

May 29, 2017

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400 051.

Bombay Stock Exchange Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI – 400 001.

Sub: Regulation 33 of SEBI (LODR) Regulations, 2015 – Audited Financial Results of the Company for the financial year ended 31st March, 2017.

Dear Sir,

Further to our letter dated 17.05.2017 and pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, Board of Directors of the Company at its meeting held on today i.e. 29th May, 2017 scheduled from 11.45 A. M. to conclude around 14.30 P.M has approved the attached Audited Financial Results of the Company for the financial year ended 31st March, 2017

Kindly find enclosed the following documents along with Audited Financial Results.

- Annual Audited Financial Results (Standalone and consolidated) for the Financial Year ended 31st March, 2017
- Auditors Report with unmodified opinion on Annual Audited Financial Results (Standalone and Consolidated) for the Financial Year ended 31st March, 2017

Thanking you,

Yours faithfully,
for Salora International Ltd.


(M. Faisal Farooq)
Company Secretary & Compliance Officer.



Encl.: As above

SALORA INTERNATIONAL LIMITED

Regd. office : D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110020.

Visit us at www.salora.com

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2017

S.No.	Particulars	Quarter Ended		Year Ended 31st March				(Rs. In lacs)
		Stand Alone		Stand Alone		Consolidated		
		31.03.2017	31.12.2016	2017	2016	2017	2016	
1	Net Sales / Income from Operations	5,739.18	5,660.47	32,165.47	31,250.48	32,080.49	30,890.63	
2	Expenditure							
	a) Cost of Materials Consumed	575.71	657.94	2,651.81	1,684.47	2,502.06	1,811.93	
	b) Purchases of Stock in Trade	4,686.38	4,319.08	26,924.51	26,848.33	26,924.52	26,142.22	
	c) Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(61.50)	259.03	(307.62)	(522.65)	(313.49)	(521.99)	
	d) Employee Benefits Expenses	231.70	229.35	948.85	905.72	981.43	996.69	
	e) Depreciation and Amortisation Expenses	54.42	56.53	222.32	250.92	255.63	284.56	
	f) Other Expenses	328.78	244.24	1,503.88	1,627.52	1,528.06	1,678.52	
	g) Total expenses	5,815.49	5,766.17	31,943.75	30,794.31	31,878.21	30,391.93	
3	Profit/(Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1-2)	(76.31)	(105.70)	221.72	456.17	202.28	498.70	
4	Other Income	0.54	285.74	288.33	26.94	288.33	26.94	
5	Profit/(Loss) from ordinary activities before Finance Costs and Exceptional Items (3+4)	(75.77)	180.04	510.05	483.11	490.61	525.64	
6	Finance Cost	147.23	173.37	697.01	625.45	704.11	652.86	
7	Profit/(Loss) from ordinary activities after Finance Costs but before Exceptional Items (5-6)	(223.00)	6.67	(186.96)	(142.34)	(213.50)	(127.22)	
8	Exceptional Items	-	-	-	-	-	-	
9	Profit/(Loss) from Ordinary Activities before Tax (7-8)	(223.00)	6.67	(186.96)	(142.34)	(213.50)	(127.22)	
10	Tax Expenses :	(76.48)	19.38	(47.63)	(55.32)	(21.45)	(51.06)	
	a) Current Tax	-	-	-	-	-	-	
	b) Deferred Tax	(76.48)	19.38	(47.63)	(55.32)	(21.45)	(51.06)	
11	Net Profit/(Loss) from Ordinary Activities after Tax (9-10)	(146.52)	(12.71)	(139.33)	(87.02)	(192.05)	(76.16)	
12	Extraordinary item (net of tax expenses)	-	-	-	-	-	-	
13	Net Profit/(Loss) for the period (11+12)	(146.52)	(12.71)	(139.33)	(87.02)	(192.05)	(76.16)	
14	Minority Interest-Profit/(Loss)	-	-	-	-	(11.04)	(2.27)	
15	Net Profit/(Loss) after Minority Interest (13+14)	(146.52)	(12.71)	(139.33)	(87.02)	(181.01)	(73.89)	
16	Paid-up Equity Share Capital (face value Rs. 10/-each)	880.73	880.73	880.73	880.73	880.73	880.73	
17	Reserves Excluding Revaluation Reserves as per balance sheet	-	-	10,261.68	10,401.02	10,091.46	10,272.47	
18	Earning Per Share (EPS)(not annualised)	(1.66)	(0.14)	(1.58)	(0.99)	(2.06)	(0.84)	
	a) Basic and diluted (Rs.) before Extraordinary items	(1.66)	(0.14)	(1.58)	(0.99)	(2.06)	(0.84)	
	b) Basic and diluted (Rs.) after Extraordinary items	(1.66)	(0.14)	(1.58)	(0.99)	(2.06)	(0.84)	



SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

S.No.	Particulars	(Rs. In lacs)												
		Quarter Ended					Year Ended 31st March							
		Stand Alone		Audited		2017	Stand Alone		Audited		2017	Consolidated		
		31.03.2017	31.12.2016	31.03.2016	Audited		2016	2016	Audited	2016		2016		
1	Segment Revenue (net sales/income from operations)													
	a) Consumer Electronics Division	5,684.84	5,642.54	8,035.29		31,723.71	30,893.59		31,638.73	30,533.74				
	b) Wind Energy	54.34	17.93	44.58		441.76	356.89		441.76	356.89				
	Net Sales / Income from Operations	5,739.18	5,660.47	8,079.87		32,165.47	31,250.48		32,080.49	30,890.63				
2	Segment Results - (Profit / (Loss) before tax and interest from segment)													
	a) Consumer Electronics Division	35.48	50.27	231.06		488.42	799.65		468.88	842.16				
	b) Wind Energy	5.98	(31.97)	(3.82)		245.69	162.98		245.69	162.98				
	Total	41.46	18.30	227.24		734.11	962.63		714.57	1,005.14				
	Less : i. Interest	133.82	156.16	127.72		642.29	558.36		649.29	585.75				
	ii. Other un-allocable expenditure net of un-allocable income	130.64	(144.53)	154.53		278.78	546.61		278.78	546.61				
	Profit from ordinary activities	(223.00)	6.67	(55.01)		(186.96)	(142.34)		(213.50)	(127.22)				
3	Segment Assets													
	a) Consumer Electronics Division	16,331.08	16,044.91	16,256.30		16,331.08	16,256.30		16,506.32	16,521.79				
	b) Wind Energy	1,634.68	1,962.72	1,796.35		1,634.68	1,796.35		1,634.68	1,796.35				
	c) Un-allocable Segment Assets	1,486.45	1,401.51	1,620.21		1,486.45	1,620.21		1,486.45	1,620.21				
	Total	19,452.21	19,409.14	19,672.86		19,452.21	19,672.86		19,627.45	19,938.35				
4	Segment Liabilities													
	a) Consumer Electronics Division	2,692.71	2,789.09	4,425.46		2,692.71	4,425.46		2,992.77	4,763.06				
	b) Wind Energy	39.28	33.17	19.30		39.28	19.30		39.28	19.30				
	c) Un-allocable Segment Liabilities	5,577.09	5,297.23	3,945.63		5,577.09	3,945.63		5,577.09	3,945.63				
	Total	8,309.08	8,119.49	8,390.39		8,309.08	8,390.39		8,609.14	8,727.99				

STATEMENT OF ASSETS AND LIABILITIES

S.No.	Particulars	(Rs. In lacs)			
		As At 31st March (Audited)			
		Stand Alone		Consolidated	
		2017	2016	2017	2016
1.	EQUITY AND LIABILITIES				
(1)	Shareholders' Funds				
(a)	Share Capital	881.45	881.45	881.45	881.45
(b)	Reserves and Surplus	10,261.68	10,401.02	10,091.46	10,272.47
	Sub Total	11,143.13	11,282.47	10,972.91	11,153.92
(2)	Minority Interest	-	-	45.40	56.44
(3)	Non - current liabilities				
(a)	Long term borrowings	653.33	558.06	908.33	798.06



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(b) Other long term liabilities	115.80	174.14	174.14	115.80	174.14
(c) Long term provisions	25.06	17.03	17.03	25.06	17.03
Sub Total	794.19	749.23	749.23	1,049.19	989.23
(4) Current Liabilities					
(a) Short term borrowings	4,777.43	3,234.40	3,234.40	4,777.43	3,234.40
(b) Trade payables	2,397.04	3,986.99	3,986.99	2,400.71	4,015.15
(c) Other current liabilities	260.09	330.80	330.80	301.48	400.25
(d) Short term provisions	80.33	88.97	88.97	80.33	88.97
Sub Total	7,514.89	7,641.16	7,641.16	7,559.95	7,738.77
TOTAL	19,452.21	19,672.86	19,672.86	19,627.45	19,938.35
II. ASSETS					
(1) Non - current assets					
(a) Fixed Assets	2,561.76	2,747.60	2,747.60	2,739.27	2,958.41
(i) Tangible assets	7.82	17.94	17.94	7.82	17.94
(ii) Intangible assets	2.31	-	-	2.31	-
(iii) Capital work in progress	2,571.89	2,765.54	2,765.54	2,749.40	2,976.35
Sub Total	346.07	346.07	346.07	4.59	4.59
(b) Non - current investments	324.64	277.02	277.02	418.53	397.08
(c) Deferred tax liabilities (Net)	2,219.00	885.92	885.92	2,273.02	939.81
(d) Long term loans and advances	1,636.15	1,614.70	1,614.70	1,636.15	1,614.70
(e) Trade receivables (Legal)	7,097.75	5,889.25	5,889.25	7,081.69	5,932.53
Sub Total	5,015.32	4,754.19	4,754.19	5,024.93	4,814.61
(2) Current Assets					
(a) Inventories	6,404.79	6,486.14	6,486.14	6,474.19	6,555.54
(b) Trade receivables	58.51	215.63	215.63	61.53	218.22
(c) Cash and Bank Balances	774.29	2,218.74	2,218.74	883.56	2,308.54
(d) Short Term Loans and Advances	101.55	108.91	108.91	101.55	108.91
Sub Total	12,354.46	13,783.61	13,783.61	12,545.76	14,005.82
TOTAL	19,452.21	19,672.86	19,672.86	19,627.45	19,938.35

Notes:

1. The figures of the respective corresponding previous period have been re-grouped and/or re-arranged wherever necessary.
2. The consolidated financial results for the year ended 31st March 2017 and its subsidiary Salora Component Limited and its subsidiary Salora International Limited and its financial results of Salora International Limited and approved thereafter by the Board of Directors in meeting held on 29th May 2017.
3. The above audited financial results have been reviewed by the Audit Committee and approved thereafter by the Board of Directors in meeting held on 29th May 2017.
4. The figures of last quarter ended are the balancing figures between audited figures in respect of the full financial result ended March 31st 2017 and the published year to date figures upto the 3rd quarter ended December 31st 2016.

Place : New Delhi.

Date : 29th May, 2017

GOPAL JIWARAJKA

CHAIRMAN & MANAGING DIRECTOR





K. PRASAD & COMPANY
Chartered Accountants

G-1, Ground Floor, South Extension-II, New Delhi-49
Ph.: 011-41649623, 41649624, 41649625, 41649626
E-mail : agarwalkm@rediffmail.com
fca.rsgupta@gmail.com

INDEPENDENT AUDITORS' 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, 2017, 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, 2017 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, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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.
 - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company, refer Note 17 to the financial statements.

For K. Prasad & Company

Chartered Accountants

FRN 002755N

R.S. Gupta

R.S. Gupta

Partner

M.No: 072666



Place: New Delhi

Date: 29th May 2017

THE ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2017, 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 discrepancies were noticed on such verification.
c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company, except the following,
 - Lease hold land at D-13/4 Okhla Industrial Area Phase II 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, 2017 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, 2017 are as follows.



Name of the Statute	Nature of the dues	Dispute Amount (Rs /Lacs)	Amount Deposited (Rs /Lacs)	Amount not Deposited (Rs /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	2001-2004	Appellate Authority - Supreme Court
	Sales Tax	36.81	7.70	29.11	1995-2002	Appellate Authority - High Court
	Sales Tax	914.99	173.66	741.33	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	2015-16	Commissioner
Central Excise Act, 1944	Excise Duty	2435.21	300.00	2135.21	1993-1994 to 2003-2004	Appellate Authority - Tribunal
	Excise Duty	41.97	0	41.97	2001-2004	Assistant Commissioner
	Excise Duty	47.26	4.20	43.06	2009-2011	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	0.17	0.17	0	2010-2011	Assistant Commissioner
	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.

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.

10. To be 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.



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.
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 provision 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.
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.

For K. Prasad & Company
Chartered Accountants
FRN 002755N


R.S. Gupta
Partner
M.No: 072666



Place: New Delhi
Date:- 29th May 2017



K. PRASAD & COMPANY
Chartered Accountants

G-1, Ground Floor, South Extension-II, New Delhi-49
Ph.: 011-41649623, 41649624, 41649625, 41649626
E-mail : agarwalkm@rediffmail.com
fca.rsgupta@gmail.com

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, 2017, 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, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

a. We did not audit the financial statements / financial information of subsidiary whose financial statements / financial information reflect total assets of Rs.54544856 as at 31st March, 2017, total revenues of Rs. 22448351 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, 2017 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, 2017 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.

iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company, refer Note 17 to the consolidated financial statements.

For K. Prasad & Company

Chartered Accountants

FRN 002755N

R.S. Gupta

R.S. Gupta

Partner

M.No: 072666



Place: New Delhi

Date:- 29th May 2017

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")

We have audited the internal financial controls over financial reporting of SALORA INTERNATIONAL LIMITED ("the Company") as of March 31, 2017 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.

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 2017, 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

R.S. Gupta

R.S. Gupta

Partner

M.No 072666



Place: New Delhi

Date: 29th May 2017