42 SEGMENT REPORTING :		
A. Information about Primary Business Segments :		
(I) Segment Revenue : (₹ Lacs)		
a) Infocom Division	28,297.04	25,140.28
b) Consumer Electronics Division	2,294.14	4,001.93
c) Wind Energy	356.89	367.62
d) Others	-	-
Total	30,948.07	29,509.83
Less : Inter Segment Revenue	-	-
Total Segment Revenue as per Financial Statements	30,948.07	29,509.83
(II) Segment Results (₹ Lacs) :		
a) Infocom Division	839.04	742.36
b) Consumer Electronics Division	(39.39)	97.50
c) Wind Energy	162.98	211.73
d) Others	-	-
Total Segment Results	962.63	1,051.60
Add : i) Extraordinary Item	-	-
Less : i) Interest	558.36	489.68
ii) Other un-allocable expenditure net off un-allocable income	546.61	522.52
iii) Provision for Taxes	(55.32)	3.86
Net Profit/(Loss) as per Financial Statements	(87.02)	35.54
(III) Other Informations (₹ Lacs) :		

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
a) Infocom Division				
Current year	12,044.35	3,777.72	44.83	12.80
(Previous year)	(10,522.51)	(1,757.00)	(1.13)	(15.52)
b) Consumer Electronics Division				
Current year	4,211.95	647.74	29.35	73.01
(Previous year)	(4,204.61)	(491.62)	(26.00)	(148.16)
c) Wind Energy				
Current year	1,796.35	19.30	-	116.48
(Previous year)	(1,797.80)	(0.00)	-	(116.16)
d) Others				
Current year	-	-	-	-
(Previous year)	-	-	-	-
e) Unallocated Amounts				
Current year	1,343.19	3,668.61	56.73	48.63
(Previous year)	(1,343.93)	(4,250.75)	(32.22)	(46.25)
Total as per Financial Statements (C.Y.)	19,395.84	8,113.37	130.91	250.92
(Previous year)	(17,868.86)	(6,499.37)	(59.35)	(326.09)

B. Geographical Segments:	Year Ended 31.03.2016 (₹ in Lacs)	Year Ended 31.03.2015 (₹ in Lacs)
Segment Revenue - Turnover		
Domestic	26,792.52	27,183.93
Export	4,155.55	2,325.90
Total	<u>30948.07</u>	<u>29509.83</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 :

Business Segment	Type of Products
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 In previous year, Income Tax / Minimum Alternative Tax has not been provided for in view of brought forward unabsorbed business losses and unabsorbed depreciation.**
- 44 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 '44'.

For and on behalf of the Board

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

R.S.Gupta
Partner
M.No: 072666

Place :New Delhi
Date: 27th May 2016

Tarun Jiwrajka
Whole Time Director
DIN No. 00386240

Nitin Agrahari
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

Ashok Kumar Kucheria
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(₹ In lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	(142.34)	39.39
Adjustment for :		
Depreciation	250.92	326.09
Interest	558.36	489.68
Interest Income	(16.70)	(23.07)
(Profit)/Loss on Sale of Long Term Investments	-	(3.16)
Wealth Tax	-	0.34
Loss/(Profit) on sale of Fixed Assets	(0.48)	-
Operating Profit before Working Capital changes	649.76	829.28
Adjustment for :		
Inventories	(879.35)	(7.61)
Trade and other receivables	(763.49)	9.88
Trade and other payables	2,198.97	(384.11)
Cash Generated from Operating Activities	1,205.90	447.43
Adjustment for :		
Direct taxes (paid) / Refund Received	(15.35)	26.38
Net cash from Operating Activities	1,190.55	473.81
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(130.91)	(59.35)
Sale / adjustment of fixed assets	11.60	-
Sale of Investment in shares	0.00	9.50
Net cash from / (used in) Investing Activities	(119.31)	(49.85)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of Secured term Loans (Net)	13.68	(1.04)
Proceeds/ (Repayments) of Working Capital Loan (Net)	(561.02)	(120.01)
Interest Paid	(537.74)	(495.00)
Loan Received (Unsecured)	-	480.00
Loan Repaid (Unsecured)	-	(390.00)
Margin Money	27.34	(72.00)
Interest received	18.15	72.59
Dividend paid	(2.58)	(3.12)
Net cash from/(used in) Financing Activities	(1,042.16)	(528.59)
Net Increase/ (Decrease) in cash and cash equivalents :	29.08	(104.62)
Cash and cash equivalents at beginning of the year	10.92	115.54
Cash and cash equivalents at end of the year	40.00	10.92

As per our report of even date annexed.

For and on behalf of the Board

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

R.S.Gupta
Partner
M.No: 072666

Place :New Delhi
Date: 27th May 2016

Tarun Jiwarajka
Whole Time Director
DIN No. 00386240

Nitin Agrahari
Company Secretary

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Ashok Kumar Kucheria
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, 2016, 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, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of subsidiary whose financial statements / financial information reflect total assets of ₹ 69501449/- as at 31st March, 2016, total revenues of ₹ 73812605/- 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

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, 2016 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, 2016 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. 31 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
FRN 002755N

R.S. Gupta
Partner
M.No: 072666

Place : New Delhi
Date : 27th May 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

(₹ In lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	881.45	881.45
(b) Reserves and Surplus	2	10,272.45	10,350.89
Sub Total		11,153.90	11,232.33
Minority Interest			
		56.44	54.16
Non - Current Liabilities			
(a) Long Term Borrowings	3	798.06	803.89
(b) Deferred Tax Liability (Net)	4	(397.08)	(346.02)
(c) Other Long Term Liabilities	5	174.14	215.89
(d) Long Term Provisions	6	17.03	17.72
Sub Total		592.15	691.49
Current Liabilities			
(a) Short Term Borrowings	7	3,234.40	3,795.42
(b) Trade Payables	8	4,015.15	1,483.96
(c) Other Current Liabilities	9	400.25	645.81
(d) Short Term Provisions	10	88.97	80.42
Sub Total		7,738.77	6,005.61
TOTAL		19,541.26	17,983.60
ASSETS			
Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	2,958.39	3,113.04
(ii) Intangible Assets	11	17.94	28.07
(iii) Capital Work In Progress	12	-	-
Sub Total		2,976.33	3,141.11
(b) Non - Current Investments	13	4.59	4.59
(c) Long Term Loans and Advances	14	939.81	902.91
Sub Total		3,920.73	4,048.61
Current Assets			
(a) Inventories	15	4,814.61	3,992.64
(b) Trade Receivables	16	8,170.24	7,263.15
(c) Cash and Bank Balances	17	218.22	216.05
(d) Short Term Loans and Advances	18	2,308.55	2,353.83
(e) Other Current Assets	19	108.91	109.33
Sub Total		15,620.53	13,934.99
TOTAL		19,541.26	17,983.60

Auditor's Report - Consolidated Financial Statements

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

1 - 37
For and on behalf of the Board

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

R.S.Gupta
Partner
M.No: 072666

Place : New Delhi
Date: 27th May 2016

Tarun Jiwarajka
Whole Time Director
DIN No. 00386240

Nitin Agrahari
Company Secretary

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Ashok Kumar Kucheria
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

(₹ In lacs)

Particulars	Note No.	Year Ended 31.03.2016	Year Ended 31.03.2015
INCOME			
Revenue from Operations	20	30,498.61	29,289.01
Other Income	21	418.96	91.65
Total Revenue		30,917.57	29,380.65
Expenses			
Cost of Materials Consumed	22	1,811.93	2,329.73
Purchase of Trading Goods	23	26,142.22	23,584.35
Changes in Inventories of Finished Goods, Work in Progress and Trading Goods	24	(521.99)	(152.40)
Employee Benefits Expense	25	996.69	966.06
Finance Costs	26	652.86	599.95
Depreciation and Amortization Expense	27	284.56	360.34
Other Expenses	28	1,678.52	1,757.84
Total Expenses		31,044.79	29,445.86
Profit/(Loss) before exceptional and extraordinary items and tax		(127.22)	(65.21)
Exceptional Items	32	-	-
Profit/(Loss) before extraordinary items and tax		(127.22)	(65.21)
Extraordinary Items		-	-
Profit/(Loss) before tax		(127.22)	(65.21)
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		51.06	(23.59)
(3) Earlier year Income Tax		-	4.74
Total tax		51.06	(18.85)
Profit/(Loss) for the year		(76.16)	(46.36)
Less: Share of Profit/ (Loss) transferred to Minority Interest		2.27	(17.16)
Profit/(Loss) for the period		(73.89)	(29.20)
Earning per equity share:			
Basic and Diluted		(0.84)	(0.33)

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

1 - 37

For and on behalf of the Board

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

R.S.Gupta
Partner
M.No: 072666

Place :New Delhi
Date: 27th May 2016

Tarun Jiwrajka
Whole Time Director
DIN No. 00386240

Nitin Agrahari
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

Ashok Kumar Kucheria
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number	₹	Number	₹
1 Share Capital:				
Authorised:				
Equity Shares of Rs. 10/- each	20,000,000	2,000.00	20,000,000	2,000.00
Issued and Subscribed :				
Equity Shares of Rs. 10/- each	8,820,000	882.00	8,820,000	882.00
Issued, Subscribed and Paid--up :				
Equity Shares of Rs.10/- each	8,807,300	880.73	8,807,300	880.73
Add: Share Capital forfeited Equity Shares @ Rs. 5.65/- each	12,700	0.72	12,700	0.72
Total		881.45		881.45
Note : Number of Shares at the beginning and close of the year are same.				
Details of Shareholders holding more than 5% shares	No. of Shares	%	No. of Shares	%
Gopal Kumar Jiwarajka	2029117	23.04	2029117	23.04
Gopal Kumar 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
2 Reserves and Surplus:				
Securities Premium Reserve				
As per last balance sheet				
Share Premium Account		3,244.42		3,244.42
Add : Share Premium Forfeited		2.87		2.87
Sub Total		3,247.29		3,247.29
General Reserve				
As per last Balance sheet		6,804.47		6,927.59
Less : Effect of Depreciation on Retained Earning as per Companies Act 2013		-		(126.13)
Add: Deffered Tax on Depreciation		-		40.92
Sub Total		6,804.47		6,842.39
Profit & Loss Account Balance				
As per last Balance sheet		261.21		290.41
Add : Profit/(Loss) Transferred from Profit & Loss Statement		(73.89)		(29.20)
Sub Total		187.32		261.21
Total		10,239.08		10,350.89

Consolidated Statement of Profit & Loss

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Long Term Borrowing		
1) Secured Loans:		
Vechile Loans from Banks and Others	127.14	113.46
Less: Current Maturity	49.08	29.57
Sub Total	78.06	83.89
2) Unsecured Loans:		
Loan from Related party	370.00	-
From Subsidiary Company	-	410.00
From Others	350.00	310.00
Sub Total	720.00	720.00
Total	798.06	803.89
Additional Information:		
a) Details of security for secured loans		
Vehicle Loans are secured against hypothecation of cars.		
b) Terms of repayment of term loans and others.		
Vehicle Loans from Banks and Others on monthly instalment basis.		
Unsecured Loans are repayable on demand .		
c) There is no continuing default as on the balance sheet date in respect of loans and interest.		
4. Deferred tax liability: (Net)		
On account of depreciation on fixed assets	569.92	593.50
Sub Total	569.92	593.50
Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	17.47	23.51
b) On account of unabsorbed business loss and depreciation under the Income Tax Act, 1961	867.51	836.73
c) On account of capital loss	82.02	79.27
Sub Total	967.00	939.51
Net Deferred tax (liability)/asset	(397.08)	(346.02)
5 Other Long term liabilities		
Trade Deposit	174.14	215.89
	174.14	215.89
6 Long term Provisions		
Provisions for employees benefits	-	-
For Leave Pay	17.03	17.72
Total	17.03	17.72

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
7 Short Term Borrowings		
Secured Loans:		
Working Capital Loans		
From Banks	3,234.40	3,795.42
Total	<u>3,234.40</u>	<u>3,795.42</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	4,015.15	1,483.96
Total	<u>4,015.15</u>	<u>1,483.96</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:

Current Maturities of Long Term Debt	-	
Vehicle Loans	49.08	29.57
Interest accrued & due /but not due on borrowings	46.37	21.17
Interest accrued & due on borrowings	-	-
Unpaid Dividend	1.17	3.75
Statutory Liabilities	152.14	151.62
Others	151.49	439.70
Total	<u>400.25</u>	<u>645.81</u>

Additional Information:

Vehicle Loans are secured against hypothecation of cars.

10 Short term provisions:

a) Provision for Employee Benefits		
For Salary and Bonus etc.	84.63	76.35
For Leave Pay	4.34	3.73
b) Provision for Wealth Tax	-	0.34
Total	<u>88.97</u>	<u>80.42</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

11 Fixed Assets :

(₹ In lacs)

PARTICULARS	←-----GROSS BLOCK-----→			←-----DEPRECIATION-----→				←----NET BLOCK----→			
	Balance as at 01.04.2015	Additions	Deductions/ Adjustments	Balance as at 31.03.2016	Upto 31.03.2015	For The Year	Adjusted to General Reserve	Deductions/ Adjustments	Upto 31.03.2016	Balance as at 31.03.2016	Balance as at 31.03.2015
TANGIBLE ASSETS :											
Free Hold Land	-	-	-	-	-	-	-	-	-	-	-
Lease Hold Land	390.29	-	-	390.29	85.46	6.00	-	-	91.46	298.83	304.83
Building	563.82	12.91	-	576.73	281.87	14.84	-	-	296.71	280.02	281.95
Furniture & Fixtures	447.42	3.71	0.22	450.91	391.86	15.24	-	0.22	406.88	44.03	55.56
Plant & Machinery	6,821.56	43.25	104.37	6,760.44	4,595.05	203.21	-	99.16	4,699.10	2,061.34	2,226.52
Dies & Moulds	1,027.45	15.12	-	1,042.57	951.63	4.71	-	-	956.34	86.23	75.82
Motor Vehicles	270.43	54.76	51.47	273.72	108.96	29.14	-	45.56	92.54	181.18	161.47
Office Equipment	56.43	1.16	0.05	57.54	49.55	1.29	-	0.05	50.79	6.75	6.88
Sub Total	9,577.40	130.91	156.11	9,552.20	6,464.38	274.43	-	144.99	6,593.82	2,958.38	3,113.04
INTANGIBLE ASSETS :											
Trade Mark	106.21	-	-	106.21	78.14	10.13	-	-	88.27	17.94	28.07
TOTAL	9,683.61	130.91	156.11	9,658.41	6,542.52	284.56	-	144.99	6,682.09	2,976.32	3,141.11
PREVIOUS YEAR	9,624.10	59.51	-	9,683.61	6,056.03	360.34	126.13	-	6,542.52	3,141.10	3,568.07

12 CAPITAL WORK IN PROGRESS :

Nil Nil

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
13 Non Current Investments:		
Investments in Equity Instruments:		
INVESTMENTS (AT COST):		
Long Term (Unquoted, unless otherwise stated)		
a) Trade Investments in Equity Shares (Fully paid up)		
In Other Companies :		
i) 355000 (P.Y. 355000) Equity Shares of Encompass Software & Systems Pvt.Ltd.of Rs.10/- each.	35.50	35.50
Less: Provision for diminution in value of Investments	-	(31.18)
ii) 2500 (P.Y. 2500) Equity Shares of Terminal Power Pvt. Ltd. of Rs.10/-each.	0.25	0.25
b) Other Investments in Bond (Fully paid)		
2 Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/-each	0.02	0.02
Aggregate value of Unquoted investments	<u>35.77</u>	<u>35.77</u>
Less : Provision for diminution in value of investments	31.18	31.18
Total	<u>4.59</u>	<u>4.59</u>
14 Long term loans and advances (Unsecured considered good) :		
Inter Corporate Loan Given	255.00	255.00
Security Deposits	40.96	63.36
Payment against Disputed Sales Tax Demand	201.75	188.78
Payment against Disputed Income Tax Demand	53.00	53.00
Payment against Disputed Excise Demand	306.20	300.00
Payment against Custom Demand	82.90	42.76
Total	<u>939.81</u>	<u>902.91</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
15 Inventories:		
Raw materials	566.98	411.30
Work in progress	97.34	19.67
Finished goods	490.32	283.62
Trading Goods	3,450.69	3,213.07
Stores,spares & fuel	1.82	3.93
Goods in transit:		
Raw materials	207.46	61.04
Total	4,814.61	3,992.64
16 Trade Receivables (Unsecured)		
i) Trade Receivables exceeding six months		
Considered Good	4,501.09	4,451.62
Considered Doubtful	-	-
Less : Provision for Doubtful Debts	-	-
ii) Others, Considered Good	3,669.15	2,811.53
Total	8,170.24	7,263.15
17 Cash and Bank Balances :		
i) Balances with banks		
- in Unpaid Dividend accounts	1.17	3.75
- in Margin Money	175.63	202.97
- in Other accounts	17.11	4.72
ii) Cheques/drafts in hand	9.25	4.61
iii) Cash in hand	15.06	-
Total	218.22	216.05
18 Short Term Loans and Advances (Unsecured and Considered Good) :		
Advances recoverable in cash or in kind or for value to be received	1,592.49	1,654.53
Income Tax Refund Receivable	95.04	80.32
Balance With / Recoverable from Government Authorities	621.02	618.98
Total	2,308.55	2,353.83
19 Other Current Assets		
Interest Receivable	102.85	104.30
Duty Drawback Receivable	1.98	3.56
Gratuity Recoverable	2.65	0.07
Superannuation Recoverable	1.43	1.39
Total	108.91	109.33

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
20 Revenue from operations:		
Sale of Goods		
Domestic	25,938.33	26,153.43
Export	4,155.55	2,325.90
Total	<u>30,093.88</u>	<u>28,479.34</u>
Sale of Services		
Infocom Products	361.82	774.42
Wind Energy	356.89	367.62
Total	<u>718.71</u>	<u>1,142.04</u>
Gross Sales	<u>30,812.59</u>	<u>29,621.38</u>
Less: Excise duty	313.98	332.38
Net Sales	<u>30,498.61</u>	<u>29,289.01</u>
20-A Mobile Phones and Accessories		
Mobile Phones and Accessories	20,152.50	22,721.99
IT Products & Accessories	5,865.93	-
Others	4,432.81	5,978.09
Total	<u>30,451.24</u>	<u>28,700.08</u>
21 Other Income:		
Profit On Sale of Long Term Investment	-	3.16
Interest on FDRs etc.	16.70	23.07
Bad Debts Recovered	1.85	-
Liability no longer required w/back	304.18	34.43
Commission Received	-	25.04
Miscellaneous Income	7.97	5.95
Excise Recoverable	88.26	-
Total	<u>418.96</u>	<u>91.65</u>
22 Cost of Materials Consumed:		
Consumption of raw materials :		
Electronic Components and Others	1,811.93	2,329.73
Total	<u>1,811.93</u>	<u>2,329.73</u>
23 Purchase of Trading Goods		
Mobile Phones and Accessories	16,656.58	22,045.48
IT Products & Accessories	6,635.26	-
Others	2,850.38	1,538.86
Total	<u>26,142.22</u>	<u>23,584.34</u>
24 Changes in inventories of finished goods, work in progress and trading goods:		
Stocks at the end of the year		
i. Work in progress	97.34	19.67
ii. Trading goods	3,450.69	3,301.38
iii. Finished goods	490.33	195.32
Sub Total :	<u>4,038.36</u>	<u>3,516.37</u>
Less : Stocks at the beginning of the year		
i. Work in progress	19.67	33.98
ii. Trading goods	3,301.38	3,075.26
iii. Finished goods	195.32	254.73
Sub Total :	<u>3,516.37</u>	<u>3,363.97</u>
Increase / (Decrease) in Stock :	<u>(521.99)</u>	<u>(152.40)</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
25 Employee Benefits Expenses:		
Salaries and wages	899.62	878.67
Contribution to provident and other funds	60.80	51.64
Staff Welfare & Other Benefits	36.27	35.75
Total	996.69	966.06
26 Finance Costs:		
i) Interest	585.75	525.50
ii) Net (Gain)/Loss on Foreign Currency Transaction	(2.35)	0.37
iii) Others	69.46	74.07
Total	652.86	599.95
27 Depreciation and amortization:		
i) Depreciation	278.56	354.35
ii) Amortization of Land	6.00	5.99
Total	284.56	360.34
28 Other expenses:		
Assembly Charges	17.51	38.97
Stores & Spares Consumed	12.88	10.63
Power and Fuel	91.40	90.17
Rent	45.21	50.23
Repair & Maintenance :-	-	-
Building	2.66	-
Plant & Machinery	88.09	59.98
Others	34.73	40.94
Insurance	17.80	18.40
Rates and taxes	12.99	14.00
Legal and professional fees	159.40	122.04
Payment to Auditors	-	-
Statutory Audit Fee (including Limited review)	11.00	12.00
Tax Audit Fee	2.75	1.75
Certification	0.41	0.47
Expense / Service Tax reimbursed	2.37	2.31
Travelling & Conveyance	173.45	162.80
Freight and Forwarding	239.83	311.29
Discount, Commission & Incentives	289.96	449.56
Advertisement & Publicity	18.95	52.67
After Sale Service Charges	47.66	52.52
Sales Tax, Entry Tax and Service Tax	33.90	35.99
Bad Trade Receivables written off	247.27	28.76
Irrecoverable Loans and Advances Written Off	4.22	49.20
Loss/ (Profit) on Sale of Fixed Asset (net)	(0.48)	-
Short / Excess Claims	(0.89)	(17.50)
Miscellaneous Expenses	157.51	175.34
Net (Gain)/Loss on Foreign Currency Transaction	(32.06)	(4.68)
Total	1,678.52	1,757.84

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 ₹ 255.47 lacs (Previous year ₹ 701.18 lacs) including for Sales Tax and Excise demand ₹ 5.47 Lacs (Previous Year ₹ 1.18 lacs), against which margin kept by bank ₹ 1.18 lacs (Previous year ₹ 68.68 lacs).
- ii) Letter of Credits pending for shipment ₹315.47 lacs (Previous year ₹220.98 lacs).
- iii) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.
- iv) Disputed Sales Tax demands of ₹ 888.78 lacs (Previous year ₹ 658.24 lacs), against which amount deposited ₹ 191.12 lacs (Previous year ₹ 178.15 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. Custom Department has raised demand of ₹ 20.14 lacs for the year 2015-16 against amount of drawback for which company has deposited ₹ 20.14 lacs under protest and appeal has been filed against the 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 ₹ 1292.45 lacs)

for the period June 1998 to March 2002 raised on the same basis by the department is time barred and case had been decided in favour of the company. The department had gone in appeal before CESTAT. The CESTAT had remanded this matter to Commissioner Adjudication who has decided the case against the company without considering direction / differential facts of the CESTAT. The company has again filed appeal on the matter before CESTAT. 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 lacs (previous year ₹ 300.00 lacs).Miscellaneous Excise duty demand amounting to ₹ 98.84 lacs (previous year ₹ 98.67 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 ₹ 14.03 lacs (previous year ₹ 9.66 lacs).

- vii) Income Tax Assessments of the Company have been completed upto Assessment Year 2013-2014 (in previous year upto 2012-13). Demand has been raised of ₹ 45 lacs(previous year ₹ 57.57 lacs) for earlier assessment years against which company has filed appeal before appellate authorities and amount ₹ 40.43 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) ₹ 1606.76 lacs (previous year ₹ 1552.33 lacs) due more than six months and ₹ 7.94 lacs due less than six months (previous year ₹ 24.67 lacs) from parties on whom legal action initiated for recovery.
- ii) ₹ 2894.33 Lacs (previous year ₹ 2899.29 lacs) due more than six months are under follow-up,negotiation,reconciliation,settlement and realisation.

Particulars	Year Ended	Year Ended
	31.03.2016 (₹ in Lacs)	31.03.2015 (₹ in Lacs)

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

On Import of raw material & finished goods including forward contracts	9.81	12.12
On Export sales	22.24	(16.80)
Others	0.25	0.37
On Working Capital FC Loan	2.10	-
Total	34.40	(4.31)

34 RELATED PARTIES DISCLOSURES :

1. Relationship :

(a) Related parties in which key managerial

personnel are able to exercise significant influence :

Associated Electronics Research Foundation

Manori Properties P Ltd

Devi Electronics P Ltd

Terminal Power Pvt Ltd. (Till 30.03.15)

Encompass Software & Systems Pvt.Ltd. (30.03.2015)

(b) Key Managerial Personnel:

Shri G.K.Jiwarajka

Shri Tarun Jiwarajka

(c) 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) &1 (c) above	
	31.03.16	31.03.15	31.03.16	31.03.15
Purchases				
Goods and Materials	-	3.00	-	-
Sales				
Goods and Materials	-	857.25	-	-
Expenses				
Rent	9.60	9.60	-	-
Interest	-	56.47	44.47	22.05
Salary	-	-	13.30	12.58
Directors Remuneration	-	-	137.70	111.79
Finance				
Loans received	-	-	-	200.00
Loans repaid	-	560.00	-	80.00
Others				
Expenses incurred	14.00	6.05	-	-
Expenses received back	-	2.82	-	-
Outstandings				
Payables	8.64	3.03	16.01	3.86
Receivables	0.56	12.24	-	-
Loan Received	-	-	-	370.00
Interest Payable	-	-	29.89	19.83

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
35 PARTICULARS OF EARNING PER SHARE :		
Net Profit/(Loss) after tax as per profit and loss account (Rs.Lacs) attributable to equity shareholders	(73.89)	(29.20)
Net Profit/(Loss) before extraordinary item net of tax expense (Rs.Lacs)	(73.89)	(29.20)
Weighted Average number of equity shares used as denominator for calculating EPS	8807300	8807300
Basic and Diluted Earnings per share(in Rs.)	(0.84)	(0.33)
Basic and Diluted Earnings (before extraordinary item) per share(in Rs.)	(0.84)	(0.33)
Face Value per equity share(in Rs.)	10.00	10.00

36 SEGMENT REPORTING :
A. Information about Primary Business Segments :
(I) Segment Revenue : (₹ Lacs)

a) Infocom Division	28,297.04	25,140.28
b) Consumer Electronics Division	1,844.68	3,781.10
c) Wind Energy	356.89	367.62
Total Segment Revenue as per Financial Statements	30,498.61	29,289.01

(II) Segment Results

a) Infocom Division	839.04	742.36
b) Consumer Electronics Division	(24.27)	28.72
c) Wind Energy	162.98	211.73
Total Segment Results	977.75	982.82

Less : i) Interest	558.36	525.50
ii) Other un-allocable expenditure net off un-allocable income	546.61	522.52

iii) Provision for Taxes	(51.06)	(18.85)
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Net Profit/(Loss) as per Financial Statements	(76.16)	(46.35)
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(III) Other Informations (₹ Lacs) :

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
a) Infocom Division				
Current year	12,044.35	3,777.72	44.83	12.80
(Previous year)	(10,522.51)	(1,757.00)	(1.13)	(15.52)
b) Consumer Electronics Division				
Current year	4,357.37	865.29	29.35	106.65
(Previous year)	(4,319.35)	(689.35)	(26.17)	(182.40)
c) Wind Energy				
Current year	1,796.35	19.30	-	116.48
(Previous year)	(1,797.80)	-	-	(116.16)
d) Unallocated Amounts				
Current year	1,343.19	3,668.61	56.73	48.63
(Previous year)	(1,343.93)	(4,250.75)	(32.22)	(46.25)
Total as per Financial Statements (C.Y.)	19,541.26	8,330.92	130.91	284.56
(Previous year)	(17,983.60)	(6,697.10)	(59.51)	(360.34)

B Geographical Segments:	Year Ended	Year Ended
	31.03.2016	31.03.2015
Segment Revenue - Turnover	(₹ in Lacs)	(₹ in Lacs)
Domestic	26343.06	26963.10
Export	4155.55	2325.90
Total	<u>30498.61</u>	<u>29289.00</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 :

Business Segment	Type of Products
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 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 '37'.

For and on behalf of the Board

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

R.S.Gupta
Partner
M.No: 072666

Place :New Delhi
Date: 27th May 2016

Tarun Jiwrajka
Whole Time Director
DIN No. 00386240

Nitin Agrahari
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

Ashok Kumar Kucheria
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

(₹ In lacs)

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	(127.22)	(65.20)
Adjustment for :		
Depreciation	284.56	360.34
Interest	585.75	525.50
Interest Income	(16.70)	(23.07)
Profit/(Loss) on Sale of Long Term Investments	-	(3.16)
Wealth Tax	-	0.34
Deficit / (Surplus) on sale of Fixed Assets	(0.48)	-
Operating Profit before Working Capital changes	725.92	794.75
Adjustment for :		
Inventories	(821.97)	(34.25)
Trade and other receivables	(885.04)	226.31
Trade and other payables	2,209.95	(341.10)
Cash Generated from Operating Activities	1,228.86	645.71
Adjustment for :		
Direct taxes (paid) / Refund Received	(15.05)	26.08
Net cash from Operating Activities	1,213.81	671.79
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(130.91)	(59.51)
Sale / adjustment of fixed assets	11.59	-
Sale of Investment in shares	-	9.50
Net cash from / (used in) Investing Activities	(119.31)	(50.01)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of long term borrowings (Net)	13.67	(1.04)
Proceeds/ (Repayments) of short term borrowings (Net)	(561.02)	(120.00)
Interest Paid	(560.55)	(511.29)
Loan Received	-	550.00
Loan Repaid	-	(640.00)
Margin Money	27.35	(72.00)
Interest received	18.14	72.59
Dividend paid	(2.58)	(3.12)
Dividend tax paid	-	-
Adjustment in Return & Minority Interest	-	-
Net cash from/(used in) Financing Activities	(1,064.98)	(724.86)
Net Increase/ (Decrease) in cash and cash equivalents :	29.52	(103.09)
Cash and cash equivalents at beginning of the year	13.08	116.17
Cash and cash equivalents at end of the year	42.59	13.08

As per our report of even date annexed.

For and on behalf of the Board

For K.Prasad & Company

Chartered Accountants

FRN: 002755N

R.S.Gupta

Partner

M.No: 072666

Place :New Delhi

Date: 27th May 2016

Tarun Jiwarajka

Whole Time Director

DIN No. 00386240

Nitin Agrahari

Company Secretary

Gopal Sitaram Jiwarajka

Chairman & Managing Director

DIN No. 00024325

Ashok Kumar Kucheria

Chief Financial Officer



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 over at the entrance of the Meeting Hall}

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

Name of Member Signature

Name of Proxyholder Signature

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

Signature of the Member or Proxy*

*Please indicate whether Member or Proxy.



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

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 47th Annual general meeting of the company, to be held on the 14th September, 2016 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 of audited financial statements (including the consolidated financial statements) of the Company as at 31st March, 2016 and the Reports of Board of Directors and Auditors' thereon.
2. Appointment of director in place of Shri Tarun Jiwarajka (holding DIN 00386240), who retires by rotation and being eligible offers himself for re-appointment.
3. Ratification of the appointment of M/s. K. Prasad & Company, Chartered Accountants (ICAI Registration No. FRN002755N) to hold office of the Auditors of the Company.
4. Approval of remuneration to paid to Cost Auditors.
5. Re-appointment of Shri Gopal Sitaram Jiwaraka as Managing Director of the company for a period of 3 years w.e.f. 1st July, 2016 to 30th June, 2019.
6. Appointment of Smt. Neetu Jiwarajka, as an Executive Director.

Affix
Revenue
stamp

Signed this..... day of.....2016

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.

ROUTE MAP FOR THE AGM PLACE

Lok Kala Manch, Lodhi Road is situated just behind to the office building of “Institute of Company Secretaries of India-Lodhi Road” and very near to “Sai Baba Mandir-Lodhi Road”.



