



Salora International Ltd.

October 10, 2018

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI - 400 001.

Sub: Submission of Annual Report for the Financial Year
2017-18

Dear Sir,

Pursuant to the Regulation 34 of the SEBI (Listing Regulations & Disclosure Requirements) Regulations, 2015, we are submitting herewith 49th Annual Report of the Company for the Financial Year 2017-18 as approved and adopted in 49th Annual General Meeting of the Company held on Thursday, 27th September, 2018 at India Islamic Cultural Centre, 87-88, Lodhi Road, New Delhi-110 003.

This is for your information and records.

Thanking you,

Yours faithfully,
for **Salora International Ltd.**,

(Gopal Sitaram Jiwarajka)
Chairman & Managing Director

Encl.: As above

49th ANNUAL REPORT 2017-18



BOARD OF DIRECTORS

GOPAL SITARAM JIWARAJKA – Chairman & Managing Director

GAUTAM KHAITAN – Chairman Audit Committee &
Independent Director

TARUN JIWARAJKA – Whole Time Director & CFO

NEETU JIWARAJKA – Executive Director

PATANJALI GOVIND KESWANI – Independent Director

SANJEEV KAUL DUGGAL – Independent Director

KARNA SINGH MEHTA – Independent Director

SAVITRI DEVI JIWARAJKA – Non Executive Director

COMPANY SECRETARY

MOHD. FAISAL FAROOQ

AUDITORS

R. GOPAL & ASSOCIATES, STATUTORY AUDITORS

SCV & CO. LLP, INTERNAL AUDITORS

GURVINDER CHOPRA & CO. COST AUDITORS

NAVNEET K.ARORA & CO.LLP, SECRETARIAL AUDITORS

BANKERS

STATE BANK OF INDIA

CANARA BANK

HDFC BANK LTD.

REGISTERED OFFICE

SALORA INTERNATIONAL LTD.

D – 13/4, OKHLA INDUSTRIAL AREA,

PHASE – II, NEW DELHI – 110 020.

CIN L74899DL1968PLC004962

Sect@salora.com

CORPORATE OFFICE & MANUFACTURING PLANT

PLOT NO. B – 31 to 34 & 50 to 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:30857562

Email: admin@skylinerta.com

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ANNUAL GENERAL MEETING

Day : Thursday

Date : 27th September, 2018

Time : 11.00 am

Venue : India Islamic Cultural Centre, 87-88, Lodhi Road,
Lodhi Gardens, Lodi Estate, New Delhi-110003

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

Visit us at www.salora.com

NOTICE TO THE 49TH ANNUAL GENERAL MEETING

NOTICE is hereby given that 49th Annual General Meeting of the Members of Salora International Limited will be held on Thursday, 27th September, 2018 at 11.00 A.M. at India Islamic Cultural Centre, 87-88, Lodhi Road, Lodhi Gardens, Lodi Estate, New Delhi -110 003 to transact the following businesses:

ORDINARY BUSINESS

Item No.1 - Adoption of Financial Statements

- a) The Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors thereon; and
- b) The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the Report of Auditors thereon.

Item No.2 -Appointment of a Director in place of those retiring by rotation

To appoint a director in place of Shri Tarun Jiwrajka (DIN 00386240), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

Item No. 3 – Ratification of Cost Auditors’ remuneration

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company M/s. Gurvinder Chopra & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2018-19, be paid remuneration of Rs.40,000/- plus applicable GST and reimbursement of actual travel and out of pocket expenses, that may be incurred by them in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and approved”.

Item No.4 Revision of remuneration of Shri Gopal Sitaram Jiwrajka, Chairman and Managing Director (DIN: 00024325).

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

“**RESOLVED THAT** pursuant to provisions of section 196, 197, read with rules made thereunder, schedule V and any other applicable provisions of Companies Act, 2013 (including any statutory modification(s), re-enactment for the time being in force) and pursuant to recommendation of Nomination & Remuneration Committee and as approved by the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded to fix the annual remuneration payable to Shri Gopal Sitaram Jiwrajka, Chairman and Managing Director of the Company with effect from 1st April, 2018 to his remaining tenure i.e. up to 30th June, 2019, which shall not exceed in any case more than the limits specified under the schedule V under the relevant brackets of effective capital (Rs 5 Crore – 100 Crore) as specified under Companies Act, 2013.

RESOLVED FURTHER THAT terms and conditions of remuneration payable to Shri Gopal Sitaram Jiwrajka, Chairman and Managing Director of the company shall be same as was passed and approved by the members of the company in the 47th Annual General Meeting of the Company dated 14th September, 2016, the same has been enunciated below;

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 policy

Category B- Perquisites not included in computation of total managerial remuneration ceiling as per schedule V;

- a) Company's contribution towards Provident Fund, Annuity Fund, if any 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,

RESOLVED FURTHER THAT Shri Gopal Sitaram Jiwrajka, Chairman and Managing Director (DIN 00024325), 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 Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution."

Item No. 5 - Sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013.

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 section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the enabling provisions in the Memorandum of Association and Articles of Association of the Company, approval and consent of the members of the Company be and is hereby granted to the Board of Directors to sell and transfer the fixed assets including land & Building and other assets of company premise situated at D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110020.

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and further to do all acts, deeds, matters and things and to execute all documents and writings as may be necessary, proper or desirable or expedient to give effect to this 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

(Mohd. Faisal Farooq)
Company Secretary

Dated: 28.05.2018
Place: New Delhi

NOTES

1. 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. The relevant details required Pursuant to Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Director seeking re-appointment at the Annual General Meeting, forms part of the notice and is appended to the notice.
2. **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.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the commencement of the AGM. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.

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.

3. The Register of Members and the Transfer Books in respect of equity shares of the Company will remain closed from 22nd September, 2018 to 27th September, 2018 (both days inclusive) for the purpose of Annual General Meeting.
4. Members / Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith duly completed and signed, mentioning therein DP ID and Client ID / Folio No.
5. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20-04-2018, this is the first reminder by the Company to obtain copy of PAN Card, Bank details, Email id and Mobile / Telephone No from all the shareholders holding shares in physical form. Accordingly you are requested to kindly furnish self-attested copy of your PAN Card and original cancelled "Name printed Cheque" or copy of Bank Passbook / Statement attested by the Bank along with the details mentioned in Annexure "A" on the last page of the notice. You may send the details as given in Annexure "A" to the Company's Registrar & Share Transfer Agent (RTA), M/s SKYLINE FINANCIAL SERVICES PRIVATE LIMITED at D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi – 110 020.
6. You are also requested to please get your shareholding dematerialized as pursuant to SEBI circular no. SEBI/LAD-NRO/GN/2018/24 dated 08/06/2018, the transfer of securities shall not be processed w.e.f. 05/12/2018, unless the securities are held in de-materialized form with depository.
7. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or SKYLINE for assistance in this regard.
8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or SKYLINE, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Members seeking any information with regard to the accounts, are requested to write to the Company at least seven working days prior to the meeting, so as to enable the Management to keep information ready at the AGM.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same. Members holding shares in physical form may submit their nomination in Form 2B to SKYLINE. Members holding shares in electronic form may write to their respective depository participant.
12. There were no unclaimed and unpaid dividend amounts lying pending with the company.
13. To support the green initiative of the Government, electronic copy of the Annual Report for the year ended 31st March 2018 and notice of the 49th AGM are being sent to the members whose mail IDs are available with the Company/Depository Participant(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered the email address, physical copies of the Annual Report 2018 and the notice are being sent in the permitted mode. Please note that the annual report and the notice of the 49th Annual General Meeting are also posted on the website "www.Salora.com" for download and copy of the Annual Report shall be provided to the shareholder at the Annual General Meeting, if required. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with their DPs / SKYLINE.
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/Corporate 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. 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.
16. 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 this 49th Annual Report 2017-18.
17. Route Map showing directions to reach to the venue of the 49th AGM is given at the end of Annual Report as per the requirement of the Secretarial Standards-2 on "General Meeting".
18. Members can contact Shri Mohd. Faisal Farooq, Company Secretary, Tel. No. 0120-4885521 for any query relating to Annual General Meeting (AGM).
19. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given at Point No.22 below. Resolution(s) passed by Members through e-voting is / are deemed to

have been passed as if they have been passed at the AGM.

The Board of Directors have appointed CS Navneet Arora, Company Secretary in practice (FCS No. 3214 & Certificate of practice No. 3005) and failing him CS Arvinder Singh Kindra, Company Secretary in practice (FCS No. 3521 & Certificate of practice No. 17737, Partners of M/s Navneet K Arora & Co LLP, Company Secretaries situated at E-8/1, LGF Near Geeta Bhawan Mandir, Malviya Nagar, New Delhi, 110017 (Registration No. LLPIN-AAJ-0972) as the Scrutinizers, for conducting the voting/ poll and remotee-voting process in a fair and transparent manner.

20. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
21. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

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.

22. The instructions for e-voting are as under:

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)	Open web browser by typing the following URL: https:// www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
	iii)	Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
	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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by an e-mail at info@navneetaroracs.com with copy 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.

Notice

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 downloads section of NSDL's e-voting website www.evoting.nsdl.com. 'e-voting user manual' available in

- 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 21.09.2018. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of Annual General Meeting. Accordingly, the voting period shall commence at 9.00 A.M. on 24th September, 2018 and will end at 5:00 p.m. on 26th September, 2018. 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, polling 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 49th Annual General Meeting of the Company on 27th September, 2018 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors
Salora International Ltd.

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

(Mohd. Faisal Farooq)
Company Secretary

Dated: 28.05.2018
Place: New Delhi

Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 3

As per Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Board shall, based on the recommendation of the Audit Committee appoint a cost accountant in practice, for auditing cost records of the Company and fix their remuneration. The remuneration of cost Auditors approved by the Board shall be subject to ratification by the shareholders.

In pursuance thereof on recommendation of Audit Committee, the Board has at its meeting held on 28th May 2018 considered and approved appointment of M/s. Gurbinder Chopra & Co., Cost Accountants for Cost Audit of the cost records maintained by the Company for the financial year ending 31st March 2019, at a remuneration of Rs. 40,000/- plus applicable GST and reimbursement of actual travel and out of pocket expenses, subject to ratification by the members at ensuing AGM.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

The Board recommends the Resolution at Item No. 3 of the accompanying Notice for approval of the Members of the Company by way of passing the same by an Ordinary Resolution

Item No. 4

Members of the company may kindly recall that the resolution passed in the 47th Annual General Meeting of the company pursuant to which remuneration of Shri Gopal Sitaram Jiwrajka, Chairman and Managing Director of company was discussed and approved for a period of three years effecting from 1st July, 2016 to 30th June, 2019 on the terms and conditions as approved by members therein.

Further, members are evoked with the fact that maximum limits of yearly remuneration of Shri Gopal Sitaram Jiwrajka, Chairman and Managing Director of the company, shall not exceed in any case more than Rs.120 Lacs per annum taking into account relevant brackets of effective capital as defined under Schedule V of Companies Act, 2013 i.e. (Rs.100 Cr- 250 Cr) and accordingly remuneration was paid. Due to descend in effective capital of the company, company necessitate fresh review of maximum limits of yearly remuneration to be paid to Shri Gopal Sitaram Jiwrajka, Chairman and Managing Director of Company for his remaining tenure, therefore, resolution is submitted to the shareholders for review and requisite approval.

The members are further informed with the fact that as per latest financials of the company, brackets of effective capital is as (Rs.5 Cr-100 Cr) and accordingly the maximum yearly limits of remuneration shall not exceed in any case Rs.84,00,000/-. Further, as per Part II of Schedule V of Companies Act, 2013 the above limits shall also be construed as double if the same is proposed and passed through special resolution.

Except Shri Gopal Sitaram Jiwrajka, Smt. Neetu Jiwrajka, Smt. Savitri Devi Jiwrajka and Shri Tarun Jiwrajka, none of the other Directors/ Key Managerial Personnel or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

The Board recommends the Resolution at Item No. 4 of the accompanying Notice for approval of the Members of the Company by way of passing the same by a Special Resolution.

Item No. 5

Members of the Company, may kindly take a note that Section 180 (1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution. Explanation (i) to Section 180(1) (a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of Section 180(1) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty % of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180 (1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year.

Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are requested to kindly take a note that their consent to the Board is being sought by way of a Special Resolution to sell and transfer, the Fixed assets including land & Building and other realizable assets situated at D-13/4, Okhla Industrial Area, Phase-II, New Delhi, 110020.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 5

The Board recommends the Resolution at Item No. 5 of the accompanying Notice for approval of the Members of the Company by way of passing the same by a Special 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

(Mohd. Faisal Farooq)
Company Secretary

Dated: 28.05.2018
Place: New Delhi

Annexure to the Notice

Details of Director(s) 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:

- Name and brief profile of Director seeking appointment/Reappointment, Shri Tarun Jiwrajka;
Shri Tarun Jiwrajka, Whole Time Director and Chief Finance officer of the Company retires by rotation and holds office up to this Annual General Meeting.
- No. of Shares held in the company 3,72,741
- Date of Birth 31/03/1984 (Aged 34 Years)
- Din No. 00386240
- Date of appointment. 10/11/2011
- Qualifications Vitae Shri Tarun Jiwrajka enriched with good academics Qualifications and holding graduate degree in Business from Indiana University, Bloomington.
- Experience, Shri Tarun Jiwrajka possesses enormous 8 plus experience in the Television and electronic industry and rich experience in emerging low cost smart phones/basic phones market in India. He is also a well known business entrepreneur and a recognized start up incubator for various fresh startup entities in the industry. Shri Tarun Jiwrajka has been on the board of the company from last 8 years and has been spearheading the company in different business division namely LED TV Division, CRT TV, Towers Speakers and Low cost mobile handsets division.
- Relationship with other Directors and Key managerial Personnel
He is the Son of Shri Gopal Sitaram Jiwrajka (Chairman & Managing Director) and Smt Neetu Jiwrajka executive Director of the Company
He is the Grand Son to Smt. Savitri Devi Jiwrajka, Non Executive Director of the company
- No of Board Meeting Attended During the year, 4 Meetings held during the Financial Year.
- Directorship in other Company
 - Salora Components Limited (Subsidiary company)
 - Devi electronics Pvt. Ltd.
- Membership of committees
Stake Holder Relationship Committee
- Terms and Conditions of Appointment
Whole Time Director Liable to Retire by rotation
- Details of remuneration
Please refer to Directors Report and Corporate Governance Report

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

(Mohd. Faisal Farooq)
Company Secretary

Dated: 28.05.2018
Place: New Delhi

STATEMENT PURSUANT TO SCHEDULE V PART II SECTION – II

I. GENERAL INFORMATION

- | | |
|--|--|
| (1) Nature of Industry | : Manufacturing of Mobile Phone, Mobile charger, Mobile battery, LED TV, CRT TV and TV 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 : (-) 577.40
ii. PBT : (-) 1422.85
iii. PAT : (-) 1004.70 |
| (5) Foreign investment or collaborations, if any | : No foreign collaboration or investment |

II INFORMATION ABOUT THE APPOINTEE

(A) SHRI GOPAL SITARAM JIWARAJKA

- | | |
|---------------------------------------|---|
| (1) Background details : | Shri Gopal Sitaram JiwaraJka 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 depth knowledge of Indian conditions in respect of this industry. |
| (2) Past remuneration : | Past Remuneration paid to Shri Gopal Sitaram JiwaraJka, Chairman and Managing Director of the company is within the managerial remuneration limit as approved by the members earlier. |
| (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 JiwaraJka, is taking care of Company Business operations with his rich experience in Marketing, Finance, Production and Administration. 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 | 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 and Smt Savitri Devi jiwaraajka, Non Executive-Director |

Important Note*

Shri Gopal Sitaram Jiwaraajka, Chairman and Managing Director of the company appointed in the 47th Annual General Meeting of the company for a period of three years and his present tenure will expire on 30th June 2019.

At Present there is no change in the remuneration limit of Shri Gopal Sitaram Jiwaraajka in terms of numbers and amount as approved by the members in the respective Annual General Body Meeting In regard to the present resolution revision of remuneration of Shri Gopal Sitaram Jiwaraajka, Chairman and Managing Director, we wish to inform the members that proposed resolution is placed before the members due to change in relevant brackets of effective capital of the company as provided in schedule 'V' of Companies Act, 2013 as elaborated in explanatory statement attached to the notice.

III OTHER INFORMATION

- | | |
|---|--|
| (1) Reasons of loss or inadequate profits | During the FY 2017-18, sluggish demand of Company' product range in the market, has impacted the performance of the company. Further performance of the company has seen very slow growth and drop in sales numbers due to factors like import of low cost products from south East Asian countries by the various industry competitors, there were many other governmental decision at the Center like GST, monetization, launch of JIO Phone, high GST on LED TV which has impacted the sales number of the company to shrink and close at the lowest level till date. |
| (2) Steps taken or proposed to be taken for improvement | : The Company is taking all essential steps with utmost concern for future growth and stability of business which inter-alia includes: <ul style="list-style-type: none"> • Company's focus majorly on manufacturing of Salora Brand products to improve margin rates. • Available of cheap credit for low end customers • Company has launched new range of LED TVs, CRT TVs, Mobile Phones, Home Theaters and Speakers. These activities will add to turnover and profit in the year 2018-19 |
| (3) Expected increase in productivity and profits in measurable terms : | : Rigorous efforts are being made to improve remarkable productivity and profits of the Company. |

IV DISCLOSURE

- | | |
|---|---|
| The disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report. | : As 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

(Mohd. Faisal Farooq)
Company Secretary

Dated: 28.05.2018
Place: New Delhi

To,

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
D-153A, 1st Floor,
Okhla Industrial Area, Phase-I,
New Delhi – 110 020.

Unit – SALORA INTERNATIONAL LIMITED

Sir,

In terms of Securities and Exchange Board of India circular No. SEBI / HO / MIRSD / DOP1 / CIR / P /2018/73 dated April 20, 2018. I/We hereby furnish the required details as follows:

Name of Shareholders			
Folio No			
PAN (Attached Self attested copy) First Holder Second Holder Third Holder	FIRST HOLDER	SECOND HOLDER	THIRD HOLDER
Bank A/c No (Kindly attach name printed cancel cheque / attested copy of passbook)			
Bank name			
Branch Address			
IFSC No			
MICR No			
Email Id			
Mobile / Telephone No			

Annexure - Notice

Name of Shareholder(s) Signature of Shareholder(s)

1. _____ 1. _____
2. _____ 2. _____
3. _____ 3. _____

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting **49th** Annual Report and Audited Financial Statements for the Financial Year ended **31st March, 2018**.

1. FINANCIAL RESULTS (STANDALONE)

A quick view of the financial performance of the company for the financial year ended 31st March, 2018 along with the performance figures of previous financial years have been tabled below:

Particulars	₹ in Lacs)	
	2017-18	2016-17
Net Sales /Income from Business Operations	12800.00	32369.25
Less: Excise Duty	53.89	298.36
Net Sales	12746.11	32070.89
Add: Other Income	27.73	382.91
Increase / (Decrease) in stock	459.60	307.62
Total	13233.44	32761.42
Less: Total Expenditure	13810.84	32138.20
Operating Profit	(577.40)	623.22
Less: Interest	634.44	642.29
Less: Depreciation & Amortization	211.01	219.82
Profit before exceptional item & tax	(1422.85)	(238.89)
Less: Exceptional Item	-	-
Profit before tax	(1422.85)	(238.89)
Less: Provision for taxes		
Current Tax	-	-
Deferred Tax	418.15	63.67
Earlier Year: Deferred Tax	-	-
Earlier Year: Income Tax	-	-
Profit / (Loss) after tax	(1004.70)	(175.22)
Other comprehensive income	0.67	(4.49)
Balance carried to Balance Sheet	(1004.03)	(179.71)

2. DIVIDEND

In absence of profits, Board of Directors has not recommended any dividend this year also.

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

Now no amount of unpaid / unclaimed dividend is available or due with the Company for transfer to Investor Education and Protection Fund, established by the Government of India.

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the period under review, the Company has achieved net sales of Rs.127.46 crores in the financial year 2017-18 as compared to Rs.320.71 crores in the last financial year.

Company incurred operating loss of Rs.577.39 lacs against the profit of Rs.623.23 lacs earned during the last financial year.

However, overall performance during the year the company has seen very slow growth and drop in sales numbers due to factors like import of low cost products from south East Asian countries by the various industry competitors, there were many other governmental decision at the Center like GST, monetization, launch of JIO Phone, high GST on LED TV which has impacted the sales number of the company to shrink and close at the lowest level till date.

The De-monetization policy of the government has its lasting impact up to the close of financial year, has hit the expectation of the company for reviving its sale number in Two Tier and Three Tier cities, which is company's main market for sale.

As per review of performance of SALORA BRAND LED TV there are positive signs of growth in future and in near festive season as company performance in manufacturing and selling of its own BRAND 'SALORA' LED TV has increased by more than 20% during the year under review.

The management of the company is also and exploring all the other permissible measures to boost the sale like interest Subsidy, Low Cost Emi Facility to various of its customers. All these measure would definitely shift the consumer sentiments in the market.

The mobile hand set segment of the company has also been heavily hit due to tough global competition across the globe. The companies own Brand SALORA 'ARYA' Z4 low cost 4G hand Set has shown a great impulse of customers towards its performance. The management of the company is positive towards the mobile segment as the company is planning to bring more versions of 4G handsets which will definitely create a good sales numbers and cash flow from the company. The launch of JIO Phone has impacted the sales of feature phones also affecting the sale of your Company.

On reviewing the performance of Audio-Division of company the company plans to bring new towers speakers, Public Portable systems in the times to come. The towers speakers of the company have shown a good response at companies' dealers and its retailer's shelves. The management of the company is positive and empathetically conclusive in its words that there is more which can be achieve and done in this business segments.

There has been a decline of the online sales of the company. The Company is working to revive the online business by aligning with brands like Apple and other and with Portals like PayTM and Snap deal.

The management has been critically analyzing the performance of the company and the limitations parts of the same are being worked upon.

The management of the company is critically examining the key results areas, and are in process of forming the standards to achieve the maximum advantage for company and its shareholders wealth.

5. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED DURING THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT 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 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. The Company believes that it is need of the hour in the present market scenario for any business organization to impeccably recognize and effectively address the risk existing in the environment in which it operates. Company's Board, Audit Committee and Senior Management Personnel 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 the Board there is no risk that may threaten the existence of the Company's business.

9. CORPORATE SOCIAL RESPONSIBILITY POLICY UNDER THE PROVISION OF SECTION 135 OF THE COMPANIES ACT, 2013

The Section 135 of the Companies Act, 2013 is not applicable on 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 No.11 & 13 of the Standalone Financial Statement.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on Arm's Length Basis and in the Ordinary Course of Business and which are not material in nature too, hence, outside the scope of Section 188(1) of the Act. Related Party Transaction Statement submitted for approval to the Board and Audit Committee was supported by a certificate of an Independent Chartered Accountant Firm. All Related Party Transactions were placed before the Audit Committee as well as Board, for prior approval wherever required. None of the transactions were without approval of the Audit Committee. Prior omnibus approval of the Audit Committee 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 as placed before the Audit Committee for their review on a quarterly basis.

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 No.42 of the Standalone Financial Statements forming part of this Annual Report.

13. AUDITORS

Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. R. Gopal & Associates, Chartered Accountants, (Firm Registration No. No.000846C), were appointed as statutory auditors from the conclusion of the 48th Annual General Meeting (AGM) held on 13th September, 2017 till the conclusion of 53rd Annual General Meeting to be held in the year 2022, subject to the ratification of their appointment at every AGM, if required under law.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Navneet K Arora and Co.LLP, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Board at its meeting held on 28th May, 2018, has re-appointed M/s. Navneet K Arora and Co.LLP, as Secretarial Auditor, for conducting Secretarial Audit of the Company for financial year 2018-19.

Cost Auditors

Pursuant to Section 148(2) of the Companies Act, 2013 read

with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Company is required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board of Directors of the Company at its meeting held on 28th May, 2018 on the recommendation of the Audit Committee, appointed M/s. Gurvinder Chopra & Co. Cost Accountants to conduct the audit of Cost Accounting records of the Company for financial year 2018-19 at a remuneration of Rs.40,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expense. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

14. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The Auditors' Report and Secretarial Auditors' Report do not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditors' is furnished in Annexure-'II' and is attached to this report.

15. 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 has been disclosed in the Corporate Governance Report, which is part of this report under Nomination and Remuneration Committee section.

16. EXTRACT OF ANNUAL RETURN

The extract 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.

17. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

Following are the meetings of the Board of directors which were held 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 following certain dates;

- Ist Board Meeting 29th May, 2017
- IInd Board Meeting, 07th September, 2017,
- IIIrd Board Meeting 11th December, 2017
- IVth Board Meeting 13th February, 2018

18. 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 2017-18, 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, 2018 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.

19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

The Company has no joint venture company.

The financial performance of subsidiary Company is furnished in Form AOC-1 in Annexure-'IV' and is attached to this report.

20. DEPOSITS

The Company has not accepted/received any deposits during the year under report falling within the ambit of Section 73 of the Companies Act, 2013.

21. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Director has co-opted Shri Tarun Jiwrajka, Whole Time Director of the company, as Chief Financial Officer in place of Shri Vinay Kishore with effect from 13.02.2018.

22. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013.

The Independency declaration duly signed and dated by each of the Independent Director was placed before the board for review and the same was recorded.

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

The Audit Committee consists of the following members:

- 1) Shri Gautam Khaitan, Chairman
- 2) Shri Sanjeev Kaul Duggal, Member

- 3) Shri Patanjali Govind Keswani, Member
- 4) Shri Karna Singh Mehta, Member

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

The Company has established a vigil mechanism and which 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.

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

The Company is committed towards providing a healthy environment and thus does not tolerate any discrimination and/or harassment in any form. The Company has in place an Internal Complaints Committee to inter-alia:

- 1) Prevent sexual harassment of women workers at the workplace; and
- 2) Redress the complaints in this regard.

During the year under review, the Company did not receive any complaint.

25. SHARE CAPITAL

The Equity Shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and listing fees for the Financial Year 2018-19 have been paid to both the Stock Exchanges.

DEMATERIALISATION

Trading of Equity Shares of the Company in dematerialized form is compulsory for all shareholders w.e.f. 28.08.2000 in terms of the Notification issued by the Securities and Exchange Board of India (SEBI). The Company has achieved higher level of dematerialization with 98.17% of the total number of Equity Shares being held in the electronic mode with the two depositories (NSDL & CDSL).

26. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in the Annexure-‘V’ forming part of this Annual Report.

27. CORPORATE GOVERNANCE REPORT

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this Annual Report is annexed as Annexure-‘VI’. A certificate

from M/s. Navneet K. Arora & Co.LLP, Practicing Company Secretary (CoP No.3005) confirming the compliance of Corporate Governance is given in Annexure-‘VII’ forming part of this Annual Report.

28. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report is required under Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. A separate section on Management Discussion and Analysis is given in Annexure-‘VIII’ forming part of this Annual Report.

29. INTERNAL FINANCIAL CONTROL

Company has a proper and adequate system of internal control commensurate with the size and nature of its business 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 the Company policies so as to maintain accountability of all its assets and correctness of recorded transactions.

30. EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on February 13th 2018.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors, the Chairman of the Company and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and

Remuneration Committee, the performance of the board, its committees, and individual directors was also discussed.

Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

31. ACKNOWLEDGEMENTS

The Directors thanks the Company's employees, customers, vendors, investors and academic partners for their continuous support.

Date: 28.05.2018

Place: New Delhi

The Directors also thanks the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors appreciate and value the contribution made by every member of the SALORA family.

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

(Gopal Sitaram Jiwrajka)
Chairman & Managing Director
DIN:00024325

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 has taken appropriate steps for conservation of energy by using energy efficient equipments i.e. LED lights in Production floor and workshops and creating awareness in the employees for conservation of energy.
- (b) THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY : N.A.
- (c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS : N.A.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- (a) THE EFFORTS MADE IN TECHNOLOGY ABSORPTION : **Research and Development (R & D):**
- Speaker:** (a) Development of Multimedia speakers, Water proof speaker for Company and different customers.
- (b) Development of LED TV Speakers for Company and other OEM.
- LED TV:** (a) Developed new 127 CM Smart LED TV in for better integration with Mobile Phone & Internet.
- (b) Developed new series of 19", 24" and 32" LED TV.
- Telecom Division:**
- (a) Development of 5" Screen size Smart Phone with Android operating system for market.
- (b) Development of fast charging charger (adopter) for smart Mobile phone
- (C) Development of Battery for smart mobile Phone
- Company has successfully absorbed the LED TV Panel assembly technology to manufacture open cell LED TV Panels in house and started use of LED TV Panel technology for mass production.
- This creates a new opening for company to produce cost effective LED TV for masses adding margin to the company. Indigenous assembly of LED TV panels will reduce dependency on foreign suppliers and also help in better Customer support & Service.

- (b) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION :
- a) Compliance of all legal requirement of BIS
 - b) Cost competitiveness w.r.t. competition
 - c) Use of latest technology
 - d) Being in pace with the latest trend of the industry
 - e) 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)
- 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:

N. A.

	(Rs. in lacs)	
	<u>2017-18</u>	<u>2016-17</u>
(a) Capital	--	--
(b) Recurring	0.18	1.54
	-----	-----
(c) Total	0.18	1.54
	====	====

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. : Foreign Exchange mainly used during the year for import of goods and visit of Marketing & Engineering staffs to different countries for business purpose and market penetration.

	(Rs. in lacs)	
	<u>2017-18</u>	<u>2016-17</u>
Total foreign exchange used and earned	-----	-----
Foreign Exchange used	2366.26	2576.02
Foreign Exchange earned	--	189.88

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

(Gopal Sitaram Jiwrajka)
Chairman & Managing Director
DIN:00024325

Date: 28.05.2018
Place: New Delhi

Annexure – II

Secretarial Audit Report [For the Financial Year ended on 31st March 2018]

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

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** 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 2018** 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 2018** 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, 2015;
- c) 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
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

[No such Transaction was held during the financial year hence the Regulations stated at (v) d) to h) above were not applicable on the Company during the audit period].

- (iv) Labour, Environment & Other following 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 and The Electricity Rules, 1956.
- 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.

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) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect listing of securities 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, Independent Directors and Women Director. 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 the 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) All the decisions were carried unanimously as evident from the minutes of the meeting of the board and other committees recorded and duly signed by the chairman, there were no dissenting members' views during the audit period and therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

For Navneet K Arora & Co LLP
Company Secretaries

CS Navneet Arora
Managing Partner
FCS: 3214, COP: 3005

Place: New Delhi
Date: 28th May, 2018

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

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 LLP
Company Secretaries

CS Navneet Arora
Managing Partner
FCS: 3214, COP: 3005

Place: New Delhi
Date: 28th May, 2018

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[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: +91-11-4055 2341 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, 1 st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Contact Details of RTA	011 – 26812682-83

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 LED TVs, CRT TVs its Component and Mobile Phones & accessories	26401	41.84%
2.	Distribution of IT & Telecom Products	46524	55.26%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY(IES) –

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 Demat	No. of Shares at the beginning of the year 31.03.2017				No. of Shares held at the end of the year i.e. 31 st March,2018				% of change during the Year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual /Huf	5317237	-	5317237	60.37	5317237	-	5317237	60.37	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	558929	0	558929	6.35	558929	-	558929	6.35	0.00
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	5876166	0	5876166	66.72	5876166	0	5876166	66.72	0.00
(2) Foreign									
(a) NRI Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks /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 Share-holding of Promoters (A) = (A)(1)+(A)(2)	5876166	-	5876166	66.72	5876166	-	5876166	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 Government	-	-	-	-	-	-	-	-	-
d) State Government	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	200	200	0.00	-	200	200	0.00	0.00

SALORA INTERNATIONAL LIMITED
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h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-	-
i) Any Other	-	-	-	-	-	-	-	-	-	-
j) Any Other Foreign	-	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	0	700	700	0.01	0	700	700	0.01	0.00	

2. Non Institutions

(a) Bodies Corp.

i) Indian	995576	5101	1000677	11.36	1163385	5101	1168486	13.27	1.91
ii) Overseas	175	0	175	0.00	175	0	175	0.00	0.00

(b) Individual

i) Individual shares holders having nominal share capital up to Rs. 1,00,000	1055794	157683	1213477	13.78	917440	154582	1072022	12.17	-1.61
ii) Individual shares holders having nominal share capital Excess of Rs. 1,00,000	295604	0	295604	3.36	321831	0	321831	3.65	0.29

(c) Others

a) HUF	50487	0	50487	0.57	36638	0	36638	0.42	-0.15
b) Non Resident Indian	336645	0	336645	3.82	326591	0	326591	3.71	-0.11
c) Foreign National	0	0	0	0.00	0	0	0	0.00	0.00
d) Clearing Members	33369	0	33369	0.38	4691	0	4691	0.05	-0.33
e) Trust	0	0	0	0.00	0	0	0	0.00	0.00
e) Foreign Bodies-DR	0	0	0	0.00	0	0	0	0.00	0.00
f) NBFC Registered With RBI	0	0	0	0.00	0	0	0	0.00	0.00

Sub-Total (B)(2) 2767650 162784 2930434 33.27 2770751 159683 2930434 33.27 0.00

Total Public Shareholding (B) 2767650 163484 2931134 33.28 2770751 160383 2931134 33.28 0.00

C) Shares Held By Custodian for GDRs & ADRs 0 0 0 0.00 0 0 0 0.00 0.00

Grand Total 8643816 163484 8807300 100.00 8646917 160383 8807300 100.00 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. 31st March, 2018			% 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.	Gopal 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.	Manori Properties Pvt. Ltd.	558929	6.35	Nil	558929	6.35	Nil	0.00
	Total	5876166	66.72	Nil	5876166	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.

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.	Chhaganlal Meghji Savla (1201120100048669)	40000	0.45	40000	0.45
2.	Aniruddha Banerjee (1201910101852863)	30000	0.34	30000	0.34
3.	New Millenium Technology Management Ltd. (1203330000287126)	203941	2.32	203941	2.32
4.	Vishnukumar Aggarwal (IN30001110250644)	32203	0.37	32203	0.37
5.	Globe Fincap Limited (IN30096610496350)	104047	1.18	104047	1.18
6.	Sachin Srinivas Sawrikar (IN30115122444767)	45892	0.52	45892	0.52
7.	Sujay Ajitkumar Hamlai (IN30216410418110)	221065	2.51	250000	2.84
8.	Raviraj Developers Ltd (IN30292710132151)	331349	3.76	358466	4.07
9.	Tejash Finstock Pvt Ltd (IN30292710132819)	87278	0.99	87278	0.99
10.	Atrun Fiscal Pvt Ltd (IN30292710134695)	116522	1.32	146121	1.66

*List of top 10 shareholders is taken according to data available as on March 31st, 2018. 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 Jiwrajka, 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.)	--	--	--	--
	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 & CFO				
	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.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	372741	4.23
3.	Neetu Jiwrajka, Executive Director				
	At the beginning of the year	731410	8.30	731410	8.30
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	731410	8.30
4.	Savitri Devi Jiwrajka, Non-Executive Director				
	At the beginning of the year	309894	3.52	309894	3.52
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	309894	3.52
5.	Mohd Faisal Farooq, Company Secretary				
	At the beginning of the year	--	--	--	--
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	--	--

VI. INDEBTEDNESS

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

(Rs./lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year				
i) Principal Amount	98.20	600.00		698.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.83	12.21	-	17.04
Total (i + ii + iii)	103.03	612.21	-	715.24
Change in Indebtedness during the financial year				
• Addition	-	329.00	-	329.00
• Reduction	(44.87)	(229.00)	-	(273.87)
Net Change	(44.87)	100.00	-	55.13
Indebtedness at the end of the financial year				
i) Principal Amount	53.33	700.00	-	753.33
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.43	31.78	-	32.21
Total (i + ii + iii)	53.76	731.78	-	785.54

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ED/Manager			Total Amount
		Shri Gopal Sitaram Jiwaraajka (MD)	Shri Tarun Jiwaraajka (WTD)	Smt. Neetu Jiwaraajka (ED)	
1.	Gross Salary				
(a)	Salary as per provisions contained in sec.17(1) of the Income Tax Act, 1961	8565892	1926602	698008	11190502
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
(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)	8565892	1926602	698008	11190502
	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)	12000000	2400000	720000	15120000

B. Remuneration to Independent Directors:

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri Gautam Khaitan	Shri P. G. Keswani	Shri S. K. Duggal	Shri K.S. Mehta	
	Fees for attending Board / Committee Meetings	40,000	20,000	80,000	60,000	2,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	40,000	30,000	80,000	60,000	2,00,000

B. Remuneration to Key Managerial Personnel other than MD/WTD/ED/Manager

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Shri Mohd. Faisal Farooq Company Secretary	Shri Vinay Kishore CFO#*	
1.	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3,24,004	7,88,673	11,12,677
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	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of Profit	-	-	-
	- Others	-	-	-
5.	Others, Please specify	-	-	-
	Total	3,24,004	7,88,673	11,12,677

*Resigned from the office of CFO w.e.f. 13.02.2018

VIII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended 31st March, 2018.

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

(Gopal Sitaram Jiwrajka)
Chairman & Managing Director
DIN:00024325

Date: 28.05.2018
Place: New Delhi

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 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, 2018
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	(3,29,44,038)
6	Total assets	4,33,83,607
7	Total Liabilities	3,31,27,645
8	Investments	Nil
9	Turnover	8,83,965
10	Profit before taxation	(1,21,78,824)
11	Provision for taxation	7,70,742
12	Profit after taxation	(1,14,08,083)
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

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN:00024325

Tarun Jiwrajka
Whole Time Director & CFO
DIN:00386240

Dated: 28.05.2018
Place: New Delhi

Mohd. Faisal Farooq
Company Secretary

Annexure – V

(THIS REPORT FORMS PART OF DIRECTORS' REPORT)

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	
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	Ratio
		Shri Gopal Sitaram Jiwarajka, CMD	56.44%
		Smt. Neetu Jiwarajka, ED	3.31%
		Shri Tarun Jiwarajka, WTD	12.53%
		1) For the purpose, sitting Fees paid to the directors have not been considered as remuneration. 2) Figures have been rounded off wherever necessary.	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year.	Shri Gopal Sitaram Jiwarajka-MD	N.A.
		Smt. Neetu Jiwarajka, ED	N.A.
		Shri Tarun Jiwarajka, WTD	N.A.
		Shri Vinay Kishore – CFO*	N.A.
		Shri Mohd. Faisal Farooq – CS	35%
		*Resigned on 13th February, 2018	
3.	The percentage increase in the median remuneration of employees in the financial year	Nil* *Due to decrease 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 169 employees as on March 31, 2018.	
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 an increment 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 are 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.	

Annexure - Directors' Report

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, Executive Director and Key Managerial Personnel.

This Corporate Governance Report related to the financial year ended 31st March 2018 has been issued in compliance of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and forms a major part of Board's Report to the Members of the Company.

CORPORATE GOVERNANCE PHILOSOPHY

Our Corporate Governance practices and adherences are the reflection of our values, culture, ethos which encompasses our relationship with the companies and stakeholder relationship at large. For 'Salora' the 'company' has never intended to be a radical definition of an artificial entity which basically meant for 'pooling of funds by various interested members for a common objective and forming an association for maximizing their wealth.

We at '**SALORA**' encompasses our business practices to touch every segment of society and are not meant exclusively for the promoters or its members but at exhaustive end for all the segment of society including Authorities, employees, and more concretely the general public which includes our customers at large.

We at '**SALORA**' have very conventional belief that for an organization to sustain and develop it is important that an all round development should take place for all stakeholders associated with company, we as a company cannot thought to exist if we strive to satisfy the needs and wants of its promoters and members only. We here at 'Salora' believes that customer of the company should be at the uppermost level when it comes to deciding the relevance and importance in hierarchy of its association with company.

We at '**SALORA**' also believe that the decisions of the management are also important and crucial in deciding the tides of development in the company. The management of the company has already inline view that whatever the decision is taken on board of company and at top management level, it should be disseminated to the shareholders and others stakeholders who are going to be effected when it comes to action, nevertheless which mode of communication is being utilized and preferred by the company.

We at '**SALORA**' manifestly put our corporate governance philosophy to cover its ambit the 'compliances' as the essential element and constitute as a significant tool to implement discipline, coordination and comprehensiveness to make the company and its stake holder as 'one' and only 'one'. The corporate governance psyche of the company is positive towards, fulfilling its obligations for different mandates of various authorities. We here at 'SALORA' also believes that compliances are an essential tool for government at the centre and at State level to determine whether the obligations of the laws are being fulfilled by the company are complied or not. In same way 'SALORA' Corporate Structure, business and financial reporting practices have been evenly aligned to the principles of corporate governance and continuous endeavour are made to improve these practices on an ongoing basis to ease out our shareholders and stake holders to satisfy their requirements at par.

Empathetically quoting, the Corporate Governance philosophy of the company take a shift when it comes to deliver the needs of society and customers at large and thereby changes paradigm from goals of corporate entities to the sustainable use of resources and therefore in return delivering the best products with latest developed technology, that may bring happiness for all.

'**SALORA**' believes that technology in terms of its marketable products can bring happiness to its customers only when the customers are satisfied from their purchase. In modern time 'Technology for happiness' is not limited to the concept of needs of present time, but it engulfs itself with manifold of advancements and features which can easy the life of our customers. We at 'Salora' strategically designs our product that ensures the safety, security and technological up gradation at a polite ease for our customers and which should always commensurate with lowest monetary prefix for our customers.

We also recognize that there are barriers that 'constrain innovation, both in individuals and communities and we work to overcome them. We promote the exchange of ideas through assistive technologies; and standardization that transform the way people experience our products. Our energy efficient solutions, enable people to save money and protect their capital investment while also lowering their energy usage and sustaining the environment.

Conclusively, we here at '**SALORA**' believes that in today's dynamic business scenarios, our corporate governance philosophy should not confined only with the transparent and integrated Board Management and senior level management and its relationship with members and shareholders, but shall include the society at large and then only we can strike the real inference of corporate governance. We believe that corporate governance philosophy do not ends with Company and its shareholders, but the corporate governance philosophy extends its arms to the environment in which it flourishes and sustains.

In '**SALORA**' we position ourselves as a minor stakeholder who only tries to adds value to its net worth, through their professional and skilled acumen, which we possess.

We strongly believe, the technology we produce and provides to our customer should justify our tagging words **SALORA a 'TECHNOLOGY FOR HAPPINESS'** and for the same we are working continuously and taking all the possible endeavors' to realize the dreams of our customers, shareholders and company at large.

BOARD OF DIRECTORS

COMPOSITION

As on March 31, 2018, the Company has eight Directors. Of the Eight Directors, 5 directors are Non-Executive Directors and out of which four are Independent Directors and the rest of the directors are in executive capacity who comes from the promoter groups. The elaborated details are provided underneath;

S. No.	Name	Designation/ Category
1.	Shri Gopal Sitaram Jiwaraajka (DIN 00024325)	Chairman & Managing Director (Promoter & Executive Director)
2.	Shri Tarun Jiwaraajka (DIN 00386240)	Whole Time Director & CFO (Promoter & Executive Director)
3.	Smt Neetu Jiwaraajka (DIN:00025570)	Executive Director (Promoter & Executive Director)
4.	Smt. Savtri Devi Jiwaraajka (DIN:07066988)	Non-Executive Director (Promoter & Non Executive Director)
5.	Shri Gautam Khaitan (DIN 00021117)	Non Executive & Independent Director (Chairman Audit Committee)
6.	Shri Sanjeev Kaul Duggal (DIN 00004977)	Non Executive & Independent Director (Member Audit Committee)
7.	Shri Patanjali Govind Keswani (DIN 00002974)	Non Executive & Independent Director (Member Audit Committee)
8.	Shri K. S. Mehta (DIN 00128166)	Non Executive & Independent Director (Member Audit Committee)

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. Further none of the Directors on the Board hold directorships in more than ten public companies. Also, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2018 have been made by the Directors.

None of the Directors are related to each other except Shri Gopal Sitaram Jiwaraajka, Shri Tarun Jiwaraajka, Smt Neetu Jiwaraajka, Smt Savitri Devi Jiwaraajka.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.

Four Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The said meetings were held on:

29th May, 2017, 7th September, 2017, 11th December, 2017, 13th February, 2018.

The necessary quorum was present for all the meetings.

DETAILS OF EXECUTIVE DIRECTORS

Shri Gopal Sitaram Jiwaraajka, is Chairman & Managing Director of the Company. He 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 in depth knowledge of Indian conditions for business. At present, he is acting as director of PHD Chambers of commerce and heading many other important trade bodies of industry like CEAMA etc.

Shri Tarun Jiwaraajka, is Whole Time Director of the Company. He is a graduate from Indiana University, Bloomington and possesses rich experience in e-commerce industry, Marketing, Finance and Administration. 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, subject to approval of the shareholders of the Company, liable to retire by rotation.

Smt. Neetu Jiwaraajka, is Executive Director and associated with the Company since 4th July, 2008 as Director - Business Development. In the field of lifestyle products and other similar activities, Smt. Neetu Jiwaraajka got an enormous experience and exposure. Products portfolio and Business in Life Style Division of the Company are being developed and managed by her.

As of now, she also overlooking the philanthropically 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.

DETAIL OF NON-EXECUTIVE DIRECTOR

Smt. Savitri Devi Jiwrajka, aged 89 years is Non-Executive Directors of the company. She is wife of late Shri Sita Ram Jiwrajka, precedent chairman of the Company. She has been a business woman in the past and holds rich experience in guiding and mentoring business management. Along with the worthy credential of good business leader, she is contributing to the society in terms of running and actively participating in various charitable trusts. The Company looks to achieve great heights of success with her valuable guidance & experience.

DETAILS OF NON-EXECUTIVE INDEPENDENT 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 the directorship he is member of International 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 K. S. Mehta is Non Independent Director of the company. He is a chartered accountant by profession and is spearing head of M/s. S.S. Kothari Mehta & Co., Chartered Accountants. He has specialization in Corporate Financial Planning & Corporate Restructuring, Project Financing, Business Valuation, etc. He has been a re-known professional in the recent past and headed important position, like director of SEBI, National Stock Exchange, President of PHD Chamber of Commerce and Industry. He has been actively involved in preparation of various representations and appearing before Government Committees and also acted as member of various Government Committees. Shri Mehta has a wide exposure to industry in his capacity as Director of some leading companies in the corporate sector and Head of Management Consultancy Division of S.S. Kothari Mehta & Co.

All Independent 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.

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 Jiwrajka	4	4	Yes
2.	Shri Tarun Jiwrajka	4	4	Yes
3.	Shri Gautam Khaitan	4	2	Yes
4.	Shri Sanjeev Kaul Duggal	4	4	No
5.	Shri Patanjali Govind Keswani	4	1	No
6.	Smt. Neetu Jiwrajka	4	4	Yes
7.	Shri K.S. Mehta	4	3	No
8.	Smt. Savitri Devi Jiwrajka	4	1	No

NUMBER OF CHAIRMANSHIP / DIRECTORSHIP / COMMITTEE MEMBERSHIP OF DIRECTORS IN OTHER COMPANIES

Name of Director	Category	Number of Directorship in other companies		Number of mandatory Committee Memberships in other Public companies	
		Chairman	Member	Chairman	Member
Shri Gopal Sitaram Jiwrajka	Executive & Promoter	1	6	3	3
Shri Tarun Jiwrajka	Executive & Promoter	-	2	-	1
Smt. Neetu Jiwrajka	Executive & Promoter	-	2	-	-
Smt. Savitri Devi Jiwrajka	Non Executive & Promoter	-	-	-	-
Shri Gautam Khaitan	Non Executive & Independent	-	2	2	-
Shri Sanjeev Kaul Duggal	Non Executive & Independent	-	4	-	-
Shri Patanjali Govind Keswani	Non Executive & Independent	1	2	2	5
Shri K. S. Mehta	Non Executive & Independent	-	3	1	2

None of the directors are member of more than ten (10) committees or chairman of more than five (5) 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.

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

Shri Tarun Jiwrajka, Smt. Neetu Jiwrajka and Smt. Savitri Devi Jiwrajka, directors of the Company is liable to retire by rotation.

BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS

The Board met four (4) times during the financial year 2017-18. 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.	29/05/2017	8	5
2.	07/09/2017	8	7
3.	11/12/2017	8	5
4.	13/02/2018	8	5

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Shri Gopal Sitaram Jiwrajka, Shri Tarun Jiwrajka, Smt. Neetu Jiwrajka and Smt Savitri Devi Jiwrajka, are related to each other as per the provision of Clause 2(77) of Companies Act, 2013.

Independent Directors do not have any relationship with executive / non executive directors.

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) Related Party Transaction Policy
- 5) Whistle Blower Policy and Vigil Mechanism
- 6) Policy for Determining Material Subsidiary

- 7) Policy for Board Diversity
- 8) Terms and Conditions of appointment of Non-executive Independent Directors
- 9) Archival Policy under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
- 10) Familiarisation Programme for Independent Directors
- 11) Policy on preservation of Books of Accounts
- 12) Composition of Committees
- 13) Anti Sexual Harassment Policy for protection of women workers at work place.

BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review. The Board has currently established the following Committees.

AUDIT COMMITTEE

- i) The Company's Audit Committee comprises all the four Independent Directors. The Audit Committee is headed by Shri Gautam Khaitan and Shri Patanjali Govind Keswani, Shri Sanjeev Kaul Duggal and Shri K.S Mehta as its Members. All the members of the Committee have relevant experience in financial matters.

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 13th September, 2018.

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 meetings of the committee were duly called convened and conducted with the presence of Representatives of Statutory Auditors and Internal Auditors. The Internal and Statutory Auditors were present at all audit committee meetings where financial statements are being discussed.

The Audit Committee met four (4) times during the year under review i.e. on 29th May, 2017, 7th September, 2017, 11th December, 2017, 13th February, 2018.

- ii) The Audit Committee assists the Board in dissemination of financial information and in overseeing the financial and accounting processes in the Company.
- iii) 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.

- a. They 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.
- b. 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.
- c. The Committee also recommends the appointment of Statutory Auditor, Internal Auditor, Secretarial Auditor and Cost Auditor.
- d. 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.

ATTENDANCE OF EACH DIRECTOR AT AUDIT COMMITTEE MEETINGS

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

The Company Secretary acts as the secretary to the committee.

SUCCESSION PLANNING AND NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee works with the board on the leadership succession plan to orderly succession in appointments to the board and in the senior management. The company strives to maintain an appropriate balance of skills and experience within the organization and the board is Endeavour to introduce new prospective while maintaining experience and continuity.

The board has its Nomination and Remuneration Committee of the Company in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act. Chairman of the Committee is an Independent Director.

- (i) Terms of reference of the Committee, inter alia includes the followings:
 - To identify the 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.
 - To carry out evaluation of every Director's performance.
 - 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 of the Directors, Key Managerial Personnel and other employees.

- 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.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To decide whether to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- To devise a policy on Board diversity
- To recommend / review remuneration of the Managing Director, Whole Time Director & Executive Director based on their performance and defined assessment criteria.
- 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.
- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally the Committee may also oversee the performance review process of the KMP and executives of the Company.

(ii) Composition of Committee during the FY 2017-18

- (1) Shri Patanjali Govind Keswani, Chairman
- (2) Shri Sanjeev Kaul Duggal, Member
- (3) Shri Gautam Khaitan, Member
- (4) Shri K S Mehta, Member
- (5) Shri Gopal Sitaram Jiwrajka, Member

(iii) Attendance during the Year

During the financial Year 2017-18, the committee met on 13th February, 2018 to consider the appointment of Shri Tarun Jiwrajka, Whole Time Director of the Company, as Chief Finance officer, in place of Shri Vinay Kishore who relinquished his office to take up the other responsibilities and duties in the company.

Apart from the above committee meeting no such other meeting were held during the financial year.

Chairman of the Nomination and Remuneration Committee shall strive himself to present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

The Company Secretary is the secretary to the committee.

FREQUENCY OF MEETINGS

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

APPOINTMENT CRITERIA AND QUALIFICATIONS

- 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.
- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

TERM / TENURE

a) MANAGING DIRECTOR / WHOLE-TIME DIRECTOR / EXECUTIVE 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 DIRECTORS

The Independent Directors 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.

DETAILS OF FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of programme 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 Jiwaraajka, Shri Tarun Jiwaraajka and Smt. Neetu Jiwaraajka, are Executive Directors of the Company. The remuneration payable to them is determined by the Board on the recommendation of the remuneration committee and 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. Details of remuneration paid to the Executive Directors are given under MGT-9 attached as Annexure 'III' to this Annual Report.

The non executive directors do not draw any remuneration from the Company except sitting fees for attending the meetings of the Board and its committees.

DETAILS OF SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS DURING THE FINANCIAL YEAR 2017-18

Name of the Director	Board Meeting (Rs.)	Audit Committee Meeting (Rs.)	Remuneration Committee Meeting (Rs.)	Stake holder's Relationship Committee Meeting (Rs.)	Total (Rs.)
Shri Gautam Khaitan	20000	20000	-	-	40000
Shri Sanjeev Kaul Duggal	40000	40000			80000
Shri Patanjali Govind Keswani	10000	10000	-	-	20000
Shri. K.S Mehta	30000	30000	-	-	60000
Smt Savitri Devi jiwaraajka	10000	-	-	-	10000

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, 2018.

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 Stakeholders Relationship Committee oversees, inter-alia, redressal of shareholder and investor grievances, transfer

/ transmission of shares, issue of duplicate share certificates, dematerialization / rematerialisation of shares and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the Listing Regulations. The committee meets as often as required. The Board has also authorized the executive director and Company Secretary jointly to exercise the powers approving transfer / transmission of shares.

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 / transmission of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc. 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 Tarun Jiwrajka	Member	Whole Time Director
Shri Sanjeev Kaul Duggal	Member	Non-executive Independent Director
Shri Gautam khaitan	Member	Non-executive Independent Director
Shri K. S. Mehta	Member	Non-executive Independent Director

The Company Secretary is the secretary to the committee.

At the end of financial year no complaint was pending.

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 and 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 the prescribed period, 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, 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

The Company Secretary is the secretary to the committee.

MEETING OF INDEPENDENT DIRECTORS

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on September 07, 2018, at the Registered Office of the Company at D-13/4, Okhla Industrial Area, Phase-II, New Delhi - 110 020, where at the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- Review of performance of Non-Independent Directors and the Board as a whole;
- Review of performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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 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 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 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 following 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-110 003.	2014-15	18 th September, 2015 11.00 A.M.
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003.	2015-16	14 th September, 2016 11.00 A.M.
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003.	2016-17	13 th September, 2017 11.00 A.M.

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

AGM No.	Subject
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.
47 th AGM	<ol style="list-style-type: none"> 1. Appointment of Shri Gopal Sitaram, Jiwrajka, as Managing Director for a term of 3 years. 2. Appointment of Smt. Neetu Jiwrajka as Executive Director of the Company for a term of 5 year.
48 th AGM	<ol style="list-style-type: none"> 1. Appointment of Statutory Auditors of the company R Gopal & Associates in place of retiring Auditors K. Prasad & Co. 2. Appointment and Ratification of remuneration of cost Auditors of the company, Gurvinder Chopra and Co Cost Auditors. 3. Appointment of Shri K.S. Mehta as Non Executive Independent Director for five years 4. Appointment as Smt. Savitri Devi Jiwrajka as Non Executive Directors for three years

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 in compliance of provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations.

OTHER DISCLOSURES

- Disclosures on materially significant related party transaction that may have potential conflict with the interest of Company at large.
- 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.
- Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.
- Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause. The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Web link where policy on dealing with related party transactions is disclosed:

The policy on dealing with related party transactions is available on the website of the Company under the 'Corporate Governance' in investor section

The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 are mentioned in "Note No.42" 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

- The unaudited quarterly results of the Company are published in leading newspapers such as the Pioneer (English) and The Pioneer (Hindi). These are not sent individually to the shareholders.
- The company's website address is: www.salora.com. 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.
- 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.
- No presentations have been made to Institutional Investors or analysts.

GENERAL INFORMATION FOR SHAREHOLDER

ANNUAL GENERAL MEETING

Date and time	27 th September, 2018 at 11:00 AM
Venue	India Islamic Cultural Centre, 87-88, Lodhi Road, Lodhi Gardens, Lodi Estate, New Delhi, Delhi 110003
Book Closure date	
Financial Year	1st April to 31st March

FINANCIAL CALENDAR 2018-19

Result for the quarter ended On or before 14th August, 2018
30th June, 2018

Result for the quarter ended On or before 14th November, 2018
30th September, 2018

Result for the quarter ended On or before 14th February, 2019
31st December, 2018

Result for the quarter and On or before 30th May, 2019
year ended 31st March, 2019

REGISTRAR AND SHARE TRANSFER AGENTS

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

INVESTORS CORRESPONDENCE

In case of any delay in attending to transfer of shares, 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
Website: www.salora.com
Tel. No. 011- 40552341
Email – sect@salora.com

CORPORATE OFFICE & MANUFACTURING PLANT

Salora International Limited
B-50 Sector-80, Noida, phase-II,
Uttar Pradesh, 201305
Website: www.salora.com
Tel. No. 0120-4885521,
Email – sect@salora.com

LISTING ON STOCK EXCHANGES

Name of the Stock Exchange : Stock Code
National Stock Exchange of India : SALORAINTL
Limited (NSE)
BSE Limited : 500370
Company ID Number : L74899DL1968PLC004962

LISTING FEES

Annual Listing fees for the year 2017-18 have been paid to the both the stock exchanges.

STOCK MARKET DATA

Month	BSE 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, 2017	71.00	57.20	99504	70.60	56.30	174206
May, 2017	64.50	53.05	76451	64.70	53.15	72943
June, 2017	58.90	49.10	42563	57.95	49.05	71209
July, 2017	71.30	47.00	235850	71.85	47.05	640358
August, 2017	62.00	41.10	63849	65.90	41.40	197181
September, 2017	47.80	42.55	34744	47.90	42.20	74375
October, 2017	47.00	41.25	20138	47.75	41.55	38769
November, 2017	58.55	44.15	19725	57.10	43.20	48915
December, 2017	62.95	49.35	49923	62.90	50.15	71332
January, 2018	64.65	49.95	36953	66.95	49.10	78564
February, 2018	50.05	43.60	32642	52.35	43.40	21619
March, 2018	44.50	35.25	28283	44.95	35.25	87038

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018

Category of Shareholders	No. of Folios	No. Shares held	Percentage
Individuals	4245	1393848	15.83
Companies	109	1168661	13.26
Promoters	6	5317237	60.37
Promoters Group Companies	1	558929	6.35
Mutual Fund, Banks, FIs	4	700	0.01
NRI	24	326596	3.71
HUF	86	36638	0.42
Clearing Members	7	4691	0.05
Total	4482	8807300	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018

Nominal Value of Each Share : Rs.10/-

Share or Debenture holding 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	4065	90.69	4696630	5.33
5001 To 10,000	177	3.95	1448140	1.64
10001 To 20,000	104	2.32	1530470	1.74
20001 To 30,000	39	0.87	994720	1.13
30001 To 40,000	23	0.51	816090	0.93
40001 To 50,000	16	0.36	727310	0.83
50001 To 1,00,000	24	0.54	1845360	2.10
1,00,000 and Above	34	0.76	76014280	86.30
Total	4482	100.00	88073000	100.00

DETAILS OF DIRECTORS' SHAREHOLDING AS ON 31st MARCH, 2018

Name	No. of Shares
Shri Gopal Sitaram Jiwrajka	20,29,117
Shri Tarun Jiwrajka	3,72,741
Smt. Savitri Devi Jiwrajka	3,09,894
Smt. Neetu Jiwrajka	7,31,410
Shri Gautam Khaitan	-
Shri Sanjeev Kaul Duggal	-
Shri Patanjali Govind Keswani	-
Shri K. S. Mehta	-

INFORMATION IN RESPECT OF UNCLAIMED DIVIDENDS DUE FOR REMITTANCE INTO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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. No amount of unclaimed/unpaid dividend as on 31st March, 2017 is pending with Company.

During the financial year under review an amount of unpaid / unclaimed dividend amounting to Rs.1,11,060/- was transferred to the Investor Education and Protection Fund, Government of India and required compliances were made in this regard.

SUBSIDIARY COMPANY

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

All related party transactions that were entered into during the financial year were on Arm's Length Basis and in the Ordinary Course of Business and which are not material in nature too, hence, outside the scope of Section 188(1) of the Act. 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 is available on the 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 at following link: 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 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 company's 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 2017-18.

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 holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Shareholders should communicate the change of address, if any, directly to the Registrars and Share Transfer Agent of the company.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market.

Shareholders holding shares in physical form and 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 by the Registrars and Share Transfer Agent of the company.

As required by SEBI, shareholders holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR Code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact number, etc., to their depository participant (DP).

RECONCILIATION OF SHARE CAPITAL AUDIT

A quarterly audit was conducted by a Company Secretary in practice to reconcile the total capital of the company admitted with National Securities Depository Limited and Central Depository Services

(India) Ltd. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialized form (held by the depositories).

As on 31st March 2018 there was 86,46,917 equity shares representing 98.17% of the paid up equity capital are in dematerialized form.

INFORMATION TO SHAREHOLDERS

Brief particulars of director reappointed together with the nature of his experience and details of directorship held by him in other companies are 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.

BUSINESS / PLANT LOCATIONS

1. Consumer Electronics Business: D-13/4, Okhla Industrial Area, Phase-II, New Delhi – 110 020.
2. Plant: Plot Nos. 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
DIN:00024325

Date: 28.05.2018
Place: New Delhi

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per "affirmation of compliance" letters received from the Directors and the members of senior managerial personnel of the Company, I hereby declare that members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management during the financial year 2017-18.

For Salora International Limited

(Gopal Sitaram Jiwarajka)
Chairman & Managing Director
DIN:00024325

Date: 28.05.2018

Place: New Delhi

CEO / CFO CERTIFICATE
[Regulation 17(8)]

To
The Board of Directors
Salora International Ltd.

We hereby certify that we have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2018 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable law and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the aforesaid period which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control systems, if any, of which we are aware, and that we have taken the required steps to rectify these deficiencies.
5. We have indicated to the Auditors and the Audit Committee that:
 - a) There have been no significant changes in internal control over financial reporting during the year.
 - b) There have been no significant changes in accounting policies during the year.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

(Gopal Sitaram Jiwarajka)
Chairman & Managing Director
DIN:00024325

(Tarun Jiwarajka)
Whole Time Director & CFO

Date: 28.05.2018

Place: New Delhi

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, 2018 as referred in the Regulation 15(2) and other relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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 Navneet K Arora & Co LLP
Company Secretaries

CS Navneet Arora
Managing Partner
FCS:3214, COP:3005

Date: 28.05.2018
Place: New Delhi

Annexure – VIII

Management Discussion and Analysis Report

The Management Discussion and Analysis Report has been included in adherence to the spirit enunciated in the code of Corporate Governance, pursuant to requirement of Regulation 34 of SEBI (LODR) Regulations, 2015. The Management Discussion and Analysis presented in this Annual Report focuses on reviewing the performance of the Company.

SALORA'S MDA is presented in eight sections:

- Overview Of Industry Structure And Development
- Company's Profile
- Companies Business Segment
- Opportunities and Threats and the strategies to defense
- Risk and Concern
- Internal control system and their adequacy
- Outlook
- Material Developments On Human Resource

OVERVIEW OF INDUSTRY STRUCTURE AND DEVELOPMENT

Indian Consumer Electronics (CE) industry has been witnessing sustained double digit growth rate in the past few years. Increasing product awareness, affordable pricing, innovative products and the high disposable incomes have aided in the strong growth in the (CE) market in India. Rapidly shrinking replacement cycle for consumer durables is observed as sustaining demand in urban India. The existing low penetration rates and the increasing usage of consumer durables have catapulted rural India to the high demand generating segment.

Drivers for CE market in India

- Increasing affluence in Middle Class and Current Low penetration level;
- Easy availability of Finance and rising rural Disposables incomes and consumptions;
- Growing Prominence of the e Tail-Industry-Multitude of options and Convenience in Shopping;
- Technology Advancements leading to newer product introductions to various Price Offerings;

Restraints for CE markets in India

- Prices hikes driven by rising Material Costs Depreciating Rupee,
- Deficiency in power supply in Most regions;
- High GST Rates

Innovative retail marketing initiatives such as the exchange programs, bundled offers, attractive discounts, freebies and extended warranty services are fuelling consumer spending. Availability of easy

financing schemes is also placing more buying power in the hand of consumers. The rapid proliferation of e-commerce/m-commerce and e-tail has contributed to a higher penetration of the (CE) market in urban and semi urban centers especially in the smart phones business.

Depreciating Rupee and the increasing raw material costs in terms of regular hikes in custom duty are observed to be the critical restraints faced by the product manufacturers as it negatively impacts their margins. The high reliance of the manufacturing ecosystem on raw material imports has resulted in surge in product prices owing to the restrictive duty structure. This has resulted in some amount of price fluctuation over the past 2- 3 years. Inadequacy in the ecosystem is seen as a persisting challenge to the local production of certain consumer electronics products, especially the more sophisticated products such as Smart Phones, Digital watches, Laptops FPD TVs which are completely imported.

COMPANY PROFILE

The Company has diversified business interests. The culture of excellence leads to strong performance in all the spheres of its activity. The Company involves itself in the manufacturing and assembly of LED TVs, CRT TVs, TV Components, Home Theaters, Mobile Phone, Mobile Batteries & Chargers and also distribution of large variety of IT and Telecom Products, such as Laptops, Smart watches, trading of pricey smart phones etc.

COMPANY'S BUSINESS SEGMENT

Our business can be divided into following verticals:

Consumer Electronics Manufacturing (LED TV'S, CRT TV'S etc.)

We commenced our operations in year 1968 with the assembly and export of colours televisions. With changes in technology over the years and introduction of new products in the industry, we also manufactured video cassette recorders, DVD players, set top boxes, LCD televisions, home theatres and LED televisions for various customers including some leading brands in the consumer electronics industry.

We manufacture LED TVs at Noida Plant Facility which has an installed capacity of significant number LED TVs. Keeping in line with emerging trends SALORA is also putting greater emphasis on development of LED TV business. The recently acquired in-house capabilities for designing LED TVs from 24" to 48" has led to our emergence as an ODM in this product segment. Our capabilities in LED TV designing include panel designing, main electronic board designing, mechanical and acoustics.

As per the Frost & Sullivan report, the television industry witnessed massive technological changes in the last ten years with the introduction of panel TVs that resulted in the phasing out of CRT TVs. The year 2012 signified the surpassing of FPD TV sales over

CRT TV and by 2013, certain players reduced the number of LCD models to increase focus in LED TVs. By 2014, these players exited the production of LCD TVs.

The industry witnessed a shift from adoption of LCD TVs to LED TVs which is currently the dominant one. The miniscule market for LCD TVs is largely catered by the older models of the major players and other small players. Although the initial transition from CRT TV to LCD TV was rapid, LED TV adoption overtook LCD TV market owing to narrow price differences, better viewing experience and lower power consumption features.

Consumer Electronics Manufacturing (Smart phones, Mobile Phones Basic handsets etc.)

We have been doing the manufacturing of mobile phones in the past and positive efforts are being taken to strengthen our foot step in this dynamic business segment. We manufacture feature phones and smart phones (2G, 3G, 4G/LTE, VoLTE and CDMA). The Launch of Latest 4G Smart phones in the brand line of ‘SALORA ARYA’ has shown a good response at an initial instance.

Company considers ‘SALORA ARYA’ as to be the entry segment smart phones in this business segment. On pricing page company claims it to be in reach of ever middle class and lower income group spread in rural areas. The company has initially sold a 5,000 number of in a small period of 1 year.

Mobile phone manufacturing requires controlled environment and testing mobile devices requires special equipment and methodology for which the company has updated and upgraded assembly line. Our strategy in the mobile phones vertical is deepening of relationships with existing key customers, migration towards PCB level assembly as a first step and backward integration for mobile phone chargers.

Further in order to ensure the good quality the company has started to assemble some of the critical components like battery and charges.

AUDIO (Speakers and Music System segment):

During the year the company has lauched wide range of music system, speakers systems, towers speakers and public announcement systems. The initial market trend of sales number has shown a good performance of towers speakers and music systems of the company. Your company is planning to aggressively to enhance its speaker production capacity as company, consider that there is lot of scope for doing business in this segment.

Upgraded production facilities are being planned along with new products like P.A speakers, Car Speakers etc, portable music systems etc.

Wind/Power Generations (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 (5) wind turbines 1.25 MW Capacity (6.25 MW total) at Dhule Maharashtra operated and maintained by Suzlon Energy Ltd. The

business revenue from this segment is remained settled and the performance is remained satisfactory.

OPPORTUNITIES AND THREATS

STRATEGIES

Most of the below strategies have helped us in the past 2-3 years to improve our return ratios. Key elements of our business strategy are described below:

1) Strengthening of existing product portfolio and diversification;

We plan to continue to increase offerings in our current product verticals as well as diversify into new verticals by tapping into segments which in the view of our management have attractive growth prospects and higher return ratios where we have distinctive competence and compelling value propositions.

We expect to gain additional opportunities in the Bluetooth and wifi portable music systems, New version of our 4G hand-sets and low cost basic handsets. We are currently manufacturing entry segments 4G handsets and company views to manufacture a high end 4G phone for the premium customers in the market.

2) Development of our post sales service offerings

Post Sale services is an extension of our existing skill set of manufacturing electronics and we have been able to acquire new customers in this vertical as on the basis of post sale services. We currently offer repair and refurbishment services for our wide varieties of our products including repair of mobile phones, LCD and LED TVs, LED panels, home theatres, printers etc.

3) Expansion of industrial footprint into new geographies

We seek to expand our geographical footprint by enhancing current manufacturing capacities and setting up of new business outlets, especially in regions of Assam, West Bengal, and in many states and cities of South India.

4) Rise of E-Commerce leading sales revenue boom:

By offering big discounts, they are able to bring more price sensitive consumers to the market. E- Commerce Players are able to attract more price sensitive consumer then the offline market and enable across sellers. Therefore in the given mode by the e-commerce players, manufacturers or importers are able to direct market their product to end consumers ended up with more profit them selling through distributor mode, Increased profit ratio plus larger market would provide great benefit to the industry.

5) Availability of affordable credit:

Credit growth in the consumer electronics category has been increasing. Many banks and NBFCs offer attractive loans to purchase goods and televisions. Now a days consumers are

being offered attractive loan offers from many banks NBFCs home credit agencies to buy consumer electronic product ultimately aligning a better support to the consumers and the market also.

Threats: Consumer Electronics Sector

1) Changing laws, rules and regulations and legal uncertainties

The regulatory and policy environment in which we operate is evolving and in a dynamic state, as we saw recently introduction of GST regime, and certain other changes in legal environment of the industry impacted a lot profit and loss sheet statement of the company.

Uncertainty in applicability, interpretation or implementation of any amendment to, or change in, law, regulation or policy, including due to an absence, or a limited body, of administrative or judicial precedent may be time consuming and costly for us to resolve and may also impact the viability of our current business or restrict our ability to grow our business in the future.

2) Rapidly changing consumer tastes

Consumers are looking for a high confluence of frills and features that surprise them with the ease of use and convenience. Staying one step ahead of the consumer's expectations and bringing something new to the table every year will be essential in retaining the excitement in the consumer's mind about a brand and its offerings.

3) Preference for foreign brands:

Due to the high marketing spends of Multinational Companies (MNCs) the Company faces the threat of a preference developing among consumers for foreign brands. This will have to be countered via appropriate corporate marketing communication stressing the high pedigree of the Company and its commitment to innovation and quality.

RISK & CONCERNS

Risk relating to Consumer Electronics Business

Global economic conditions affecting demand:

A decline in the level of consumer discretionary spends and the worsening of general economic conditions could adversely affect our results of operations. Our operations are substantially affected and will continue to be affected, by global macroeconomic conditions as well as emerging industry trends. Demand for our products are directly related to the strength of the global economy and consumer confidence, including overall growth levels.

Forex risks: The raw material imports of the Company will become costlier if the rupee weakens against the dollar. This may affect the profitability of the Company.

Product Mix

Our revenues are also affected by the selling prices of the products

and the mix of product types. The profit margin for each type of products manufactured by us varies. Although we believe that the production lines will continue to be readjusted according to customers' orders, we are committed to maximise our revenues and profits by optimising our product lines. A change in product mix may decrease the operating margins of our Company, which could have a material adverse effect on our business, financial condition and results of operations.

Competition

We operate in a competitive industry. Our Company faces potential competition from various EMS providers with production base among others in China and India. Should we fail to either compete with other EMS providers or maintain our competitive advantages, our operations could be adversely affected. Any increase in competition can adversely affect our market share, which may lead to price reductions. Any of these events could have a material adverse effect on our financial condition, results of operations and prospects.

Change in consumer tastes and priorities: If consumers unexpectedly change their preferences and tastes to disfavour the brand positioning and product offerings of the Company, then the Company may be required to drastically reposition itself, failing which it may lose out on sales.

INTERNAL CONTROL SYSTEM AND ACCURACY

The Company has in place proper and adequate statutory and internal audit and control system in accordance with the nature of business and size and complexity of business. Internal control system comprises of policies and procedures which are designed to ensure compliance with achievement of business goals, compliance with inland laws. All assets and resources are used efficiently and adequately. All financial transactions are recorded as per governing inland laws.

The Company's Statutory Auditors and Internal Auditors carried out periodical audit at all business places based on audit plan that test the internal policy and procedure designed by Company. Significant observations are reviewed by management and audit committee.

The Company has a proper and adequate system of internal control with tools of monitoring through use of a strong customized oracle based ERP system "Salora Integrated Management System (SIMS)". 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.

The Company has adopted the code of ethics & business conduct which lays down the principles / standards that should govern the action of the Company and its employees. The Company is committed to adhere to the highest standards of ethical and moral conduct of the business.

OUTLOOK

The management continues to be cautiously optimistic on the Indian economy. The Company has adopted the best and the most sophisticated technology to suit Indian needs. The Company has successfully forayed into market either directly or indirectly.

The aim of the Company is to serve consumers by creating technologically path breaking products through constant innovation. The Company as a part of reducing manufacturing cost of products that has explored the possibility of manufacturing of various components at the in-house facility.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCE

The Human Resource function of your Company plays a critical role in realizing business objectives by leading organizational change and effectively mobilizing talent to sustain the organization's competitive age.

The Company believes in building performance driven organization

characterized by performance, pride and happiness. The Company conducts employee engagement to identify the areas to improve upon for building a motivated and productive workforce.

Industrial relations remained cordial during the year under review.

CAUTIONARY STATEMENT

Statements in this report describe the Company's objectives, projections, estimates, expectations and predictions, may be 'forward looking statements' within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise. These statements don't guarantee future performance and are subject to known and unknown risks, uncertainties and other factors such as change in the government regulations, tax laws, economic conditions and other incidental factors.

INDEPENDENT AUDITOR'S REPORT

To the Members of Salora International Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Salora International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 IND AS financial statements based on our audit.

In conducting 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 thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements 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 Standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March, 2018, and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Other Matter

Opening balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the other auditors whose un-qualified audit report dated 29th May, 2017 have been furnished to us. The differences arises from transition from previous GAAP to Ind AS have been derived from such audited financial statements.

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 in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including Other Comprehensive Income the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Company as on 31st March,

2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements- Refer Note 38 to the Standalone Ind AS 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 were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **R Gopal & Associates**
Chartered Accountants
Firm Registration No.: 000846C

S.K. Agarwal
Partner
Membership No.: 093209

Place : New Delhi
Date : 28.05.2018

ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018, WE REPORT THAT:

1. a. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management during the year. As explained to us, no major 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 i.e Electronics

Consortium Private Limited and necessary steps are taken for transfer in the company name as explained by the management.

2. Inventories has been physically verified by the management during the year at reasonable intervals except service spares and goods, material in bond, transit or with third party. As per the information and explanations given to us, no material discrepancies were noticed on physical verification of inventories.
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. In our opinion and according to the information and explanations given to us, the Company has neither given any loans u/s 185 of the companies Act 2013 to its directors and nor has given any loans and guarantee or provided any security in connection with a loan by a company to any person or other body corporate and acquiring securities of any other body corporate by the company, hence clause (iv) not applicable to the company.
5. The company has not accepted 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. We have not, however, made a detailed examination of the same.
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, Goods & Service 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, 2018 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, 2018 are as follows.

Name of the Statute	Nature of the dues	Amount not Deposited (Rs / Lacs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Law	Sales Tax	26.03	2001-2004	Supreme Court
	Sales Tax	0.19	2001-2002	High Court
	Sales Tax	699.22	2000-2012	Sales Tax Commissioner
	Sales Tax	25.92	1999-2000	Appellate Authority - High Court
	Sales Tax	2.99	1995-1996	Remand back to Tribunal
	Sales Tax	91.90	2000-2012	Sales Tax Commissioner
Finance Act, 1994	Service Tax on Royalty	1.97	2002-2003	Excise Commissioner
Central Excise Act, 1944	Excise Duty	2,135.21	1993-1994 to 2003-2004	Supreme Court
	Penalty	2,435.22	1993-1994 to 2003-2004	Supreme Court
	Excise Duty	41.97	2001-2004	Remand back to Assessing officer
	Excise Duty	3.75	2000-2003	Remand back to Assessing officer
	Excise Duty	1.86	2000-2003	CESTAT
	Excise Duty	37.46	2009-10	Remand back to Assessing officer

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. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan and hence clause (ix) not applicable to the company.
10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been 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. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order 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 applicable Indian Accounting Standard.
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 year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the company.
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 year 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 R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

S.K. Agarwal
Partner
Membership No.: 093209

Place : New Delhi
Date : 28.05.2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS 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, 2018 in conjunction with our audit of the standalone Ind AS 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 Standalone IND AS 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 periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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, which needs to be strengthened.

For **R Gopal & Associates**
Chartered Accountants
Firm Registration No.: 000846C

S.K. Agarwal
Partner
Membership No.: 093209

Place : New Delhi
Date : 28.05.2018

Auditors’ Report

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ In lacs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipment	3	2,348.35	2,513.43	2,696.77
(b) Capital work-in-progress		2.95	2.31	-
(c) Other Intangible Assets	4	5.08	7.82	17.95
(d) Financial Assets				
(i) Investments	5	345.82	345.82	345.82
(ii) Trade Receivables	6	1,467.47	1,285.34	1,268.18
(iii) Loans	7	-	-	-
(iv) Other Financial Assets	8	27.76	32.94	40.46
(e) Deferred Tax Assets (Net)	9	1,994.26	1,576.41	1,510.74
(f) Other Non-Current Assets	10	586.75	632.64	628.72
Total Non-current assets		<u>6,778.44</u>	<u>6,396.71</u>	<u>6,508.64</u>
2. Current assets				
(a) Inventories	11	5,660.81	5,015.32	4,754.19
(b) Financial Assets				
(i) Trade receivables	12	1,607.91	4,507.25	4,642.66
(ii) Cash and cash equivalents	13	21.44	24.92	38.83
(iii) Bank Balances other than (ii) above	14	8.85	33.59	176.79
(iv) Other Financial Assets	15	185.42	246.51	347.91
(c) Current Tax Assets (Net)	16	112.48	108.40	95.04
(d) Other Current Assets	17	475.68	343.50	349.92
Total current assets		<u>8,072.59</u>	<u>10,279.49</u>	<u>10,405.34</u>
TOTAL ASSETS		<u>14,851.03</u>	<u>16,676.20</u>	<u>16,913.98</u>
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	18	881.45	881.45	881.45
(b) Other Equity	19	6,458.40	7,462.43	7,642.14
Total Equity		<u>7,339.85</u>	<u>8,343.88</u>	<u>8,523.59</u>
Liabilities				
1. Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	723.61	653.33	558.06
(ii) Other Financial Liabilities	21	118.22	115.80	174.14
(b) Provisions	22	17.88	25.06	17.03
Total non-current liabilities		<u>859.71</u>	<u>794.19</u>	<u>749.23</u>
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	4,905.63	4,777.43	3,234.40
(ii) Trade payables	24	1,408.92	2,420.29	3,986.99
(iii) Other Financial Liabilities	25	110.98	136.47	155.95
(b) Other current liabilities	26	180.59	198.18	259.48
(c) Provisions	27	45.35	5.76	4.34
Total Current liabilities		<u>6,651.47</u>	<u>7,538.13</u>	<u>7,641.16</u>
TOTAL EQUITY AND LIABILITIES		<u>14,851.03</u>	<u>16,676.20</u>	<u>16,913.98</u>
Significant Accounting Policies	2			

The accompanying notes (1-45) forms an integral part of these financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R. Gopal & Associates**

Chartered Accountants

Firm Reg. No. 000846C

S K Agarwal

Partner

M.No: 093209

Place: New Delhi

Date: 28th May 2018

Tarun Jiwarajka
Whole Time Director & CFO
DIN No. 00386240

Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In lacs)

Particulars	Note No.	Year ended 31 st March 2018	Year ended 31 st March 2017
INCOME			
I. Revenue from Operations	28	12,812.16	32,463.82
II. Other Income	29	15.57	288.34
III. Total Income (I+II)		12,827.73	32,752.16
IV. EXPENSES			
Cost of materials consumed		2,639.69	2,651.81
Excise Duty		53.89	298.36
Purchases of Stock-in-trade		9,059.05	26,924.52
Changes in Inventories of finished goods, Stock-in-trade and work in progress	30	-459.60	-307.62
Employee benefits expense	31	879.47	942.34
Finance costs	32	681.62	697.01
Depreciation and amortization expense	33	211.01	219.82
Other expenses	34	1,185.45	1,564.81
Total expenses (IV)		14,250.58	32,991.05
V. Profit/(Loss) before exceptional items and tax (III-IV)		-1,422.85	-238.89
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		-1,422.85	-238.89
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		418.15	63.67
IX. Profit/(loss) for the year (VII-VIII)		-1,004.70	-175.22
X. Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss		-	-
Re-measurement gains (losses) on defined benefit plans		0.97	-6.50
Income Tax effect (Deferred Tax)		0.30	-2.01
		0.67	-4.49
XI. Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		-1,004.03	-179.71
XII. Earnings per equity share			
(1) Basic (in Rs.)		-11.41	-1.99
(2) Diluted (in Rs.)		-11.41	-1.99
XIII. Summary of significant accounting policies	2		

Statement of Profit & Loss

The accompanying notes (1-45) forms an integral part of these financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R. Gopal & Associates**
Chartered Accountants
Firm Reg. No. 000846C

S K Agarwal
Partner
M.No: 093209

Place: New Delhi
Date: 28th May 2018

Tarun Jiwarajka
Whole Time Director & CFO
DIN No. 00386240

Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Statement of Changes in Equity for the year ended 31st March, 2018

(₹ In lacs)

A. EQUITY SHARE CAPITAL

	As at April 1, 2016	Changes during the year	As at March 31, 2017	Changes during the year	As at March 31, 2018
	881.45	-	881.45	-	881.45

B. Other Equity

(₹ In lacs)

Particulars	Reserves & Surplus			Other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1 st April, 2016	3,247.29	4,045.58	347.88	1.39	7,642.14
For the Year	-	-	-175.22	-4.49	-179.71
Balance as at 31st March, 2017	3,247.29	4,045.58	172.66	-3.10	7,462.43
Balance as at 1 st April, 2017	3,247.29	4,045.58	172.66	-3.10	7,462.43
For the Year	-	-	-1,004.70	0.67	-1,004.03
Balance as at 31st March, 2018	3,247.29	4,045.58	-832.04	-2.43	6,458.40

The accompanying notes (1-45) forms an integral part of these financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R. Gopal & Associates**
Chartered Accountants
Firm Reg. No. 000846C

S K Agarwal
Partner
M.No: 093209
Place: New Delhi
Date: 28th May 2018

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240
Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In lacs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	-1,422.85	-238.89
Adjustment for :		
Depreciation	211.01	219.82
Lease hold land amoritisation	2.50	2.50
Interest Paid	634.45	642.29
Interest Income	-12.76	-1.79
Allowance for doubtful receivables	303.91	58.34
Bad Debts	92.87	76.11
Loss/(Profit) on sale of Property, Plant and Equipment	0.81	3.06
Irrecoverable loans and advances written off	108.32	5.00
Provision/Liability no longer required written back	-119.23	-74.07
Operating Profit before Working Capital changes	-200.97	692.37
Adjustment for :		
(Increase) /Decrease in inventories	-645.49	-261.12
(Increase)/Decrease in Trade and other receivables	2,301.80	79.48
(Increase)/Decrease in Trade and other payables	-1,007.77	-1,618.21
Cash Generated from Operating Activities	447.57	-1,107.48
Adjustment for :		
Direct taxes (paid) / Refund Received	-4.08	-13.36
Net cash from Operating Activities	443.49	-1,120.84
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant & Equipment	-54.55	-44.28
Proceeds from sale of Property, Plant & Equipment	9.91	12.55
Interest received	8.87	10.01
Net cash from / (used in) Investing Activities	-35.77	-21.72
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of Non current Borrowings (Net)	-44.87	-28.93
Proceeds/ (Repayments) of Current Borrowings (Net)	128.21	1,543.03
Interest Paid	-619.28	-647.49
Margin Money realised	24.74	142.04
Loan Received (Unsecured)	100.00	120.00
Net cash from/(used in) Financing Activities	-411.20	1,128.65
Net Increase/ (Decrease) in cash and cash equivalents :	-3.48	-13.91
Cash and cash equivalents at beginning of the year	24.92	38.83
Cash and cash equivalents at end of the year	21.44	24.92

The accompanying notes (1-44) forms an integral part of these financial statements.

Note:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS-7 notified under Section 133 of the Companies Act 2013.

2. **Components of Cash and Cash equivalents**

Particulars	2017-18	2016-17
Balances with banks		
Current accounts	18.61	18.76
Cash on hand	2.83	6.16
Total as per Note-13	21.44	24.92

3. **Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:**

Particulars	1st April 2017	Cash flow	31st March 2018
Non- current borrowings (refer note no. 20 & 25)	698.20	55.13	753.33
Current Borrowings (Refer Note no.23)	4,777.43	128.20	4,905.63
	5,475.63	183.33	5,658.96

4. **Figures in bracket indicate cash outflows.**

As per our report of even date attached.

The accompanying notes (1-45) forms an integral part of these financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R. Gopal & Associates**
Chartered Accountants
Firm Reg. No. 000846C

S K Agarwal
Partner
M.No: 093209
Place: New Delhi
Date: 28th May 2018

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240
Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

Significant Accounting Policy and notes on accounts

1 Corporate Information

Salora International Limited is a public limited company incorporated and domiciled in India, listed at BSE Ltd. and National Stock Exchange of India Ltd. (NSE). The address of its registered office is D-13/4 Okhla Industrial Area Phase-II New Delhi 110020. The principal activity of Company is manufacturing and assembly of LED TVs, CRT TVs, TV Components, Home Theatres, Mobile Phone, Mobile Batteries & Chargers and also distribution of large variety of IT, Telecom Products and generation of electricity (Wind Power).

2 Significant accounting policies

A Basis of Preparation

These financial statements have been prepared to comply in all material respects with the Notified accounting standard under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments there after. The financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") under the historical cost convention on an accrual basis except for certain financial instruments which are required to be measured as fair values at the end of each reporting period as explained in the accounting policies below.

The accounting policies have been consistently applied by the Company except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Upto the year ended 31st March, 2017, the company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the Act. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016.

The company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 35

"The financial statements were authorized for issue by the company's Board of Directors on 28th May 2018. The financial statements are presented in Indian rupees and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated. "

B Use of estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

C Property, Plant and Equipment (PPE):

Property, plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of Property, Plant and Equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Improvement to Property, Plant and Equipment which has the effect of increasing the future benefits from the existing assets beyond their previously assessed standard of performance is included in the Gross Block.

Property, plant and Equipment assets not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation and amortisation

Depreciation on Property, Plant and Equipment 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.

Leasehold land is amortised on the straightline basis over the period of lease term except land on perpetual lease.

D Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably.

Intangible assets are stated at original cost less accumulated amortisation and impairment losses, if any.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Intangible assets are amortised over the useful life of such assets.

E Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying 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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. "

F Current versus Non-Current

"An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current."

"A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Current liabilities include current portion of non-current financial liabilities."

G Financial Instruments

(i) Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

(ii) Subsequent Measurement

a) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets carried at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model

whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payment of principal and interest on the principal amount outstanding. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognised in other comprehensive income.

c) Financial assets carried at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance sheet date, the carrying amount approximate fair value due to the short maturity of these instruments.

e) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

f) Investment in subsidiary

Investment in subsidiary is carried at cost in the separate financial statements.

(iii) Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Fair value of financial instruments

"Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

H Impairment:

Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing components is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

Non-financial assets

Intangible assets and property, plant and equipment:

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

I Inventories

- 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.
- c) Cost is calculated on FIFO basis in respect of mainly trading goods and on weighted average basis in respect of manufactured goods.

J Revenue Recognition

Revenue is measured at fair value of consideration received or receivable and recognised to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured.

Sale of products

The Company recognizes revenues on the sale of products, net of returns and trade discounts, when substantial risks and rewards of ownership are transferred to the buyer usually on delivery of goods.

Sale of service

Service income is recognised as and when service is complete

Sale of Power

Revenue from the sale of power generated from wind is recognised on the basis of the number of units of power sold on monthly basis to MSEDCL at rates agreed upon.

Other operating revenue

Other operational revenue represents income earned from activities incidental to the business and is recognised when right to receive the income is established.

Other Income

Interest income from a financial asset is recognized using the effective interest rate.

K Foreign Exchange Transactions

Functional currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian rupees (rounded off to rupee) which is the company's functional and presentation currency.

Transactions and translations

Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gain or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash-flow items denominated in foreign currency are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

L Employee benefits

Short term employee benefits :

All employee benefits due wholly within twelve months of rendering of services are classified as short term employee benefits. Benefits like salaries, wages, leave salary, contribution to Provident Fund/ Employee State Insurance contributions etc. paid or payable during the reporting period and the expected bonus expense are recognised as an expense on an undiscounted basis in the period in which the employee renders the related service.

Long term employee benefits :

Compensated Absence:

The liability for leave encashment and other compensated absences is recognized on the basis of actuarial valuation made at the end of the year.

Post -employment benefits

a) Defined Contribution Plan

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. The contribution paid /payable under the schemes is recognised during the period in which employee renders the related service.

b) Defined Benefit Plan

The Company's Gratuity is Defined Benefit Retirement Plan. The Company 's liability towards Gratuity is determined using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement.

The liability is provided based on actuarial valuation certified by consulting actuary. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) relating to retirement benefit plans are recognised in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

M Income taxes

The accounting treatment followed for taxes on income is to provide for Current Income Tax and Deferred Income Tax. Income tax expense is recognized in the net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior period is the aggregate amount of income tax determined as payable in respect of taxable income for the period, using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred Income Tax asset and liability are recognized for all temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred Income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

N Provision and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure"

O Earning per share (EPS)

Basic EPS are computed by dividing the net profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earning per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

P Leases

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Other leases are treated as operating leases, with payments are recognised as expense in the statement of profit & loss on a straight-line basis over the lease term.

Q Cash flow statement

The Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity period of three months or less from the balance sheet date, which are subject to an insignificant risk of changes in value.

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

R Operating segment

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

S Standards issued but not yet effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 12 - Income Taxes

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

3. PROPERTY, PLANT & EQUIPMENT

Particulars	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Dies & Moulds	Total
Gross Carrying Amount								
Balance as at 1st April, 2016	315.29	576.73	6,312.28	444.59	273.73	56.21	1,042.56	9,021.39
Additions	-	-	13.53	-	25.35	0.20	2.90	41.98
Deductions/ Adjustment	-	-	20.24	0.17	36.62	-	-	57.03
Balance as at 31st March, 2017	315.29	576.73	6,305.57	444.42	262.46	56.41	1,045.46	9,006.34
Accumulated Depreciation								
Balance as at 1st April, 2016	67.23	296.71	4,459.69	402.24	92.54	49.90	956.31	6,324.62
For the year	3.50	15.39	141.95	12.50	29.07	0.76	6.53	209.70
Deduction/ Adjustment	-	-	19.23	0.17	22.01	-	-	41.41
Balance as at 31st March, 2017	70.73	312.10	4,582.41	414.57	99.60	50.66	962.84	6,492.91
Net carrying amount as at 31st March, 2017	244.56	264.63	1,723.16	29.85	162.86	5.75	82.62	2,513.43
Net carrying amount as at 31st March, 2016	248.06	280.02	1,852.59	42.35	181.19	6.31	86.25	2,696.77
Gross Carrying Amount								
Balance as at 1st April, 2017	315.29	576.73	6,305.57	444.42	262.46	56.41	1,045.46	9,006.34
Additions	-	17.99	16.86	18.45	-	0.23	0.37	53.90
Deduction/ Adjustment	-	-	33.44	-	13.34	-	-	46.78
Balance as at 31st March, 2018	315.29	594.72	6,288.99	462.87	249.12	56.64	1,045.83	9,013.46
Accumulated Depreciation								
Balance as at 31st March, 2017	70.73	312.10	4,582.41	414.57	99.60	50.66	962.84	6,492.91
For the year	3.50	14.84	143.16	11.77	28.62	0.97	5.41	208.27
Deduction/ Adjustment	-	-	32.23	-	3.84	-	-	36.07
Balance as at 31st March, 2018	74.23	326.94	4,693.34	426.34	124.38	51.63	968.25	6,665.11
Net carrying amount as at 31st March, 2018	241.06	267.78	1,595.65	36.53	124.74	5.01	77.58	2,348.35
Net carrying amount as at 31st March, 2017	244.56	264.63	1,723.16	29.85	162.86	5.75	82.62	2,513.43

Note: Leasehold Land of Delhi and Noida are under finance lease for 99 years and 90 years respectively
For assets provided as security refer note no. 20 and 23

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

4. Other Intangible Assets

Particulars	Trademarks
Gross Carrying Amount	
At 1st April 2016	106.21
Additions	-
Deductions/Adjustment	-
At 31st March 2017	106.21
Additions	-
Deductions/Adjustment	-
At 31st March 2018	106.21
Amortisation	
At 1st April 2016	88.26
Charge for the year	10.13
Deductions/Adjustment	-
At 31 March 2017	98.39
Charge for the year	2.74
Deductions/Adjustment	-
At 31st March 2018	101.13
Net Carrying Amount	
At 1st April 2016	17.95
At 31 March 2017	7.82
At 31st March 2018	5.08

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
5	Non-Current Investments			
	Investments in Equity Instruments:			
	Unquoted, fully paid-up			
	Investment carried at cost			
	In Subsidiary Company :			
	3414800 (P.Y. 3414800) Equity Shares of Salora Components Ltd. of Rs.10/-each.	341.48	341.48	341.48
	Investment carried at fair value through other comprehensive income			
	In Other Companies :			
	355000 (P.Y. 355000) Equity Shares of Encompass Software & Systems Pvt.Ltd. of Rs.10/- each.	35.50	35.50	35.50
	Less: Provision for diminution in value of Investments	-31.18	-31.18	-31.18
	Nil (P.Y. 2500) Equity Shares of Terminal Power Pvt. Ltd. of Rs.10/-each.	-	0.25	0.25
	Less: Provision for diminution in value of Investments	-	-0.25	-0.25
	Investments carried at amortized cost			
	Other Investments in Bond (Fully paid)			
	2 (P.Y. 2) Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/- each	0.02	0.02	0.02
	Total	<u>345.82</u>	<u>345.82</u>	<u>345.82</u>
	Aggregate amount of Unquoted Investments:	377.00	377.25	377.25
	Aggregate amount of impairment in value of investments:	31.18	31.43	31.43
6	Trade Receivables-Non current			
	- Unsecured, considered good	1,467.47	1,285.34	1,268.18
	- Doubtful	2,400.11	350.81	346.52
	Less : Allowance for bad & doubtful debts	-2,400.11	-350.81	-346.52
	Total	<u>1,467.47</u>	<u>1,285.34</u>	<u>1,268.18</u>

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
7	Loans- Non current			
	(Unsecured, Considered Doubtful)			
	Inter Corporate Loan Given	255.00	255.00	255.00
	Less: Allowance for Impairment Loss	-255.00	-255.00	-255.00
	Total	<u>-</u>	<u>-</u>	<u>-</u>
8	Other Financial Assets-Non Current			
	(Unsecured, considered doubtful unless otherwise stated)			
	Advances recoverable in cash or in kind or for value to be received	1,334.18	1,334.18	1,334.18
	Less: Allowance for Impairment Loss	-1,334.18	-1,334.18	-1,334.18
	Interest Receivable	94.64	94.64	94.64
	Less: Allowance for Impairment Loss	-94.64	-94.64	-94.64
	Security Deposits (considered good)	27.76	32.94	40.46
	Total	<u>27.76</u>	<u>32.94</u>	<u>40.46</u>
9	Deferred tax Assets (net)			
	Deferred tax liability:			
	On account of depreciation on property, plant & equipment and other intangible assets	475.51	535.72	569.92
	Sub Total	<u>475.51</u>	<u>535.72</u>	<u>569.92</u>
	Deferred tax assets:			
	On account of timing differences in recognition of expenditure	25.57	20.53	16.38
	On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	1,054.01	757.81	748.54
	On account of capital Loss	77.40	82.02	82.02
	On account of ECL & Impairment losses	1,312.79	1,251.77	1,233.72
	Total	<u>2,469.77</u>	<u>2,112.13</u>	<u>2,080.66</u>
	Deferred tax assets (net)	<u>1,994.26</u>	<u>1,576.41</u>	<u>1,510.74</u>
10	Other Non-Current Assets			
	(Unsecured, Considered good)			
	Deposits with Statutory Authorities	540.92	584.31	577.89
	Prepayments of Leasehold Land	45.83	48.33	50.83
	Total	<u>586.75</u>	<u>632.64</u>	<u>628.72</u>

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
11	Inventories:			
	Raw materials	602.99	612.93	511.90
	Work in progress	205.92	133.63	97.34
	Finished goods	884.84	489.80	487.57
	Stock in Trade	3,712.05	3,719.78	3,450.69
	Fuel	0.88	1.57	1.81
	Goods in transit:			
	Raw materials	254.13	57.61	204.88
	Total	<u>5,660.81</u>	<u>5,015.32</u>	<u>4,754.19</u>
12	Trade Receivables (Unsecured)			
	- Considered good	1,607.91	4,507.25	4,642.66
	- Doubtful	152.15	1,897.54	1,843.48
	Less : Allowance for bad & doubtful debts	-152.15	-1,897.54	-1,843.48
	Total	<u>1,607.91</u>	<u>4,507.25</u>	<u>4,642.66</u>
13	Cash and Cash Equivalents			
	Cash balance on hand	2.83	6.16	13.90
	Balances with banks			
	- in current accounts	18.61	18.76	15.68
	Cheques/ Drafts in Hand	-	-	9.25
	Total	<u>21.44</u>	<u>24.92</u>	<u>38.83</u>
14	Bank Balances other than above			
	Fixed Deposit - Margin Money with Bank	8.85	33.59	175.62
	Earmarked Balances - Unpaid dividend Accounts	-	-	1.17
	Total	<u>8.85</u>	<u>33.59</u>	<u>176.79</u>
15	Other Financial Assets			
	(Unsecured, considered good unless otherwise stated)			
	Gratuity Recoverable	-	4.99	2.65
	Superannuation Recoverable	1.43	1.43	1.43
	Interest Receivable	3.88	-	8.22
	Advances recoverable in cash or in kind or for value to be received:			
	-Considered Good	180.11	240.09	335.61
	-Considered Doubtful	10.53	10.75	10.67
	Less: Allowance for Impairment Loss	-10.53	-10.75	-10.67
	Total	<u>185.42</u>	<u>246.51</u>	<u>347.91</u>

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
16	Current Tax Assets			
	Income Tax Refund Receivable	112.48	108.40	95.04
	Total	<u>112.48</u>	<u>108.40</u>	<u>95.04</u>
17	Other Current Assets (unsecured)			
	Balance With / Recoverable from Government Authorities			
	-Considered Good	475.68	343.50	349.92
	-Considered Doubtful	-	107.86	107.86
	Less: Allowance for Impairment Loss	-	-107.86	-107.86
	Total	<u>475.68</u>	<u>343.50</u>	<u>349.92</u>

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Number	Rs.	Number	Rs.	Number	Rs.
18	(a) Equity Share Capital:						
	Authorised:						
	Equity Shares of Rs. 10/- each	20,000,000	2,000.00	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	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	8,807,300	880.73
	Add: Share Capital forfeited Equity Shares @ 5.65/- each	12,700	0.72	12,700	0.72	12,700	0.72
	Total		<u>881.45</u>		<u>881.45</u>		<u>881.45</u>

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	Rs.	Number	Rs.	Number	Rs.
Equity shares outstanding at the beginning of the Year	8,807,300	880.73	8,807,300	880.73	8,807,300	880.73
Equity shares outstanding at the end of the year	8,807,300	880.73	8,807,300	880.73	8,807,300	880.73

(c) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of Capital are as under:

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. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Class of shares/name of the shareholders:	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No.of Shares	% of holding	No.of Shares	% of holding	No.of Shares	% of holding
Gopal Kumar Jiwarajka	2,029,117	23.04	2,029,117	23.04	2,029,117	23.04
Gopal Kumar Jiwarajka HUF	1,498,988	17.02	1,498,988	17.02	1,498,988	17.02
Neetu Jiwarajka	731,410	8.30	731,410	8.30	731,410	8.30
Manori Properties Pvt Ltd.	558,929	6.35	558,929	6.35	558,929	6.35

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
19 Other Equity			
a. Securities Premium Reserve			
As per last balance sheet			
Share Premium Account	3,244.42	3,244.42	3,244.42
Add : Share Premium Forfeited	2.87	2.87	2.87
Sub Total	<u>3,247.29</u>	<u>3,247.29</u>	<u>3,247.29</u>
b. General Reserve			
As per last Balance sheet	4,045.58	4,045.58	6,804.47
Less: Impairment Loss	-	-	-1,802.60
Less: Expected Credit Loss	-	-	-2,190.01
Add: Deffered Tax adjustments	-	-	1,233.72
Sub Total	<u>4,045.58</u>	<u>4,045.58</u>	<u>4,045.58</u>
c. Surplus in Statement of Profit and Loss			
As per last Balance sheet	172.66	347.88	436.28
Add : Profit/(Loss) Transferred from Statement of Profit & Loss	-1,004.70	-175.22	-88.40
Sub Total	<u>-832.04</u>	<u>172.66</u>	<u>347.88</u>
d. Other Comprehensive Income			
Opening balance	-3.10	1.39	-
Add : Re-measurements of Defined Employee Benefits plans(Net of Tax)	0.67	-4.49	1.39
Sub Total	<u>-2.43</u>	<u>-3.10</u>	<u>1.39</u>
Total	<u>6,458.40</u>	<u>7,462.43</u>	<u>7,642.14</u>

Nature and purpose of Reserves:

(i) Securities Premium

Securities premium reserves represents the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) General Reserve

This represents appropriation of profit after tax by the company.

(iii) Surplus

This comprise company's undistributed profit after taxes.

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
20	Borrowings- Non Current			
	(a) Secured			
	Term Loan:			
	Vehicle Loans from Banks	53.33	98.20	127.14
	Less : Current Maturities of vehicle loans(Refer Note No. 25)	29.72	44.87	49.08
	Sub Total	<u>23.61</u>	<u>53.33</u>	<u>78.06</u>
	(b) Unsecured Loans:			
	Loans from related parties	700.00	600.00	200.00
	Loan from Others	-	-	280.00
	Sub Total	<u>700.00</u>	<u>600.00</u>	<u>480.00</u>
	Total	<u>723.61</u>	<u>653.33</u>	<u>558.06</u>
	Additional Information:			
	Details of security for secured loans			
	Vehicle Loans are secured against hypothecation of cars.			
	Terms of repayment of term loans and others			
	i) Vehicle Loans from Banks on monthly instalment basis.			
	ii) Unsecured Loans are repayable on demand.			
21	Other Financial Liabilities-Non Current			
	Trade Deposit	118.22	115.80	174.14
	Total	<u>118.22</u>	<u>115.80</u>	<u>174.14</u>
22	Provisions-Non Current			
	Employees benefits:			
	Provision for Leave	17.88	25.06	17.03
	Total	<u>17.88</u>	<u>25.06</u>	<u>17.03</u>
23	Borrowings-Current			
	Working capital loan From Banks (Secured)	4,905.63	4,777.43	3,234.40
	Total	<u>4,905.63</u>	<u>4,777.43</u>	<u>3,234.40</u>
	Additional Information:			
	Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge on immovable properties as collateral security.			

Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
24	Trade Payables			
	Dues to Micro, Small and Medium Enterprises*	-	-	-
	Others	1,408.92	2,420.29	3,986.99
	Total	<u>1,408.92</u>	<u>2,420.29</u>	<u>3,986.99</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.			
25	Other Financial liabilities- Current			
	Current maturities of long term debt : Vehicle Loans	29.72	44.87	49.08
	Interest accrued & due on borrowings	32.21	17.04	22.24
	Payable to Employees	49.05	74.56	84.63
	Total	<u>110.98</u>	<u>136.47</u>	<u>155.95</u>
	Additional Information:			
	Vehicle Loans are secured against hypothecation of cars.			
26	Other Current liabilities			
	Unpaid dividend #	-	-	1.17
	Statutory Liabilities	91.60	94.71	136.00
	Others	88.99	103.47	122.31
	Total	<u>180.59</u>	<u>198.18</u>	<u>259.48</u>
	# Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund			
27	Provision-Current			
	Employees benefits:			
	Provision for Leave	13.98	5.76	4.34
	Provision for Gratuity	31.37	-	-
	Total	<u>45.35</u>	<u>5.76</u>	<u>4.34</u>

NOTES TO STATEMENT OF PROFIT AND LOSS

(₹ In lacs)

Note No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
28	Revenue from Operations:		
	Sales of Goods		
	Domestic	12,428.21	31,587.71
	Export	-	191.79
	Total	12,428.21	31,779.50
	Sale of Services		
	Consumer Electronic Products	-	148.00
	Wind Energy	371.79	441.75
	Total	371.79	589.75
	Gross Sales	<u>12,800.00</u>	<u>32,369.25</u>
	Other Operating Income		
	Bad Debts Recovered	-	3.77
	Liability no Longer required written back	10.91	74.07
	Commission Received	-	14.51
	Miscellaneous Income	1.25	2.22
	Total	<u>12.16</u>	<u>94.57</u>
	Total Revenue from Operations	<u>12,812.16</u>	<u>32,463.82</u>
29	Other Income:		
	Interest	12.76	1.79
	Miscellaneous Income	2.81	2.17
	Keyman Insurance	-	284.38
	Total	<u>15.57</u>	<u>288.34</u>
30	Changes in Inventories of finished goods, Stock-in-trade and work in progress		
	Stocks at the end of the year		
	Work in progress	205.92	133.63
	Stock in Trade :	3,712.05	3,719.78
	Finished goods	884.84	489.80
	Sub Total :	<u>4,802.81</u>	<u>4,343.21</u>
	Less : Stocks at the beginning of the year		
	Work in progress	133.63	97.33
	Stock in Trade :	3,719.78	3,450.69
	Finished goods	489.80	487.57
	Sub Total :	<u>4,343.21</u>	<u>4,035.59</u>
	Increase / (Decrease) in Stock :	<u>-459.60</u>	<u>-307.62</u>

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Note No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
31	Employees Benefits Expenses:		
	Salaries and wages	801.69	853.05
	Contribution to provident and other funds	61.78	71.47
	Staff Welfare & Other Benefits	16.00	17.82
	Total	<u>879.47</u>	<u>942.34</u>
32	Finance Costs:		
	Interest	634.44	642.29
	Net (Gain)/Loss on Foreign Currency Transaction	0.01	-0.10
	Others	47.17	54.82
	Total	<u>681.62</u>	<u>697.01</u>
33	Depreciation and amortization:		
	Depreciation	207.51	216.32
	Amortization of Land	3.50	3.50
	Total	<u>211.01</u>	<u>219.82</u>

NOTES TO STATEMENT OF PROFIT AND LOSS

(₹ In lacs)

Note No.	Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
34	Other expenses:		
	Assembly Charges	13.84	20.38
	Stores & Spares Consumed	7.17	9.89
	Power and fuel	64.18	71.61
	Lease Rent	2.50	2.50
	Rent	29.30	33.34
	Repair & Maintenance :-		
	Building	0.02	5.42
	Plant & Machinery	88.36	89.84
	Others	19.55	28.37
	Insurance	12.63	13.76
	Rates and taxes	4.92	12.97
	Legal and professional fees	63.34	92.38
	Payment to Auditors		
	Statutory Audit Fee (including Limited review)	11.00	12.50
	Tax Audit Fee	1.50	1.50
	Certification	0.09	0.71
	Expense / Service Tax reimbursed	1.00	2.77
	In Other capacity	1.50	1.50
	Travelling & Conveyance	116.39	155.70
	Freight and Forwarding	99.71	449.14
	Discount, Commission & Incentives	86.59	243.63
	Advertisement & Publicity	0.76	18.80
	After Sale Service Charges	49.60	30.91
	Sales Tax, Entry Tax and Service Tax	2.97	1.46
	Bad Debts	92.87	76.11
	Irrecoverable loans and advances written off	108.32	5.00
	Less: Provision for Irrecoverable Loans & Advance Written Back	-108.32	-
	Loss on sale of Property, Plant and Equipment (net)	0.81	3.06
	Short / (Excess) Claims	-2.45	-0.93
	Miscellaneous expenses	114.12	117.44
	Net (gain)/loss on foreign currency transaction	-0.73	6.71
	Allowance for doubtful receivables	303.91	58.34
	Total	<u>1,185.45</u>	<u>1,564.81</u>

Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

35 First time adoption of Ind AS

The standalone financials of Salora International Limited for the year ended March 31, 2018 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended March 31, 2018 and the comparative information.

Exemption in accordance with Ind-AS 101 (First Time Adoption of Indian Accounting Standards)

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

a) Carrying amount of Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

b) Carrying amount of Intangible Assets

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c) Designation of previously recognized financial instruments

The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly has applied fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 1st April 2016.

d) Investment in Subsidiary

The Company has adopted to measure investments in subsidiary, at cost in accordance with Ind AS 27 and therefore has measured such investments in its separate opening Ind AS balance sheet at carrying amount as per Indian GAAP at the date of transition in accordance with Ind AS 101.

d) Estimates

The estimates at 1st April 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items, which, under previous GAAP did not require estimation:

- Fair values of Financial Assets & Financial Liabilities
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2016 and 31st March, 2017.

Reconciliations between Previous GAAP and Ind AS

(i) Equity reconciliation

(Rs. In Lakhs)

Particulars	As at 31st March, 2017	As at 1st April, 2016
As reported under previous GAAP	11,143.14	11,282.47
Impairment Losses	-1,802.68	-1,802.60
Expected Credit Loss	-2,248.35	-2,190.01
Deferred Tax Adjustments	1,251.77	1,233.72
As reported under Ind AS	8,343.88	8,523.58

(ii) Total Comprehensive income reconciliation

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2017
Net Profit under Previous GAAP	-139.34
Employee Benefits	6.50
Impairment Losses	-0.08
Expected Credit Loss	-58.35
Deferred Tax Adjustments	16.04
Net Profit under Ind AS	-175.22
Other comprehensive income	-4.49
Net Profit under Ind AS	-179.71

Notes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and Total comprehensive income for the year ended 31st March 2017**1). Leasehold Land**

Under Ind AS, land at Dhule (Maharashtra) taken on lease is considered as operating lease. Therefore, net block of leasehold land (31st March 2017 Rs. 48.33 lacs, 1st April 2016 Rs. 50.83 lacs) has been re-classified under the head "Other non-current assets" (31st March 2017 Rs. 48.33 lacs, 1st April 2016 Rs. 50.83 lacs) as 'Prepayments of leasehold land'. Further, the amortization of leasehold payment for the year ended 31st March 2017 amounting to Rs. 2.50 lacs has been reclassified from 'Depreciation and amortization' to 'Other expenses'. However, the same has no impact on the total equity as at 31st March, 2017.

2) Expected Credit Loss (ECL)

Under Ind AS, loss allowance for trade receivables is measured at an amount equal to lifetime expected credit loss. Accordingly, as on transition date, expected credit loss of Rs. 2190.01 lacs has been recognised. Additionally, loss allowance of Rs. 58.35 lacs has been recognised for year ended 31st March, 2017.

3) Impairment of financial assets

Under Ind AS, impairment of financial assets is measured in accordance with Ind AS 109 Financial Instruments. As on the transition date, provision for impairment loss of Rs. 1802.60 lacs has been recognised as per requirements of Ind AS 101 First Time Adoption of Indian Accounting Standards and Ind AS 109 Financial Instruments. Additionally, provision for impairment loss of Rs. 0.08 lacs has been recognised for year ended 31st March, 2017.

4) Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods. However, the same does not result in difference in equity or total comprehensive income.

5) Deferred Tax adjustments

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

6) Sale of Goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Thus, sale of goods under Ind AS has increased by Rs. 298.36 lacs with a corresponding increase in expenses. However, the same has no impact on the total equity as at 31st March, 2017"

RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(₹ In lacs)

Particulars	Refer Note No.*	Opening Balance Sheet as at April 1,2016			Balance Sheet as at March 31,2017		
		IGAAP	Effect of transition to IND-AS	IND-AS	IGAAP	Effect of transition to IND-AS	IND-AS
ASSETS							
(a) Property, Plant and Equipment	1	2,747.60	-50.83	2,696.77	2,561.76	-48.33	2,513.43
(b) Intangible Assets		17.95	-	17.95	7.82	-0.00	7.82
(c) Capital work-in-progress		-	-	-	2.31	-	2.31
(d) Financial Assets							
(i) Investments	3	346.07	-0.25	345.82	346.07	-0.25	345.82
(ii) Trade Receivables	2	1,614.70	-346.52	1,268.18	1,636.15	-350.81	1,285.34
(iii) Loans	3	255.00	-255.00	-	255.00	-255.00	-
(iv) Other Financial Assets	3	1,469.28	-1,428.82	40.46	1,367.13	-1,334.19	32.94
(e) Deferred Tax Assets (net)		277.02	1,233.72	1,510.74	324.64	1,251.77	1,576.41
(f) Other Non-Current Assets	1	577.89	50.83	628.72	584.31	48.33	632.64
Total Non-current assets		7,305.51	-796.87	6,508.64	7,085.19	-688.48	6,396.71
Current assets							
(a) Inventories		4,754.19	-	4,754.19	5,015.32	-	5,015.32
(b) Financial Assets							
(i) Trade receivables	2	6,486.14	-1,843.48	4,642.66	6,404.79	-1,897.54	4,507.25
(ii) Cash and cash equivalents		38.83	-	38.83	24.92	-	24.92
iii) Bank Balances other than (ii) above		176.79	-	176.79	33.59	-	33.59
(iv) Other Financial Assets	3	358.58	-10.67	347.91	351.90	-105.39	246.51
(c) Current Tax Assets		95.04	-	95.04	108.40	-	108.40
(d) Other Current Assets		457.78	-107.86	349.92	451.35	-107.85	343.50
Total current assets		12,367.35	-1,962.01	10,405.34	12,390.27	-2,110.78	10,279.49
							-
TOTAL ASSETS		19,672.86	-2,758.88	16,913.98	19,475.46	-2,799.26	16,676.20
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital		881.45	-	881.45	881.45	-	881.45
(b) Other Equity		10,401.02	-2,758.88	7,642.14	10,261.69	-2,799.26	7,462.43
Total Equity		11,282.47	-2,758.88	8,523.59	11,143.14	-2,799.26	8,343.88
Liabilities							
Non-current liabilities							

RECONCILIATION OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS

(₹ In lacs)

Particulars	Refer Note No.*	Opening Balance Sheet as at April 1,2016			Balance Sheet as at March 31,2017		
		IGAAP	Effect of transition to IND-AS	IND-AS	IGAAP	Effect of transition to IND-AS	IND-AS
(a) Financial Liabilities							
(i) Borrowings		558.06	-	558.06	653.33	-	653.33
(ii) Others		174.14	-	174.14	115.80	-	115.80
(b) Provisions		17.03	-	17.03	25.06	-	25.06
Total non-current liabilities		749.23	-	749.23	794.19	-	794.19
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings		3,234.40	-	3,234.40	4,777.43	-	4,777.43
(ii) Trade payables		3,986.99	-	3,986.99	2,420.29	-	2,420.29
(iii) Others		155.95	-	155.95	136.47	-	136.47
(b) Other current liabilities		259.48	-	259.48	198.18	-	198.18
(c) Provisions		4.34	-	4.34	5.76	-	5.76
Total Current liabilities		7,641.16	-	7,641.16	7,538.13	-	7,538.13
TOTAL EQUITY AND LIABILITIES		19,672.86	-2,758.88	16,913.98	19,475.46	-2,799.26	16,676.20

* Refer Note to reconciliation on equity and total comprehensive income (Note No. 35)

Reconciliation Statement of Profit and Loss as previously reported under IGAAP to Ind AS

(₹ In lacs)

Particulars	ReferNote No. *	Year ended as at March 31,2017		
		IGAAP	Effect of transition to IND-AS	IND-AS
I. Revenue from Operations	6	32,165.46	298.36	32,463.82
II. Other Income		288.34	-	288.34
III. Total Income (I+II)		32,453.80	298.36	32,752.16
IV. EXPENSES				
Cost of materials consumed		2,651.81	-	2,651.81
Excise Duty	6	-	298.36	298.36
Purchases of Stock-in-trade		26,924.52	-	26,924.52
Changes in Inventories of finished goods, Stock-in-trade and work in progress		-307.62	-	-307.62
Employee benefits expense	4	948.83	-6.50	942.34
Finance costs		697.01	0.00	697.01
Depreciation and amortization expense	1	222.32	-2.50	219.82
Other expenses	1,2,3,4	1,503.89	60.92	1,564.81
Total expenses (IV)		32,640.76	350.29	32,991.05
V. Profit before exceptional items and tax (III-IV)		-186.97	-51.92	-238.89
VI. Exceptional Items		-	-	-
VII. Profit/(loss) before tax (V-VI)		-186.97	-51.92	-238.89
VIII. Tax expense:				
(1) Current tax		-	-	-
(2) Deferred tax		47.63	16.04	63.67
IX. Profit/(loss) for the year (VII-VIII)		-139.34	-35.88	-175.22
X. Other Comprehensive Income				
(i) Items that will not be reclassified subsequently to profit or loss				
Re-measurement gains (losses) on defined benefit plans	4	-	-6.50	-6.50
Income Tax effect (Deferred Tax)	5	-	-2.01	-2.01
		-	-4.49	-4.49
XI. Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		-139.34	-40.37	-179.71

* Refer Note to reconciliation on equity and total comprehensive income (Note No. 35)

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

36 Earnings per Share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a).Net profit / (loss) available to equity shareholders	-1,004.70	-175.22
b).Number of weighted average equity shares outstanding during the year for the purpose of calculation of earning per share	8,807,300	8,807,300
c).Nominal value of equity share (in Rs.)	10.00	10.00
d).Basic earning per share (in Rs)	-11.41	-1.99
e).Diluted earning per share (in Rs.)	-11.41	-1.99

37 Income tax:

(a) Income Tax Expense

i) Recognised in Statement of Profit and Loss

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Current tax expense		
Current year	-	-
Total	-	-
Deferred tax expense	418.15	63.67
Total income tax expense	<u>418.15</u>	<u>63.67</u>

ii) Recognised in other comprehensive income

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Net actuarial gains/(losses) on defined benefit plans		
Before tax	0.97	-6.50
Tax expense/ (benefit)	0.30	-2.01
Net of tax	<u>0.67</u>	<u>-4.49</u>

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
Profit before tax	-1,422.85	-238.89
Tax using the Company's domestic tax rate of 31.20% (31 March 2017 - 33.06%)	-443.93	-78.98
Tax effect of:		
Disallowance u/s 43B (net)	3.88	
Effect of Expenses not deductible for tax purpose	0.40	1.36
Adjustment in respect of Deferred tax related to earlier years	19.47	13.95
Others	2.03	-
Income Tax Expenses (Income) recognised in the statement of profit and loss account	418.15	63.67

(b) Reconciliation of Deferred tax Assets (net):

Particulars	As at 31 st March 2018	As at 31 st March 2017
Balance at the beginning of the year	1,576.41	1,510.74
Deferred tax income/(expenses) during the year recognized in Statement of Profit and loss	418.15	63.67
Deferred tax income/(expenses) during the year recognized in Other Comprehensive income	-0.30	2.01
Deferred tax income/(expenses) during the year recognized directly in equity	-	-
Balance at the end of the year	1,994.26	1,576.41

38 A. Contingent Liabilities not provided for in respect of :

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
Letter of credit other than for capital expenditure	8.46	251.70	315.47
Income Tax Matters	37.88	45.00	45.00
Sales Tax Matters	1,023.10	1,021.65	888.78
Service Tax Matters	1.97	1.97	1.97
Excise Matters	4,961.62	4,961.62	4,969.27

Note:

- i) Bank Guarantees issued by Bankers Rs.4.79 lacs (Previous year Rs. 455.47 lacs) including for Sales Tax and Excise demand Rs.4.79 lacs (Previous Year Rs.5.47 lacs), against which margin kept by bank Rs. 0.50 lacs (Previous year Rs.21.18 lacs)
 - ii) Advance Licence utilised for Import of CPT worth Rs.87.50 lacs during the period from January, 1995 to May 1995, DGFT issued Show Cause Notice to pay duty and penalty thereof on all above imports and included the company's name in the defaulters list. Company challenged the said Notice in Delhi High Court and after admitting the petition and taking into consideration all the facts, the Delhi High Court directed the Company to deposit a sum of Rs. 20.00 lacs with the Collector of Customs and ordered DGFT to remove Company's name from the defaulters list. Accordingly Company has deposited the sum of Rs.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 of DGFT.
 - iii) The demand amounting to Rs.1113.78 lacs(previous year Rs. 1113.78 lacs) and penalty Rs. 1113.78 lacs (previous year Rs.1113.78 lacs) for the period April 2002 to April 2003 and demand of Rs.28.99 lacs (previous year Rs.28.99 lacs) and penalty of Rs.28.99 lacs (previous year Rs.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 a fresh 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 the CESTAT in remand order. The company has again filed appeal against Commissioner's order before the CESTAT. CESTAT has decided the case against the company. The company has filed the SLP against the order of CESTAT before the Supreme Court.
 - iv) The demand for Rs.1292.44 lacs (previous year Rs. 1292.44 lacs) and penalty Rs.1292.44 lacs (previous year Rs. 1292.44 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. CESTAT has decided the case against the company. The company has filed the SLP against the order of CESTAT before the Supreme Court. 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 Rs.300.00 lacs(previous year Rs. 300.00 lacs).Miscellaneous Excise duty demand amounting to Rs.91.19 lacs(previous year Rs. 91.19 lacs) and Service Tax demand Rs.1.97 lacs(previous year Rs. 1.97 lacs) has been raised by the department against which company has filed appeals. The amount deposited against demand Rs.6.20 lacs (previous year Rs.6.20 lacs).
 - v) Income Tax Assessments of the Company have been completed upto Assessment Year 2015-16 (in previous year upto 2014-15). Demand has been raised of Rs.37.88 lacs (previous year Rs. 45.00 lacs) for earlier assessment years against which company has filed appeal before appellate authorities and amount Rs. 37.88 lacs (previous year Rs.40.44 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 Supreme Court against refund of Rs.1151.57 lacs (previous year Rs. 1151.57 lacs) received by the Company in the Financial Year 2002-2003.
Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.
- B.** Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advances) is Rs.0.77 lacs (previous year Rs. 20.00 lacs).

39 Employee benefits

A. Defined benefit plan

Gratuity

The Company provides to the eligible employees, defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements based on actuarial valuation report:

i) Change in Present Benefit Obligation	(Amount in Rs.)	
	2017-18	2016-17
Present value of obligations at the beginning of the period	105.25	99.13
Current Service Cost	6.26	7.03
Interest Cost	7.26	7.73
Re-measurement(or actuarial)(gain)/loss arising from:		
a) change in demographic assumptions	-	-
b) change in financial assumptions	-2.95	4.18
c) experience variance(i.e actual experience vs assumptions)	1.23	2.84
d) others	-	-
Past Service Cost	9.48	-
Effect of change in foreign exchange rates	-	-
Benefits Paid	-21.18	-15.66
Acquisition Adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligations at the end of the period	105.35	105.25
ii) Change in fair value of plan assets	(Amount in Rs.)	
	2017-18	2016-17
Fair value of plan assets at the beginning of the period	110.25	101.78
Investment Income	7.60	7.93
Employer's Contribution	-	-
Employee's Contribution	-	-
Benefits Paid	-43.11	-
Return on plan assets ,excluding amount recognised in net interest expense	-0.75	0.53
Acquisition Adjustment	-	-
Fair value of plan assets at the end of the period	73.99	110.24
iii) Expenses recognised in Income statement	(Amount in Rs.)	
	2017-18	2016-17
Current Service Cost	6.26	7.03
Past Service Cost	9.48	-
Loss/(Gain) on statement		
Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	-0.34	-0.21
Expense recognised in Statement of Profit and Loss	15.40	6.82
iv) Other Comprehensive Income (OCI)	(Amount in Rs.)	
	2017-18	2016-17
Acturial Gain/Losses		
a) Change in Demographic assumptions	-	-
b)Change in Financial Assumptions	-2.95	4.18
c) Experience Variance(i.e Actual experience Vs Assumptions)	1.23	2.84
d) Others	-	-
Return on Plan Assets,excluding amount recognised in net Interest expense	0.75	-0.53
Re-measurement (or actuarial)(gain)/loss arising because of Change in effect of asset ceiling	-	-
Components Of Defined Benefit costs recognised in other Comprehensive Income	-0.97	6.49

v) Sensitivity Analysis of the defined benefit obligation

	2017-18	2016-17
a) Impact of the change in discount rate		
Impact due to increase of 1 %	-101.43	-100.62
Impact due to decrease of 1 %	109.60	110.28
b) Impact of the change in salary increase		
Impact due to increase of 1 %	109.58	110.13
Impact due to decrease of 1 %	-101.40	-100.63
c) Impact of change in Attrition Rate		
Impact due to increase of 0.5 %	108.33	108.31
Impact due to decrease of 0.5 %	-100.94	-100.54
d) Impact of change in Mortality Rate		
Impact due to increase of 10 %	105.39	105.29
Impact due to decrease of 10 %	105.32	105.21

vi) Expected maturity analysis of the undiscounted gratuity benefits is as follows

	(Amount in Rs.)	
	2017-18	2016-17
1 year	32.81	17.43
2 to 5 years	54.73	62.74
6 to 10 years	42.87	48.00
More than 10 years	17.34	23.21

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are Rs. 37.46 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 4 year.

vii) The assumptions used in accounting for the defined benefit plan are set out below:

Particulars	As at 31st March 2018	As at 31st March 2017
Discount Rate	7.60%	6.90%
Future Salary Increase	3.00%	3.00%
Retirement Age	58 years	58 years
Mortality rates	100%	100%
	(IALM 06-08)	(IALM 06-08)
Withdrawal rate	10%	10%

B. Long term employee benefit plans

Compensated Absence

The liability for leave encashment is recognized on the basis of actuarial valuation made at the end of the year. A provision of ₹ 17.54 Lakhs (31 March 2017: ₹ 11.27 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

C Defined contribution plans

The company's contribution to provident fund, pension fund and ESI scheme recognised as expense for the year are as under:

	2017-18	2016-17
- Contribution to Provident fund	38.23	46.64
- Contribution to ESI	9.23	11.51

40 Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, and
- maintain an appropriate capital structure of debt and equity.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

Particulars	As at 31 st March 2018	As at 31 st March 2017	As at 1 st April 2016
Total liabilities	5,691.17	5,492.67	3,863.78
Less : Cash and cash equivalent	21.44	24.92	38.83
Net debt	<u>5,669.73</u>	<u>5,467.75</u>	<u>3,824.95</u>
Total equity	<u>7,339.85</u>	<u>8,343.88</u>	<u>8,523.59</u>
Net debt to equity ratio	0.77	0.66	0.45

41 Financial Risk Management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the company include loans and borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company.

The risks which the company is exposed to and policies and framework adopted by the company to manage these risks are explained as under:

A Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Company is exposed to interest rate risk as its Market risk.

B Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements. The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Fixed rate instruments			
Long term borrowings	23.61	53.33	78.06
Current maturities of long term debt	29.72	44.87	49.08
Variable rate instruments			
Short term borrowings	4,905.63	4,777.43	3,234.40

A change of 50 bps in interest rate would have following impact on profit and loss:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Increase in 50 basis point	24.53	23.89	16.17
Decrease in 50 basis point	-24.53	-23.89	-16.17

C Liquidity Risk

The financial liabilities of the company include loans and borrowings, trade and other payables. The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations.

The below is the detail of contractual maturities of the financial liabilities of the company at the end of each reporting period:

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Borrowings:			
0-1 years	4,935.35	4,822.30	3,283.48
More than 1 years	723.61	653.33	558.06
Trade Payables:			
0-1 years	1,408.92	2,420.29	3,986.99
More than 1 years	-	-	-
Other Financial liabilities:			
0-1 years	81.26	91.60	106.87
More than 1 years	118.22	115.80	174.14

D Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured and other financial assets. Majority of the company's transactions are earned in cash or cash equivalents.

The company assesses the creditworthiness of the customers internally to whom services are rendered on credit terms in the normal course of business. The credit limit of each customer is defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

(i) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 st April 2016
Financial assets for which loss allowance is measured using:			
-Lifetime expected credit losses			
Trade receivables	3,075.38	5,792.59	5,910.84
-12 months expected credit losses			
Investments	345.82	345.82	345.82
Cash and cash equivalent	21.44	24.92	38.83
Other bank balances	8.85	33.59	176.79
Loans	-	-	-
Other current financial assets	213.18	279.45	388.37
Total	3,664.67	6,476.37	6,860.65

(ii) Provision for expected credit losses

Financial assets for which loss allowance is measured using life time expected credit losses

The Company uses a provision matrix to determine expected loss on portfolio of its trade receivable which is measured using lifetime expected credit loss model. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

The following table summarises the change in the loss allowances measured using life time expected credit loss model (ECL):

Particulars	(Rs. In Lakhs) ECL on Trade Rceivable
As at 1st April, 2016	2,190.00
Provided during the year	58.35
Amounts written off	-
Reversal of provisions	-
As at March 31, 2017	2,248.35
Provided during the year	303.91
Amounts written off	-
Reversal of provisions	-
As at March 31, 2018	2,552.26

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, loss allowance for impairment on certain financial assets has been recognised as disclosed in this Note under 'Reconciliation of impairment loss provisions'.

Reconciliation of impairment loss provisions

Particulars	As at 31st March 2018	As at 31st March 2017	As at 1 st April 2016
Opening Provision	1,726.00	1,725.92	1,725.92
Add: Provided during the year	-	0.08	-
Less: Reversal of loss allowance *	-0.46	-	-
Closing Provision	<u>1,725.53</u>	<u>1,726.00</u>	<u>1,725.92</u>

* During the financial year ended 31st March 2018, company has written off certain financial asset (Rs. 0.46 Lakh), consequently the allowance for loss on those asset have been written back

E Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group operates internationally and the Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

Foreign currency exposure	Currency	As at 31st March 2018	As at 31st March 2017	As at 1 st April 2016
Trade Receivables	USD	2.52	1.10	18.81
Trade payables	USD	2.60	7.72	4.40
Net Exposure to foreign currency risk	USD	-0.08	-6.62	14.41

Foreign Currency Risk Sensitivity

A change in 1% in foreign currency would have following impact on profit before tax:

Particulars	2017-18		2016-17	
	1% Appreciation in USD	1% Depreciation in USD	1% Appreciation in USD	1% Depreciation in USD
Increase/(Decrease) in Profit or Loss (in Rs.)	-0.05	0.05	-4.29	4.29

F. Fair Value Measurement:

Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31st March, 2018 (Rs. In Lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
Financial Assets:				
Non current Investment-others	-	4.32	-	4.32
Loan	-	-	-	-
Other Financial Assets-Non Current	-	-	27.76	27.76
Trade Receivables	-	-	3,075.38	3,075.38
Cash and Cash Equivalents	-	-	21.44	21.44
Other Bank Balances	-	-	8.85	8.85

Other financial asset -Current	-	-	185.42	185.42
Financial Liabilities:				
Non - Current Borrowings	-	-	723.61	723.61
Trade Deposits	-	-	118.22	118.22
Current Borrowings	-	-	4,905.63	4,905.63
Trade Payables	-	-	1,408.92	1,408.92
Other Financial liabilities	-	-	110.98	110.98

The carrying value and fair value of financial instruments by categories as of 31st March, 2017

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
Financial Assets:				
Non current Investment-others	-	4.32	-	4.32
Loan	-	-	-	-
Other Financial Assets-Non Current	-	-	32.94	32.94
Trade Receivables	-	-	5,792.59	5,792.59
Cash and Cash Equivalents	-	-	24.92	24.92
Other Bank Balances	-	-	33.59	33.59
Other financial asset -Current	-	-	246.51	246.51
Liabilities:				
Non - Current Borrowings	-	-	653.33	653.33
Trade Deposits	-	-	115.80	115.80
Current Borrowings	-	-	4,777.43	4,777.43
Trade Payables	-	-	2,420.29	2,420.29
Other Financial liabilities	-	-	136.47	136.47

The carrying value and fair value of financial instruments by categories as of 1st April, 2016

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
Financial Assets:				
Non current Investment-others	-	4.32	-	4.32
Loan	-	-	-	-
Other Financial Assets-Non Current	-	-	40.46	40.46
Trade Receivables	-	-	5,910.84	5,910.84
Cash and Cash Equivalents	-	-	38.83	38.83
Other Bank Balances	-	-	176.79	176.79
Other financial asset -Current	-	-	347.91	347.91
Financial Liabilities:				
Non - Current Borrowings	-	-	558.06	558.06
Trade Deposits	-	-	174.14	174.14
Current Borrowings	-	-	3,234.40	3,234.40
Trade Payables	-	-	3,986.99	3,986.99
Other Financial liabilities	-	-	155.95	155.95

* FVTPL - Fair value through profit and loss, FVTOCI - Fair value through other comprehensive income.

42 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 :	Associated Electronics Research Foundation Manori Properties Private Limited Devi Electronics Private Limited Quick load 247 Private Limited (w.e.f 31.01.2018)
(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 (till 30.06.2016) Shri Ayush Jiwarajka Smt. Savitri Devi Jiwarajka (Non - Executive Director)
(e) Other Related Parties	Gautam Khaitan (Chairman Audit Committee & Independent Director) Patanjali Govind Keswani (Independent Director) Sanjeev Kaul Duggal (Independent Director) K.S Mehta (Independent Director)

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:

(Rs. In Lakhs)

Nature of Transactions	Related Parties							
	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) & (d) above		Referred in 1 (e) above	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Purchases								
Goods and Materials	12.09	227.66	-	-	-	-	-	-
Sales								
Goods and Materials	-	82.88	-	-	-	-	-	-
Expenses								
Interest	-	-	-	-	69.27	25.57	-	-
Salary	-	-	-	-	6.98	8.37	-	-
Directors Remuneration & Perquisite	-	-	-	-	111.91	142.07	-	-
Director Sitting Fee	-	-	-	-	-	-	2.16	-
Income								
Rental & Other Incomes	-	-	0.86	-	-	-	-	-
Finance								
Purchase of Keyman Insurance	-	-	-	-	-	250.00	-	-
Loans received	-	-	-	-	100.00	430.00	-	-
Loans repaid	-	-	-	-	-	30.00	-	-
Others								

Expenses/Payment on their behalf	8.35	24.84	1.89	4.29	-	-	-	-
Outstandings								
Payables	-	-	-	-	1.70	8.45	-	-
Receivables	18.12	28.76	5.32	2.83	-	-	-	-
Loan Payable	-	-	-	-	700.00	600.00	-	-
Interest Payable	-	-	-	-	31.78	12.19	-	-

- 43** Post the applicability of GST with effect from 1st July 2017, Sales are disclosed net of GST. Accordingly, the gross sales figures for the year ended 31st March 2018 are not comparable with the previous year.
- 44** The Previous GAAP figures have been reclassified to confirm to presentation requirements of Schedule III applicable to a company whose financial statements are required to be drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015.
- 45** In the opinion of the Board, any of the assets other than Fixed Assets and Non Current Investments have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated.

The accompanying notes (1-45) forms an integral part of these financial statements.

For and on behalf of the Board

As per our separate report of even date annexed.

For **R. Gopal & Associates**
Chartered Accountants
Firm Reg. No. 000846C

S K Agarwal
Partner
M.No: 093209
Place: New Delhi
Date: 28th May 2018

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

INDEPENDENT AUDITORS' REPORT

To the Members of Salora International Limited

Report on the consolidated Financial Statements

We have audited the accompanying Consolidated Ind AS 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 March 31st, 2018, the Consolidated Statement of Profit & Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity, the consolidated Statements of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Company Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Company (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the company 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2018, and its consolidated loss, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year then ended on that date

Other Matters

Opening balances have been considered based on the audited consolidated financial statements prepared under previous Generally Accepted Accounting Practices (Previous GAAP) issued by the other auditors whose un-qualified audit report dated 29th May, 2017 have been furnished to us. The differences arise from transition from previous GAAP to Ind AS have been derived from such audited consolidated financial statements.

We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs 433.84 lakhs as at 31st March, 2018, total revenues of Rs 8.84 lakhs and net cash outflow amounting to Rs 1.33 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports 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 the subsidiary are based solely on the reports 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.

Report on Other Legal and Regulatory Requirement

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 Ind AS financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group company incorporated in India is disqualified as on 31 March 2018 from being appointed as a Director of that company in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- (g) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Company (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 group has disclosed the impact of Pending litigations on its consolidated financial position in its consolidated Ind AS financial statements- Refer note No. 38 to the consolidated financial statements,
- ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

S.K. Agarwal
Partner
Membership No.: 093209

Place: New Delhi
Date: 28th May 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Infosys Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Company Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Salora International Limited (hereinafter referred to as "Company") and its subsidiary company, which are company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary company, which are company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective 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 ("the 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary company, which are company incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Company Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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 internal financial controls system over financial reporting of the Company and its subsidiary company, which are company incorporated in India.

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 periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are company incorporated in India, have, 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, 2018, based on the internal control over financial reporting criteria established by the respective 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 which needs to be strengthened.

Other Matters

Our aforesaid reports u/s 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding company, insofar as it relates to subsidiary which are company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

For R Gopal & Associates
Chartered Accountants
Firm Registration No.: 000846C

S.K. Agarwal
Partner
Membership No.: 093209

Place: New Delhi
Date: 28th May 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ In lacs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
ASSETS				
1. Non-current assets				
(a) Property, Plant and Equipment	3	2,493.14	2,690.92	2,907.57
(b) Capital work-in-progress		2.95	2.31	-
(c) Other Intangible Assets	4	5.08	7.82	17.95
(d) Financial Assets				
(i) Investments	5	4.34	4.34	4.34
(ii) Trade Receivables	6	1,467.47	1,285.34	1,268.18
(iii) Loans	7	-	-	-
(iv) Other Financial Assets	8	27.76	32.94	40.46
(e) Deferred Tax Assets (net)	9	2,113.70	1,687.97	1,648.46
(f) Other Non-Current Assets	10	653.33	699.23	695.19
Total Non-current assets		<u>6,767.77</u>	<u>6,410.86</u>	<u>6,582.15</u>
2. Current assets				
(a) Inventories	11	5,661.65	5,024.93	4,814.61
(b) Financial Assets				
(i) Trade receivables	12	1,608.66	4,508.01	4,643.41
(ii) Cash and cash equivalents	13	23.12	27.94	41.43
(iii) Bank Balances other than (ii) above	14	8.85	33.59	176.79
(iv) Other Financial Assets	15	160.18	217.81	259.93
(c) Current Tax Assets	16	112.48	108.40	95.04
(d) Other Current Assets	17	600.04	468.91	515.13
Total current assets		<u>8,174.98</u>	<u>10,389.59</u>	<u>10,546.34</u>
TOTAL ASSETS		<u>14,942.75</u>	<u>16,800.45</u>	<u>17,128.49</u>
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	18	881.45	881.45	881.45
(b) Other Equity	19	6,217.49	7,251.92	7,473.29
Equity attributable to owners of the Company		<u>7,098.94</u>	<u>8,133.37</u>	<u>8,354.74</u>
Non Controlling Interest		26.65	34.70	45.75
Total		7,125.59	8,168.07	8,400.50
Liabilities				
1. Non-current liabilities				
(a) Financial Liabilities				

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ In lacs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
(i) Borrowings	20	978.61	908.33	798.06
(ii) Other Financial Liabilities	21	118.22	115.80	174.14
(b) Provisions	22	17.88	25.06	17.03
Total non-current liabilities		<u>1,114.71</u>	<u>1,049.19</u>	<u>989.23</u>
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	23	4,905.63	4,777.43	3,234.40
(ii) Trade payables	24	1,411.43	2,423.95	4,015.15
(iii) Other Financial Liabilities	25	146.95	172.09	189.72
(b) Other current liabilities	26	193.09	203.96	291.64
(c) Provisions	27	45.35	5.76	7.85
Total Current liabilities		<u>6,702.45</u>	<u>7,583.19</u>	<u>7,738.76</u>
TOTAL EQUITY AND LIABILITIES		<u>14,942.75</u>	<u>16,800.45</u>	<u>17,128.49</u>
Significant Accounting Policies	2			

The accompanying notes (1-41) forms an integral part of these financial statements.

For and on behalf of the Board

As per our separate report of even date attached.

For **R. Gopal & Associates**
Chartered Accountants
Firm Reg. No. 000846C

S K Agarwal
Partner
M.No: 093209

Place: New Delhi
Date: 28th May 2018

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

Consolidated Statement of Profit and Loss for the year ended 31st March, 2018

(₹ In lacs)

Particulars	Note No.	Year ended 31st March 2018	Year ended 31st March 2017
I. Revenue from Operations	28	12,812.16	32,380.94
II. Other Income	29	15.64	313.81
III. Total Income (I+II)		12,827.80	32,694.75
IV. EXPENSES			
Cost of materials consumed		2,631.04	2,529.64
Excise Duty		53.89	298.36
Purchases of Stock-in-trade		9,059.05	26,924.52
Changes in Inventories of finished goods, Stock-in-trade and work in progress	30	-450.96	-313.49
Employee benefits expense	31	883.82	974.93
Finance costs	32	682.47	704.11
Depreciation and amortization expense	33	242.20	253.13
Other expenses	34	1,195.46	1,588.98
Total expenses (IV)		14,296.97	32,960.18
V. Profit before exceptional items and tax (III-IV)		-1,469.17	-265.43
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		-1,469.17	-265.43
VIII. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		426.02	37.49
IX. Profit/(loss) for the year (VII-VIII)		-1,043.15	-227.94
X. Other Comprehensive Income			
(i) Items that will not be reclassified subsequently to profit or loss			
Re-measurement gains (losses) on defined benefit plans		0.97	-6.50
Income Tax effect (Deferred Tax)		0.30	-2.01
		0.67	-4.49
XI. Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		-1,042.48	-232.43
Profit for the Year			
Attributable to:			
Owners of the parent		-1,035.10	-216.88
Non-controlling interests		-8.06	-11.04
Other comprehensive for the year			
Attributable to:			
Owners of the parent		0.67	-4.49
Non-controlling interests		-	-
Total comprehensive income of the year:			
Attributable to:			
Owners of the parent		-1,034.43	-221.37
Non-controlling interests		-8.06	-11.04
XII. Earnings per equity share			
(1) Basic (in Rs.)		-11.84	-2.59
(2) Diluted (in Rs.)		-11.84	-2.59
XIII. Summary of significant accounting policies	2		

The accompanying notes (1-41) forms an integral part of these financial statements.

For and on behalf of the Board

As per our separate report of even date attached.

For **R. Gopal & Associates**

Chartered Accountants
Firm Reg. No. 000846C

S K Agarwal
Partner
M.No: 093209

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

Place: New Delhi
Date: 28th May 2018

Mohd Faisal Farooq
Company Secretary

Statement of Changes in Equity for the year ended 31st March, 2018

(₹ In lacs)

A. Equity Share Capital

As at April 1, 2016	Changes during the year	As at March 31, 2017	Changes during the year	As at March 31, 2018
881.45	-	881.45	-	881.45

Other Equity

(₹ In lacs)

Particulars	Equity attributable to owners of the Parent						Non- Controlling Interest	Total
	Reserves & Surplus				Items of Other Com- prehensive Income	Total		
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings				
Balance as 1st April, 2016	-	3,247.29	4,005.29	219.32	1.39	7,473.29	45.75	7,519.04
For the Year	-	-	-	-216.88	-4.49	-221.37	-11.05	-232.42
Balance as at 31st March, 2017	-	3,247.29	4,005.29	2.44	-3.10	7,251.92	34.70	7,286.62
Balance as at 1st April, 2017	-	3,247.29	4,005.29	2.44	-3.10	7,251.92	34.70	7,286.62
For the Year	-	-	-	-1,035.10	0.67	-1,034.43	-8.06	-1,042.48
Balance as at 31st March, 2018	-	3,247.29	4,005.29	-1,032.66	-2.43	6,217.49	26.65	6,244.14

The accompanying notes (1-41) forms an integral part of these financial statements.

For and on behalf of the Board

As per our separate report of even date attached.

For R. Gopal & Associates

Chartered Accountants
Firm Reg. No. 000846C

S K Agarwal

Partner
M.No: 093209

Place: New Delhi

Date: 28th May 2018

Tarun Jiwarajka

Whole Time Director & CFO
DIN No. 00386240

Mohd Faisal Farooq

Company Secretary

Gopal Sitaram Jiwarajka

Chairman & Managing Director
DIN No. 00024325

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ In lacs)

	Year Ended 31.03.2018	Year Ended 31.03.2017
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	-1,469.17	-265.43
Adjustment for :		
Depreciation	242.20	253.13
Lease hold land amortisation	2.50	2.50
Interest	634.47	649.29
Interest Income	-12.83	-1.79
Allowance for doubtful receivables	303.91	58.34
Bad Debts	92.87	76.11
Loss/(Profit) on sale of Property, Plant and Equipment	0.81	3.06
Irrecoverable loans and advances written off	108.32	5.00
Provision/Liability no longer required written back	-119.23	-74.07
Operating Profit before Working Capital changes	-216.15	706.14
Adjustment for :		
(Increase) /Decrease in inventories	-636.72	-210.32
(Increase)/Decrease in Trade and other receivables	2,299.39	59.89
(Increase)/Decrease in Trade and other payables	-1,001.85	-1,670.97
Cash Generated from Operating Activities	444.67	-1,115.26
Adjustment for :		
Direct taxes (paid) / Refund Received	-4.08	-13.36
Net cash from Operating Activities	440.59	-1,128.62
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant & Equipment	-53.03	-44.28
Proceeds from sale of Property, Plant & Equipment	9.91	12.55
Interest received	8.94	10.02
Net cash from / (used in) Investing Activities	-34.18	-21.71
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of Non current Borrowings (Net)	55.13	106.06
Proceeds/ (Repayments) of Current Borrowings (Net)	128.20	1,543.03
Interest Paid	-619.30	-654.29
Margin Money realised	24.74	142.04
Net cash from/(used in) Financing Activities	-411.23	1,136.84
Net Increase/ (Decrease) in cash and cash equivalents :	-4.82	-13.49
Cash and cash equivalents at beginning of the year	27.94	41.43
Cash and cash equivalents at end of the year	23.12	27.94

The accompanying notes (1-41) forms an integral part of these financial statements.

Note:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS-7 notified under Section 133 of the Companies Act 2013.

2. Components of Cash and Cash equivalents

Particulars	2017-18	2016-17
Balances with banks		
Current accounts	20.29	20.63
Cash on hand	2.83	7.31
Total as per Note-13	23.12	27.94

3. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	1st April 2017	Cash flow	31st March 2018
Non- current borrowings (refer note no. 20 & 25)	953.20	55.13	1,008.33
Current Borrowings (Refer Note no. 23)	4,777.43	128.20	4,905.63
	5,730.63	183.33	5,913.96

4. Figures in bracket indicate cash outflows.

The accompanying notes (1-41) forms an integral part of these financial statements.

For and on behalf of the Board

As per our separate report of even date attached.

For **R. Gopal & Associates**
Chartered Accountants
Firm Reg. No. 000846C

S K Agarwal
Partner
M.No: 093209

Place: New Delhi
Date: 28th May 2018

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN No. 00024325

SALORA INTERNATIONAL LIMITED

Significant accounting policies and notes on accounts

1 Group Overview

The consolidated financial statements comprise financial statements of Salora International Limited, Parent Company and its subsidiary (hereinafter referred as “the Group”). Salora International Limited is a public limited company incorporated and domiciled in India, listed at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The address of its registered office is D-13/4 Okhla Industrial Area Phase-II New Delhi 110020. The principal activity of Company is manufacturing and assembly of LED TVs, CRT TVs, TV Components, Home Theatres, Mobile Phone, Mobile Batteries & Chargers and also distribution of large variety of IT, Telecom Products and generation of electricity (Wind Power).

Group Structure

Name of the Company	% of Share held by Parent Company	
	As at 31st March 2018	As at 31st March 2017
Subsidiary:		
Salora Components Ltd.	79.05%	79.05%

2 Significant accounting policies

A. Basis of Preparation

These Consolidated Financial Statements have been prepared to comply in all material respects with the Notified accounting standard under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments there after. The financial statements have been prepared in accordance with Indian Accounting Standards (referred to as “Ind AS”) under the historical cost convention on an accrual basis except for certain financial instruments which are required to be measured as fair values at the end of each reporting period as explained in the accounting policies below.

The accounting policies have been consistently applied by the Company except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statements of Salora International Limited (“the Holding Company”), and its Subsidiary (together “the Company / Group”) upto and for the year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended), as notified under section 133 of the Act (“Previous GAAP”) and other relevant provision of the Act. The Consolidated financial statements for the year ended 31 March 2018 are the first consolidated financial statements of the Company prepared under Ind AS. The date of transition to Ind AS is 1st April, 2016.

The company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note No. 37

The Consolidated financial statements are presented in Indian rupees and all values are rounded to the nearest lakhs and two decimals thereof, except otherwise stated. The Consolidated financial statements were authorized for issue by the company’s Board of Directors on 28th May 2018.

B Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its Subsidiary as at 31 March 2018. Control is achieved when the group is exposed, or has right, to variable return from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The group re-assesses whether or not it controls an investee if facts and circumstances indicates that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, Liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statement in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e. year ended on 31 March.

Profit or loss, each component of other comprehensive income

(OCI) is attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if the results in the non-controlling interests having a deficit balance. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

C Consolidation Procedure:

- i) Combine like items of assets, liabilities, equity, income, expenses and cash flows to the parent with those of its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii) Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary. Business combination policy explains how to account for any related goodwill.
- iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statement. Ind AS 12 Income tax applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the group and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing

the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

D Use of estimates and Judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

E Operating segment

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

F Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

3. Property, Plant & Equipment

Particulars	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Dies & Moulds	Total
Gross Carrying Amount								
Balance as at 1st April, 2016	315.29	576.73	6,759.06	452.11	273.73	57.54	1,042.56	9,477.02
Additions	-	-	13.53		25.35	0.20	2.90	41.98
Deductions/ Adjustment	-	-	20.24	0.17	36.62	-	-	57.03
Balance as at 31st March, 2017	315.29	576.73	6,752.35	451.94	262.46	57.74	1,045.46	9,461.97
Accumulated Depreciation								
Balance as at 1st April, 2016	67.23	296.71	4,697.97	407.87	92.54	50.82	956.31	6,569.45
For the year	3.50	15.39	174.32	13.41	29.07	0.79	6.53	243.01
Deduction/ Adjustment	-	-	19.23	0.17	22.01	-	-	41.41
Balance as at 31st March, 2017	70.73	312.10	4,853.06	421.11	99.60	51.61	962.84	6,771.05
Net carrying amount as at 31st March, 2017	244.56	264.63	1,899.29	30.83	162.86	6.13	82.62	2,690.92
Net carrying amount as at 31st March, 2016	248.06	280.02	2,061.09	44.24	181.19	6.72	86.25	2,907.57
Gross Carrying Amount								
Balance as at 1st April, 2017	315.29	576.73	6,752.35	451.94	262.46	57.74	1,045.46	9,461.97
Additions	-	17.99	15.35	18.45	-	0.23	0.37	52.39
Deletions / Adjusted	-	-	33.44		13.34	-	-	46.78
Balance as at 31st March, 2018	315.29	594.72	6,734.26	470.39	249.12	57.97	1,045.83	9,467.58
Accumulated Depreciation								
Balance as at 31st March, 2017	70.73	312.10	4,853.06	421.11	99.60	51.61	962.84	6,771.05
For the year	3.50	14.84	174.07	12.02	28.62	1.00	5.41	239.46
Deletions / Adjusted	-	-	32.23		3.84	-	-	36.07
Balance as at 31st March, 2018	74.23	326.94	4,994.90	433.13	124.38	52.61	968.25	6,974.44
Net carrying amount as at 31st March, 2018	241.06	267.78	1,739.36	37.26	124.74	5.36	77.58	2,493.14
Net carrying amount as at 31st March, 2017	244.56	264.63	1,899.29	30.83	162.86	6.13	82.62	2,690.92

Note: Leasehold Land of Delhi and Noida are under finance lease for 99 years and 90 years respectively
For assets provided as security refer note no. 20 and 23

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Note:4 Other Intangible Assets

Particulars	Trademark
Gross Carrying Amount	
At 1st April 2016	106.21
Additions	-
Deductions/Adjustment	-
At 31st March 2017	106.21
Additions	-
Deductions/Adjustment	-
At 31st March 2018	106.21
Amortisation	
At 1st April 2016	88.26
Charge for the year	10.13
Deductions/Adjustment	-
At 31 March 2017	98.39
Charge for the year	2.74
Deductions/Adjustment	-
At 31st March 2018	101.13
Net Carrying Amount	
At 1st April 2016	17.95
At 31 March 2017	7.82
At 31st March 2018	5.08

Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
5	Non-Current Investments			
	Investments in Equity Instruments: Unquoted, fully paid-up			
	Investment carried at fair value through other comprehensive income			
	In Other Companies :			
	355000 (P.Y. 355000) Equity Shares of Encompass Software & Systems Pvt. Ltd. of Rs.10/- each.	35.50	35.50	35.50
	Less: Provision for diminution in value of Investments	-31.18	-31.18	-31.18
	2500 (P.Y. 2500) Equity Shares of Terminal Power Pvt. Ltd. of Rs.10/-each.	-	0.25	0.25
	Less: Provision for diminution in value of Investments	-	-0.25	-0.25
	Investments carried at amortized cost			
	Other Investments in Bond (Fully paid)			
	2 (P.Y.) Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/-each	0.02	0.02	0.02
	Total	4.34	4.34	4.34
	Aggregate amount of Unquoted Investments:	35.52	35.77	35.77
	Aggregate amount of impairment in value of investments:	31.18	31.43	31.43
6	Trade Receivables-Non current			
	- Unsecured, considered good	1,467.47	1,285.34	1,268.18
	- Doubtful	2,400.11	350.81	346.52
	Less : Allowance for bad & doubtful debts	-2,400.11	-350.81	-346.52
	Total	1,467.47	1,285.34	1,268.18
7	Loans- Non current			
	(Unsecured, Considered Doubtful)			
	Inter Corporate Loan Given	255.00	255.00	255.00
	Less: Allowance for Impairment Loss	-255.00	-255.00	-255.00
	Total	-	-	-
8	Other Financial Assets-Non Current			
	(Unsecured, considered doubtful unless otherwise stated)			
	Advances recoverable in cash or in kind or for value to be received	1,334.18	1,334.18	1,334.18
	Less: Allowance for Impairment Loss	-1,334.18	-1,334.18	-1,334.18
	Interest Receivable	94.64	94.64	94.64
	Less: Allowance for Impairment Loss	-94.64	-94.64	-94.64
	Security Deposits (considered good)	27.76	32.94	40.46
	Total	27.76	32.94	40.46

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
9	Deferred tax Assets (net)			
	Deferred tax liability:			
	On account of depreciation on property, plant & equipment and other intangible assets	475.51	535.72	569.92
	Sub Total	475.51	535.72	569.92
	Deferred tax assets:			
	On account of timing differences in recognition of expenditure	25.57	20.53	17.46
	On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	1,155.60	851.70	867.51
	On account of capital Loss	77.40	82.02	82.02
	On account of ECL & Impairment losses	1,330.64	1,269.44	1,251.39
	Total	2,589.21	2,223.69	2,218.38
	Deferred tax assets (net)	<u>2,113.70</u>	<u>1,687.97</u>	<u>1,648.46</u>
10	Other Non-Current Assets (Unsecured, Considered good)			
	Deposits with Statutory Authorities	553.48	596.88	590.46
	Advances recoverable in cash or in kind or for value to be received	53.40	53.40	53.40
	Security Deposits	0.62	0.62	0.50
	Prepayments of Leasehold Land	45.83	48.33	50.83
	Total	<u>653.33</u>	<u>699.23</u>	<u>695.19</u>
11	Inventories:			
	Raw materials	603.83	613.90	566.98
	Work in progress	205.92	133.63	97.34
	Finished goods	884.84	498.44	490.33
	Stock in Trade	3,712.05	3,719.78	3,450.69
	Fuel	0.88	1.57	1.81
	Goods in transit:			
	Raw materials	254.13	57.61	207.46
	Total	5,661.65	5,024.93	4,814.61
12	Trade Receivables (Unsecured)			
	-Considered good	1,608.66	4,508.01	4,643.41
	-Doubtful	220.79	1,966.18	1,912.12
	Less : Allowance for bad & doubtful debts	-220.79	-1,966.18	-1,912.12
	Total	<u>1,608.66</u>	<u>4,508.01</u>	<u>4,643.41</u>

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 31st March 2016
13	Cash and Cash Equivalents			
	Cash balance on hand	2.83	7.31	15.06
	Balances with banks			
	- in current accounts	20.09	20.24	17.12
	- in overdraft accounts	0.20	0.39	-
	Cheques/ Drafts in Hand	-	-	9.25
	Total	<u>23.12</u>	<u>27.94</u>	<u>41.43</u>
14	Bank Balances other than above			
	Fixed Deposit - Margin Money with Bank	8.85	33.59	175.62
	Earmarked Balances - Unpaid dividend Accounts	-	-	1.17
	Total	8.85	33.59	176.79
15	Other Financial Assets (Unsecured, considered good unless otherwise stated)			
	Interest Receivable	3.88	-	8.22
	Gratuity Recoverable	-	4.99	2.65
	Superannuation Recoverable	1.43	1.43	1.43
	Advances recoverable in cash or in kind or for value to be received:			
	-Considered Good	154.87	211.39	247.63
	-Considered Doubtful	10.53	10.75	10.67
	Less: Allowance for Impairment Loss	-10.53	-10.75	-10.67
	Total	<u>160.18</u>	<u>217.81</u>	<u>259.93</u>
16	Current Tax Assets			
	Income Tax Refund Receivable	112.48	108.40	95.04
	Total	112.48	108.40	95.04
17	Other Current Assets (unsecured)			
	Balance With / Recoverable from Government Authorities			
	-Considered Good	600.04	468.91	515.13
	-Considered Doubtful	-	107.86	107.86
	Less: Allowance for Impairment Loss	-	-107.86	-107.86
	Total	600.04	468.91	515.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
		Number	Rs.	Number	Rs.	Number	Rs.
18	(a) Equity Share Capital:						
	Authorised:						
	Equity Shares of Rs. 10/- each	20,000,000	2,000.00	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	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	8,807,300	880.73
	Add: Share Capital forfeited Equity Shares @ 5.65/- each	12,700	0.72	12,700	0.72	12,700	0.72
	Total		881.45		881.45		881.45

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Number	Rs.	Number	Rs.	Number	Rs.
Equity shares outstanding at the beginning of the Year	8,807,300	880.73	8,807,300	880.73	8,807,300	880.73
Equity shares outstanding at the end of the year	8,807,300	880.73	8,807,300	880.73	8,807,300	880.73

(c) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of Capital are as under:

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. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d)Particulars of equity share holders holding more than 5% of the total number of equity share capital:

Class of shares/name of the shareholders:	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No.of Shares	% of holding	No.of Shares	% of holding	No.of Shares	% of holding
Gopal Kumar Jiwaraajka	2,029,117	23.04	2,029,117	23.04	2,029,117	23.04
Gopal Kumar Jiwaraajka HUF	1,498,988	17.02	1,498,988	17.02	1,498,988	17.02
Neetu Jiwaraajka	731,410	8.30	731,410	8.30	731,410	8.30
Manori Properties Pvt Ltd.	558,929	6.35	558,929	6.35	558,929	6.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
19 Other Equity			
a. Securities Premium Reserve			
As per last balance sheet			
Share Premium Account	3,244.42	3,244.42	3,244.42
Add : Share Premium Forfeited	2.87	2.87	2.87
Sub Total	3,247.29	3,247.29	3,247.29
b. General Reserve			
As per last Balance sheet	4,005.29	4,005.29	6,804.47
Less: Impairment Loss	-	-	-1,802.60
Less: Expected Credit Loss	-	-	-2,244.27
Add: Deffered Tax adjustments	-	-	1,247.69
Sub Total	4,005.29	4,005.29	4,005.29
c. Surplus in Statement of Profit and Loss			
As per last Balance sheet	2.44	219.32	294.60
Add : Profit/(Loss) Transferred from Statement of Profit & Loss	-1,035.10	-216.88	-75.28
Sub Total	-1,032.66	2.44	219.32
d. Other Comprehensive Income			
Opening balance	-3.10	1.39	-
Add : Re-measurements of Defined Employee Benefits plans(Net of Tax)	0.67	-4.49	1.39
Sub Total	-2.43	-3.10	1.39
Total	6,217.49	7,251.92	7,473.29

Nature and purpose of Reserves:

(i) Securities Premium

Securities premium reserves represents the premium on issue of equity shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) General Reserve

This represents appropriation of profit after tax by the company.

(iii) Surplus

This comprise company's undistributed profit after taxes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
20	Borrowings- Non Current			
	(a) Secured			
	Term Loan			
	Vehicle Loans from Banks	53.33	98.20	127.14
	Less : Current Maturities of Vehicle Loan(Refer Note No. 25)	29.72	44.87	49.08
	Sub Total	23.61	53.33	78.06
	(b) Unsecured Loans:			
	Loans from related parties	955.00	855.00	370.00
	Loan from Others	-	-	350.00
	Sub Total	955.00	855.00	720.00
	Total	978.61	908.33	798.06
	Additional Information:			
	Details of security for secured loans			
	Vehicle Loans are secured against hypothecation of cars.			
	Terms of repayment of term loans and others			
	i) Vehicle Loans from Banks on monthly instalment basis.			
	ii) Unsecured Loans are repayable on demand.			
21	Other Financial Liabilities-Non Current			
	Trade Deposit	118.22	115.80	174.14
	Total	118.22	115.80	174.14
22	Provisions-Non Current			
	Employees benefits:			
	Provision for Leave	17.88	25.06	17.03
	Total	17.88	25.06	17.03
23	Borrowings-Current			
	Working capital loan From Banks (Secured)	4,905.63	4,777.43	3,234.40
	Total	4,905.63	4,777.43	3,234.40
	Additional Information:			
	Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge on immovable properties as collateral security.			

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
24	Trade Payables			
	Dues to Micro, Small and Medium Enterprises*			
	Dues to Others	1,411.43	2,423.95	4,015.15
	Total	1,411.43	2,423.95	4,015.15
	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.			
25	Other Financial liabilities- Current			
	Current maturities of long term debt: Vehicle Loans	29.72	44.87	49.08
	Interest accrued but not due on borrowings	56.55	41.37	46.37
	Provision for Salary and Bonus	49.05	74.67	85.63
	Others	11.63	11.18	8.64
	Total	146.95	172.09	189.72
	Additional Information:			
	Vehicle Loans are secured against hypothecation of cars.			
26	Other Current liabilities			
	Unpaid dividend #	-	-	1.17
	Statutory Liabilities	104.06	100.42	152.14
	Others	89.03	103.54	138.33
	Total	193.09	203.96	291.64
	# Unpaid dividends do not include any amount due and outstanding required to be credited to the Investors' Education and Protection Fund			
27	Provisions-Current			
	Employees benefits:			
	Provision for Leave	13.98	5.76	4.51
	Provision for Gratuity	31.37	-	3.34
	Total	45.35	5.76	7.85

Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
28	Revenue from Operations:		
	Sales of Goods		
	Domestic	12,428.21	31,504.83
	Export	-	191.79
	Total	12,428.21	31,696.62
	Sale of Services		
	Consumer Electronic Products	-	148.00
	Wind Energy	371.79	441.75
	Total	371.79	589.75
	Gross Sales	<u>12,800.00</u>	<u>32,286.37</u>
	Other Operating Income		
	Bad Debts Recovered	-	3.77
	Liability no Longer required written back	10.91	74.07
	Commission Received	-	14.51
	Miscellaneous Income	1.25	2.22
		<u>12.16</u>	<u>94.57</u>
	Total Revenue from Operations	12,812.16	32,380.94
29	Other Income:		
	Interest	12.83	1.79
	Miscellaneous Income	2.81	6.04
	Excise Refund	-	21.60
	Keyman Insurance	-	284.38
	Total	15.64	313.81
30	Changes in Inventories of finished goods, Stock-in-trade and work in progress		
	Stocks at the end of the year		
	Work in progress	205.92	133.63
	Stock in Trade :	3,712.05	3,719.78
	Finished goods	884.84	498.44
	Sub Total :	4,802.81	4,351.85
	Less : Stocks at the beginning of the year		
	Work in progress	133.63	97.33
	Stock in Trade :	3,719.78	3,450.69
	Finished goods	498.44	490.34
	Sub Total :	4,351.85	4,038.36
	Increase / (Decrease) in Stock :	-450.96	-313.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
31	Employees Benefits Expenses:		
	Salaries and wages	806.03	884.53
	Contribution to provident and other funds	61.79	71.95
	Staff Welfare & Other Benefits	16.00	18.45
	Total	883.82	974.93
32	Finance Costs:		
	Interest	634.47	649.29
	Net (Gain)/Loss on Foreign Currency Transaction	0.01	-0.10
	Others	47.99	54.92
	Total	682.47	704.11
33	Depreciation and amortization:		
	Depreciation	238.70	249.63
	Amortization of Land	3.50	3.50
	Total	242.20	253.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No.	Particulars	Year ended 31st March 2018	Year ended 31st March 2017
34	Other expenses:		
	Assembly Charges	13.84	20.38
	Stores & Spares Consumed	7.17	9.89
	Power and fuel	64.51	75.84
	Lease Rent	2.50	2.50
	Rent	29.32	38.94
	Repair & Maintenance :-		
	Building	0.02	6.35
	Plant & Machinery	88.36	89.84
	Others	19.55	28.37
	Insurance	12.63	13.76
	Rates and taxes	12.18	18.05
	Legal and professional fees	63.36	95.56
	Payment to Auditors		
	Statutory Audit Fee	11.50	13.75
	Tax Audit Fee	1.50	1.50
	Certification	0.09	0.71
	Expense / Service Tax reimbursed	1.08	2.99
	In Other capacity	1.50	1.50
	Travelling & Conveyance	116.44	156.92
	Freight and Forwarding	99.71	449.14
	Discount, Commission & Incentives	86.59	243.63
	Advertisement & Publicity	0.76	18.80
	After Sale Service Charges	49.60	30.91
	Sales Tax, Entry Tax and Service Tax	2.97	1.46
	Bad Debts	92.87	76.11
	Irrecoverable loans and advances written off	108.32	5.00
	Less: Provision for Irrecoverable Loans & Advance Written Back	-108.32	-
	Loss on sale of Property, Plant and Equipment (net)	0.81	3.06
	Short / (Excess) Claims	-2.45	-0.93
	Miscellaneous expenses	115.87	119.90
	Net (gain)/loss on foreign currency transaction	-0.73	6.71
	Allowance for doubtful receivables	303.91	58.34
	Total	<u>1,195.46</u>	<u>1,588.98</u>

Notes to Consolidated Financial Statements

35 First time adoption of Ind AS

The consolidated financials of Salora International Limited for the year ended March 31, 2018 have been prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the standalone financial statements for the year ended March 31, 2018 and the comparative information.

This note explains the exemptions availed by the company on first time adoption of Ind AS and the principal adjustments made by the Company in restating its previous GAAP financial statements as at 1st April 2016 and financial statements as at and for the year ended 31st March 2017 in accordance with Ind AS 101.

Exemption in accordance with Ind-AS 101 (First Time Adoption of Indian Accounting Standards)

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

a) Carrying amount of Property, plant and equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

b) Carrying amount of Intangible Assets

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

c) Designation of previously recognized financial instruments

The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly has applied fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 1st April 2016.

d) Estimates

The estimates at 1st April 2016 and at 31st March, 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items, which, under previous GAAP did not require estimation:

- Fair values of Financial Assets & Financial Liabilities
- Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions as at 1st April, 2016 and 31st March, 2017.

Reconciliations between Previous GAAP and Ind AS

(i) Equity reconciliation

(Rs. In Lakhs)

Particulars	As at 31st March, 2017	As at 1st April, 2016
As reported under previous GAAP	10,972.91	11,153.92
Impairment Losses	-1,802.68	-1,802.60
Expected Credit Loss	-2,302.61	-2,244.27
Others	2.01	-
Deferred Tax Adjustments	1,263.74	1,247.69
As reported under Ind AS	8,133.37	8,354.74

(ii) Total Comprehensive income reconciliation

(Rs. In Lakhs)

Particulars	For the year ended 31st March, 2017
Net Profit under Previous GAAP	-192.05
Employee Benefits	6.50
Impairment Losses	-0.08
Expected Credit Loss	-58.35
Deferred Tax Adjustments	16.04
Net Profit under Ind AS	-227.94
Other comprehensive income	-4.49
Net Profit under Ind AS	-232.43

Notes to the reconciliation of equity as at 1st April 2016 and 31st March 2017 and Total comprehensive income for the year ended 31st March 2017

1). Leasehold Land

Under Ind AS, land at Dhule (Maharashtra) taken on lease is considered as operating lease. Therefore, net block of leasehold land (31st March 2017 Rs. 48.33 lacs, 1st April 2016 Rs. 50.83 lacs) has been re-classified under the head "Other non-current assets" (31st March 2017 Rs. 48.33 lacs, 1st April 2016 Rs. 50.83 lacs) as 'Prepayments of leasehold land'. Further, the amortization of leasehold payment for the year ended 31st March 2017 amounting to Rs. 2.50 lacs has been reclassified from 'Depreciation and amortization' to 'Other expenses'. However, the same has no impact on the total equity as at 31st March, 2017.

2) Expected Credit Loss (ECL)

Under Ind AS, loss allowance for trade receivables is measured at an amount equal to lifetime expected credit loss. Accordingly, as on transition date, expected credit loss of Rs. 2244.27 lacs has been recognised. Additionally, loss allowance of Rs. 58.35 lacs has been recognised for year ended 31st March, 2017.

3) Impairment of financial assets

Under Ind AS, impairment of financial assets is measured in accordance with Ind AS 109 Financial Instruments. As on the transition date, impairment loss of Rs. 1802.60 lacs has been recognised as per requirements of Ind AS 101 First Time Adoption of Indian Accounting Standards and Ind AS 109 Financial Instruments.

4) Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods. However, the same does not result in difference in equity or total comprehensive income.

5) Deferred Tax adjustments

Tax adjustments include deferred tax impact on account of differences between Previous GAAP and Ind AS.

6) Sale of Goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Thus, sale of goods under Ind AS has increased by Rs. 325.93 lacs with a corresponding increase in expenses. However, the same has no impact on the total equity as at 31st March, 2017

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

(₹ In lacs)

Note No. 36

Disclosure mandated by Schedule III of Companies Act 2013, by way of additional information

Particulars	Net Asset, i.e. total assets minus total liabilities		Share in profit or loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated Profit and Loss	Amount (Rs.)	As % of consolidated Other Comprehensive Income	Amount (Rs.)	As % of consolidated Total Comprehensive Income	Amount (Rs.)
Parent:								
Salora International Limited	103.39%	7,339.85	96.31%	-1,004.70	99.59%	0.67	96.31%	-1,004.03
Subsidiary:								
Indian:								
Salora Components Ltd.	1.70%	120.41	4.34%	-45.27	0.00%	-	4.34%	-45.27
Foreign:								
Non controlling Interest in Subsidiary	0.38%	26.65	0.77%	-8.06	0.00%	-	0.77%	-8.06

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

37 Contingent Liabilities not provided for in respect of :

	(₹ In lacs)		
Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
Letter of credit other than for capital expenditure	8.46	251.70	315.47
Income Tax Matters	37.88	45.00	45.00
Sales Tax Matters	1,023.10	1,021.65	888.78
Service Tax Matters	1.97	1.97	1.97
Excise Matters	4,961.62	4,961.62	4,969.27
<p>i) Bank Guarantees issued by Bankers Rs.4.79 lacs (Previous year Rs. 455.47 lacs) including for Sales Tax and Excise demand Rs.4.79 lacs (Previous Year Rs.5.47 lacs), against which margin kept by bank Rs. 0.50 lacs (Previous year Rs.21.18 lacs)</p>			
<p>ii) Advance Licence utilised for Import of CPT worth Rs.87.50 lacs during the period from January, 1995 to May 1995 , DGFT issued Show Cause Notice to pay duty and penalty thereof on all above imports and included the company's name in the defaulters list. Company challenged the said Notice in Delhi High Court and after admitting the petition and taking into consideration all the facts, the Delhi High Court directed the Company to deposit a sum of Rs. 20.00 lacs with the Collector of Customs and ordered DGFT to remove Company's name from the defaulters list. Accordingly Company has deposited the sum of Rs.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 of DGFT.</p>			
<p>iii) The demand amounting to Rs.1113.78 lacs (previous year Rs. 1113.78 lacs) and penalty Rs. 1113.78 lacs (previous year Rs.1113.78 lacs) for the period April 2002 to April 2003 and demand of Rs.28.99 lacs (previous year Rs.28.99 lacs) and penalty of Rs.28.99 lacs (previous year Rs.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 a fresh 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 the CESTAT in remand order. The company has again filed appeal against Commissioner's order before the CESTAT. CESTAT has decided the case against the company. The company has filed the SLP against the order of CESTAT before the Supreme Court.</p>			
<p>iv) The demand for Rs.1292.44 lacs (previous year Rs. 1292.44 lacs) and penalty Rs.1292.44 lacs(previous year Rs. 1292.44 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. CESTAT has decided the case against the company. The company has filed the SLP against the order of CESTAT before the Supreme Court. 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 Rs.300.00 lacs (previous year Rs. 300.00 lacs). Miscellaneous Excise duty demand amounting to Rs.91.19 lacs (previous year Rs. 91.19 lacs) and Service Tax demand Rs.1.97 lacs(previous year Rs. 1.97 lacs) has been raised by the department against which company has filed appeals. The amount deposited against demand Rs.6.20 lacs (previous year Rs.6.20 lacs).</p>			
<p>v) Income Tax Assessments of the Company have been completed upto Assessment Year 2015-16 (in previous year upto 2014-15). Demand has been raised of Rs.37.88 lacs (previous year Rs. 45.00 lacs) for earlier assessment years against which company has filed appeal before appellate authorities and amount Rs. 37.88 lacs (previous year Rs.40.44 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 Supreme Court against refund of Rs.1151.57 lacs (previous year Rs. 1151.57 lacs) received by the Company in the Financial Year 2002-2003. Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.</p>			
<p>B. Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advances) is Rs.0.77 lacs (previous year Rs. 20.00 lacs).</p>			

38 Earnings per Share

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
a).Net profit / (loss) available to equity shareholders	-1,043.15	-227.94
b).Number of weighted average equity shares outstanding during the year for the purpose of calculation of earning per share	8,807,300	8,807,300
c).Nominal value of equity share (in Rs.)	10	10
d).Basic earning per share (in Rs.)	(11.84)	(2.59)
e).Diluted earning per share (in Rs.)	(11.84)	(2.59)

39 RELATED PARTIES DISCLOSURES :

1. Relationship :

(a) Other related parties in which key managerial Personnel are able to exercise significant influence :	Associated Electronics Research Foundation Manori Properties Private Limited Devi Electronics Private Limited Quick load 247 Private Limited (w.e.f 31.01.2018)
(b) Key Managerial Personnel:	Shri Gopal Sitaram Jiwaraajka Shri Tarun Jiwaraajka
(c) Relative of key managerial personnel where transactions have taken place:	Smt. Neetu Jiwaraajka (till 30.06.2016) Shri Ayush Jiwaraajka Smt. Savitri Devi Jiwaraajka (Non. Executive Director)
(d) Other Related Parties	Gautam Khaitan (Chairman Audit Committee & Independent Director) Patanjali Govind Keswani (Independent Director) Sanjeev Kaul Duggal(Independent Director) K.S Mehta (Independent Director)

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	Referred in 1 (a) above		Referred in 1 (b) & (c) above		Referred in 1 (d) above	
	31.03.18	31.03.17	31.03.18	31.03.17	31.03.18	31.03.17
Expenses						
Rent	-	5.60	-	-	-	-
Interest	-	-	69.27	25.79	-	-
Salary	-	-	6.98	8.37	-	-
Directors Remuneration & Perquisite	-	-	111.91	142.07	-	-
Director Sitting Fee	-	-	-	-	2.16	-
Income						
Rental & Other Incomes	0.86	-	-	-	-	-
Finance						
Purchase of Keyman Insurance	-	-	-	250.00	-	-
Loans received	-	-	100.00	515.00	-	-
Loans repaid	-	-	-	30.00	-	-
Others						
Expenses/Payment on their behalf	1.89	4.29	-	-	-	-
Outstandings						
Payables	-	-	1.70	8.45	-	-
Receivables	5.32	2.83	-	-	-	-
Loan Payable	-	-	955.00	855.00	-	-
Rent Payable	11.18	11.18	-	11.18	-	-
Interest Payable	-	-	56.11	36.52	-	-

40 SEGMENT REPORTING :

The Company's Chief Operational Decision Makers examines the company's performance both from product and geographic perspective and has identified two segments, i.e., Consumer Electronic Division & Wind Energy .The business segments are monitored separately for the purpose of making decisions about resource allocation and performance assessment.

The reporting segments of the company and the type of product and services in each segment are are as follows:

Business Segment

a) Consumer Electronics Division

Type of Products

Mobile Phones, IT Products and Accessories thereof.
Fly Back Transformer(EHT), Loudspeaker,Deflection Yoke.
TV sets and sub-assemblies thereof.
Other consumer items.

b) Wind Energy

Wind Energy Generation

Summary of Segment information are as follows:

	Year Ended 31.03.2018	Year Ended 31.03.2017
Information about Primary Business Segments :		
(I) Segment Revenue : (Rs. In lacs)		
a) Consumer Electronics Division	12,440.37	31,939.18
b) Wind Energy	371.79	441.76
Total	12,812.16	32,380.94
Less : Inter Segment Revenue	-	-
Total Segment Revenue as per Financial Statements	12,812.16	32,380.94

(II) Segment Results (Rs. In lacs) :

a) Consumer Electronics Division	-556.01	400.94
b) Wind Energy	173.97	248.19
Total Segment Results	-382.04	649.13
Add : i) Extraordinary Item		-
Less : i) Interest	634.62	642.29
ii) Other un-allocable expenditure net off un-allocable income	452.51	272.27
iii) Provision for Taxes	426.02	37.49
Net Profit/(Loss) as per Financial Statements	-1,043.15	-227.94

(III) Other Informations (Rs. In lacs) :

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
a) Consumer Electronics Division				
As at 31st March 2018	10,761.07	2,016.81	53.90	90.54
As at 31st March 2017	12,777.61	3,050.71	14.80	90.82
b) Wind Energy				
As at 31st March 2018	1,432.90	12.79	-	113.64
As at 31st March 2017	1,634.68	39.28	-	116.14
c) Unallocated Amounts				
As at 31st March 2018	2,748.78	5,814.21	36.71	38.02
As at 31st March 2017	2,388.16	5,577.09	27.18	46.17
Total as per Financial Statements				
As at 31st March 2018	14,942.75	7,843.81	90.61	242.20
As at 31st March 2017	16,800.45	8,667.08	41.98	253.13

GEOGRAPHICAL SEGMENTS:	Year Ended 31.03.2018	Year Ended 31.03.2017
	(Rs.)	(Rs.)
Revenue from External Customer		
Domestic	12,800.00	32,286.37
Export	-	191.79
TOTAL	12,800.00	32,478.16

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

Segments have been identified in line with the Ind AS 108 taking into account the organisation structure as well as the differential risks and return of these segments.

The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and allocated on a reasonable basis.

- 41 Post the applicability of GST with effect from 1st July 2017, Sales are disclosed net of GST. Accordingly, the gross sales figures for the year ended 31st March 2018 are not comparable with the previous year.



SALORA INTERNATIONAL LTD.

CIN L74899DL1968PLC004962

Regd. Office: D-13/4, Okhla Industrial Area, Phase – II, New Delhi – 110 020
Phone: 91-11-40552341; 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.



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CIN L74899DL1968PLC004962

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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 49th Annual general meeting of the company,

to be held on the Thursday, 27th September, 2018 at 11 A.M. at INDIA ISLAMIC CULTURAL CENTRE, 87-88, LODHI ROAD, LODHI GARDENS, LODI ESTATE, 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, 2018 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 herself for re-appointment.
3. Ratification of Cost Auditors' remuneration
4. Revision of remuneration of Shri Gopal Sitaram Jiwarajka, Chairman and Managing Director (DIN: 00024325)
5. Sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013

Signed this..... day of.....2018

Affix
Revenue
stamp

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 TO THE 49TH ANNUAL GENERAL MEETING OF SALORA INTERNATIONAL LTD.

