

**STATEMENT OF ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH, 2012**

SALORA CAPITAL LIMITED

S. S. KOTHARI & CO.

CHARTERED ACCOUNTANTS

37, HAMAM STREET, FORT, MUMBAI - 400 001.

TEL. NO. : 2265 3555/ 2265 0264

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S. S. KOTHARI & CO.
CHARTERED ACCOUNTANTS

37, HAMAM STREET, 2nd FLOOR, FORT, MUMBAI - 400 001. TEL 22650264, 22653555, 22666219 FAX: 22654370 E-mail: mail@vparekh.com

AUDITORS' REPORT

The Members,
SALORA CAPITAL LIMITED,
(Formerly Known As Jadoonet Limited)
MUMBAI,

1. We have audited the attached Balance Sheet of SALORA CAPITAL LIMITED, (Formerly Known As Jadoonet Limited), as at 31st March, 2012, the Cash Flow Statement and the Statement of Profit & Loss for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books of account.
 - c) The Balance Sheet and the Statement of Profit & Loss dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the attached Balance Sheet & the Statement of Profit & Loss dealt with by this report comply with the Accounting Standards referred in sub-section (3C) of Section 211 of the Companies Act, 1956.



SALORA CAPITAL LIMITED (2011-2012)
(Formerly Known As Jadoonet Limited)

- e) On the basis of the written representations received from the directors as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2012 from being appointed as a director in terms of section 274(1) (g) of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read with notes thereon, give the information required by the Act, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
- ii. In the case of the Statement of Profit & Loss of the profit for the period ended on that date.
- iii. In the case of Cash Flow Statement of the cash flow for the period ended on that date.

FOR AND ON BEHALF OF
S.S. KOTHARI & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 105330W



Rasesh V. Parekh

RASESH V. PAREKH PARTNER
MEMBERSHIP NO. 38615

MUMBAI,
DATED: 28TH MAY, 2012

ANNEXURE REFERRED TO IN PARAGRAPH 3 TO OUR REPORT ON THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH, 2012

1. In respect of it's Fixed Assets:
 - (a) Proper Fixed Asset Register is maintained that shows full particulars including quantitative details and situation of Fixed Assets.
 - (b) As explained to us, the Management is following a phased programme involving verification of the Fixed Assets at reasonable intervals. Discrepancies noticed during the course of such verification are dealt with adequately in the books of accounts.
 - (c) The company has not made substantial disposal of fixed assets affecting the going concern of the Unit.
2. (a) The Company does not have any type of inventory during the financial period. Hence sub clause (b) of clause 2 of the report is not applicable to the company.
3. During the year the Company has not granted / taken any loan to / from parties covered in the register maintained under Section 301 of the Companies Act, 1956. Hence sub-clauses (a) to (g) of clause 3 of the report are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with the size of the Company with regard to the purchase of inventory, fixed assets and sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls. We have not observed any failure on the part of the Company to correct major weakness in internal control system.
5. (a) Based on the audit procedures applied by us and according to the information and explanations provided to us by the Management, we are of the opinion that there are no transactions made which need to be entered in to the register to be maintained in pursuance of Section 301 of the Act, 1956.
 - (b) There are no transactions made which need to be entered into the register to be maintained in pursuance of Section 301 of the Companies Act 1956 and hence this point is not applicable.
6. In our opinion and according to the explanations given to us, the Company has not accepted any deposits within the meaning of Section 58A and Section 58AA or any other relevant provisions of the Act and the rules framed there under.
7. The Company does not have formal internal Audit System.
8. The Company is not required to maintain cost accounting records under section 209 (1) (d) of the Companies Act, 1956.
9. (a) According to the information and explanations given to us the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues.
 - (b) According to the information and explanations given to us and as per the records of the Company there are no disputed statutory dues as at 31st March 2012.



SALORA CAPITAL LIMITED (2011-2012)
(Formerly Known As Jadoonet Limited)

10. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately proceeding financial year.
11. According to the information and explanations given to us, the Company has no dues payable to a financial institution or bank or its debenture holder.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and/or other security.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit society. Therefore, the provisions of clause are not applicable to the Company.
14. As per the information and explanation given to us and records produced before us the Company has maintained proper records of transaction and contracts in respect of trading in shares, debentures and other securities and that timely entries have been made and those shares and securities are held up by the Company in it's own name.
15. In our opinion and according to explanations given to us, the Company has not given any guarantees for loans taken by others from bank and institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not availed any term loans during the period.
17. The company does not used any funds raised on short term basis for long term investments.
18. The Company has not made any preferential allotment of shares to any of the entities / persons covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debentures during the period, which required creation of security or charge.
20. The Company has not raised any money by public issue during the period.
21. Based on the audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the period.

FOR AND ON BEHALF OF
S.S. KOTHARI & CO.
CHARTERED ACCOUNTANTS
FIRM REG. NO. 105330W



Rajesh V. Parekh
RASESH V. PAREKH – PARTNER
MEMBERSHIP NO. 38615

MUMBAI,
DATED: 28TH MAY, 2012

SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)
BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Notes	31st March, 2012	31st March, 2011
		Amount in Rs.	Amount in Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	3	46,501,500	46,501,500
Reserves and Surplus	4	19,938,023	17,064,710
(2) Non-Current Liabilities			
Long-term borrowings	5	-	288,155
Long Term Provisions	6	156,708	146,614
(3) Current Liabilities			
Trade payables	7	842,665	235,726
Other current liabilities	8	304,279	323,665
Short-term provisions	9	106,386	59,186
Total		67,849,561	64,619,556
II. ASSETS			
(1) Non-current assets			
Fixed assets			
Tangible assets	10	537,446	723,642
Non-current investments	11	2,304,400	2,304,400
Long term loans and advances	12	53,877,858	54,576,578
(2) Current assets			
Cash and cash equivalents	13	436,700	129,424
Other current assets	14	10,693,157	6,885,512
Total		67,849,561	64,619,556

Significant Accounting policies and notes to the Financial Statements

2

As per our report of even date

For and on behalf of

S.S. KOTHARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 105330W

R. V. Parekh

RASESH V. PAREKH - PARTNER

Membership No. 38615

Mumbai

Dated:- 28th May 2012

For & on behalf of Board Of Directors of

SALORA CAPITAL LIMITED

[Signature]
DIRECTOR

[Signature]
DIRECTOR

New Delhi

Dated:- 28th May 2012

SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Notes	31st March, 2012	31st March, 2011
		Amount in Rs.	Amount in Rs.
Revenue from operations	15	6,430,259	6,054,077
Other Income	16	49,368	20,891
Total Revenue		6,479,627	6,074,968
Expenses:			
Employee benefit expense	17	782,575	615,000
Financial costs	18	39,965	54,586
Depreciation and amortization expense	10	186,196	236,607
Other expenses	19	1,275,147	1,324,962
Total Expenses		2,283,883	2,231,155
Profit before exceptional and extraordinary items and tax		4,195,744	3,843,813
Exceptional and extraordinary Items		-	-
Profit/(loss) before tax		4,195,744	3,843,813
Tax expense:			
1. Current tax		1,322,950	721,300
2. Tax for Earlier Year		(519)	(24,315)
3. Adjustment During the year - MAT Credit Entitlement		-	(148,470)
Profit/(Loss) for the period		2,873,313	3,295,298
Earning per equity share:			
1) Basic	20	0.62	0.71
2) Diluted	20	0.62	0.71

Significant Accounting policies and notes to the Financial Statements

2

As per our report of even date

and on behalf of

S S KOTHARI & CO.

CHARTERED ACCOUNTANTS

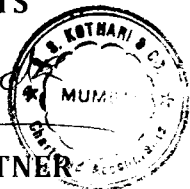
Firm Reg. No. 105330W

RASESH V. PAREKH - PARTNER

Membership No. 38615

Mumbai

Dated:- 28th May 2012



For & on behalf of Board Of Directors of

SALORA CAPITAL LIMITED

DIRECTOR

DIRECTOR

New Delhi

Dated:- 28th May 2012

SALORA CAPITAL LIMITED

(FORMERLY KNOWN AS JADOONET LIMITED)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	31st March, 2012	31st March, 2011
	AMOUNT IN Rs	AMOUNT IN Rs
Cash Flow From Operating Activities		
Profit before tax	4,195,744	3,843,813
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortisation	186,196	236,607
Interest Expense	39,634	54,233
Interest Income	(6,479,627)	(6,074,968)
Operating profit before working capital changes	(2,058,053)	(1,940,315)
Movements in working capital:		
Increase/(decrease) in trade payables	587,553	(781,776)
Increase/(decrease) in long term provision	10,094	146,614
Increase/(decrease) in short term provision	47,200	59,186
Decrease/(increase) in long term loans and advances	698,720	(6,734,139)
Decrease/(increase) in other current assets	(3,807,645)	683,593
Cash generated from/(used in) operating activities	(4,522,131)	(8,566,837)
Direct taxes paid	(1,322,431)	(548,515)
Net cash flow from/(used in) operating activities (A)	(5,844,562)	(9,115,352)
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, CWIP and Capital advances	-	(955,790)
Proceeds from non-current investments	-	2,546,600
Net cash flow from/(used in) investing activities (B)	-	1,590,810
Cash flow from financing activities		
Proceeds from long term borrowings	-	288,155
Repayment of long term borrowings	(288,155)	-
Interest paid	(39,634)	(54,233)
Interest received	6,479,627	6,074,968
Net cash flow from/(used in) financing activities (C)	6,151,838	6,308,890
Net increase/(decrease) in cash and cash equivalents (A)+(B)+©	307,276	(1,215,652)
Cash and cash equivalents at the beginning of the year	129,424	1,345,076
Cash and cash equivalents at the end of the year	436,700	129,424

Significant Accounting policies and notes to the Financial Statements

2

As per our report of even date

For and on behalf of

S.S. KOTHARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 105330W

RASESH V. PAREKH - PARTNER

Membership No. 38615

Mumbai

Dated:- 28th May 2012

For & on behalf of Board Of Directors of

SALORA CAPITAL LIMITED

DIRECTOR

DIRECTOR

New Delhi

Dated:- 28th May 2012

SALORA CAPITAL LIMITED

(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

Particulars	31st March, 2012	31st March, 2011
	Amount in Rs.	Amount in Rs.
3 Share capital		
Authorised		
60,00,000 (Previous year 60,00,000) Equity Shares of Rs. 10/- each	60,000,000	60,000,000
	60,000,000	60,000,000
Issued, subscribed and fully paid up		
46,50,150 (Previous Year 46,50,150) Equity Shares of Rs.10/- each fully paid up	46,501,500	46,501,500
	46,501,500	46,501,500

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31st March, 2012		31st March, 2011	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the period	4,650,150	46,501,500	4,650,150	46,501,500
Issued during the year			-	-
Buy-back during the year			-	-
Outstanding at the end of the period	4,650,150	46,501,500	4,650,150	46,501,500

b. Term/rights attached

Equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March, 2012, the amount of per share dividend recognised as distributions to equity shareholders was Rs. NIL (Previous year Rs. NIL).

c. Shares held by holding/ultimate holding company and/or their subsidiaries/associates

	31st March, 2012	31st March, 2011
	No. of shares	No. of shares
Holding Company - Salora International Limited	4,249,170	4,249,170

d. Aggregate numbers of bonus shares issued, share issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting date:

NIL



SALORA CAPITAL LIMITED

(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

Particulars	31st March, 2012	31st March, 2011
	Amount in Rs.	Amount in Rs.

e. Details of shareholders holding more than 5% shares in the company

	31st March, 2012		31st March, 2011	
	Nos.	% holding	Nos.	% holding
Equity shares of Rs. 10 each fully paid				
Salora International Limited	4,249,170	91.38	4,249,170	91.38

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

4 Reserves and surplus :

Reserve Fund

Balance as per last financial statements	3,113,817	2,454,757
Add: amount transferred from surplus balance in the statement of profit and loss	574,663	659,060
Closing Balance	3,688,480	3,113,817

Surplus/(deficit) in the statement of profit and loss

Balance as per last financial statements	13,950,893	11,314,655
Add: Profit/(Loss) for the Year	2,873,313	3,295,298
Less: Appropriations		
Transfere to reserve fund	574,663	659,060
Total appropriations	574,663	659,060
	16,249,543	13,950,893
	19,938,023	17,064,710

5 Long term borrowings

Secured Loan

Vehical Loan	-	288,155
	-	288,155

The above amount includes

Secured borrowings	-	288,155
Unsecured borrowings		
Net Amount	-	288,155

Note :-

Vehical Loan secured against the vehical.

6 Long term provisions

Provision for Standard Assets	156,708	146,614
	156,708	146,614



SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

Particulars	31st March, 2012	31st March, 2011
	Amount in Rs.	Amount in Rs.
7 Trade payables		
Trade payables (including acceptance)		
Due to micro and small enterprises	-	-
Others	842,665	235,726
	842,665	235,726
8 Other current liabilities		
Current maturities of long term borrowings	288,155	264,062
TDS Payable	16,124	59,603
	304,279	323,665
9 Short term provisions		
Provision for Taxation (net of advance tax paid)	106,386	59,186
	106,386	59,186
11 Non current investments		
Non Trade investments (valued at cost unless stated otherwise)		
Investment in associates		
13520 (PY 13520) Equity Shares of Devi Electronics Private Limited @ 100/- each Fully paid-up	2,298,400	2,298,400
10,00,000/- (PY 10,00,000/-) Equity Shares of Nanda Netcom Private Limited of Rs. 1/- each Fully paid-up	1,680,000	1,680,000
	3,978,400	3,978,400
Less:-		
Diminution in value of investment	1,680,000	1,680,000
	2,298,400	2,298,400
Other Investment		
National Saving Certificate	6,000	6,000
	2,304,400	2,304,400
12 Long term loans and advances		
Loans and advances to related parties		
unsecured, considered good	51,990,000	51,760,000
Total (A)	51,990,000	51,760,000
Other loans and advances		
MAT Credit Entitlement	1,025,947	1,543,245
Balance with statutory/government authorities	861,911	1,273,333
Total (B)	1,887,858	2,816,578
Total (A)+(B)	53,877,858	54,576,578



SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

Particulars	31st March, 2012	31st March, 2011
	Amount in Rs.	Amount in Rs.
Loans and advances due by directors and other officers, etc.		
Loans to employee includes		
Dues from non-executive directors	NIL	NIL
dues from officers	NIL	NIL
Loans to related parties includes		
dues from holding company	NIL	NIL
dues from subsidiary company	NIL	NIL
13 Cash and cash equivalent		
Balance with banks:		
On current accounts	369,435	74,554
Cash on Hand	12,152	3,470
(A)	<u>381,587</u>	<u>78,024</u>
Other bank balance		
Deposits with original maturity of more than 12 months	55,113	51,400
(B)	<u>55,113</u>	<u>51,400</u>
	<u>436,700</u>	<u>129,424</u>
14 Other current assets		
Accrued Interest	10,693,157	6,885,512
	<u>10,693,157</u>	<u>6,885,512</u>



SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)
 Notes to financial statements for the year ended 31st March, 2012

Note:- 10
FIXED ASSETS

Description	RATE @%	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2011	ADDITIONS	DISPOSALS & ADJUSTMENTS	AS ON 31.03.2012	AS ON 01.04.2011	DURING THE YEAR	AS ON 31.03.2012	AS ON 31.03.2011
Computers	40	27,310	-	-	27,310	22,851	-	4,459	4,459
Motor Car	25.89	955,790	-	-	955,790	236,607	186,196	532,987	719,183
Current Year		983,100	-	-	983,100	259,458	186,196	537,446	723,642
Previous Year		27,310	955,790	-	983,100	22,851	236,607	723,642	723,642



SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

Particulars	31st March, 2012	31st March, 2011
	Amount in Rs.	Amount in Rs.
15 Revenue from operations		
Interest income on		
loans and advances	6,430,259	6,054,077
	6,430,259	6,054,077
16 Other Income		
Interest income on		
Income tax refund	49,368	20,891
	49,368	20,891
17 Employee benefit expenses		
Salaries, wages and bonus	744,000	531,000
Staff welfare expenses	38,575	84,000
	782,575	615,000
18 Financial costs		
Interest	39,634	54,233
Bank Charges	331	353
	39,965	54,586
19 Other Expenses		
Rent	-	360,000
Rates and taxes	-	47,890
Insurance	22,010	-
Office Maintenance	420,000	216,000
Legal and Professional Charges	327,300	232,303
Travelling & Conveyance	374,870	236,230
Auditor remuneration	44,120	62,876
Communication Expenses	25,995	12,367
ROC Fees	5,130	-
Printing & Stationery	14,628	-
Contingent Provision against Standard Assets	10,094	146,614
Miscellaneous Expenses	31,000	10,682
	1,275,147	1,324,962
Payment to auditor		
As auditor:		
Audit fee	33,090	33,090
Tax audit fee	11,030	11,030
In other capacity:		
Other services (certification fees)	-	18,756
	44,120	62,876



SALORA CAPITAL LIMITED

(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

Particulars	31st March, 2012	31st March, 2011
	Amount in Rs.	Amount in Rs.

20 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations.

Profit/(loss) after tax	(A)	2,873,313	3,295,298
Weighted average number of equity shares outstanding during the period	(B)	4,650,150	4,650,150
Earning per share (EPS)	(A)/(B)	0.62	0.71

21 Contingent Liabilities

There is no contingent liability as on date of financial statements (previous year Rs. Nil)

22 Commitment towards capital accounts as well as others is Rs. Nil (previous year Nil).

23 Income in foreign currency Rs. Nil (previous year Rs. Nil).

24 Expenditure in foreign currency Rs. Nil (previous year Rs. Nil).

25 Deferred income taxes on account of depreciation on fixed assets and provision on investments, the company has deferred tax asset. However in view of uncertainty involved in realising the tax asset, the same are not recognized.

26 Debit and Credit Balances

The Balance in Debtors, Creditors and Advances accounts are subject to confirmation and reconciliation, if any. However as per management representation no material impact on financial statements out of such reconciliation is anticipated.

27 Segment information

There is no separate segment which require reporting as per Accounting Standard-17 issued by the Institute of Chartered Accountants of India.

28 Related party disclosures

A Name of related parties and related party relationship

Related parties where control exists

Salora International Limited	Holding Company
Salora Components Limited	Group Subsidiary Company
Salora Retail Venture Limited	Associate Company
Devi Electronics Private Limited	Other Related Company

Directors & Key persons

1. Mr. Gopal Sitaram Jiwaraajka	Director
2. Mr. Tarun Jiwaraajka	Director
3. Mr. Ayush Jiwaraajka	Director

B Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:



SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)
Notes to financial statements for the year ended 31st March, 2012

Particulars	31st March, 2012	31st March, 2011
	Amount in Rs.	Amount in Rs.
29 Details of dues to micro and small enterprises as defined under the MSMED act, 2006.		
	Amount in Rs.	Amount in Rs.
Principal outstanding at the end of the year	NIL	NIL
Interest outstanding at the end of the year	NIL	NIL
	NIL	NIL

No interest has been paid / payable by the company during the year (Previous Year Rs. NIL) to the "supplier" covered under the Micro, Small and Medium Enterprises Development Act, 2006. The above information takes into account only those supplier who have responded to inquiries made by the Company for this purpose.

30 Subsequent events

There is not any subsequent event reported after the date of financial statements.

31 Previous year figures

Till the year ended 31st March 2011, the company was using pre- revised Schedule-VI of the Companies Act, 1956, for preparation and presentation of its financial statements. During the year ended 31st March 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company. The company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in financial statements.

As per our report of even date

For and on behalf of

S.S. KOTHARI & CO.

CHARTERED ACCOUNTANTS

Firm Reg. No. 105330W

R. Parekh v. Parekh

RASESH V. PAREKH - PARTNER

Membership No. 38615

Mumbai

Dated:- 28th May 2012



For & on behalf of Board Of Directors of

SALORA CAPITAL LIMITED

C. K. ...

DIRECTOR

V. ...

DIRECTOR

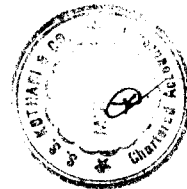
New Delhi

Dated:- 28th May 2012

SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

Nature of Transaction	Holding Company		Group Subsidiary		Associate		Other Related Party	
	C.Yr.	Pr. Yr	C.Yr.	Pr. Yr	C.Yr.	Pr. Yr	C.Yr.	Pr. Yr
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
Purchase Of Goods	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Loan Given	7,000,000	13,370,000	NIL	9,400,000	5,625,000	1,800,000	NIL	NIL
Loan Received Back	6,770,000	8,900,000	125,000	8,870,000	5,500,000	NIL	NIL	NIL
Interest (Income)	575,122	355,705	1,735,309	1,620,707	269,351	44,868	1,320,000	1,430,000
Loan Taken	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Loan Repaid	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Interest (Expense)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Expenses Paid on our behalf	343,163	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding Balance								
Loan Receivable	4,700,000	4,470,000	14,105,000	14,230,000	2,185,000	2,060,000	11,000,000	11,000,000
Interest Receivable	NIL	NIL	1,561,778	1,458,635	242,416	NIL	3,762,000	2,574,000
Payable	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

1 Corporate information

SALORA CAPITAL LIMITED is a public domiciled in India and incorporated under the provisions of the Companies Act, 1956.

2 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. These financial statements have been prepared on an accrual basis and under the historical cost of convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies

a. Change in accounting policy

Presentation and disclosure of financial statements

During the year ended 31st March, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principals followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

In case of revaluation of any fixed assets, revaluation is credited to the revaluation reserve, except to the extent that it reserves a revaluation decrease of the same asset previously recognized in the statement of profit and loss, in which case the increase is recognized in the statement of profit and loss. A revaluation deficit in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.



SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

The company adjusts exchange difference arising on translation /settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset (if any)to the cost of the asset and depreciates the same over the remaining life of the asset.

Gains or losses arising from de recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

d. Depreciation on tangible fixed assets

Depreciation on fixed assets is calculated on a Written Down Value method using the rates prescribed under the schedule XIV to the companies Act, 1956.

e. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

f. Impairment of tangible

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generated units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining net selling price, recent market transaction is taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each the company's cash-generated units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated as applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation up to the amount of any previous revaluation.



SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generated unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumption used to determine the asset's recoverable since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in the prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

g. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investment.

On initial recognized, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investment is carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investment.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h. Revenue recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliable measured. The following specific recognition criteria must also be met before revenue is recognized:

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized with the company's right to receive dividend is established by the reporting date.



SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

i. Income taxes

Tax expenses comprise current tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes on account of depreciation on fixed assets and provision on investments, the company has deferred tax asset. However in view of uncertainty involved in realising the tax asset, the same are not recognized.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specific period, i. e, the period for which MAT credit is allowed to be carried forward. In the year in which the company recognize MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the income -tax Act,1961, the said is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

j. Segment reporting

Identification of segments

The company has only one segment (business as well as geographical) hence the reporting under Accounting Standard 17 is not applicable to the company.

k. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a right issue, share split, and reserve share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period are adjustable for the effect of all dilutive potential equity shares.



SALORA CAPITAL LIMITED

(FORMERLY KNOWN AS JADOONET LIMITED)

Notes to financial statements for the year ended 31st March, 2012

l. Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in the statement of profit and loss net of any reimbursement.

m. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statement.

n. Cash and cash equivalents

Cash and cash an equivalent for the purposes of cash flow statement comprises cash at bank and in hand and short-term investments with an original maturity of three months or less.

