

41st Annual Report 2009-10



Salora International Ltd.

BOARD OF DIRECTORS

SITARAM JIWARAJKA — Chairman
GOPAL SITARAM JIWARAJKA — Vice Chairman & Managing Director
GAUTAM KHAITAN — Director
P. N. MEHTA — Director
SANJEEV KAUL DUGGAL — Director
PATANJALI GOVIND KESWANI — Director

CHIEF FINANCE OFFICER

SURINDER SOOD

COMPANY SECRETARY

Y. P. BANSAL

AUDITORS

K. PRASAD & COMPANY, CHARTERED ACCOUNTANTS

BANKERS

STATE BANK OF INDIA
CANARA BANK
HDFC BANK LTD.

REGISTERED & CORPORATE OFFICE

SALORA INTERNATIONAL LIMITED
D-13/4, OKHLA INDUSTRIAL AREA, PHASE-II
NEW DELHI – 110 020

MANUFACTURING PLANTS

PLOT NO. B-31-34 & 50-53, SECTOR – 80 NOIDA (U.P.)
C-52, PHASE-II, NOIDA. (U.P.)

REGISTRAR AND SHARE TRANSFER AGENTS

SKYLINE FINANCIAL SERVICES PVT. LTD.
246, 1ST FLOOR, SANT NAGAR,
EAST OF KALASH, NEW DELHI – 110056.
TEL. : 011 – 26922683, 26292680
FAX : 011 – 26918352
Email : skyline_fspl@rediffmail.com

CONTENTS

	Page
AGM Notice	2
Directors' Report	8
Management's Discussion & Analysis	10
Corporate Governance Report	16
Company's Standalone Accounts	
Report of the Auditors	27
Balance Sheet	30
Profit & Loss Account	31
Schedules to Accounts	32
Cash Flow Statement	50
Balance Sheet Abstract	51
Subsidiary Companies	
Annual Report	52
Consolidated Accounts	
Report of the Auditors	75
Balance Sheet	76
Profit & Loss Account	77
Schedules to Accounts	78
Cash Flow Statement	90
Proxy & Attendance Slip	

ANNUAL GENERAL MEETING

Day : Wednesday
Date : 21st July, 2010
Time : 11.00 A.M.
Venue : Sri Sathya Sai International Centre,
Pragati Vihar, Institutional Area,
Lodhi Road, New Delhi – 110 003
Note : Members are requested to bring their copy
of the Annual Report to the Meeting

NOTICE

NOTICE is hereby given that the 41st Annual General Meeting of the Members of Salora International Limited will be held on Wednesday, the 21st day of July, 2010 at 11.00 A.M. at Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110 003 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt Balance Sheet of the Company as at 31st March, 2010 and Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Sanjeev Kaul Duggal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Patanjali Govind Keswani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956, read with and in accordance with the conditions of Schedule XIII to the said Act and further subject to the approval of Central Government, if required, Shri Gopal Sitaram Jiwrajka be and is hereby re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 1st July, 2010 on the following terms as to remuneration payable to him:

1. **Salary:** Rs.4,00,000/- (Rupees Four Lac only) per month.
2. **Commission:** 2% of the net profits of the Company. Additional commission up to 1% of the net profits at the discretion of the Board/ Remuneration Committee depending upon the performance of the Company and Shri Jiwrajka.
3. Executive Pay: Rs.2,00,000/- (Rupees Two Lac Only) per month.
4. **Perquisites:**
 - a. House Rent Allowance @ 60% of the salary.
 - b. Reimbursement of expenses incurred on Gas, Electricity and Water subject to the limit of 10% of salary.
 - c. Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
 - d. Leave Travel Concession for self and family every year subject to maximum of one month salary in a year or two months' salary over a period of 2 years.
 - 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 by the Company.
 - f. Company's contribution towards Provident Fund, Superannuation or Annuity Fund shall be made as per rules of the Company but to the extent these are not taxable under the Income Tax Act, 1961.
 - g. Gratuity shall be paid equal to one half month's salary for each completed year of service.
 - h. Encashment of earned leave shall be permitted at the end of tenure as per rules of the Company, which is 21 days in a year.
 - i. Provision of Company's car with driver for use on Company's business, Mobile and Telephone at residence but use of Car for personal purposes and long distance personal calls on telephone will be charged by the Company.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profits in any year, Shri Gopal Sitaram Jiwrajka will be entitled to get the minimum remuneration as specified in Schedule XIII of the Companies Act, 1956;

RESOLVED FURTHER THAT Shri Gopal Sitaram Jiwrajka will not be liable to retire by rotation as Director."

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

“RESOLVED THAT pursuant to Section 314 of the Companies Act, 1956 read with Director’s Relatives (Office or Place of Profit) Rules, 2003, consent of the Company be and is hereby accorded to the appointment of Shri Ayush Jiwrajka in the Company as an Executive of the Company with such designation as the Board may deem fit at a monthly remuneration not exceeding Rs.50000/- (Rupees Fifty Thousand Only).”

By Order of the Board of Directors
Salora International Ltd.

Regd. Office:

D – 13/4, Okhla Industrial Area,
Phase – II, New Delhi – 110 020

Dated: 29th May, 2010

Y. P. Bansal
Company Secretary

NOTES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business to be transacted at the meeting is enclosed hereto.
- The Share Transfer Register and Register of Members of the Company will remain closed from 12th July, 2010 to 19th July, 2010 (both days inclusive).
- Members / Proxies are requested to produce the enclosed Attendance Slip duly filled in and signed as per the specimen signatures recorded with the Company / Depository Participant for attending the meeting.
- As an economy measure, copies of Annual Report will not be distributed at Annual General Meeting. Shareholders are, therefore, requested to bring their copies of Annual Report to the Meeting.
- Members who hold shares in dematerialized form, are requested to write their Client ID and DP ID Nos. and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
- A Member desirous of getting any information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
- Members holding shares in physical form, are requested to notify immediately any change in their address and Bank particulars to the Company or to its Share Transfer Agent and in case their shares are held in dematerialized form, this information should be furnished directly, without any delay, to their respective Depository Participants and not to the Company or the Share Transfer Agents.
- Members holding shares in physical form who have not yet provided the Bank details are once again requested to provide their Bank Account No., Name of the Bank and address of the Branch, quoting their Folio No., to the Company.
- In all correspondence with the Company, members are requested to quote their folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
- Members wishing to claim dividend, which remains unclaimed, are requested to correspond with the Company at its Registered Office at D – 13/4, Okhla Industrial Area, Phase – II, New Delhi – 110 020. Shareholders may please refer to table showing last date for claiming / due date for transfer to Investors Education and Protection Fund (IEPF) in respect of dividend declared after the Financial Year ended 31st March, 2003, given in the Corporate Governance Report published in this Annual Report.
- Pursuant to provisions of Section 205A and 205C of the Companies Act, 1956 dividend for the Financial Years ended 1997-98, 1998-99, 1999-2000 2000-01 and 2001–02 has been transferred to Investors Education and Protection Fund (IEPF), set up by the Government of India and no payment there from shall be made.
- At the ensuing Annual General Meeting, Shri Sanjeev Kaul Duggal and Shri Patanjali Govind Keswani, Directors of the Company retire by rotation and being eligible, offer themselves for reappointment. Further the present term of Shri Gopal Sitaram Jiwrajka,

Managing Director of the Company expires on 30th June, 2010. It is proposed to reappoint him in the ensuing Annual General Meeting. In terms of Clause 49 of the Listing Agreement, the information or details relating to these Directors are furnished in the statement on Corporate Governance, which is published in this Annual Report.

14. All document referred to in the notice are open for inspection at the Registered Office of the Company on all working days between 10.00 AM to 2.00 PM up to the date of Annual General Meeting.
15. SHAREHOLDERS MAY KINDLY NOTE THAT NO GIFTS / COUPONS 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.

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

By Order of the Board of Directors
Salora International Ltd.

Dated: 29th May, 2010

Y. P. Bansal
Company Secretary

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

ITEM NO. 5

The present tenure of Shri Gopal Sitaram Jiwaraajka, Managing Director of the Company expires on 30th June, 2010 and the Board of Directors of the Company has in its meeting held on 29th May, 2010, re-appointed him, to the office of Managing Director for a further period of 3 years, with effect from 1st July, 2010, on the terms and conditions as to remuneration as specified in the resolution as per Item No. 5 of Notice. The remuneration as proposed has also been approved by the Remuneration Committee. The re-appointment of Shri Gopal Sitaram Jiwaraajka requires approval of the Members in terms of Schedule XIII of the Companies Act, 1956.

Shri Gopal Sitaram Jiwaraajka was appointed as director of the Company on 28.08.1987 and is holding the office of Managing Director / Joint Managing Director since 01.04.1992. 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 and electronic industry and possesses in depth knowledge of Indian conditions in respect of this industry.

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

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

Item No. 6

Section 314 of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2003, requires prior approval of the member in General Meeting by way of a special resolution for holding office or place of profit of relatives of a Director carrying a monthly remuneration up to Rs.50,000/-

It is proposed to appoint Shri Ayush Jiwaraajka as an Executive of the Company at a monthly remuneration not exceeding Rs.50,000/-.

Shri Ayush Jiwaraajka is a post graduate.

Shri Ayush Jiwaraajka is relative of Shri Sita Ram Jiwaraajka, Chairman and Shri Gopal Sitaram Jiwaraajka, Vice Chairman & Managing Director. Hence, his appointment requires approval of the members by special resolution.

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

No other Directors except Shri Sita Ram Jiwaraajka and Shri Gopal Sitaram Jiwaraajka are concerned or interested in this resolution.

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

By Order of the Board of Directors
Salora International Ltd.

Dated: 29th May, 2010

Y. P. Bansal
Company Secretary

STATEMENT PURSUANT TO SCHEDULE XIII PART II SECTION-II

1. GENERAL INFORMATION

(1) Nature of Industry	:	Manufacturing of CTV and its components Distribution of IT and Telecom Products. Wind Power Generation		
(2) Date or expected date of commencement of commercial production.	:	20.11.1968		
(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)	
			<u>2009-10</u>	<u>2008-09</u>
	i.	EBITD	53.04	1548.70
	ii.	FBT	-	44.10
	iii.	PAT	(618.27)	(28.10)
(5) Export performance and net foreign exchange collaborations	:	Export Net Foreign Exchange earnings	3951.63 4935.99	3949.73 5866.08
(6) Foreign investment or collaborations, if any	:	No foreign collaboration or investment		

2. INFORMATION ABOUT APPOINTEE

(1) Background details	:	As provided in Explanatory statement above
(2) Past remuneration	:	<p>Salary: Rs.4,00,000/- (Rupees Four Lac only) per month.</p> <p>Commission: 2% of the net profits of the Company. Additional commission up to 1% of the net profits at the discretion of the Board/ Remuneration Committee depending upon the performance of the Company and Shri Jiwarajka.</p> <p>Executive Pay: Rs.2,00,000/- (Rupees Two Lac Only) per month.</p> <p>Perquisites:</p> <p>House Rent Allowance @ 60% of the salary.</p> <p>Reimbursement of expenses incurred on Gas, Electricity and Water subject to the limit of 10% of salary.</p> <p>Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.</p> <p>Leave Travel Concession for self and family every year subject to maximum of one month salary in a year or two months' salary over a period of 2 years.</p> <p>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.</p> <p>Company's contribution towards Provident Fund, Superannuation or Annuity Fund shall be made as per rules of the Company but to the extent these are not taxable under the Income Tax Act, 1961.</p> <p>Gratuity shall be paid equal to one half month's salary for each completed year of service.</p> <p>Encashment of earned leave shall be permitted at the end of tenure as per rules of the Company, which is 21 days in a year.</p>

- (3) Recognition or awards : Provision of Company's Car for use on Company's business, Mobile and Telephone at residence but use of Car for personal purposes and long distance personal calls on telephone will be charged by the Company.
- (4) Job profile and his suitability : NIL
- (5) Remuneration proposed : The Company is engaged in the manufacturing of CTV and its components, distribution of IT and telecom products and Wind Power Generation.
- (6) Comparative remuneration profile with respect to industry size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin). : Shri Gopal Sitaram Jiwrajka is a commerce graduate and possesses rich experience in marketing, finance, production and administration and has extensively traveled all over the globe. He possesses rich experience in TV and electronic industry and possesses in depth knowledge of Indian conditions in respect of this industry.
- (7) Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any. : As provided in the Resolution above
- (8) : The remuneration for the similar position in the industry, having regard to the size of the Companies and profile of persons is not less than the proposed remuneration of Shri Gopal Sitaram Jiwrajka.
- (9) : Except for holding position and drawing remuneration as Managing Director and as shareholder, he has no other pecuniary relationship with the Company. He is relative of Shri S. R. Jiwrajka, Chairman, Shri Tarun Jiwrajka and Smt. Neetu Jiwrajka.

3. OTHER INFORMATION

- (1) Reasons of loss or inadequate profits. : The inadequacy of the profit is a temporary phenomenal and is caused mainly by economic slow down which has affected not only our Company, the world as a whole.
- (2) Steps taken or proposed to be taken for improvement : Considering the market scenario and the state of the current portfolio of products, the Company is looking at other new avenues of business to reduce the risk of slow down in the existing businesses.
The Company has tied up with M/s. Micro Star International (MSI) for distribution of MSI Laptops and with M/s. Dell India Pvt. Ltd. for distribution of DELL Laptops. To maintain market share in telecom sector the Company has entered into an agreement with M/s. Mobell Technologies (Brand name Mobell) and Motorola India Pvt. Ltd. for distribution of mobile handsets and accessories. The Company has also entered into an agreement with M/s. Sistema Shyam Teleservices Ltd. (Brand name MTS) for distribution of its data devices, handsets, cellular mobile services and related products.
In order to diversify the distribution platform Company has entered into strategic tie up with Samsung C & T Corporation for marketing and distribution of Pleomax brand CFL bulbs. Further to promote Salora Brand, Company has launched glossy paper and stationery products. All the above new products are expected to achieve good volume by the end of second quarter of this Financial Year.
- (3) Expected increase in productivity and profits in measurable terms. : Leveraging on the vast experience of Shri Gopal Sitaram Jiwrajka in the diverse field of management, the company expects the revenues to grow by more than 30% in the coming year and earning to become positive in the coming year.

Notice

4. DISCLOSURE

- (1) The shareholders of the company shall be informed of the remuneration package of the managerial person. : Provided in the resolution and Corporate Governance Report.
- (2) The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the annual report. : Provided in the Corporate Governance Report.
 - (i) All elements of remuneration package such as salary benefits, bonuses, stock options, pension, etc. of all the directors;
 - (ii) Details of fixed components and performance linked incentives along with the performance criteria;
 - (iii) Service contracts, notice period, severance fees;
 - (iv) Stock option details, if any, and whether the same has been issued at the discount as well as the period over which accrued and over which exercisable.

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

Dated: 29th May, 2010

By Order of the Board of Directors
Salora International Ltd.

Y. P. Bansal
Company Secretary

Notice

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 41st Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31st March 2010.

FINANCIAL RESULTS

The performance of the Company for the Financial Year ended 31st March, 2010 is summarized below:

	(Rs in Lacs)	
	YEAR ENDED March 31, 2010	YEAR ENDED March 31, 2009
Sales	52451.97	72034.41
Less: Excise Duty	491.44	645.70
Net Sales	51960.53	71388.71
Add: Other Income	156.33	105.01
Increase / (Decrease) in Stock	116.35	(967.89)
Total	52233.21	70525.83
Less: Total Expenditure	52180.17	68977.13
Operating Profit	53.04	1548.70
Less: Interest	608.86	1004.43
Less: Depreciation	427.19	520.08
Profit before Tax	(983.01)	24.19
Less: Provision for taxes		
Current Tax	-	57.00
Deferred Tax	(378.68)	(42.49)
Fringe Benefit Tax	-	44.10
Earlier Year : Income Tax	13.94	(6.32)
Profit / (Loss) after tax	(618.27)	(28.10)
Add: Balance brought forward from last year	1977.80	2108.94
	1359.53	2080.84
Less: Appropriations	-	103.04
Balance carried to Balance Sheet	1359.53	1977.80

BUSINESS OPERATIONS & FUTURE OUTLOOK

Net Sales of Rs.519.61 crores was achieved for the year ended 31st March, 2010 (Rs.713.89 in last Financial Year), registering negative growth. Profit before interest, depreciation and tax for the year decreased to Rs.53 lacs from Rs.15.49 crores during the preceding Financial Year. The revenue of the Company has decreased mainly due to discontinuation of distribution and service business of Sony Ericsson Products. It had adverse impact on the turnover of the Company and at the same time opened the doors for new products.

The Company has tied up with M/s. Micro Star International (MSI) for distribution of MSI Laptops and with M/s. Dell India Pvt. Ltd. for distribution of DELL Laptops. To maintain market share in telecom sector the Company has entered into an agreement with M/s. Mobell

Technologies (Brand name Mobell) and Motorola India Pvt. Ltd. for distribution of mobile handsets and accessories. The Company has also entered into an agreement with M/s. Sistema Shyam Teleservices Ltd. (Brand name MTS) for distribution of its data devices, handsets, cellular mobile services and related products.

In order to diversify the distribution platform Company has entered into strategic tie up with Samsung C & T Corporation for marketing and distribution of Pleomax brand CFL bulbs. Further to promote Salora Brand, Company has launched glossy paper and stationery products. All the above new products are expected to achieve good volume by the end of second quarter of this Financial Year and future outlook of the Company is reasonably bright. However, the profitability is closely linked to the competition in the domestic and export market, exchange rate fluctuations and overall economic development of the Country.

DIVIDEND

During the year under review, the Company suffered a net loss after tax of Rs.6.18 crore and therefore Board of Directors has not recommended any dividend for the Financial Year 2009-10.

FIXED DEPOSITS

The Company has not accepted any deposit in the year under report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 with respect to the Directors' Responsibility Statements, it is hereby confirmed that:

- i) in preparation of the annual accounts for the Financial Year 2009-10, the applicable accounting standards have been followed and there are no material departures.
- ii) 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, 2010 and of the profit/ (loss) of the Company for the year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

DIRECTORS

Shri Sanjeev Kaul Duggal and Shri Patanjali Govind Keswani, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. Further the present term of Shri Gopal Sitaram Jiwarajka, Managing Director of the Company

expires on 30th June, 2010. It is proposed to reappoint him in the ensuing Annual General Meeting. Brief resumes of the said Directors are given in the Corporate Governance Report.

LISTING OF SECURITIES OF COMPANY

The Equity Shares of the Company continue to be listed at The Stock Exchange, Mumbai (BSE) and National Stock Exchange (NSE) and listing fees for the Financial Year 2010-11 have been paid to each of the above Stock Exchanges.

DEMATERIALIZATION

Trading of Equity Shares of the Company in dematerialized form is compulsory for all shareholders w. e. f. 28.08.2000 in terms of the Notification issued by the Securities and Exchange Board of India (SEBI). Your Company has achieved higher level of dematerialization with 98% of the total number of Equity Shares being held in the electronic mode with the two depositories.

CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

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

AUDITORS AND AUDITORS' REPORT

M/s. K. Prasad & Co., Chartered Accountants, the Statutory Auditors of the Company hold office up to the conclusion of the ensuing Annual General Meeting. The Company has received a certificate from them as required by the proviso to Sub-section (1) of Section 224 of the Companies Act, 1956, certifying that their appointment, if made, will be within the limits as specified in Section 224 (1B). There is no qualification in the Auditors' Report.

RESEARCH AND DEVELOPMENT

Particulars regarding Research & Development are given in the "Annexure – II" in Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 forming part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in "Annexure II" forming part of this Report.

SUBSIDIARY COMPANIES

The name of Jadoonet Ltd. has been changed to Salora Capital Ltd. w.e.f. 13th May, 2009 which reflects NBFC business of the Company.

The annual accounts of subsidiaries of this Company i.e. Salora Capital Ltd. and Salora Components Ltd. are annexed as required by Section 212 of the Companies Act, 1956. A statement pursuant to Section 212 of the Companies Act, 1956 is given in Annexure III.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219 (1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Member who is interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGEMENTS

Your Directors would like to express their sincere thanks to the Financial Institutions, Banks, Government Authorities, Customers, Vendors and Shareholders for the assistance, co-operation and valuable support to the Company. Your Directors also wish to place on record their sincere appreciation for the valuable services of the Executives, Staff and Workers of the Company.

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

Place : New Delhi
Date: 29th May, 2010

Sitaram Jiwrajka
Chairman

ANNEXURE 'I' TO THE DIRECTORS' REPORT
MANAGEMENT'S DISCUSSIONS & ANALYSIS

The Board has pleasure in presenting this report in adherence to the code of Corporate Governance enacted by the Securities and Exchange Board of India (SEBI) and in compliance with the provisions of the Listing Agreement.

1. Industry Structure and Development

The business of the Company includes distribution, supply chain management and after sale service for wide range of leading national and international brands of IT and telecom products and manufacturing of colour televisions and its components. The Company's value addition in the distribution segment includes the forecasting of demand and procurement of goods from manufacturers / suppliers, stocking at warehouses, supplying to sub-distributors / channel partners with appropriate credit facility and collection of receivables.

The Indian IT and telecom industry has witnessed a considerable change in the past few years. Technological innovations, changing lifestyle, higher disposable income and increase in advertisement have been instrumental in bringing about a sea change in the consumer behavior pattern.

Companies in IT and telecom industry are focusing on customizing products to suit Indian customer's tastes and technological innovations continue to be a priority area for manufacturers. It is believed that India will continue to grow as an important market for the global IT and telecom products.

2. Opportunities and Threats
Opportunities

- There are opportunities to increase market penetration by launching innovative products.
- There are opportunities to reduce cost of products.
- The increasing popularity of easily available customer loans is being leveraged upon by Companies to give a moral boost to the consumers.
- Phenomenal growth of media in India and flurry of television channels have spread awareness of IT and telecom products in the remotest markets.
- Growth in internet penetration in both urban and rural markets will lead to growth in sale of IT products.
- There are opportunities to develop high end products.
- Demand for IT and telecom products usually pick up during the festive seasons. Most of the Companies come out with offers like free gifts, discounts etc. This period will continue to be the growth driver for the Company.

Threats

- Margins are under pressure due to increasing cost of raw material, marketing, advertising and after sale services.

- Interest rates continuous to be the key issue. Any increase in the interest rate will have negative impact on the profitability of the Company.
- Foreign Exchange fluctuation may affect the Company adversely.
- Any increase in taxes and change in Government policies may have negative impact on the Company.

3. Segment wise and Product wise Performance
A) Infocom Business

Salora has become one of the leading distribution Companies in the IT and Telecom Sector. The Company has 28 branches spread all over the Country. The Company is connected by a VPN and the complete operation is controlled by an Oracle based ERP System.

Infocom Division undertakes the distribution of the following products:-

- Motorola Mobiles – Distribution Partner for mobile handset.
- Mobell Mobiles – Distribution partner for mobile handset and service.
- MTS – Distribution Partner.
- Acer – National Distributor for Laptops, Desktops and LCD projectors.
- Dell – National Distributor for Laptops.
- MSI - - National Distributor for Laptops.
- Pleomax (Samsung) – Distribution partner for computer peripherals and CFL Bulbs.
- Mercury (Kobian) – Distribution partner for distribution of Motherboard and Computer Cabinet.
- Kingmax – Distribution partner for computer peripherals and memory cards.

Motorola Mobiles – Motorola has launched high end and niche Mobile Phones in the Indian Market in January, 2010 and has appointed Salora as distribution partner for North & East region of the Country for Mass distribution and Pan India for Modern Trade Business. As far as product strategy is concerned, Motorola boasts of global leadership in Android Platform Handsets and with the rising demand of this portfolio, Motorola smart phones are expected to receive good response in Indian Market. Motorola will launch the complete portfolio of these smart phones by July, 2010, subsequent to which sale from Motorola products will form a major part of the Company's total turnover.

Mobell Mobiles – Salora has entered into a strategic tie up with Mobell Technology and had launched Mobell phones in India in October, 2009. Mobell Technology is a Singapore based Company. Mobell Technology is part of the Longcheer

Group that includes Longcheer Technology, which is one of the biggest Mobile Phone design house. Mobell Technologies has its own manufacturing facilities.

With state-of-the-art manufacturing facilities, Mobell mobile phones quality has been widely acknowledged. With the rise in demand of low cost dual SIM handsets, Mobell business is expected to increase manifold. Salora is managing the brand "Mobell" in India including distribution and after sale services.

MTS – The Company had entered into an agreement with M/s. Sistema Shyam Teleservices Ltd. for distribution of its Data Devices, handsets, cellular mobile services and related products under brand name MTS.

The Company is National Distributor for **ACER, DELL** and **MSI** Laptops and computer peripherals. The Company has taken substantial steps for increasing the market share which resulted in brand building, easy availability of the products in market, enhanced demand and growth in the sale.

The Company has also tied up with **Samsung Pleomax** and **Kingmax** for distribution of their IT and telecom products' accessories.

B) Consumer Electronic Business

Consumer Electronics Division comprises of two divisions namely, Components Division and Consumer Electronics Division. Both of these belong to same segment and cater to the same industry.

Consumer Electronics Division's business consists of manufacturing of CTV and DVD players. Components Division relates to manufacturing of TV Components. During the year this Consumer Electronic Division witnessed a reasonable growth.

The Company is manufacturing and supplying CTV to M/s. Panasonic AVC Networks India Co. Ltd. under the Brand name "**Panasonic**".

The Company has also successfully completed the order for supply of 1,00,000 CTV received from Electronics Corporation of Tamilnadu Ltd. and the Company has further received an order for supply of 50,000 CTV which is being executed.

New Fly Back Transformer has been approved by LG Electronics and commercial supply has already been started.

Cost rationalization for loud speaker by value engineering progress has been implemented and is continuous process.

C) Wind Power Business

The Company has five wind turbines having capacity of 1.25 MW each (total 6.25 MW) at Dhule, in the State of Maharashtra. Average Machine availability has been 98% which shows that there were no stoppages for all the five wind turbine during the year. The grid availability has also been more than 95% which shows that there was optimum

evacuation of power. Overall, the power generation of all the turbines has shown a considerable improvement during the year.

D) Crystal Glassware Business

Nachtman (a division of Riedel Glass, Germany) is globally renowned for its luxury hand cut stem glass. Nachtman opened exclusive retail shops in year 2008. In the year 2009 Nachtman decided to appoint distributors for crystal glassware. Salora is a distributor partner for the said product. The Company has received good response from the market. Now, the crystal glassware is available in traditional market as well as modern market. The Company is planning to launch some more utility, tableware, kitchenware products to increase its basket of products and thus increasing the share in the market.

E) Lighting Products (CFL Bulbs) Business

The Company has entered into strategic tie up with Samsung C & T Corporation for marketing and distribution of Pleomax brand CFL bulbs in India. Demand for energy conservation products like CFL bulbs is increasing day by day.

F) Imagine Products Business

The Company has launched glossy paper and stationery under Salora Brand.

4. Outlook

This has been dealt with in the Directors' Report.

5. Risk and Concerns

The Company exposed to a variety of operation, business and market risks including but not limited to technological changes, decrease in product prices, customer defaults, foreign exchange fluctuation, interest rates risk and inventory carrying risk. The Company continuously monitors these risks. The objectives of Company's risk management system is to ensure that risk exposure arising out of business does not result in any financial distress.

6. Internal Control System and Their Adequacy

The Company has established a proper and adequate system of internal control commensurate with the size of its operations. Internal Control System is designed in such a way to ensure that all its assets are safeguarded and protected against loss and that all the transactions are appropriately authorized, correctly recorded and disclosed in the financial statements.

The Company has an independent Internal Audit Firm reporting to the Audit Committee, which is a sub-committee of the Board of Directors. The Internal Auditors draw up a quarterly and yearly extensive programme of internal audit. The Internal Audit Report along with management responses is placed before the Audit Committee for discussion and further follow up actions to ensure that adequate internal controls are maintained.

The Audit Committee reviews the functioning and findings of the Internal Auditors. The Audit Committee also reviews quarterly and half yearly results and annual accounts of the Company before these are submitted to the Board for approval and adoption.

The Company has also evolved a set of guiding principles to be followed by all the employees of the Company, setting forth their commitment to perform and conduct business in compliance with the highest ethical standards. These guiding principals reflect Salora's business ethics policy and are an integral part of the internal control system.

7. Financial Performance viz-a-viz Operational Performance

i) Share Capital

At present, the paid-up Equity Share Capital of the Company is Rs.8.81 crore. The Authorized Share Capital of the Company is Rs.20 crore divided into 2 crore shares of Rs.10/- each. During the year, there has been no change in the paid up Share Capital.

ii) Reserves and Surplus

During Financial Year 2009-10, Reserves of the Company have decreased by Rs.6.18 crore to Rs.118.40 crore. The share premium account remains unchanged.

iii) Loans and Working Capital Limits

The Working Capital Limits (utilized) as on 31st March, 2010 was Rs.39.03 crore.

iv) Fixed Assets

Gross fixed assets of the Company on 31st March, 2010 was Rs.100.13 crore and increased by Rs.20.84 lacs as compared to Rs.99.92 crore in the previous Financial Year.

v) Investments

Company has an investment of Rs.8.17 crore including investments in subsidiaries and shares of other quoted and unquoted Companies.

vi) Net Current Assets

The Net Current Assets have decreased to Rs.135.09 crore from Rs.173.59 crore. Sundry debtors of the Company have decreased to Rs.95.59 crore from Rs.104.53 crore.

Inventories as on 31st March, 2010 stand at Rs.90.63 crore at a decrease of Rs.10.17 crore over the previous Financial Year.

Current liabilities and provisions of the Company have increased by Rs.22.13 crore to Rs.89.21 crores as compared to Rs.67.08 crore in the previous Financial Year.

Operational Results

The following factors have impacted the operational results of Financial Year 2009-10:

- a) Cost of major raw materials increased during the year.

- b) Intense competition drove prices downwards which resulted in lower margins to the Company.

i) Revenues

During the year, gross revenues of the Company decreased by Rs.195.82 crore i.e. by 27.18% to Rs.524.52 crore from Rs.720.34 crore in the last Financial Year.

ii) Expenditure

Total Expenses decreased by 24.35% to Rs.521.80 crore from Rs.689.77 crore. These expenses include cost of finished tradable goods, raw materials and other direct costs.

- a) **Material consumed and purchases:** Material consumed and purchases has decreased by 24.55% to Rs.477.46 crore from Rs.632.81 crore in the last Financial Year.

- b) **Personnel Cost:** During the year, personnel expenses have decreased to Rs.18.60 crore from Rs.19.63 crore in the previous Financial Year.

- c) **Manufacturing and other Expenses:** During the Financial Year manufacturing and other expenses have decreased from Rs.37.33 crore to Rs. 25.74 crore.

iii) Earnings before Interest, Tax, Depreciation (EBITD)

During the Financial Year 2009-10, operating profit was Rs.53.04 lacs as compared to Rs.15.49 crore in the previous Financial Year.

iv) Depreciation and Interest

During Financial Year 2009-10 depreciation was Rs.4.27 crore and interest charges decreased from Rs.10.04 crore to Rs.6.09 crore.

v) Net Loss after tax

The net loss after tax during Financial Year 2009-10 was Rs.6.18 crore, which registered a major downfall as compared to Rs.28 lac during previous Financial Year.

8. Human Resources and Industrial Relations

The Company firmly believes that Human Resource is the key driver for the success of any organization. Teamwork is encouraged and at the same time every individual is trained and empowered to take right decisions at right time. Training both internal and external has become a part of the lives of every employee so that innovation becomes the key for all their activities. Your Company has a team of 737 employees.

9. Subsidiaries

Salora Capital Ltd. (formerly known as Jadoonet Ltd.)

The name of the Company's subsidiary Company i.e. Jadoonet Ltd. has been changed to Salora Capital Ltd. w.e.f. 13th May, 2009. The new name of the subsidiary Company reflects the NBFC business activities. During the year under review Salora Capital Ltd. has made a net profit of Rs.43.55 lacs as compared to Rs.46.44 lacs in the previous Financial Year.

Salora Components Ltd.

The Company's business is manufacturing of TV components including Deflection Yokes. During the Financial Year 2009-10 Company's sale was Rs.1467.43 lacs as compared to Rs.734.32 lacs in the previous Financial Year. Net profit of the Company is Rs.57.65 lacs in the current Financial Year against a loss of Rs.6.08 lacs in the previous Financial Year.

10. Cautionary Statement

Investors are cautioned that statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make

a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas market in which the Company operates, risks inherent in the Company's growth strategy, change in Government regulations, tax laws and other statutes and other incidental factors.

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

Place : New Delhi
Date: 29th May, 2010

Sitaram Jiwrajka
Chairman

ANNEXURE 'II' TO THE DIRECTORS' REPORT
STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.
A. CONSERVATION OF ENERGY :
(a) Energy Conservation measures taken:

Adequate measures have been taken to conserve energy by using energy efficient equipments. Your Company is on the constant look out for newer and efficient energy conservation technologies and introduces them appropriately.

(b) Additional investments and proposal, if any. : NIL
(c) Impact of above measures : Will result in reduction in energy consumption and lower fuel consumption.
(d) Total energy consumption and energy consumption percentage of production : N. A.
B. TECHNOLOGY ABSORPTION
(e) Efforts made in technology absorption : As per 'Form-B' attached.
C. Foreign Exchange Earnings and Outgo
(f) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans.

: To increase the export of the Company and for better customer relationship, visits by Directors and marketing people to different overseas clients are made periodically.

(g) Total Foreign Exchange used and earned

		(Rs. in lacs)
	2009-10	2008-09
1. Foreign Exchange Earnings :	4,935.99	5,866.08
2. Foreign Exchange Outgo	22,248.52	27,424.50

FORM B
Form for disclosure of particulars with respect to absorption
Research and development (R & D)

1. Specific areas in which R & D carried out by the Company. :
 - Developed 21" Deflection Yoke (DY) for Panasonic.
 - Developed 14" low cost DY (Vertical and horizontal coil with aluminum wire)
 - Developed new range of Car Speakers (Series of 4" and 6" two ways, 4" and 6" duel cone, 6 x 9" three ways). Factory production started for all above mentioned products.

2. Benefits derived as a result of the above R & D : Based on the need and requirement of the market, changes in existing products / new products are constantly added up in the system, which help the Company to improve product quality, products range and overall productivity.

3. Future plan of action : The Company is in the continuous process of improving the existing products and developing new products as per requirement of the market.

		(Rs. in lacs)
	2009-10	2008-09
4. Expenditure on R & D		
(a) Capital	—	—
(b) Recurring	21.79	20.47
(c) Total	21.79	20.47

- (d) Total R & D expenditure as a percentage of total turnover : Total R & D expenditure as a percentage of total turnover is 0.04% (previous year 0.03%).

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation
2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.
 - (a) Technology imported
 - (b) Year of Import
 - (c) Has technology been fully absorbed?
 - (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action.

: The Company has strengthened its R & D department through which it has successfully developed technology and absorbed it into the production lines. Latest means of technology is being adopted to enhance the pace of development and keep up abreast with the world today.

Benefits are clearly visible in the system as a result of ongoing R & D efforts put up by the Company in terms of improvement of existing products and development of new products.

: N. A.

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

Place : New Delhi
Date: 29th May, 2010

Sitaram Jiwarajka
Chairman

ANNEXURE 'III' TO THE DIRECTORS' REPORT

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies:

1. Name of the Subsidiary Company	Salora Capital Limited	Salora Components Ltd.
2. Financial Year of Subsidiary Company ended on	31.03.2010	31.03.2010
3. a) No. of shares held at the end of the financial year	Holders of 42,49,200 Equity Shares of Rs.10/- each out of the total issued & subscribed equity shares capital of 46,50,150 shares	Holders of 34,14,800 Equity Shares of Rs.10/- each out of the total issued & subscribed equity shares capital of 43,20,000 shares
b) Extent of Interest at the end of the financial year	91.38%	79.05%
4. Net aggregate amount of Profit / (Loss) of the Subsidiary Company so far as it concerns the Members of the Holding Company.		
a) Not dealt with in the accounts of the holding Company		
- for the subsidiary's financial year ended 31.03.2010 (Rs. in lacs)	39.80	45.57
- for the previous financial years of the subsidiary Company since it became subsidiary.	Yes	Yes
b) Dealt with in the accounts of the holding Company		
- for the subsidiary's financial year ended 31.03.2010	NIL	NIL
- for the previous financial years of the subsidiary Company since it became subsidiary	NIL	NIL

CORPORATE GOVERNANCE REPORT

In compliance with corporate governance requirements as specified in Clause 49 of the Listing Agreement with Stock Exchanges, the Company's policies on Corporate Governance and Compliance thereof in respect of specific areas as applicable to the Company for the Financial Year 2009–10 are as below:

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Salora's philosophy on Corporate Governance envisages the adoption of best business policies and alignment of the highest levels of transparency, integrity, honesty, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, bankers, government and employees.

The Company is committed to best corporate governance practices which stems not only from the letter of law but also from the inherent belief of doing business in the right way. The Company believes that all its actions and operations must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

BOARD OF DIRECTORS

The Company has six Directors as on 31st March, 2010 with a Non Executive Promoter Chairman. Out of the six Directors, five (83.33%) are Non Executive Directors and three (50%) are independent Directors. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement with Stock Exchanges.

None of the Directors on the Board is Director in more than 15 Companies (as specified in Section 275 of the Companies Act, 1956) and is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all the Companies in which he is a Director.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / membership held by them in other Companies and attendance at last AGM are given below:

Name S/Shri	Category of Directorship	No. of Directorship in other Public companies*		No. of Committee position in other public companies**		Whether attended last AGM held on 21 st July, 2009	No. of Board Meetings during the year 2009-10	
		Chairman	Member	Chairman	Member		Held	Attended
Sitaram Jiwarajka	Non-Executive & Promoter	1	-	-	1	Yes	4	4
Gopal Sitaram Jiwarajka	Executive & Promoter	-	4	-	-	Yes	4	4
Gautam Khaitan	Non-Executive & Independent	-	11	-	8	Yes	4	3
P. N. Mehta	Non-Executive & Non Independent	-	1	1	2	No	4	4
Sanjeev Kaul Duggal	Non Executive & Independent	-	1	-	-	Yes	4	4
Patanjali Govind Keswani	Non Executive & Independent	-	-	-	-	Yes	4	3

*Directorship in other Companies do not include alternate Directorship, Directorship of Private Limited Companies, Sector 25 Companies and of Companies incorporated outside India.

**Membership / Chairmanship of Audit Committee & Shareholders/ Investors Grievances Committee have been considered.

Four Board Meetings were held during the year and the gap between two Board Meetings did not exceed four months. The Board Meetings were held on the following dates:

16th May, 2009, 29th July, 2009, 31st October, 2009 and 30th January, 2010.

The information as specified in Annexure – 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

It has always been the Company's policy and practice that apart from matters requiring the Board's approval by statute, all major decisions including quarterly results of the Company as a whole and of division / business segments, financial restructuring, capital expenditure proposals, collaborations, material investment proposals in joint venture / promoted companies, sale and purchase of assets of material nature, mortgages, guarantees, donations etc. are regularly placed before the Board. This is in addition to information with regard to actual operations, major litigation and feed back reports and minutes of all Committee Meetings.

The Chairman, Vice Chairman and Managing Director, Chief Financial Officer and Company Secretary in consultation with other concerned persons in the top management, finalise the agenda papers for the Board Meetings.

There is an effective post meeting follow up, review and reporting process for the action taken on decision of the Board and Committees.

BRIEF RESUME OF THE DIRECTORS BEING RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING :

1. Shri Sanjeev Kaul Duggal

Date of Birth	:	09.12.1961
Date of appointment	:	28.10.2005
Expertise in specific Functional Area	:	Mr. Duggal was Managing Director and CEO of NIS Sprata Ltd., a Reliance Group Company. He has experience of more than 25 years in training and Development. He is an acknowledged authority and a leading consultant in the Sales and Marketing arena in India. A frequent speaker on issues related to "People, Capability and Development" at national and international forums / seminars. A visiting faculty at the Indian School of Business, Hyderabad. He is a member of CII, National Committee for Marketing and customer Services. He has to his credit various recognitions and awards including Udyog Rattan Award (Institute of Economic studies) and Senior Gold Director – Outstanding Sales Achievement & Commitment to professional Excellence (Inscape Publishing).
Directorships held in other Public Companies (excluding foreign Companies and Section 25 Companies)	:	SAF Investment Limited
Membership / Chairmanship of Committees of other Public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	:	NIL
No. of Shares held in the Company	:	NIL

2. Shri Patanjali Govind Keswani

Date of Birth	:	09.02.1959
Date of appointment	:	28.10.2005
Expertise in specific Functional Area	:	Mr. Keswani is Founder Chairman and Managing Director of Krizm Hotels Private Ltd., having chain of Hotels across India under the Brand name Lemon Tree . He is a B. Tech (Electrical Engineering) from IIT Delhi and MBA (Finance & Marketing) from IIM Kolkata. He has 15 years of experience with The Taj Group of Hotels - including as Chief Operating Officer of Taj Business Hotels and as Sr. Vice President- Special Projects. He has also worked with A.T. Kearney Inc., a premier American strategic management consulting firm as Director in their India Office.
Directorships held in other Public Companies (excluding foreign Companies and Section 25 Companies)	:	NIL
Membership / Chairmanship of Committees of other	:	NIL

Public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)

No. of Shares held in the Company NIL

3. Shri Gopal Sitaram Jiwrajka

Date of Birth	:	15.06.1960
Date of appointment	:	Shri Gopal Sitaram Jiwrajka was appointed as Director of the Company on 28.08.1987 and is holding the office of Managing Director / Joint Managing Director since 01.04.1992.
Expertise in specific Functional Area	:	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 and electronic industry and possesses in depth knowledge of Indian conditions in respect of this industry.
Directorships held in other Public Companies (excluding foreign Companies and Section 25 Companies)	:	4
Membership / Chairmanship of Committees of other Public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	:	NIL
No. of Shares held in the Company	:	3228105

AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292 A of the Companies Act, 1956.

The terms of reference / role of the Audit Committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement reflects a true and fair position and that sufficient and credible information is disclosed.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval with particular reference to –
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
- Reviewing with the management the quarterly financial statements before submission to the board for approval.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow-up thereon.

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Audit Committee mandatory reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors.
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Board comprises of 4 (four) Non Executive Directors, namely Shri Gautam Khaitan, as its Chairman, Shri P. N. Mehta, Shri Sanjeev Kaul Duggal and Shri Patanjali Govind Keswani. Except Shri P. N. Mehta, all other members of the Committee are Independent Directors.

Audit Committee Meetings

S.No.	Date of Meeting	Committee Strength	No. of Members Present
1.	13.05.2009	4	3
2.	29.07.2009	4	3
3.	31.10.2009	4	4
4.	30.01.2010	4	4

Audit Committee Attendance

S.No.	Name of Director	No. of Meetings attended
1.	Shri Gautam Khaitan	3
2.	Shri P. N. Mehta	4
3.	Shri Sanjeev Kaul Duggal	4
4.	Shri Patanjali Govind Keswani	3

Statutory Auditors, Internal Auditors, executives responsible for finance and accounts functions are permanent invitees to the Audit Committee. The Company Secretary acts as Secretary to the Audit Committee.

The previous Annual General Meeting of the Company was held on 21st July, 2009 and was attended by Shri Gautam Khaitan, Chairman of the Audit Committee.

The necessary quorum was present for all the Audit Committee Meetings.

REMUNERATION COMMITTEE

The Company has a Remuneration Committee of Directors. The constitution and terms of reference stipulated by the Board to the Remuneration Committee are in compliance with Clause 49 of the Listing Agreement and Schedule XIII of the Companies Act, 1956. The terms of reference include policy on specific remuneration package for executive Directors including pension rights and compensation payment.

COMPOSITION OF THE COMMITTEE

Names	Category	No. of Meetings	
		Held	Attended
Shri Gautam Khaitan	Non Executive & Independent	1	1
Shri Sanjeev Kaul Duggal	Non Executive & Independent	1	1
Shri Patanjali Govind Keswani	Non Executive & Independent	1	-

Shri Gautam Khaitan is Chairman of the Committee.

REMUNERATION POLICY

The Remuneration Committee has been constituted to recommend to the Board of Directors remuneration package of the Managing / Whole Time Director based on the responsibilities attached to their position.

DETAILS OF REMUNERATION PAID / PAYABLE TO THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2010.

(Amount in Rs.)

Name of Director	Salary	Perquisites & Other Benefits	Commission	Sitting Fee paid	Total
Shri Sitaram JiwaraJka	-	-	-	40,000	40,000
Shri Gopal Sitaram JiwaraJka	48,00,000	68,42,320	-	-	1,16,42,320
Shri Gautam Khaitan	-	-	-	60,000	60,000
Shri P. N. Mehta	-	-	-	80,000	80,000
Shri Sanjeev Kaul Duggal	-	-	-	80,000	80,000
Shri Patanjali Govind Keswani	-	-	-	60,000	60,000

The remuneration of Shri Gopal Sitaram JiwaraJka includes Superannuation @ 15% of the basic salary included in perquisites and other benefits. His services are contractual in nature, for a period of 3 years from 1st July, 2007. It is proposed to reappoint Shri Gopal Sitaram JiwaraJka as Managing Director of the Company for a further period of 3 years w.e.f. 1st July, 2010. The above figures do not include provisions for encashable leave and gratuity as separate actuarial valuation are not available for the Managing Director.

Apart from above remuneration, no Director is entitled for any other benefit, bonus, severance fee or performance linked incentives for the Financial Year 2009-10. The Company has not issued any stock options to its employees or Directors.

Details of shares of the Company held by the Directors as on 31st March, 2010 are as under:

Name	No. of Shares
Shri Sita Ram JiwaraJka	2,00,094
Shri Gopal Sitaram JiwaraJka	32,28,105
Shri Gautam Khaitan	-
Shri P. N. Mehta	100
Shri Sanjeev Kaul Duggal	-
Shri Patanjali Govind Keswani	-

INVESTORS GRIEVANCE COMMITTEE

The Company has an Investor Grievance Committee of Directors to look into the redressal of complaints of investors such as non-receipt of dividend / notices / annual reports etc. Investors Grievance Committee comprises of 2 Directors, namely, Shri Sitaram JiwaraJka, (Non-Executive Director) as Chairman and Shri Gopal JiwaraJka (Vice Chairman & Managing Directors). The quorum for the functioning of the Committee is two directors present. The Company attends the Investor Grievances / correspondence expeditiously and usually reply is sent within 10 days of receipt except in the cases that are constrained by dispute or legal impediment. During the year, four meetings of Investors Grievance Committee were held on 16.05.2009, 29.07.2009, 31.10.2009 and 30.01.2010.

The total number of complaints received and replied to the satisfaction of the shareholders during the year ended 31.03.2010 were 15. As on 31.03.2010 there was one complaint pending.

Shri Y. P. Bansal, Company Secretary is Compliance Officer of the Company.

GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings are as under:

AGM	Year Ended	Location	Date & Time	Details of Special Resolutions Passed
38 th	31.03.2007	Sri Satya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi – 110003	12.06.2007 11.00 AM	Shareholders approval for (i) creation of charge and / or mortgage on movable and immovable assets of Wind Power Project of the Company (ii) appointment of Shri Tarun Jiwaraajka (Director's relative) as an executive and (iii) re-appointment of Shri Gopal Sitaram Jiwaraajka as Managing Director.
39 th	31.03.2008	Sri Satya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi – 110003	04.07.2008 11.00 AM	Shareholders approval for appointment of Smt. Neetu Jiwaraajka (Director's relative) as an executive.
40 th	31.03.2009	Sri Satya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi – 110003	21.07.2009 11.00 AM	(i) Shareholders approval and ratification for remuneration paid to Shri Gopal Sitaram Jiwaraajka for the period from 01.04.2008 to 30.06.2010. (ii) Shareholders approval for waiver of remuneration paid to Shri Gopal Sitaram Jiwaraajka in case Central Government does not grant approval.

No Extraordinary General Meeting of the members was held during the Financial Year 2009-10.

POSTAL BALLOT

An Ordinary Resolution for creation of charge / mortgage in favour of State Bank of India, on the immovable properties of the Company situated at B – 31 to 34 and 50 to 53 Sector– 80, NOIDA Distt. Gautam Budh Nagar (Uttar Pradesh) was passed during the year under a Postal Ballot. Shri Ranjeet Pandey, Praticing Company Secretary was appointed as Scrutinizer for the Postal Ballot process. Detail of the postal ballots are as under:

Description: Ordinary Resolution to accord the consent of the shareholders for creation of charge / mortgage in favour of State Bank of India, on the immovable properties of the Company situated at B–31 to 34 and 50 to 53 Sector–80, NOIDA Distt. Gautam Budh Nagar (Uttar Pradesh).

VOTING PATTERN:

S. No.	Particulars	In terms of No. of Postal Ballot Form	In terms of No. of Shares
1	Total Postal Ballot Form received	67	6167096
2	Less: Invalid Postal Ballot Forms	8	750
3	Net Valid Postal Ballot Forms	59	6166346
4	Postal Ballot Forms with assent for the Resolution	54	6165336
5	Postal Ballot Forms with dissent for the Resolution	5	1010
Percentage of total valid votes cast in favour			99.98%
Percentage of total valid votes cast against			0.02%

DISCLOSURE

The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 are mentioned in 'Schedule "T" of the Balance Sheet. However, these transactions are not likely to have any conflict with the Company's interest. The Company has complied with all applicable laws and regulations and no strictures/ penalties have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority.

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

A qualified Practicing Company Secretary carried out secretarial audit to reconcile the total admitted equity share capital with National Security Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) and the total issued and listed equity share capital. The Secretarial 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 dematerialized shares held with NSDL and CDSL.

MEANS OF COMMUNICATION:

The quarterly / half yearly unaudited and annual audited financial results were furnished to Stock Exchanges and also published in leading Newspapers - generally in English Newspaper 'Financial Express' and in Hindi Newspaper 'Jansatta'. The results were also displayed on the Company's website - www.salora.com and websites of the Stock Exchanges (BSE & NSE). The Company has not made any presentation to Institutional Investors or to analysts. A Management Discussion and Analysis Statement is a part of Company's Annual Report.

GENERAL SHAREHOLDER INFORMATION

Annual General Meeting to be held:

Day /Date	:	Wednesday, 21 st day of July, 2010
Time	:	11.00 AM
Venue	:	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi – 110 003.
Financial Year	:	April, 1 to March, 31
Book Closure date	:	12.07.2010 to 19.07.2010 (both days inclusive)
Dividend	:	Board of Directors has not recommended any dividend for the Financial Year 2009–10.
Outstanding warrants	:	NIL
Convertible instruments	:	NIL

FINANCIAL CALENDAR (TENTATIVE)

Result for the quarter ending 30 th June, 2010	On or before 14th August, 2010
Result for the quarter ending 30 th September, 2010	On or before 14th November, 2010
Result for the quarter ending 31 st December, 2010	On or before 14th February, 2011
Result for the quarter ending 31 st March, 2011	On or before 15th May, 2011

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Skyline Financial Services Pvt. Ltd.
Registrars and Transfer Agents
Unit: Salora International Limited
246, 1st Floor, Sant Nagar
East of Kailash, New Delhi -110 065
Tel. No. 011 – 26922683, 26292680; Fax – 011- 26918352
Email : skylinefspi@rediffmail.com

INVESTORS CORRESPONDENCE

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

Shri Y. P. Bansal, Company Secretary
Shri T. D. Joshi, Asstt. Manager (Secretarial)

Registered Office

Salora International Limited

D-13/4, Okhla Industrial Area, Phase-II, New Delhi – 110 020

Web site : www.salora.com

Tel. No. 011- 29207100 & 101, Fax No. 011-26388581

Email – ypbansal@salora.com & tdjoshi@salora.com

LISTING ON STOCK EXCHANGES

Name of Stock Exchange

National Stock Exchange of India Ltd.

The Stock Exchange, Mumbai

Stock Code

SALORAINTL

500370

LISTING FEES

Listing fees have been paid for both the above Stock Exchanges for the Financial Year 2010-11.

SHAREHOLDING PATTERN OF THE COMPANY AS ON 31st MARCH, 2010.

Category of Shareholders	No. of Folios	No. of Shares	Percentage
Individuals	5661	2163549	24.56
Companies	337	725675	8.24
Promoters	9	5317337	60.37
Group Companies	1	558929	6.35
FII's, NRIs, OCBs	59	39010	0.44
Mutual Fund, Banks, FIs	2	500	0.01
Others – Clearing house	1	2,300	0.03
Total	6070	88,07,300	100.00

DISTRIBUTION OF SHAREHOLDING AS AT 31st MARCH, 2010

No. of Equity Shares held	No. of folios	%age of Total Folio Nos.	No of Shares	% of Total Shares
Up to 500	5411	89.14	671359	7.62
501 – 1000	288	4.74	235140	2.67
1001 – 2000	165	2.72	251613	2.86
2001 – 3000	63	1.04	161657	1.84
3001 – 4000	36	0.59	124854	1.42
4001 – 5000	28	0.46	131597	1.49
5001 – 10000	38	0.63	297968	3.38
10001 and above	41	0.68	6933112	78.72
Total	6070	100.00	8807300	100.00

SHARE TRANSFER SYSTEM

Transfer of shares held in the electronic form is done through the depositories with no involvement of the Company. Share transfers in physical form are registered by the Registrars and returned to the respective transferees within a period ranging from fifteen days to one month, provided the documents lodged with the Registrars / Company are complete in all respects.

DEMATERIALISATION OF SHARES

As per notifications issued by the Securities and Exchange Board of India (SEBI), the trading in Company's shares is permitted only in dematerialized form w.e.f. 31.05.1999. In order to enable the shareholders to hold their shares in electronic form and to facilitate scripless trading, the Company has enlisted its shares with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company has also started transfer-cum-Demat Scheme with a view to facilitate the shareholders. The Company's ISIN number is -INE924A01013.

SHARE DEMATERIALISED RECORD

The following data indicates the extent of dematerialisation of the Company's shares as on 31st March, 2010

No. of Shares Dematerialised	86,23,913	97.92% of the total share capital
No. of Shareholders holding shares in Demat form	4,598	75.75% of total number of shareholders

STOCK MARKET DATA*

The monthly high and low quotations and volume of shares traded on The National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Ltd. (BSE) are as follows:

Month	National Stock Exchange of India Ltd.			Bombay Stock Exchange Ltd.		
	High	Low	No. of Shares Traded	High	Low	No. of Shares Traded
April, 2009	37.95	26.50	681377	37.85	26.70	519321
May, 2009	50.00	27.00	1458973	50.00	30.20	747430
June, 2009	54.90	36.45	532202	55.00	36.00	284645
July, 2009	42.15	33.95	188088	42.40	33.20	96783
August, 2009	51.00	38.60	733966	51.00	38.30	467534
September, 2009	50.75	40.25	428794	52.50	43.00	302370
October, 2009	49.45	39.25	160158	49.35	39.00	123942
November, 2009	46.90	35.75	350790	46.75	34.50	216873
December, 2009	47.50	40.50	166738	47.60	40.80	156158
January, 2010	56.90	42.00	637684	57.30	42.00	567856
February, 2010	51.00	41.05	232277	53.00	39.00	216420
March, 2010	53.10	38.00	421084	53.40	44.05	426379

*As per website of Bombay Stock Exchange Ltd. i.e. www.bseindia.com and National Stock Exchange of India Limited i.e. www.nseindia.com

UNCLAIMED DIVIDENDS

Pursuant to Section 205C of the Companies Act, 1956, dividends that are unpaid / unclaimed for a period of seven years from the date they become due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Given below are the dates of declaration of dividends and corresponding dates when unpaid/ unclaimed dividends are due for transfer to IEPF:

Financial year	Date of declaration of Dividend / Interim Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
2002 – 03	31.07.2003	30.07.2010	27.08.2010
2003 – 04	30.01.2004 (Interim)	29.01.2011	28.02.2011
2003 – 04	29.07.2004	28.07.2011	27.08.2011
2004 – 05	21.01.2005 (Interim)	20.01.2012	20.02.2012
2004 - 05	18.07.2005	17.07.2012	17.08.2012
2005 - 06	31.01.2006 (Interim)	30.01.2013	01.03.2013
2005 - 06	10.07.2006	09.07.2013	09.08.2013
2006 – 07	12.06.2007	11.06.2014	10.07.2014
2007 – 08	04.07.2008	03.07.2015	02.08.2015
2008 – 09	21.07.2009	20.07.2016	19.08.2016

Members who have so far not encashed their dividend warrants are requested to have the same revalidated to avoid transfer to IEPF.

NOMINATION FACILITY

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferred in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

ELECTRONIC CLEARING SERVICE

SEBI had vide its Circular No. DCC/FITTCIR-3/2001 dated 15th October, 2001 advised that all Companies should mandatory use ECS facility wherever available. In the absence of ECS facility, Company may use warrants for distributing the dividends and vide its Circular No. D&CC/FUTTCUR-4/2001 dated 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.

DIVISIONS OF THE COMPANY:

- | | | |
|---|---|--|
| 1. Infocom Division:
D – 13/4, Okhla Industrial Area
Phase – II, New Delhi – 110 020. | 2. Consumer Electronics Division :
(a) Plot No. B-31-34 & 50-53,
Sector – 80, NOIDA.
(b) C- 52, Phase – II, NOIDA. | 3. Wind Energy Division
Village Petle, Israde and Penhalipada
Taluka Sakri, Dist. Dhule, Maharashtra |
|---|---|--|

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

Place : New Delhi
Date: 29th May, 2010

Sitaram Jiwrajka
Chairman

AUDITORS' CERTIFICATE

To,

The Members of Salora International Limited

We have examined the compliance of conditions of corporate governance by Salora International Ltd. for the year ended 31st March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholder's Grievance Committee.

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

For **K. PRASAD & CO.**
Chartered Accountants
FRN 002755N

Place: New Delhi
Date: 29th May, 2010

R.S. Gupta
Partner
Membership No. 072666

CEO / CFO CERTIFICATION

The Board of Directors
Salora International Limited

Re: Financial Statements for the year 2009 – 10 – Certification by CEO/CFO

We, Gopal Sitaram Jiwrajka, VCMD & CEO and Surinder Sood, Chief Finance Officer on the basis of the review of the financial statements and the cash flow statement for the financial year ending 31st March, 2010 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains 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 laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2010 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, 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 those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - (a) there have been no significant changes in the internal control over financial reporting during this year.
 - (b) there have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

Gopal Sitaram Jiwrajka
Vice Chairman & Managing Director & CEO

Surinder Sood
Chief Financial Officer

Place: New Delhi
Date : 23rd May, 2010

DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I, Gopal Sitaram Jiwrajka, VCMD & CEO of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended March 31, 2010.

For **SALORA INTERNATIONAL LTD.,**

Gopal Sitaram Jiwrajka
Vice Chairman & Managing Director & CEO

Place: New Delhi
Date : 23rd May, 2010

AUDITORS' REPORT

To the Members of
Salora International Limited

We have audited the attached Balance Sheet of Salora International Limited as at 31st March, 2010 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides the reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (hereinafter referred to as the "Act"), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that-
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion the Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report comply with the Accounting Standards as referred to in Sub Section 3C of Section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the directors, as on 31st March, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified from being appointed as a director in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
3. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with

Significant Accounting Policies and Notes on Accounts in Schedule "T" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March, 2010;
- (b) in the case of the Profit & Loss Account, of the Loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For **K. PRASAD & COMPANY**
Chartered Accountants
FRN 002755 N

R.S. Gupta
Partner

Place : New Delhi.
Date : 29th May, 2010

Membership No. : 072666

ANNEXURE TO THE AUDITORS' REPORT OF EVEN DATE (REFER TO IN PARAGRAPH 1 THEREOF)

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Major fixed assets have been physically verified by the management during the year. As explained to us, no material discrepancies were noticed on such verification.
- (c) The company has not made substantial disposals of fixed assets during the year.
- (ii) (a) Inventories have been physically verified by the management during the year except goods / material in bond, transit and with third parties. In our opinion, the frequency of physical verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.
- (iii) (a) The company has granted unsecured loans amounting to Rs.1470.00 lacs repayable on demand to two companies covered in the register maintained under Section 301 of the Act.
- (b) The rate of interest and other terms & conditions of loans given by the company are not prima facie prejudicial to the interest of the Company.

- (c) Principal and interest has been recovered during the year.
- (d) There is no overdue amount at the end of the year.
- (e) The company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Act.
- (f) & (g) Since the Company has not taken loan, hence the sub-clauses (f) & (g) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there were no major weaknesses in internal control systems.
- (v) (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the Register required to be maintained under that section.
- (b) As explained to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public.
- (vii) The company has an internal audit system commensurate with its size and the nature of its business.
- (viii) It has been explained that the cost records and accounts prescribed by the Central Government of India under Section 209 (1) (d) of the Act, are being maintained.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and any other statutory dues with the appropriate authorities during the year. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the following are the particulars of dues on account of Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess, that have not been deposited on account of any dispute as on 31st March, 2010. There is no dues of Wealth Tax that has not been deposited on account of any dispute.

Nature of the statute	Nature of the dues	Disputed Amount (Rs./Lacs)	Amount Deposited (Rs./Lacs)	Amount not Deposited (Rs./Lacs)	Period to which the amount relates to Various years covering the period	Forum where pending
Sales Tax Laws	Sales Tax	55.31	16.18	39.13	2000 – 2004	Appellate Authority -Supreme Court
	Sales Tax	37.44	7.56	29.88	1995 - 2001	Appellate Authority - High Court
	Sales Tax	107.58	90.90	16.68	1999 – 2007	Appellate Authority - Tribunal
	Sales Tax	543.82	274.58	269.24	1995 – 2010	Appellate Authority -Commissioner
Income Tax Act, 1961	Income Tax	88.51	88.51	NIL	2002 – 2003	Appellate Authority - High Court
	Income Tax	31.16	6.77	24.39	2004 – 2005	Appellate Authority - Tribunal
	Income Tax	65.57	85.27	(-) 19.70	2006 – 2007	Appellate Authority - CIT (A)
Customs Act, 1962	Custom Duty	Not ascertained	20.00	-	1994 - 1995	Appellate Authority - Tribunal
Central Excise Act, 1944	Excise Duty	1142.77	300.00	842.77	1994 & 2003	Appellate Authority - Tribunal
	Excise Duty	67.38	19.79	47.59	2004 – 2007	Appellate Authority - Commissioner
	Penalty	1109.71	NIL	1109.71	1994 & 2003	Appellate Authority - Tribunal
	Modvat	1.78	2.00	(0.22)	1995 -1996	Appellate Authority - Commissioner
Service Tax Act, 1994	Service Tax on Royalty	7.07	NIL	7.07	1997 – 2003	Appellate Authority - Excise Commissioner

- (x) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to Financial Institutions & Banks. The Company does not have any debenture holders.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund, nidhi, mutual benefit fund or a society. Hence, clause 4 (xiii) of the order is not applicable.
- (xiv) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Hence, clause 4(xiv) of the order is not applicable.
- (xv) The company had given Corporate Guarantee of Rs.250.00 lacs for cash credit facility taken by a company under the same management from bank to assist in borrowing for working capital against which loan has been repaid by that company during the year.
- (xvi) According to the information and explanations given to us, the company has not taken term loans during the year.
- (xvii) To the best of our knowledge and belief and according to the information and explanations given to us, funds raised on short-term basis have not been used for long term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Act, during the year.
- (xix) The company has not issued any debentures, so no security or charge has been created.
- (xx) The company has not raised any money by Public Issue during the year.
- (xxi) To the best of our knowledge & belief and according to the information & explanations given to us, no fraud on or by the company was noticed or reported during the year.

For **K. PRASAD & COMPANY**
Chartered Accountants
FRN 002755 N

R.S. Gupta
Partner

Place : New Delhi.
Date : 29th May, 2010

Membership No. : 072666

BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lacs)

	Schedule	AS AT 31.03.2010	AS AT 31.03.2009
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	A	881.45	881.45
Reserves & Surplus	B	11,840.35	12,458.62
Sub-Total		12,721.80	13,340.07
Loan Funds			
Secured Loans	C	5,491.66	8,693.44
Sub-Total		5,491.66	8,693.44
Deferred Tax Liability		729.06	1,107.74
TOTAL		18,942.52	23,141.25
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	10,012.69	9,991.85
Less: Depreciation		5,415.65	5,026.61
Net Block		4,597.04	4,965.24
Add: Capital Work In Progress		20.00	-
Net Block		4,617.04	4,965.24
Investments (At Cost)	E	816.92	816.93
Current Assets, Loans & Advances :			
Inventories	F	9,063.27	10,080.27
Sundry Debtors	G	9,558.84	10,453.08
Cash & Bank Balances	H	241.03	275.82
Other Current Assets	I	98.69	138.22
Loans & Advances	J	3,468.01	3,119.76
Sub-Total		22,429.84	24,067.15
Less: Current Liabilities & Provisions			
Current Liabilities	K	8,882.07	6,562.74
Provisions	L	39.21	145.33
Sub-Total		8,921.28	6,708.07
Net Current Assets		13,508.56	17,359.08
Miscellaneous Expenditure (to the Extent not written off or adjusted)		-	-
TOTAL		18,942.52	23,141.25
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	T	-	-

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date annexed.

For and on behalf of Board

For K.Prasad & Company
Chartered Accountants

R. S. Gupta
Partner
M No.072666

 Place : New Delhi
Date : 29th May, 2010

Gopal Sitaram Jiwrajka
Vice Chairman & Managing Director

Y. P. Bansal
Company Secretary

Sitaram Jiwrajka
Chairman

Surinder Sood
Chief Finance Officer

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

	Schedule	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
INCOME:			
Sales	M	52,451.97	72,034.41
Less: Excise Duty		491.44	645.70
Net Sales		51,960.53	71,388.71
Other Income	N	156.33	105.01
Increase/(Decrease) in Stock	O	116.35	(967.89)
Total (a)		52,233.21	70,525.83
EXPENDITURE :			
Materials Consumed & Purchase of Goods	P	47,746.34	63,281.40
Personnel Expenses	Q	1,860.31	1,963.16
Manufacturing & Other Expenses	R	2,573.52	3,732.57
Interest	S	608.86	1,004.43
Depreciation		427.19	520.08
Total (b)		53,216.22	70,501.64
PROFIT/(LOSS) BEFORE TAX		(983.01)	24.19
Less : Provision for Taxes :			
Current Tax		-	57.00
Deferred Tax		(378.68)	(42.49)
Fringe Benefits Tax		-	44.10
Earlier Year : Income Tax		13.94	(6.32)
PROFIT/(LOSS) AFTER TAX		(618.27)	(28.10)
Add: Balance brought forward from last year		1,977.80	2,108.94
Profit Available for Appropriation		1,359.53	2,080.84
APPROPRIATIONS			
Proposed Dividend		-	88.07
Tax on Dividend		-	14.97
Transfer to General Reserve		-	-
Balance carried to Balance Sheet		1,359.53	1,977.80
Total		1,359.53	2,080.84
BASIC/DILUTED EARNINGS PER SHARE (Rs.)	T-Note 16	(7.02)	(0.32)

NOTES ON ACCOUNTS AND ACCOUNTING POLICIES

The schedules referred to above form an integral part of the Profit & Loss Account.

As per our report of even date annexed.

For and on behalf of Board

For K.Prasad & Company
Chartered Accountants

R. S. Gupta
Partner
M No.072666

Place : New Delhi
Date : 29th May, 2010

Gopal Sitaram Jiwarajka
Vice Chairman & Managing Director

Y. P. Bansal
Company Secretary

Sitaram Jiwarajka
Chairman

Surinder Sood
Chief Finance Officer

Profit & Loss Account

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'A'		
SHARE CAPITAL:		
Authorised		
20000000 Equity Shares of Rs. 10/- Each	2,000.00	2,000.00
Issued and Subscribed		
8820000 Equity Shares of Rs.10/-Each	882.00	882.00
Paid-Up		
8807300 Equity Shares of Rs.10/-Each	880.73	880.73
Add : Share Capital Forfeited (12700 Equity Shares @ Rs.5.65/-each)	0.72	0.72
Total	881.45	881.45
NOTE :		
Out of the above 960000 Equity Shares of Rs. 10/- each were issued as Fully Paid Up Bonus Shares by capitalisation of General Reserve.		
SCHEDULE 'B'		
RESERVES & SURPLUS:		
Share Premium Account	3,244.42	3,244.42
Add : Share Premium Forfeited	2.87	2.87
Sub Total	3,247.29	3,247.29
General Reserve		
As per last Balance Sheet	7,233.53	7,233.53
Add: Profit transferred from Profit and Loss Account	-	-
Sub Total	7,233.53	7,233.53
Profit & Loss Account Balance	1,359.53	1,977.80
Total	11,840.35	12,458.62

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'C'		
SECURED LOANS:		
A. Term Loans (From banks)		
(a) Foreign Currency Loan	1,194.13	1,769.53
(b) Vehicle Loan	48.06	35.82
B. Working Capital Loans		
From banks	3,903.32	6,347.86
C. Interest Free Loan from PICUP Under Sales Tax Deferred Scheme	346.15	540.23
Total	5,491.66	8,693.44

Notes :-

- (a) Foreign currency loan referred to in 'A' are secured against first exclusive charge over immovable and moveable fixed assets (both present and future) relating to the wind power project situated at Dhule in the state of Maharashtra.
(b) Vehicle Loans referred to in 'A' are secured against hypothecation of car.
- Working Capital Loans referred to in 'B' are secured by hypothecation of inventories & receivables and first pari-passu charge with PICUP on immovable properties of Noida units as collateral security.
- Interest free Loan from PICUP under sales tax deferred scheme is secured by first charge on all movable fixed assets (present & future) of Noida units and first pari-passu charge with bank(s) on immovable properties of Noida units.

SCHEDULE 'D'

FIXED ASSETS :

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2009	Additions	Deductions/ Adjustments	Balance as at 31.03.2010	Upto 31.03.2009	For The Year	Deductions/ Adjustments	Upto 31.03.2010	Balance as at 31.03.2010	Balance as at 31.03.2009
OWN ASSETS:										
Lease Hold Land	390.29	-	-	390.29	49.46	6.00	-	55.46	334.83	340.83
Building	708.36	-	-	708.36	242.29	20.61	-	262.90	445.46	466.07
Furniture & Fixtures	504.49	0.10	0.24	504.35	326.14	16.08	0.24	341.98	162.37	178.35
Plant & Machinery	6,969.59	29.45	0.37	6,998.67	3,355.69	306.96	0.07	3,662.58	3,336.09	3,613.90
Dies & Moulds	1,133.07	1.38	-	1,134.45	948.47	42.38	-	990.85	143.60	184.60
Motor Vehicles	150.60	45.14	54.62	141.12	76.08	21.69	37.84	59.93	81.19	74.52
Intangible Assets	104.63	-	-	104.63	15.87	10.86	-	26.73	77.90	88.76
Sub Total	9,961.03	76.07	55.23	9,981.87	5,014.00	424.58	38.15	5,400.43	4,581.44	4,947.03
LEASED ASSETS:										
Plant & Machinery	30.82	-	-	30.82	12.61	2.61	-	15.22	15.60	18.21
Total	9,991.85	76.07	55.23	10,012.69	5,026.61	427.19	38.15	5,415.65	4,597.04	4,965.24
PREVIOUS YEAR	9,939.81	158.03	105.99	9,991.85	4,602.95	520.08	96.42	5,026.61	4,965.24	5,336.86
CWIP	-	-	-	-	-	-	-	-	20.00	-

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

	<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
SCHEDULE 'E'		
A) INVESTMENTS (AT COST):		
Long Term(Unquoted,unless otherwise stated)		
a) Trade Investments in Equity Shares (Fully paid up)		
In Subsidiary Companies :		
i) 4249200 Equity Shares of Salora Capital Ltd. of 10/-each.	326.60	326.60
ii) 3414800 Equity Shares of Salora Component Ltd.of 10/-each.	341.48	341.48
In Associate Companies :		
i) 855000 Equity Shares of Encompass Software & Systems Pvt.Ltd.of Rs.10/- each. Less: Provision for diminution in value of Investments	85.50 (75.09)	85.50 (75.09)
ii) 978040 Equity Shares of Salora Retail Venture Ltd.	97.80	97.80
iii) 780000 Equity Shares of H.K.Shinsei.of Hong Kong \$ 1/-each.	40.61	40.61
In Other Companies		
i) 50 Equity Shares of Pacer Salora International (P) Ltd.of Rs.10/-each.	-	0.01
ii) 50 Equity Shares of Salora Floritech Ltd of Rs. 10/-each.	-	0.01
b) Other Investments in Shares & Bond (Fully paid)		
i) 2 Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/-each	0.02	0.02
Total	<u><u>816.92</u></u>	<u><u>816.93</u></u>
Aggregate Book value of Unquoted Investment	<u><u>816.92</u></u>	<u><u>816.93</u></u>

SCHEDULE 'F'
**INVENTORIES (As Certified by the Management):
(at cost or estimated realisable value whichever is lower)**

i) Raw Material & Components	663.47	569.24
ii) Stores & Spares etc.	6.40	1.42
iii) Work-in-Progress	138.43	94.25
iv) Finished & Traded Goods	8,114.33	8,042.16
v) Material in Bond & Transit	140.64	1,373.20
Total	<u><u>9,063.27</u></u>	<u><u>10,080.27</u></u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

	<u>AS AT</u> <u>31.03.2010</u>	<u>AS AT</u> <u>31.03.2009</u>
SCHEDULE 'G'		
SUNDRY DEBTORS (Unsecured):		
a) Debts outstanding for a period exceeding Six months		
Considered Good	3,519.19	2,309.89
Considered Doubtful	209.93	-
Less : Provision for Doubtful Debts	209.93	-
b) Others, Considered Good	6,039.65	8,143.19
Total	<u><u>9,558.84</u></u>	<u><u>10,453.08</u></u>

SCHEDULE 'H'		
CASH & BANK BALANCES:		
Cash in hand	22.80	25.74
Cheques & D.D. /T.T. in hand/Transit	3.15	11.09
Balance with Scheduled Banks:		
Current Account	94.19	130.80
Fixed Deposit Account (Margin Money)	100.17	86.32
Equity Dividend	20.72	21.87
Total	<u><u>241.03</u></u>	<u><u>275.82</u></u>

SCHEDULE 'I'		
OTHER CURRENT ASSETS:		
(Unsecured, Considered good)		
i) Gratuity and Superannuation Receivable	35.56	71.58
ii) Insurance Claim Receivable	48.88	63.27
iii) Interest Receivable	14.25	3.37
Total	<u><u>98.69</u></u>	<u><u>138.22</u></u>

Schedules

SCHEDULES FORMING PART OF THE BALANCE SHEET

(Rs. in Lacs)

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'J'		
LOANS & ADVANCES:		
(Unsecured, Considered good)		
Loans	255.00	-
Advances recoverable in cash or in kind or for value to be received	403.73	294.51
Balance With Government Authorities	1,662.60	1,688.47
Security Deposits	307.42	301.94
Advance / refundable Income Tax (net of provision)	658.71	686.22
Advance Fringe Benefit Tax (net of provision)	-	1.90
Payment against disputed Income Tax Demand	180.55	146.72
Total	3,468.01	3,119.76
SCHEDULE 'K'		
CURRENT LIABILITIES:		
Sundry Creditors*	8,351.76	5,740.13
Advance From Customers	253.89	236.70
Other Liabilities	132.99	257.99
Trade Deposits	103.17	251.98
Unclaimed/Unpaid dividend	20.72	21.87
Interest Accrued but not due	19.54	54.07
Total	8,882.07	6,562.74

*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.

SCHEDULE 'L'		
PROVISIONS:		
For Retirement and Other Employee Benefits	39.12	41.97
For Wealth Tax	0.09	0.32
For Proposed Dividend	-	88.07
For Dividend Tax	-	14.97
Total	39.21	145.33

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. in Lacs)

	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
SCHEDULE 'M'		
SALES:		
Domestic	48,500.34	68,084.68
Export	3,951.63	3,949.73
Total	52,451.97	72,034.41

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. in Lacs)

	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
SCHEDULE 'N'		
OTHER INCOME:		
Interest (TDS Rs.600949/-,Previous year Rs.818057/-)	55.36	73.32
Rent Received (TDS Rs.49778/-,Previous year Rs.81576/-)	2.70	3.60
Cash Discount	97.22	15.43
Bad Debts Recovered	-	7.21
Miscellaneous Income	1.05	5.45
Total	156.33	105.01
SCHEDULE 'O'		
INCREASE / (DECREASE) IN STOCK:		
Opening Stock:		
Finished & Traded Goods	8,042.16	9,012.67
Work In Progress	94.25	91.63
Total	8,136.41	9,104.30
Closing Stock:		
Finished & Traded Goods	8,114.33	8,042.16
Work In Progress	138.43	94.25
Total	8,252.76	8,136.41
Increase/(Decrease) In Stock:	116.35	(967.89)
SCHEDULE 'P'		
MATERIALS CONSUMED & PURCHASES OF GOODS :		
A) Raw Materials Consumed :-		
Opening Stock	569.24	740.98
Add : Purchases	4,796.57	3,679.72
Less: Closing Stock	663.47	569.24
Total	4,702.34	3,851.46
B) Purchase of Goods :-	43,044.00	59,429.94
Materials Consumed & Purchases of Goods (A+B)	47,746.34	63,281.40

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

(Rs. in Lacs)

	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
SCHEDULE 'Q'		
PERSONNEL EXPENSES:		
Salaries, Wages, Bonus & Other Allowances	1,648.23	1,637.31
Contribution to Provident & Other Fund	92.81	192.06
Staff Welfare & Other Benefits	119.27	133.79
Total	1,860.31	1,963.16

SCHEDULE 'R'		
MANUFACTURING & OTHER EXPENSES:		
Assembly Charges	37.28	45.62
Stores & Spares Consumed	16.64	29.77
Power & Fuel	122.74	143.02
Rent (Including Lease Rent)	240.73	221.87
Rates and Taxes	9.44	10.89
Repair & Maintenance :-		
Building	0.03	1.72
Plant & Machinery	86.15	42.74
Others	65.50	154.38
Insurance	87.47	88.43
Travelling & Conveyance	319.42	355.07
Miscellaneous	548.43	561.68
Payment to Auditors	16.55	14.95
Freight and Forwarding	563.42	740.40
Discount, Commission & Incentives	15.59	26.68
Advertisement & Publicity	150.67	387.30
After Sale Service Charges	177.55	439.69
Sales Tax	47.09	88.03
Loss / (Profit) on Sale of Fixed Assets (Net)	(2.02)	3.76
Ir-recoverable Advances and Claim Receivable W/off	-	33.75
Short Excess Claims	(29.44)	8.84
Bad Debts	11.97	71.50
Provision for Doubtful Debts	209.93	-
Bank Charges	81.16	89.69
Foreign Currency Exchange Fluctuation (Net)	(202.78)	172.79
Total	2,573.52	3,732.57

SCHEDULE 'S'		
INTEREST :		
On Term Loan	45.28	231.93
Others	563.58	772.50
Total	608.86	1,004.43

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE 'T'

A. Significant Accounting Policies:

i) Basis of Accounting :

The Financial Statements are prepared under the historical cost convention on accrual basis as a going concern, in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

ii) Revenue Recognition :

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

iii) Fixed Assets and Depreciation:

a. Fixed Assets :

Fixed assets (except freehold land) are stated at cost of acquisition and/or cost of construction, less accumulated depreciation Cenvat, Vat etc. claimed on fixed assets is reduced from the cost of respective assets.

Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalized as part of cost of such assets till such time as the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the period in which incurred.

Fixed assets are reviewed for impairment of such assets by taking them as part of a cash generating unit and on assets not in use basis on each Balance Sheet date, Impairment loss and reversal of earlier years, if any is recognised to Profit & Loss Account.

Intangible assets are recorded at cost of acquisition less accumulated depreciation / amortisation.

b. Depreciation on Fixed Assets :

Depreciation is provided on straight-line method, except for Vehicles on which it is provided on written down value method, at the rate and in the manner as prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation is charged on pro-rata basis on additions/ sales during the year.

Cost of leasehold land and furnishing expenses in leasehold property are amortised over the lease period.

Assets purchased after 15.12.1993 the actual cost of which does not exceed Rs. 5000/- are written off in the year of acquisition.

Intangible assets are amortised over the useful life of such assets. The useful life thereof is estimated to be ten years.

iv) Lease Assets:

Lease rental in respect of assets taken on operating lease are charged to the Profit and Loss Account on a straight-line basis over the lease term.

Lease under which the Company assumes substantially all the risk and rewards of ownership are classified as operating lease.

Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever lower.

v) Investments :

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

vi) Inventory Valuation :

a. Inventories are valued at cost or net realisable value whichever is lower.

b. Cost of manufactured finished goods and work in progress includes cost of material, labour and manufacturing overheads and excise duty in case of finished goods.

c. Cost is calculated on FIFO basis in respect of Infocom Products and on weighted average basis in respect of Consumer Electronic Product & components thereof.

d. Obsolete, defective and non/ slow moving inventories are identified at the year end and adequate provision is made in respect thereof.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

vii) Excise Duty, Custom Duty & Cenvat:

- a. Excise duty on finished goods and custom duty on raw material is accounted for on clearance of goods from the factory, port/warehouse of the custom. Liability for duties is provided at the end of the year on finished goods stock in factory and raw material stock in custom bonded warehouse or under clearance.
- b. Credit of excise duty, VAT under CENVAT scheme on goods purchased, is reduced from the cost of purchase.
- c. Credit of service tax under CENVAT scheme on expenses is reduced from expenses.

viii) Employee Benefits :

- a. Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss account of the year in which the related service is rendered.
- b. Defined Contribution Plans for Provident fund, Family pension and Superannuation benefits are recognised by contribution at specified rate or percentage on salary. No actuarial assumptions are required to measure the obligations or expenses and there is no possibility of any actuarial gain or loss. Moreover the obligations are measured on an undiscounted basis.
- c. Other Post employment and long term employee benefits Gratuity and Leave Pay are recognised as an expense in the Profit and Loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Profit and Loss account.
- d. Contribution to Employees Provident Fund and Family Pension Scheme are charged to Profit & Loss Account as incurred under the relevant Act.
- e. Gratuity and Superannuation benefits are charged to Profit & Loss Account on the basis of payments made to the trust as per actuarial valuation at the end of the year.
- f.) Liability in respect of leave pay is provided on the basis of actuarial valuation at the end of the year.
- g.) Differential / extra / temporary employees Gratuity & Leave Pay paid is charged to Profit & Loss account.

ix) Foreign Currency Transactions :

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

x) Taxation :

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

xi) Contingent Liabilities and Assets :

Contingent liability is recognised and provided for when the Company has present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligations and of which a reliable estimate can be made.

Contingent liability is disclosed in notes to accounts in case of obligation is disputed and the possibility of an outflow of resources is remote. Contingent assets is not recognised until the realisation of income is virtually certain.

B. Notes on Accounts :

1. Contingent Liabilities not provided for in respect of :

- i) Bank Guarantees issued by Bankers Rs.980.68 lacs (Previous year Rs.1057.87 lacs) including for Sales Tax and Excise demand Rs.84.28 lacs (Previous Year Rs.499.76 lacs), against which margin kept by bank Rs.100.12 lacs (Previous Yr.Rs.86.32 lacs).
- ii) Letter of Credits pending for shipment Rs.299.15 lacs(Previous year Nil.).
- iii) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.
- iv) Disputed Sales Tax demands of Rs.744.15 lacs (Previous year Rs.591.44 lacs), against which amount deposited Rs.389.21 lacs (Previous year Rs.249.35 lacs) has not been provided for as the cases are pending in appeals with higher authorities.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

- v) 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 Hon'ble Delhi High Court and after admitting the petition and taking into consideration all the facts, the Hon'ble 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 Hon'ble Court. Duty and penalty amount is not ascertainable at this stage.
2. Demand raised/Cenvat credit disputed, by Excise Authorities amounting to Rs.2328.71 lacs (Previous year Rs.2296.28 lacs), against which amount deposited Rs.321.79 lacs (Previous year Rs. 331.34 lacs) has not been provided for as the matters are pending in appeals with higher authorities. Appellate Authority has passed an order to Pre deposit sum of Rs.300 lacs, which has been deposited. Further, Company has been advised that the demand raised by Excise Authorities is purely on Technical point and on the similar point they have raised demand on most of the TV Manufactures and hence representation is being made through manufacturer association before the Government, and the Company has filed a petition on the issue before Hon'ble Supreme Court, and Company expects to get relief in Appeal.
3. Income Tax Assessments of the Company have been completed upto Assessment Year 2007-2008 (in previous year upto 2006-07). Demand has been raised of Rs.185.23 lacs (previous year Rs.216.95 lacs) for earlier assessment years against which company has filed appeal before appellate authorities and amount Rs.180.55 lacs (previous year Rs.146.70 lacs) has been deposited against demands.
- Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Delhi High Court against which refund of Rs.1151.57 lacs received by the Company in the Financial Year 2002-2003.
4. **Sundry Debtors, considered good includes :**
- Rs.443.22 lacs due more than six months from parties on whom legal action initiated for recovery.
 - Rs.2085.08 lacs due more than six months and Rs. 184.73 lacs are under follow-up,negotiation,reconciliation,settlement and realisation out of which Rs.209.93 lacs has been considered doubtful and provided for.
 - Rs.1107.33 lacs (previous year Rs.Nil) due more than six months and Rs.70.20 lacs (Previous year Rs.1227.50 lacs) less than six months from Salora Retail Venture Limited, a company under the same management.
 - Rs.78.34 lacs (Previous year Rs.17.64 lacs) due more than six months & Rs.123.45 lacs (Previous year Rs.60.94 lacs) less than six months from Salora Components Limited,a subsidiary company.
 - Rs.12.27 lacs (previous year Rs.Nil) due less than six months from Salora Capital Limited a subsidiary company.
5. **Loans Given includes :**
- Rs.NIL (Previous year Nil.) due from a subsidiary company Salora Components Ltd and maximum amount outstanding at any time during the year is Rs.20.00 lacs.(Previous year Rs. 265.50 lacs)
 - Rs. NIL (Previous year Nil.) due from Salora Retail Ventures Ltd, a company under the same management and maximum amount outstanding during the year is Rs.Nil. (Previous year Rs.460 lacs)
6. **Advances Recoverable includes :**
- Rs.20.66 lacs (previous year Rs.5.78 lacs) due from Salora Retail Ventures Ltd and Rs.Nil. (previous year Rs.15.17 lacs) due from H.K.Shinsei Ltd, companies under the same management.
7. In previous year Impairment loss has been recognised amounting to Rs.53.48 lacs due to obsolescence and discard of assets.This has been included in the Depreciation in the Profit & Loss account and reduced from Fixed Assets.
8. Revenue expenditure incurred on Research and Development including overheads and debited to respective head of accounts aggregating to Rs.21.79 lacs (Previous year Rs.20.47 lacs).

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
	Leave Encashment Unfunded		Gratuity Funded	
9. Employees Benefits disclosure as per accounting standard 15 (Revised) :				
i. The Principal assumptions in actuarial valuation are as below				
a. Discount Rate	7.70%	8%	7.70%	7%
b. Expected rate of return on assets	NA	NA	LIC 8.75%	8.75%
			HDFC 17.70%	
c. Expected rate of future salary increase	5%	5%	5%	5%
ii. Change in present value of obligations				
Present value of obligations as at 01.04.2009	41.97	41.78	161.42	144.79
Interest Cost	2.94	3.34	12.43	10.13
Current Service Cost	8.33	12.03	13.80	17.03
Benefits Paid	(25.71)	(16.39)	(24.94)	0.00
Actuarial (gain) / loss on obligations	11.59	1.21	(3.84)	(10.53)
Present value of obligations as at 31.03.2010	39.12	41.97	158.87	161.42
iii. Change in fair value of plan assets	NA	NA	NA	NA
Fair value of plan assets at the beginning of the period	-	-	230.82	207.94
Expected Return on plan assets	-	-	20.2	18.19
Contributions	-	-	-	15.84
Withdrawals	-	-	(64.84)	-
Actuarial gain / (loss) on plan assets	-	-	6.83	(11.15)
Fair value of plan assets at the end of the period	-	-	193.01	230.82
Total Actuarial gain / (loss) to be recognised	11.59	1.21	10.67	(0.62)
iv. Actual return on plan assets	NA	NA	NA	NA
Expected return on plan assets	-	-	20.20	18.19
Actuarial gain / (loss) on plan assets	-	-	6.83	(11.15)
Actual return on plan assets	-	-	27.03	7.04
v. Liability recognised in the Balance Sheet				
Present value of obligations as at 31.03.2010	39.12	41.97	158.87	161.42
Fair value of plan assets as at the end of the period	-	-	193.01	230.82
Unfunded / (funded) status	39.12	41.97	(193.01)	(230.82)
Net (Assets) / Liability recognised in Balance Sheet	39.12	41.97	(34.14)	(69.40)
vi. Expenses recognised in Profit and Loss Account				
Current Service Cost	8.33	12.03	13.80	17.03
Past Service Cost	-	-	-	-
Interest Cost	2.94	3.34	12.43	10.13
Expected return on plan assets	-	-	(20.20)	(18.19)
Net Actuarial (Gain) / Loss recognised during the year	11.59	1.21	(10.67)	0.62
Expense recognised in Profit and Loss Account	22.86	16.58	(4.64)	9.59
Differential/casuals paid debited to P&L	-	13.29	-	78.82
Total Expense recognised in Profit and Loss Account	22.86	29.87	(4.64)	88.41
vii. Breakup of Plan Assets as a percentage of total plan assets	NA	NA	100%	100%
Funds managed by Insurer				
viii. Balance Sheet Reconciliation				
Opening Net Liability	41.97	41.78	(69.40)	(63.15)
Expenses as above	22.86	16.58	(4.64)	9.59
Withdrawals	-	-	64.84	-
Benefits Paid	-	-	(24.94)	-
Employers Contribution Paid	(25.71)	(16.39)	-	(15.84)
Closing Net Liability	39.12	41.97	(34.14)	(69.40)

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
10. Exchange difference has been charged/ (credited) to revenue accounts as follows:		
On Import of raw material & finished goods including forward contracts	(211.48)	274.18
On Export sales	(29.03)	(160.26)
On Term loan	37.73	58.87
Total	(202.78)	172.79
11. Remuneration to Auditors (Net of Service Tax - Cenvatable) :		
Statutory Audit Fee (including Limited Review)	11.00	11.00
Tax Audit Fees	1.50	1.50
Other services :		
- Certification	2.07	0.90
- Expenses / Service Tax reimbursed	1.98	1.55
Total	16.55	14.95
12. (a) Directors' Remuneration :		
(Excluding Contribution to Gratuity Fund and Leave encashment provided on actuarial basis)		
Salary & Allowances	100.80	100.80
Commission to one executive Director & Rs.100000/- each to Five Non-Executive Directors		
Contribution to Provident Fund & Superannuation Fund	12.96	12.96
Other benefits & Perquisites	2.66	4.99
Total	116.42	118.75
(b) Computation of Managerial Remuneration Payable to Directors :		
Profit/(Loss) before tax as per P&L A/c	(983.01)	24.19
Add: Wealth Tax	0.09	0.32
Add: Directors' sitting fees	3.20	2.50
Directors' remuneration	116.42	118.75
Net Profit Pursuant to Section 349 of the Companies Act,1956	(863.30)	145.76
Commission payable on net profit	-	-
Maximum Managerial Remuneration payable to the Director at 5%	-	-
Maximum Managerial Remuneration (including contribution to funds Rs.12.96 lacs) payable in case of inadequacy of profit based on effective capital Rs.14868.72 lacs as on 31.03.09.	60.96	60.96
Excess Managerial Remuneration paid with the approval of Central Government	55.46	57.79
Commission due to Executive Director for the year	-	-
Commission due to Non- Executive Directors for the year	-	-
Managerial Remuneration includes Commission of Rs.NIL lacs (Previous Year Nil.to Non Executive Directors)	116.42	118.75

Note :

The Central Government has accorded its approval vide letter dated 24th September 2009 for payment of remuneration of Rs.989600/- per month to Sri Gopal Sita Ram Jiwaraika from 1.04.2008 to 30.06.2010.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(Rs. in Lacs)

Particulars	Year Ended 31.03.2010	Year Ended 31.03.2009
13. DEFERRED TAX :		
(a) Deferred Tax Liability on account of :		
Depreciation other than WindMill	221.56	260.99
Depreciation & Business Loss of WindMill	807.36	888.09
	<u>1028.92</u>	<u>1149.08</u>
(b) Deferred Tax Asset on account of :		
Taxes, Duties, Bonus & Leave pay etc.	42.05	41.34
Provision for Bad & Doubtfull debts	64.87	0.00
Unabsorbed Depreciation	76.74	0.00
Unabsorbed Business Loss	116.20	0.00
	<u>299.86</u>	<u>41.34</u>
Deferred Tax Liability (Net)	729.06	1,107.74
Deferred Tax Expenditure/ (Income)	(378.68)	(42.49)

14. FINANCE LEASE OBLIGATIONS:

The Company has acquired plant & machinery under finance lease with the respective assets as security of which lease period has expired on 31.03.2008, ownership of which is to be transferred in the name of the company at nominal value.

Future obligations towards lease rentals for Fixed assets (Leasehold land) taken on lease as on 31.03.2010 is as under :

Within one year	6.72	6.72
Later than one year and not later than five years	33.60	33.60
Later than five years	477.12	483.84
Total	<u><u>517.44</u></u>	<u><u>524.16</u></u>

15. RELATED PARTIES DISCLOSURES :
1. Relationship :
(a) Subsidiary :

Salora Capital Limited (formerly Jadoonet Ltd.)
Salora Components Ltd.

(c) Other related parties in which key managerial personnel or their relatives have significant influence :

Associated Electrical Agencies
Associated Electronic Research Foundation
Aerthon Electronics Ltd (formerly Sab Electronics Ltd)
Essjay Ericsson Pvt. Ltd.
Ericsson India P Ltd.
Manori Properties P Ltd.
Feature Home Products P Ltd
Panasonic Carbon India Co Ltd.
Devi Electronics P Ltd.

(b) Associates & Joint Ventures :

Salora Retail Ventures Ltd
H.K. Shinsei Ltd

(d) Key Managerial Personnel:

Shri Gopal Sitaram Jiwarajka

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

Shri Sitaram Jiwarajka
Smt. Neetu Jiwarajka
Shri Tarun Jiwarajka

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

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

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

(Rs. in Lacs)

Nature of Transactions	Related Parties							
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c) above		Referred in 1(d) &(e) above	
	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
Purchases								
Goods and Materials	2.74	-	231.67	83.76	-	5.22	-	-
Services - Job Work Charges	-	-	-	0.38	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-
Sales								
Goods and Materials	441.52	204.33	215.62	2,654.24	122.84	939.26	-	-
Services - Job Work Income	-	-	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-	-	-
Expenses								
Rent	-	-	-	54.99	8.39	7.93	-	0.60
Technical Charges	-	-	-	-	0.02	0.99	-	-
Other Charges/ Reimbursements	-	-	-	2.02	1.55	0.73	-	-
Lease Liability Paid	-	-	-	-	-	-	-	-
Interest	-	32.25	-	-	-	-	-	-
Royalty	-	-	-	-	-	-	-	-
Salary	-	-	-	-	-	-	13.64	11.49
Commission	-	-	-	-	-	-	-	-
Directors Remuneration	-	-	-	-	-	-	116.42	118.75
Directors Fees	-	-	-	-	-	-	0.40	0.20
Income								
Rent	-	-	18.47	4.03	-	-	-	-
Hire Charges	-	-	-	-	-	-	-	-
Other Recoveries	-	-	-	-	-	-	-	-
Discount	-	-	-	-	-	-	-	-
Interest	29.83	24.40	-	11.70	-	-	-	-
Diminution in Investment written back	-	-	-	-	-	-	-	-
Investment								
Shares	-	-	-	-	-	-	-	-
Shares Application Money	-	-	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-	-	-
Finance								
Loans given	1,470.00	190.50	-	460.00	-	-	-	-
Loans received back	1,470.00	285.50	-	490.00	-	-	-	-
Loans received	-	25.00	-	-	-	-	-	-
Loans repaid	-	315.00	-	-	-	-	-	-
Advance given and received back	-	1.00	-	3.00	-	-	-	-
Others								
Advance for material supply given & recd back	-	-	238.00	-	-	-	-	-
Expenses incurred & received back	0.20	1.03	7.58	15.62	-	0.64	-	-
Outstandings								
Payables	-	-	-	0.06	0.76	1.02	4.40	4.91
Receivables	214.04	78.58	1,198.19	1,331.76	15.82	260.90	-	-
Share application pending allotment	-	-	-	-	-	-	-	-
Loan Payable	-	-	-	-	-	-	-	-
Loan Recoverable	-	-	-	-	-	-	-	-
Advance Recoverable	-	-	-	20.95	-	-	-	-

Schedules

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT
16. PARTICULARS OF EARNING PER SHARE:

Particulars	(Rs. in Lacs)	
	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
Net Profit/(Loss) after tax as per profit and loss account (Rs.Lacs) attributable to equity shareholders	(618.27)	(28.10)
Net Profit/(Loss) before exceptional item net of tax expense (Rs.Lacs)	(618.27)	(28.10)
Weighted Average number of equity shares used as denominator for calculating EPS	8807300	8807300
Basic and Diluted Earnings per share(in Rs.)	(7.02)	(0.32)
Basic and Diluted Earnings (before exceptional item) per share(in Rs.)	(7.02)	(0.32)
Face Value per equity share(in Rs.)	10.00	10.00

17. SEGMENT REPORTING:
A. Information about Primary Business Segments:
(I) Segment Revenue :

a) Infocom Division	43,981.12	64,429.55
b) Consumer Electronics Division	7,597.34	6,629.16
c) Wind Energy	382.07	330.00
Total Segment Revenue as per Financial Statements	51,960.53	71,388.71

(II) Segment Results:

a) Infocom Division	477.72	2,212.48
b) Consumer Electronics Division	(230.44)	(605.36)
c) Wind Energy	78.37	95.05
Total Segment Results	325.65	1,702.17
Less : i) Interest	608.86	1,004.43
ii) Other un-allocable expenditure net off un-allocable income	699.80	673.55
iii) Provision for Taxes	(364.74)	52.29
Net Profit/(Loss) as per Financial Statements	(618.27)	(28.10)

(III) Other Informations (Rs. in Lacs) :

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
a) Infocom Division				
Current year	16,290.84	7,765.08	20.97	24.67
(Previous year)	(18,477.60)	(5,251.18)	(57.69)	(24.17)
b) Consumer Electronics Division				
Current year	6,619.04	1,349.94	5.55	198.69
(Previous year)	(6,462.19)	(1,703.58)	(33.09)	(297.32)
c) Wind Energy				
Current year	2,667.42	1,207.30	-	156.84
(Previous year)	(2,998.43)	(1,823.97)	-	(156.84)
d) Unallocated Amounts				
Current year	2,286.50	4,819.68	49.55	46.99
(Previous year)	(1,911.10)	(7,730.52)	(67.25)	(41.75)
Total as per Financial Statements (C.Y.)	27,863.80	15,142.00	76.07	427.19
(Previous year)	(29,849.32)	(16,509.25)	(158.03)	(520.08)

B. GEOGRAPHICAL SEGMENTS:

The sales of the Company are mainly in India and the export turnover being only 7.53 % (Previous year 5.48%) of the total turnover of the Company, there are no separate reportable Geographical Segments.

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

C. OTHER DISCLOSURES:

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

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

18. QUANTITATIVE & OTHER INFORMATION:

(As certified by the management)

A. CLASS OF GOODS PRODUCED:

	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
	Installed Capacity* (Nos.)	Production (Nos.)	Installed Capacity* (Nos.)	Production (Nos.)
(i) TV Sets & Sub Assemblies thereof	300000	164070	300000	88470
(ii) Electronic Components	13600000	4836482	13600000	4768489

*The installed capacity is as certified by the management and not verified by the auditors, being a technical matter.

Particulars	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
	Qty. (Nos.)	Value (Rs. in Lacs)	Qty. (Nos.)	Value (Rs. in Lacs)
B. OPENING STOCK :				
TV Sets & Sub assemblies thereof	8191	342.85	7118	451.59
Electronic Components	407108	236.23	446912	294.13
Mobile Phone & Accessories	155553	4,259.40	286570	6,098.59
Computers and Accessories	4387	424.55	6702	980.76
Miscellaneous		2,779.13		1,187.60
Total		8,042.16		9,012.67
C. PURCHASE :				
TV Sets & Sub assemblies thereof	31095	947.06	28133	1,001.98
Electronic Components	5000	1.85	824	0.25
Mobile Phone & Accessories*	476507	19,127.80	758606	34,524.24
Computers and Accessories	76566	15,942.66	102496	13,657.36
Miscellaneous		7,024.63		10,246.11
Total		43,044.00		59,429.94
D. TURNOVER (Gross) :				
TV Sets & Sub assemblies thereof	197688	4,847.44	115530	4,079.45
Electronic Components*	4698910	2,517.17	4562270	2,751.47
Mobile Phone & Accessories	439393	21,069.79	889623	39,063.28
Computers and Accessories	73297	15,380.39	104811	14,437.50
Miscellaneous**		8,637.18		11,702.71
Total		52,451.97		72,034.41

*Excludes 286496 Nos. (Previous year 246847 Nos.) Electronic Components of gross value Rs. 114.23 lacs (Previous year Rs.109.05) transferred to TV unit of the Company for captive consumption.

**Includes Maintenance & Service/ Job charges of Rs.194.73 lacs (Previous year Rs.969.79 lacs) and wind energy sale Rs.382.07 lacs (Previous Year Rs. 330.00 lacs)

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
	Qty. (Nos.)	Value (Rs. in Lacs)	Qty. (Nos.)	Value (Rs. in Lacs)
E. CLOSING STOCK:				
TV Sets & Sub assemblies thereof	5668	201.07	8191	342.85
Electronic Components	263184	123.45	407108	236.23
Mobile Phone & Accessories	192667	3,508.70	155553	4,259.40
Computers and Accessories	7656	1,480.97	4387	424.55
Miscellaneous		2,800.14		2,779.13
Total		8,114.33		8,042.16
F. MATERIAL & COMPONENTS CONSUMED:				
TELEVISION :				
Picture Tube	137315	1,484.87	59979	829.74
FBT TRANSFORMER :				
Ferrite Core (Pair)	520287	61.08	717928	64.83
Diode	2678385	27.42	3888000	48.53
Focus Potentiometer	528359	41.35	704008	58.71
DEFLECTION YOKE :				
Ferrite Core (Pair)	442094	76.58	454990	82.04
Copper Wire (Kg.)	68372.1	199.31	63990.23	226.13
LOUD SPEAKER :				
Basket	4829684	319.56	3635649	281.12
Yoke	4074193	104.46	3694037	81.46
Magnet	7748229	107.39	7354935	97.50
OTHERS*		2,280.32		2,081.40
Total Consumption		4,702.34		3,851.46

*Others does not includes inter-unit transfer of Components Value (net of CENVAT) Rs.105.46 lacs (Previous year Rs.96.00 lacs) but includes material consumed against sale of raw material / components for value of Rs.326.07 lacs (Previous year Rs.349.28 lacs).

Particulars	YEAR ENDED 31.03.2010		YEAR ENDED 31.03.2009	
	Rs. in Lacs	%	Rs. in Lacs	%
G. BREAK-UP OF IMPORTED AND INDIGENOUS MATERIALS AND COMPONENTS CONSUMED :				
Imported	1,772.15	37.69	1,749.00	45.41
Indigenous	2,930.19	62.31	2,102.45	54.59
Total Consumption	4,702.34	100.00	3,851.45	100.00
H. STORE & SPARES CONSUMED :				
Imported	-	-	-	-
Indigenous	16.64	100.00	29.77	100.00
Total	16.64	100.00	29.77	100.00

SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Particulars	(Rs. in Lacs)	
	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
I. VALUE OF IMPORTS ON CIF BASIS :		
i) Raw Material & Components	1,887.21	1,362.37
ii) Trading Goods- Direct Purchase	4,731.27	780.07
iii) Trading Goods- High Sea Purchase	15,575.71	25,168.82
iv) Spares	3.79	7.40
Total	22,197.98	27,318.66
J. EXPENDITURE IN FOREIGN CURRENCY :		
i) Interest	41.34	97.54
ii) Others	9.20	8.30
Total	50.54	105.84
K. EARNINGS IN FOREIGN EXCHANGE :		
Export of goods calculated on FOB basis	3,887.99	3,885.37
Service charges including Service Tax	129.80	416.51
Reimbursement of component under warranty service	918.20	1,564.20
Total	4,935.99	5,866.08

(Rs.1054.04 lacs (Previous year Rs.205.26 lacs) adjusted for servicing & component from credit account of supplier.)

19. Previous year figures have been re-grouped and/or re-arranged wherever necessary.
20. Schedules 'A' to 'T' form part of the Balance Sheet as on 31st March, 2010 and the Profit & Loss Account for the year ended on that date.

Signature to Schedule 'A' to 'T'

As per our report of even date annexed.

For K.Prasad & Company
Chartered Accountants

R. S. Gupta
Partner
M No.072666

Place : New Delhi
Date : 29th May, 2010

For and on behalf of Board

Gopal Sitaram Jiwrajka
Vice Chairman & Managing Director

Y. P. Bansal
Company Secretary

Sitaram Jiwrajka
Chairman

Surinder Sood
Chief Finance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / (Loss) before tax	(983.01)	24.19
Adjustment for :		
Depreciation	427.19	520.08
Interest	608.86	1,004.43
Provision for Doubtful Debts	209.93	-
Interest Income	(55.36)	(73.32)
Profit/(Loss) on Sale of Long Term Investments	0.01	-
Wealth Tax	0.09	0.32
Deficit / (Surplus) on sale of Fixed Assets	(2.02)	3.76
Operating Profit before Working Capital changes	205.69	1,479.46
Adjustment for :		
Inventories	1,017.00	3029.23
Trade and other receivables	645.89	(1,034.97)
Trade and other payables	2,352.16	(1,232.06)
Cash Generated from Operating Activities	4,220.74	2241.66
Adjustment for :		
Direct taxes (paid) / Refund Received	(18.68)	(679.74)
Net cash from Operating Activities	4,202.06	1,561.92
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(96.07)	(158.03)
Sale / adjustment of fixed assets	19.10	5.81
Net cash from / (used in) Investing Activities	(76.97)	(152.22)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of long term borrowings	(757.24)	(365.82)
Proceeds/ (Repayments) of short term borrowings	(2,444.54)	(223.59)
Interest Paid	(643.39)	(1,018.18)
Loan Received	-	25.00
Loan Repaid	-	(315.00)
Loans Given	(1,725.00)	(650.50)
Loans Received Back	1470.00	775.50
Fixed Deposit Account (Margin Money)	(13.85)	110.61
Interest received	44.48	78.86
Dividend paid	(89.22)	(396.30)
Dividend tax paid	(14.97)	(67.36)
Net cash from/(used in) Financing Activities	(4,173.73)	(2,046.78)
Net Increase/ (Decrease) in cash and cash equivalents :	(48.64)	(637.08)
Cash and cash equivalents at beginning of the year	189.50	826.58
Cash and cash equivalents at end of the year	140.86	189.50

As per our report of even date annexed.

For and on behalf of Board

For K.Prasad & Company
 Chartered Accountants

R. S. Gupta
 Partner
 M No.072666

 Place : New Delhi
 Date : 29th May, 2010

Gopal Sitaram Jiwarajka
 Vice Chairman & Managing Director

Y. P. Bansal
 Company Secretary

Sitaram Jiwarajka
 Chairman

Surinder Sood
 Chief Finance Officer

Auditors' Certificate

We have verified the above Cash Flow Statement prepared by the Company and certify that the statement has been derived from the accounts of the Company audited by us and has been prepared in accordance with the Stock Exchange Listing Requirements.

For K. Prasad & Company
 Chartered Accountants

R. S. Gupta
 Partner
 M No.072666

 Place : New Delhi
 Date : 29th May, 2010

Information required as per part IV of Schedule VI of the Companies Act, 1956. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

		4	9	6	2
--	--	---	---	---	---

State Code

5	5
---	---

Balance Sheet Date

3	1			0	3			2	0	1	0
---	---	--	--	---	---	--	--	---	---	---	---

II. Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue

				N	I	L				
--	--	--	--	---	---	---	--	--	--	--

Rights Issue

				N	I	L				
--	--	--	--	---	---	---	--	--	--	--

Bonus Issue

				N	I	L				
--	--	--	--	---	---	---	--	--	--	--

Private Placement

				N	I	L				
--	--	--	--	---	---	---	--	--	--	--

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities

		2	7	8	6	3	8	0
--	--	---	---	---	---	---	---	---

Total Assets

		2	7	8	6	3	8	0
--	--	---	---	---	---	---	---	---

Sources of Funds

Paid-Up Capital

				8	8	1	4	5
--	--	--	--	---	---	---	---	---

Reserves & Surplus

		1	1	8	4	0	3	5
--	--	---	---	---	---	---	---	---

Secured Loans

				5	4	9	1	6	6
--	--	--	--	---	---	---	---	---	---

Unsecured Loans

				N	I	L				
--	--	--	--	---	---	---	--	--	--	--

Application of Funds

Net Fixed Assets

				4	6	1	7	0	4
--	--	--	--	---	---	---	---	---	---

Investments

				8	1	6	9	3
--	--	--	--	---	---	---	---	---

Net Current Assets

		1	2	7	7	9	5	0
--	--	---	---	---	---	---	---	---

Miscellaneous Expenditure

				N	I	L				
--	--	--	--	---	---	---	--	--	--	--

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover (including other income)

		5	2	1	1	6	8	6
--	--	---	---	---	---	---	---	---

Total Expenditure

		5	3	0	9	9	8	7
--	--	---	---	---	---	---	---	---

Loss before Tax

				9	8	3	0	1
--	--	--	--	---	---	---	---	---

Loss after Tax

				6	1	8	2	7
--	--	--	--	---	---	---	---	---

Earnings Per Share in Rs.

		-	7	.	0	2
--	--	---	---	---	---	---

Dividend Rate %

		0	0
--	--	---	---

V. Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)

Product Description

1. Colour TV	8	5	2	8	1	2		0	0		1	0							
2. FBT/DY	8	5	0	4	4	0		0	9										
3. Mobile Phone	8	5	2	5	2	0		1	7										

For and on behalf of Board

Gopal Sitaram Jiwrajka
Vice Chairman & Managing Director

Sitaram Jiwrajka
Chairman

Place : New Delhi
Date : 29th May, 2010

Y. P. Bansal
Company Secretary

Surinder Sood
Chief Finance Officer

Salora Capital Limited

(Formerly Known as Jadoonet Limited)

DIRECTORS' REPORT

Dear Shareholders,
Your Directors are pleased to present the Tenth Annual Report and the Audited Accounts of your Company for the year ended on 31st March 2010 and the Auditors' Report thereon.

FINANCIAL RESULTS

	YEAR ENDED 31st March, 2010	(Rs. in Lacs) YEAR ENDED 31st March, 2009
Profit/(Loss) before Depreciation & Tax	44.04	44.37
Less: Depreciation	0.03	0.04
Profit / (Loss) before Tax	44.01	44.33
Less: Provision for Tax	0.46	(2.11)
Net Profit / (Loss) after Tax	43.55	46.44
Balance brought forward from last year	94.14	47.70
Balance carried to Balance Sheet	137.69	94.14

DIVIDEND

No dividend is recommended by the Board of Directors.

OPERATIONS AND FUTURE OUTLOOK

Company is registered as and is exploring the new business opportunities in the field that are permitted to NBFC's. The profit generated during the year mainly accrued from the interest income earned by lending surplus funds in the form of ICD's and investment in money market instrument. The Company's profit before depreciation and tax is Rs. 44.04 lacs during the year under review as compared to Rs. 44.37 lacs in the previous Financial Year. Net profit after tax is Rs. 43.55 lacs during the Financial Year 2009-10 as compared to Rs. 46.44 lacs in the previous Financial Year. The future outlook of the Company is reasonably bright.

DEPOSITS

The Company has not accepted any deposits within the meaning of section 58 A of the Companies Act, 1956 as on 31st March 2010.

DIRECTORS

Shri S K. Jiwrajka, Director of the company has resigned from the Board of the company with effect from 16th March, 2010. The Board placed on record its deep and sincere appreciation for their efforts and contribution to growth of the company during his tenure. The Board appointed Shri Ayush Jiwrajka as additional Director in its meeting held on 16th March, 2010.

The Company has received a notice from a member of the company signifying his intention to purpose Shri Ayush Jiwrajka as Director of the company in the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 Shri Gopal Sitaram Jiwrajka, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. It is proposed to re-appoint Shri Gopal Sitaram Jiwrajka as a Director.

DIRECTORS' RESPONSIBILITY

Pursuant to section 217(2AA) of the Companies Act 1956, the Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that 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 2009 and of the loss for the year ended as on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing fraud and other irregularities.
- the annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 is not given as these are nil.

RESEARCH AND DEVELOPMENT

Particulars regarding research and development pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not given as these are nil.

AUDITORS AND AUDITORS' REPORT

M/s. S.S. Kothari & Co., Chartered Accountants, the Statutory Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting. The Company has received confirmation from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1) (B) of the Companies Act, 1956. There is no qualification in the Auditors' Report.

ACKNOWLEDGEMENTS

Your Directors place on record their thanks to the Government Authorities, Financial Institutions, Bank and Shareholders of the Company for their continued support and co-operation.

For and on behalf of the Board of Directors

Place : New Delhi
Date : 22nd May, 2010

Gopal Sitaram Jiwrajka
Director

Tarun Jiwrajka
Director

AUDITORS' REPORT

The Members
Salora Capital Limited
Mumbai.

1. We have audited the attached Balance Sheet of SALORA CAPITAL LIMITED (formerly known as Jadoonet limited) as at 31st March 2010 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. In our opinion, the company has kept proper books of accounts as required by law, so far as appears from our examination of the books of account.
5. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
6. In our opinion, the attached Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company are complying with the Accounting Standards referred in Section 3C of Section 211 of the Companies Act, 1956.
7. On the basis of the written representations received from the directors as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956.
8. In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts, read with notes thereon, give the information required by the Act, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
 - b) In the case of Profit and Loss Account of the Profit of the Company for the year ended on that date.
 - c) In the case of Cash Flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act 1956;
9. As required by the Statement on Companies (Auditors' Report) Order, 2003 issued by the Central Government of India and on basis of such checks as we considered appropriate, we further report that :
 - i. In respect of it's Fixed Assets:
 - a. The Company has maintained proper records shoeing full particulars, including quantitative details and situation of its fixed assets.
 - b. The Fixed assets have been physically verified by the management at reasonable intervals and no discrepancies were observed on such verification.
 - c. No fixed Assets disposed during the year.
 - ii. In respect of it's inventories:
 - a. The physical verification of inventories has been conducted at reasonable intervals by the management.
 - b. In our opinion and according to the explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. In our opinion and according to the explanations given to us, the

Company has maintained proper records of its inventories and no discrepancies were observed during the course of physical verification.

- iii. The Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- iv. In our opinion, and according to the explanations given to us, the Company has adequate internal control system commensurate with the size of the Company with regard to the purchase of inventory, fixed assets and sale of goods.
- v. The particulars of contracts or arrangements referred to in section 301 of the act wherever applicable have been entered into in the register required to be maintained under that section.

The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the explanations given to us the Company has not accepted any deposits within the meaning of section 58A and section 58AA or any other relevant portion of the Act and the rules framed there under.
- vii. **The Company does not have formal internal audit system.**
- viii. The Central Government has not prescribed maintenance of Cost Accounting records in respect of the products of the Company.
- ix. According to the information and explanations given to us in respect of statutory and other dues:
 - a. The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
 - b. There are no dues remaining unpaid on account of any dispute.
- x. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- xi. The Company has not obtained any borrowings from financial institutions or banks by way of debentures.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4 (xiii) of the order is not applicable.
- xiv. As per the information and explanation given to us and records produced before us the Company has maintained proper records of transaction and contracts in respect of trading in shares, debentures and other securities and that timely entries have been made and those shares and securities are held up by the Company in it's own name.
- xv. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The Company has not obtained any term loans during the year.
- xvii. The Company has not used any funds raised on short term basis for long term investments.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Act, during the year.
- xix. The Company has not issued any debentures and hence no security has been created.
- xx. The Company has not raised any money by public issue during the year.
- xxi. To the best of our knowledge and belief and according to the explanations given to us, no Fraud on or by the Company was noticed or reported during the year.

For & on behalf of
S. S. KOTHARI & COMPANY
Chartered Accountants
FRN. 105330W

RASESH V. PAREKH
Partner
Membership No. 38615

Place : Mumbai
Dated : 22nd May, 2010

Salora Capital Limited

(Formerly Known as Jadoonet Limited)

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	46,501,500	46,501,500
Reserves & Surplus	B	13,769,412	9,414,352
TOTAL		60,270,912	55,915,852
APPLICATIONS OF FUNDS			
Fixed Assets			
Gross Block	C	27,310	27,310
Depreciation		22,851	19,878
Net Block		4,459	7,432
Investments	D	4,851,000	4,851,000
Current Assets Loans and Advances			
Cash and Bank Balances	E	1,345,076	1,840,132
Inventories		-	34,589
Loans and Advances	F	56,092,544	49,883,520
		57,437,620	51,758,241
Less Current Liabilities and Provisions	G	2,022,167	700,821
		55,415,453	51,057,420
TOTAL		60,270,912	55,915,852
NOTES TO ACCOUNTS	M		
The schedules referred to above form an integral part of the Balance Sheet.			

As per our report of even date
For and on behalf of

For and on behalf of Board of Directors

S.S. KOTHARI & CO.
Chartered Accountants

RASESH V. PAREKH
Partner
Membership No: 38615

Gopal Sitaram Jiwaraajka
Director

Tarun Jiwaraajka
Director

Place : Mumbai
Date : 22nd May, 2010

Place : New Delhi
Date : 22nd May, 2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	YEAR ENDED 31.03.2010 Rupees	YEAR ENDED 31.03.2009 Rupees
INCOME			
Sales		3,324,553	4,695,796
Other Income	H	7,517,811	5,501,041
TOTAL		10,842,364	10,196,837
EXPENDITURE			
Purchases	I	3,327,535	4,511,541
(Increase)/Decrease in stock	J	34,589	(34,589)
Personnel Costs	K	587,977	579,577
Operating & Other Expenses	L	2,487,818	702,506
Depreciation		2,973	4,955
TOTAL		6,440,892	5,763,990
Profit for the year before Tax		4,401,472	4,432,847
Less: Provision for Taxation			
Income Tax - MAT		681,000	457,000
Income Tax for earlier year		46,412	6,408
Fringe Benefit Tax		-	38,886
MAT Credit Entitlement			
- Current Year		(681,000)	(457,000)
- Previous Year		-	(256,775)
Profit after Tax		4,355,060	4,644,328
Balance Brought Forward		9,414,352	4,770,024
Balance Carried to Balance Sheet		13,769,412	9,414,352
Earning per share			
Profit attributable to shareholders		4,355,060	4,644,328
Number of Equity Shares outstanding during the year of Rs 10/- Face Value		4,650,150	4,650,150
Earning per share		0.94	1.00

NOTES TO ACCOUNTS

M

The schedules referred to above form an integral part of the Profit and Loss Account.

As per our report of even date
For and on behalf of

For and on behalf of Board of Directors

S.S. KOTHARI & CO.
Chartered Accountants

RASESH V. PAREKH
Partner
Membership No: 38615

Gopal Sitaram Jiwrajka
Director

Tarun Jiwrajka
Director

Place : Mumbai
Date : 22nd May, 2010

Place : New Delhi
Date : 22nd May, 2010

Salora Capital Limited

(Formerly Known as Jadoonet Limited)

SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
SCHEDULE A : SHARE CAPITAL		
Authorised 60,00,000 shares of Rs.10 each	60,000,000	60,000,000
TOTAL	60,000,000	60,000,000
Issued, Subscribed and paid up 46,50,150 shares of Rs.10 each fully paid up. (Out of the above 42,49,170 shares are held by Salora International Limited, the Holding Company)	46,501,500	46,501,500
TOTAL	46,501,500	46,501,500
SCHEDULE B : RESERVES & SURPLUS		
Balance as per Profit & Loss Account	13,769,412	9,414,352
TOTAL	13,769,412	9,414,352

SCHEDULE C : FIXED ASSETS											
Rupees											
Description	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	Rate @%	As on 01.04.2009	Additions	Disposals & Adjustments	As on 31.03.2010	As on 01.04.2009	During the year	Disposals & Adjustments	As on 31.03.2010	As on 31.03.2010	As on 31.03.2009
Computers	40	27,310	-	-	27,310	19,878	2,973	-	22,851	4,459	7,432
Current Year		27,310	-	-	27,310	19,878	2,973	-	22,851	4,459	7,432
Previous Year		27,310	-	-	27,310	14,923	4,955	-	19,878	7,432	

	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
SCHEDULE D : INVESTMENTS		
(Unquoted, Long Term)		
Trade, at cost		
1000000 Equity Shares of Nanda Netcom Private Limited (FV Re.1/-)	1,680,000	1,680,000
28500 Equity Shares of Devi Electronics Pvt. Ltd @ 170/- (Investment in Subsidiary company)	4,845,000	4,845,000
In National Saving Certificates	6,000	6,000
	6,531,000	6,531,000
Less: Provision for diminution in value	(1,680,000)	(1,680,000)
TOTAL	4,851,000	4,851,000

SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2010 Rupees	AS AT 31.03.2009 Rupees
SCHEDULE E : CASH AND BANK BALANCES		
Cash on Hand	3,739	1,086,624
Balance with scheduled banks		
- In Current Accounts	1,292,735	708,033
- In Fixed Deposit Accounts	48,602	45,475
(The fixed deposits include Rs. 25000 given as Bank Gurantee)		
TOTAL	1,345,076	1,840,132
SCHEDULE F : LOANS AND ADVANCES		
Loans (Unsecured, considered good)	44,960,000	44,700,000
Advances recoverable in cash or in kind or for value to be received.	7,569,105	2,504,627
Advance Income Tax	2,168,664	1,965,118
MAT Credit Entitlement	1,394,775	713,775
TOTAL	56,092,544	49,883,520
SCHEDULE G : CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	1,337,311	167,509
Other Liabilities	3,856	37,426
Provision for Taxation	681,000	495,886
TOTAL	2,022,167	700,821

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	YEAR ENDED 31.03.2010 Rupees	YEAR ENDED 31.03.2009 Rupees
SCHEDULE H : OTHER INCOME		
Interest (TDS Rs. 869380/-) (Previous year Rs. Rs. 1241582/-)	7,424,715	5,501,041
Liability no longer required written back	93,096	-
TOTAL	7,517,811	5,501,041
SCHEDULE I : PURCHASES		
Purchases	3,327,535	4,511,541
TOTAL	3,327,535	4,511,541
SCHEDULE J : (INCREASE) / DECREASE IN STOCK		
Opening Stock of trading goods	34,589	-
Less: Closing Stock of trading goods	-	34,589
TOTAL	34,589	(34,589)
SCHEDULE K : PERSONNEL COSTS		
Salaries & Allowances	587,477	579,077
Staff Welfare	500	500
TOTAL	587,977	579,577

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	YEAR ENDED	YEAR ENDED
	31.03.2010	31.03.2009
	Rupees	Rupees
SCHEDULE L : OPERATING & OTHER EXPENSES		
Legal and Professional charges	52,503	29,860
Travelling & Conveyance	452,685	499,574
Communication Expenses	38,950	13,166
Miscellaneous Expenses	33,100	13,040
Auditors Remuneration	44,120	42,416
Charity & Donation	200,000	-
Sales Tax Paid	161,900	-
Power & Fuel Expenses	-	80,000
Loading unloading Charges	-	24,450
Interest	1,504,560	
TOTAL	2,487,818	702,506

NOTES TO ACCOUNTS

SCHEDULE M:

1. Nature of Operations

The principal activity of the Company is dealing in Finance & Trading in Consumer Electronic Products.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

The financial statements have been prepared under the historical cost convention on an accrual basis.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Fixed Assets held for disposal are shown at estimated net realizable value.

(c) Depreciation

Depreciation on assets other than Metropolitan area network project assets are provided as per Written Down Value method of depreciation and as per the rates and on the basis prescribed in Schedule XIV to the Companies Act, 1956.

(d) Investments

Long Term Investments are stated at cost unless there is, other than temporary, diminution in the value of investments, in which case, investments are stated at fair value.

(e) Inventories

Goods traded in are valued at lower of cost or net realizable value.

Net realizable value is the estimated net selling price in the ordinary course of business.

Cost is calculated on FIFO basis.

(f) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Rendering of Services

Income from service rendered is booked based on agreements/arrangements with the concerned parties.

Interest

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

(g) Preliminary / Share Issue Expenses

Preliminary / Share Issue expenses are written off in the year incurred.

(h) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

At the yearend, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year-end exchange rates.

All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Profit and Loss Account

(i) Research & Development

Research and Development costs of revenue nature are charged as on expenses in the year in which these are incurred.

(j) Retirement and Other Benefits

Contribution to Employees Provident Fund and Pension Scheme are charged to Profit & Loss account as incurred under the relevant act. Provisions for liability of gratuity is made on accrual basis. Provision for Leave encashment is made on the basis of un-availed leave as on the date of the Balance sheet.

3. On account of unabsorbed business loss as per Income Tax Act 1961 the Company has deferred tax asset. However in view of the uncertainty involved in realizing the tax asset, the same are not recognized.

Particulars	As on 31.03.2010 (Rs.)	As on 31.03.2009 (Rs.)
Deferred Tax Assets		
Business Loss	7,54,05,200	7,98,07,946
Provision in value of Investment	16,80,000	16,80,000
Short Term Capital Loss	2,71,803	2,71,803
Deferred Tax Liabilities	(21,718)	(17,046)
Net Deferred Tax	2,62,40,070	2,77,38,152
4. Contingent Liabilities		
Bank Guarantees	25,000	25,000

5. Additional information as required under Part II of Schedule VI to the Companies Act, 1956

Quantitative Information of goods traded in :

Item	Opening Stock		Purchases		Sales		Closing Stock	
	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
C.T.V.	6 (-)	23,949 (-)	655 (1,117)	2,541,031 (4,107,453)	661 (1111)	2,541,017 (4,276,240)	- (6)	- (23,949)
D.V.D.	6 (-)	10,640 (-)	155 (229)	298328 (404,058)	161 (223)	2,97,028 (419,556)	- (6)	- (10,640)
Set Top Boxes	340 (340)	- (-)	- (-)	- (-)	- (-)	- (-)	340 (340)	- (-)
Mobile Phones	-	-	179	484,348	179	482,816	-	-
Misc	(-) -	(-) -	(-) 3	(-) 3,828	(-) 3	(-) 3,692	(-) -	(-) -
	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

Previous year's figures have been included in brackets

Salora Capital Limited

(Formerly Known as Jadoonet Limited)

6. Related parties disclosures:
- | | |
|--------------------------------|-------------------------------|
| (A) Holding Company | Salora International Limited. |
| (B) Group Subsidiary Company | Salora Components Ltd. |
| (C) Associate Company | Salora Retail Venture Ltd. |
| (D) Other Related Party | Devi Electronics P. Ltd. |
| (E) Directors & Key persons | |
| 1. Shri Sushil Kumar Jiwrajka | - Director |
| 2. Shri Gopal Sitaram Jiwrajka | - Director |
| 3. Shri Tarun Jiwrajka | - Director |
| 4. Shri Ayush Jiwrajka | - Director |

Related Party Transactions

(Amount in Rs.)

	Holding Company		Group Subsidiary		Associate		Other Related Party	
	C .Yr. 2009-10	Pr. Yr 2008-09	C .Yr. 2009-10	Pr. Yr 2008-09	C .Yr. 2009-10	Pr. Yr 2008-09	C .Yr. 2009-10	Pr. Yr 2008-09
Purchase Of Goods	3701977	5075485	NIL	NIL	NIL	NIL	NIL	NIL
Loan Given	NIL	2500000	NIL	33700000	25760000	NIL	NIL	NIL
Loan Received Back	NIL	31500000	20000000	NIL	25500000	2500000	NIL	NIL
Interest (Income)	NIL	3224713	3884428	605835	261552	240493	1430000	1430000
Loan Taken	145000000	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Loan Repaid	145000000	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Interest (Expense)	1502055	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding Balance as on 31-03-2010								
Loan Receivable	NIL	NIL	13700000	33700000	260000	NIL	11000000	11000000
Interest Receivable	NIL	NIL	3495985	468553	235397	NIL	3324847	2037847
Payable	1226575	NIL	NIL	NIL	NIL	NIL	NIL	NIL

7 Auditors Remuneration

	Year Ended 31.03.10	Year Ended 31.03.09
Statutory Audit Fee	33,090	33,090
Tax Audit Fee	11,030	NIL
In Other Capacity	NIL	9,326
Total	44,120	42,416

8 Calculation of earnings per share

Profit available to shareholders	4,355,060	4,644,328
Weighted average number of Equity Shares of Rs.10/- each outstanding during the year		
No. Of shares	4650150	4650150
Basic Earning per share (in Rs)	0.94	1.00

9 Segment reporting

In opinion of the Board, there is only one major segment, hence no separate segments are reported as per accounting standard 17 issued by Chartered Accountants of India.

10 Previous year's figures have been regrouped wherever necessary to conform to this year's classification

11 Balance Sheet Abstract and Company's General Business Profile As per Part IV of Schedule VI to the Companies Act, 1956.

For and on behalf of Board of Directors

S.S. KOTHARI & CO.
Chartered Accountants

RASESH V. PAREKH
Partner
Membership No: 38615

Gopal Sitaram Jiwrajka
Director

Tarun Jiwrajka
Director

Place : Mumbai
Date: 22nd May, 2010

Place : New Delhi
Date : 22nd May, 2010

Balance Sheet Abstract And Company's General Business Profile As per Part IV of Schedule VI to the Companies Act, 1956.**I. Registration Details**

Registration No.	11-122849	State Code: 11
Balance Sheet Date	31.03.2010	

II. Capital Raised During the Year

Public Issue: Nil	Rights issue: Nil
Bonus Issue: Nil	Private Placement: Nil

III. Position of Mobilisation and Deployment of Funds (Rs.)

Total Liabilities	60,270,912	Total Assets	60,270,912
Sources of Funds			
Paid Up Capital	46,501,500	Reserves & Surplus	13,769,412
Secured Loans	NIL	Unsecured Loans	NIL
Application of Funds			
Net Fixed Assets	4,459	Investments	4,851,000
Misc. Expenditure	NIL	Net Current Assets	55,415,453
		Accumulated Losses	0

IV. Performance of the Company

Turnover (Gross Revenue)	:	10,842,364
Total Expenditure	:	6,440,892
Profit / (Loss) Before Tax	:	4,401,472
Profit / (Loss) After Tax	:	4,355,060
Earning per share	:	0.94
Dividend Rate	:	NA

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	:	<table border="1"><tr><td>8</td><td>5</td><td>2</td><td>8</td><td>1</td><td>2</td><td>0</td><td>0</td><td>1</td><td>0</td></tr></table>	8	5	2	8	1	2	0	0	1	0
8	5	2	8	1	2	0	0	1	0			
Product Description	:	Colour Television										
Item Code No. (ITC Code)	:	Nil										
Product Description	:	Shares and Securities										

For and on behalf of Board of Directors

Gopal Sitaram Jiwaraajka
DirectorTarun Jiwaraajka
DirectorPlace : New Delhi
Date : 22nd May, 2010

SALORA COMPONENTS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 4th Annual Report together with the Audited Statement of Accounts for the financial year ended 31st March, 2010.

FINANCIAL RESULTS

Particulars	Year ended	(Rs. in Lacs)
	31 st March, 2010	Year ended 31 st March, 2009
Turnover	1473.36	734.32
Other Income	2.52	2.29
Depreciation	24.50	24.35
Profit/(Loss) before tax	78.28	(13.55)
Provision for taxation	20.63	7.46
Profit/(Loss) after tax	57.65	(6.09)

DIVIDEND

Your Directors have decided to plough back the profits in the business of the Company. No dividend is recommended by the Board of Directors.

OPERATIONS AND FUTURE OUTLOOK

The Company is engaged in the production of Deflection Yokes during the year under review. The company developed a low cost effective version of Deflection Yokes having less weight of wire which has been appreciated by its customers and the company has received good orders. The company is also exploring the opportunity for entering into manufacturing of High Value Speakers like Car Speakers & uninterrupted power supply systems. The turnover of the Company was Rs. 1473.36 Lacs during the Financial Year under review and Rs. 734.32 Lacs in the previous Financial Year. The profit after tax was Rs. 57.65 Lacs during the Financial Year 2009-10 as against loss of Rs. 6.09 Lacs in previous Financial Year.

FIXED DEPOSITS

During the year no fixed deposit was accepted by the company.

DIRECTORS

Shri S.K. Jiwrajka, Director of the company has resigned from the Board of the company with effect from 16th March, 2010, The Board placed on record its deep and sincere appreciation for their efforts and contribution to growth of the company during his tenure.

The Board appointed Shri Tarun Jiwrajka as additional Director in its meeting held on 15th March, 2010.

The Company has received a notice from a member of the company signifying his intention to propose Shri Tarun Jiwrajka as Director of the company in the ensuing Annual General Meeting.

In accordance with the provisions of the Companies Act, 1956 Shri Gopal Sitaram Jiwrajka, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. It is proposed to re-appoint Shri Gopal Sitaram Jiwrajka as a Director.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm:

- That in preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- That the accounting policies selected and applied are consistent and the 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 at the end of the financial year and of the profit of the company for that period;
- That proper and sufficient care has been taken of the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual accounts have been prepared on the going concern basis.

AUDITORS AND AUDITORS' REPORT

M/s. U. K. Aggarwal & Associates, Chartered Accountants, the Statutory Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting. The Company has received confirmation from them to the effect that their reappointment, if made, would be within the prescribed limits under Section 224(1)(B) of the Companies Act, 1956. There is no qualification in the Auditors' Report.

PARTICULARS OF EMPLOYEES

Information of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

RESEARCH AND DEVELOPMENT

Particulars regarding research and development pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in the Annexure forming part of this report.

ACKNOWLEDGEMENTS

Your Directors place on record their thanks to the Government Authorities, Financial Institutions, Bank and Shareholders of the Company for their continued support and co-operation.

For and on behalf of the Board of Directors

Gopal Sitaram Jiwrajka
Director

Tarun Jiwrajka
Director

Place: New Delhi
Date : 24th May, 2010

SALORA COMPONENTS LIMITED

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY :

- 1) **Energy conservation measures taken:**
 - a) Maintaining power factor between 0.99 to 1.
 - b) Optimum lighting in work place, office and factory lighting and switch off when power not required.
- 2) **Additional investments and proposals if any being implemented for reduction of energy consumption:**
At present, there is no proposal for additional Investment.
- 3) **Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact of production of goods :**
There has been saving in power consumption.

B. TECHNOLOGY ABSORPTION (Form - B)

Research & Development

1. Specific areas in which R & D is carried out by the Company

Deflection Yoke: The company is 1st in India to introduce partial aluminum DY in year 2008-09, based on indigenous development research, and absorbed same commercially. Further, the company is introducing full aluminum DY, for the further cost reduction.

2. Benefits derived as a results of the above

The cost of product has been reduced.

3. Future Plan of action

The company has gone a step ahead to develop full aluminum DY, which awaits commercial introduction to market.

The company is doing independent design trial for developing transformers with aluminum wire to be used in UPS.

4. Expenditure on R & D

	2009-10	(Rs. Lacs) 2008-09
a) Capital	NIL	2.47
b) Recurring	NIL	1.20
c) Total	NIL	3.67
d) Total R & D expenditure as a percentage of total turnover is NIL. (previous year 6%).		

Technology Absorption, Adaptation and Innovation

1. Efforts in brief made towards technology absorption, adaptation and innovation –

Deflection Yoke :

1. Die development for Aluminum coil DY
2. Soldering technology development with Aluminum wire

2. Benefits derived as a result of the above effort e.g. product improvement, cost reduction, import substitution competitiveness.

Product cost has been reduced.

3. In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.

Technology Imported	:	Year of Import
NIL	:	Not Applicable

The technology for manufacture of Deflection Components is obtained on a continuing basis. This is done in order to keep pace with the fast changing TV manufacturing technology.

C. Foreign Exchange Earnings and Outgo

1. Activities relating to export; initiative taken to increase exports; development of new export markets; and export plans. — **No effort in export**

2. Total Foreign Exchange used and earned

	2009 – 10	(Rs. Lacs) 2008 - 09
1. Foreign Exchange Earnings	-	-
2. Foreign Exchange Outgo		
a) C.I.F. value of imported raw material, trading goods and components & spare parts.	54947.00	35,984.00
b) Capital Goods	-	640.00
c) Others	-	16.00

For and on behalf of the Board of Directors

Place : New Delhi.
Date : 24th May, 2010

Gopal Sitaram Jiwrajka
Director

Tarun Jiwrajka
Director

AUDITORS' REPORT TO THE MEMBERS OF M/S. SALORA COMPONENTS LIMITED

We have audited the attached Balance Sheet of SALORA COMPONENTS LIMITED ("the Company") as at 31st March 2010 and the relative Profit & Loss Account of the Company for the year ended on that date attached thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The balance sheet and profit and loss account dealt with by this report are in agreement with the books of account.

- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - b. In the case of the Profit and Loss Account, of the profit for the year ended on that date;

For **U. K. Aggarwal & Associates**
Chartered Accountants
FRN 009464N

Umesh Aggarwal
Proprietor
Membership No. 82011

Place : New Delhi
Date : 24th May, 2010

SALORA COMPONENTS LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

RE: SALORA COMPONENTS LIMITED

Referred to in paragraph 3 of our report of even date,

- (i) a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- b. The fixed assets of the Company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
- c. According to the information and explanations given to us, we are of the opinion that disposed off part of fixed assets during the year will not affect the going concern status of the company.
- (ii) a. Physical verification of inventories has been conducted at reasonable intervals by the management.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- (iii) a. The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, and hence matters regarding rate of interest, terms and conditions of loans, repayments and overdue amounts more than Rupees One lakh are not applicable.
- b. The company has not taken loan secured or unsecured from firms or other parties however company has taken unsecured loan from two companies during the year, covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount was involved during the year was Rs.3.57 crore and the year end balance is Rs. 1.37 crore.
- c. In our opinion and according to the information and explanation given to us the terms & conditions on which loans taken from related parties covered in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie, prejudicial to the interest of the Company.
- d. The Company has taken loan on the basis of repayable on demand basis. As per information & explanation given to us the Company is regular in repaying the principal amount as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public as per the provisions of sections 58A and 58AA or any other relevant provisions of the Act. In company's case no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) In our opinion, the company's present internal audit system is commensurate with its size and the nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Act, for any of its products.
- (ix) a. As per the records of the company, the company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, investor education and protection fund; employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. There are no dues were in arrears as on 31st March 2010 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there was no disputed amount payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess, as on 31.03.2010.
- (x) The company does not have accumulated losses nor has it incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company does not have any loan from any financial institution or bank. Also does not have any debenture holders.
- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities of a similar nature and hence maintenance of documents and records relating to such items are not applicable.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, are not applicable to the Company.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not taken any term loan during our audit period.
- (xvii) According to the information and explanations given to us on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments. During the year, the company has not raised funds on long-term basis.
- (xviii) The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **U. K. Aggarwal & Associates**
Chartered Accountants
FRN 009464N

Umesh Aggarwal
Proprietor

Membership No. 82011

Place: New Delhi
Date: 24th May, 2010

SALORA COMPONENTS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2010

	SCH. NO.	CURRENT YEAR Amount Rs.	PREVIOUS YEAR Amount Rs.
SOURCES OF FUNDS			
Shareholders Fund			
Share Capital	A	43,200,000	43,200,000
Reserves & Surplus	B	475,515	-
Loan Funds			
Secured Loans	C	-	-
Unsecured Loans		33,700,000	33,700,000
		77,375,515	76,900,000
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	45,444,366	45,334,270
Less : Depreciation		7,916,465	5,472,558
Net Block		37,527,901	39,861,712
Investments			
Deferred Tax Assets		5,440,743	7,128,041
Current Assets, Loans & Advances			
Inventories	E	30,330,201	11,152,681
Sundry Debtors	F	23,657,259	20,089,898
Cash & Bank Balances	G	104,762	33,742
Loans & Advances	H	19,955,915	18,442,017
		79,488,879	56,846,378
Less : Current Liabilities & Provision	I	40,127,992	26,843,675
Current Liabilities		500,820	229,076
Provision		38,860,068	29,773,627
NET CURRENT ASSETS			
MISCELLANEOUS EXPENDITURE			
to the Extent not written off or adjusted			
Pre Operative Expenses		899,140	1,798,280
Preliminary Expenses		88,407	176,812
Profit & Loss Account (Debit Balance)	B	-	5,289,569
		77,375,515	76,900,000
Notes on accounts and accounting policies	R		

The schedule referred to above form an integral part of the Balance Sheet

As per our report of even date annexed

For and on behalf of Board of Directors

For **U.K.AGGARWAL & ASSOCIATES**
Chartered Accountants

Umesh Aggarwal
Proprietor
Membership No. 082011

Gopal Sitaram Jiwrajka
Director

Tarun Jiwrajka
Director

Place : New Delhi
Date : 24th may, 2010

SALORA COMPONENTS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCH. NO.	CURRENT YEAR Amount Rs.	PREVIOUS YEAR Amount Rs.
INCOME			
Domestic Sales	K	146,743,245	73,432,460
Add: Miscellaneous Sale		593,065	60,291
		147,336,310	73,492,751
Less : Excise Duty		10,562,401	8,203,510
		136,773,909	65,289,241
Interest Income (TDS Rs. Nil Previous Year Rs. Nil)		4,116	283
Other Income	L	252,055	229,359
Increase / (Decrease) In Stock	M	14,753,563	553,496
TOTAL - A		151,783,643	66,072,379
EXPENDITURE			
Material Consumed & Purchases	N	112,183,689	46,382,385
Personnel Expenses	O	10,978,227	6,544,457
Manufacturing & Other Expenses	P	11,487,937	8,110,904
Interest & Financial Charges	Q	5,956,634	3,056,041
Pre Operative Expenses W/off	J	899,140	899,140
TOTAL - B		141,505,627	64,992,927
Profit/(Loss) before Tax and Depreciation		10,278,015	1,079,452
Less: Depreciation		2,449,635	2,434,731
Profit/(Loss) before Tax		7,828,380	(1,355,279)
Less: Provision for Tax - Current		(376,000)	-
Provision for Tax - Deferred		(1,687,297)	831,453
Provision for Fringe Benefit Tax		-	(84,930)
Profit/(Loss) after Tax		5,765,083	(608,756)
Add: Balance brought forward from last year		(5,289,569)	(4,680,813)
BALANCE CARRIED FORWARD TO BALANCE SHEET		475,515	(5,289,569)
Notes on accounts and accounting policies	R		
The schedules referred to above form an integral part of the Profit and Loss Account			

As per our report of even date annexed

For and on behalf of Board of Directors

For **U.K.AGGARWAL & ASSOCIATES**
Chartered Accountants

Umesh Aggarwal
Proprietor
Membership No. 082011

Gopal Sitaram Jiwarajka
Director

Tarun Jiwarajka
Director

Place : New Delhi
Date : 24th May, 2010

Profit & Loss Account - Salora Components Limited

SALORA COMPONENTS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS 2009-2010

	AS AT 31.03.2010 Amount Rs.	AS AT 31.03.2009 Amount Rs.
SCHEDULE - A		
SHARE CAPITAL:		
AUTHORISED CAPITAL		
50,00,000 Equity Shares @ Rs. 10/- Each	50,00,000	50,00,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
43,20,000 Equity Shares @ Rs.10/-Each-Fully Paid-Up	43,20,000	43,20,000

SCHEDULE - B		
RESERVE & SURPLUS		
Opening Balance	(5,289,568)	(4,680,813)
Add: Profit/(loss) for the year	5,765,083	(608,756)
	475,515	(5,289,569)

SCHEDULE - C		
LOANS FUND		
SECURED LOAN	-	-
UNSECURED LOAN		
Inter Corporate Deposit		
Damy Royal Stone Pvt. Ltd.	20,00,000	-
Salora Capital Ltd.	13,70,000	33,70,000
	33,70,000	33,70,000

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As on	Additions	Sale/	As on	As on	During	Deletion	As on	As on	As on
	01.04.2009		Adjustments	31.03.2010	01.04.2009	The Year		31.03.2010	31.03.2010	31.03.2009
Furniture & Fixture	528,990	102,886	-	631,876	55,876	30,771	-	86,647	545,229	473,114
Plant & Machinery	44,720,001	33,000	38,290	44,714,711	5,407,931	2,412,948	5,728	7,815,151	36,899,560	39,312,070
Office Equipments	85,279	-	-	85,279	8,751	5,398	-	14,149	71,130	76,528
Water Cooler	-	12,500	-	12,500	-	518	-	518	11,982	-
Sub Total	45,334,270	148,386	38,290	45,444,366	5,472,558	2,449,635	5,728	7,916,465	37,527,901	39,861,712
PREVIOUS YEAR	44,250,723	1,083,547	-	45,334,270	3,037,827	2,434,731	-	5,472,558	39,861,712	41,212,896

SCHEDULE - E		
INVENTORIES		
Finished Goods(at cost or estimated realisable value, whichever is lower)		
Deflection Yoke	2,627,293	32,640
Television	11,941,786	-
Raw Material (at cost)	11,093,803	5,623,372
Work-in-Progress (at cost)	1,397,959	1,180,836
Material -in- Transit (at cost)	3,269,359	4,315,833
	30,330,201	11,152,681

SCHEDULE - F		
SUNDRY DEBTORS		
Debts outstanding for a period exceeding Six Months		
Considered Good	-	-
Considered doubtful	-	-
Others, Considered Good	23,657,259	20,089,898
	23,657,259	20,089,898

SALORA COMPONENTS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS 2009-2010

	AS AT 31.03.2010 Amount Rs.	AS AT 31.03.2009 Amount Rs.
SCHEDULE - G		
CASH AND BANK BALANCES		
Cash in hand	104,469	33,459
HDFC Bank Ltd.	293	283
	<u>104,762</u>	<u>33,742</u>
SCHEDULE - H		
LOANS AND ADVANCES		
Advance recoverable in cash or in kind or for value to be received	19,942,915	18,414,017
Security & Other Deposits	13,000	28,000
	<u>19,955,915</u>	<u>18,442,017</u>
SCHEDULE- I		
CURRENT LIABILITIES & PROVISION		
Current Liabilities		
Sundry creditors		
-Micro, Small and Medium Enterprises*	-	-
-Others	31,964,831	16,798,619
-Trade Advance	-	7,398,806
Other Liabilities	8,163,161	2,646,250
	<u>40,127,992</u>	<u>26,843,675</u>
PROVISION		
Provision for FBT A. Y. 2008-09	-	78,173
Provision for FBT A. Y. 2009-10	-	84,930
Provision for Income Tax A.Y. 2010-2011 (MAT)	-	-
Statutory Provisions	376,000	-
- Leave Encashment	124,820	65,973
	<u>500,820</u>	<u>229,076</u>
* The Company has not received information from Vendors regarding their status under the Micro, Small and Medium Enterprises Development Act., 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.		
SCHEDULE - J		
MISCELLANEOUS EXPENDITURE		
Opening Balance	1,798,280	2,697,420
Less: W/off during the period	899,140	899,140
	<u>899,140</u>	<u>1,798,280</u>
PRELIMINARY EXPENDITURE		
Opening Balance	176,812	265,218
Less: Written off	88,406	88,406
	<u>88,407</u>	<u>176,812</u>
SCHEDULE - K		
INCOME		
Domestic Sales		
Deflection Yoke	136,625,445	73,432,460
Television (Trading)	10,117,800	-
Add: Miscellaneous Sale	593,065	60,291
	<u>147,336,310</u>	<u>73,492,751</u>
SCHEDULE - L		
OTHER INCOME		
Liability no longer Required back	-	215,426
Notice Pay	-	13,933
Exchange Fluctuation	252,055	-
	<u>252,055</u>	<u>229,359</u>

SALORA COMPONENTS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS 2009-2010

	AS AT 31.03.2010 Amount Rs.	AS AT 31.03.2009 Amount Rs.
SCHEDULE - M		
INCREASE / (DECREASE) IN STOCK		
Opening Balance		
Finished Goods		
Deflection Yoke	32,640	113,334
Television	-	-
Work in Progress	1,180,836	546,646
	1,213,476	659,980
Less: Closing Stock		
Finished Goods		
Deflection Yoke	2,627,293	32,640
Television	11,941,786	
Work in Progress	1,397,959	1,180,836
	15,967,039	1,213,476
INCREASE (DECREASE) IN STOCK	14,753,563	553,496
SCHEDULE- N		
MATERIAL CONSUMED & PURCHASES		
Opening Stock	5,623,372	6,146,948
Add: Purchases		
Components for Deflection Yoke	95,643,093	45,858,809
Television	22,011,027	-
Less : Closing Stock	11,093,803	5,623,372
Material Consumed	112,183,689	46,382,385
SCHEDULE - O		
PERSONNEL EXPENSES		
Salaries, Wages, Bonus & Other Allowances	9,892,452	5,649,691
Contribution to Provident & Other Fund	589,933	312,651
Staff Welfare & Other Benefits	495,842	582,115
	10,978,227	6,544,457
SCHEDULE - P		
MANUFACTURING & OTHER EXPENSES		
Centat Unutilized	1,140	-
Power & Fuel	2,011,761	1,045,596
Job Work Charges	2,486,490	1,292,169
Misc Stores & Spares Consumed	254,329	145,450
Miscellaneous Expenses	1,432,041	1,050,316
Rate & Taxes	2,552	26,213
Rent	2,518,750	2,507,875
Repair & Maintenance	651,135	209,008
Travelling & Conveyance Expenses	828,034	700,924
Freight Outward	1,058,164	102,961
Foreign Currency Exchange Fluctuation (net)	-	840,984
Prior Period Expenses	-	19,430
Bank Charges	93,817	52,491
Auditor Remuneration		
- Audit Fees	105,000	85,000
- Tax Audit	20,000	15,000
- Out of Pocket Expenses	24,724	17,488
	11,487,937	8,110,904
SCHEDULE - Q		
INTEREST & FINANCIAL CHARGES		
Interest and Other Financial Charges	5,956,634	3,056,041
	5,956,634	3,056,041

SCHEDULES FORMING PART OF THE ACCOUNTS 2008-2009

SCHEDULE - R

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF FINANCIAL STATEMENT

- 1) The financial Statements are prepared on the historical cost convention and in accordance with the generally accepted accounting principles. Company follows accrual system of accounting except otherwise stated.
- 2) Accounting policies unless specified otherwise are consistent and in consonance with generally accepted accounting principle.

B) METHOD OF VALUATION OF FIXED ASSETS

Fixed Assets are stated at cost of acquisition and/or cost of construction inclusive of duties, taxes, incidental expenses and erections expenses.

C) DEPRECIATION

It has been provided at straight-line method at rates prescribed in schedule XIV of the companies Act, 1956.

D) INVESTMENT

Company has no Investment during the year

E) INVENTORY VALUATION

Raw material / components, valued at cost

Stock-in-process, valued at cost which includes cost of material, labour and manufacturing overheads.

Finished goods, valued at cost or estimated realizable value whichever is lower. Cost includes cost of material, labour, manufacturing overheads.

F) EXCISE DUTY, CUSTOM DUTY & CENVAT

Excise duty on finished goods and custom duty on raw material is accounted for on clearance of goods from the factory, port/warehouse of the custom and liability for duties is provided at the end of the year on finished goods stock in factory and raw material stock in custom bonded warehouse or under clearance.

Credit of excise duty, vat under cenvat scheme on goods purchased, is reduced from the cost of purchase.

Credit of service tax under cenvat scheme on expenses is reduced from expenses.

G) RETIREMENT BENEFITS

Liabilities in respect of retirement benefits to employees are provided for as follows:

Defined Benefit Plans

Leave encashment:

Leave salary of employees on the basis of actuarial valuation as per AS 15 (revised).

Gratuity:

Gratuity benefits are charged to Profit & Loss Account on the basis of payments made to the trust as per actuarial valuation at the end of the year.

Defined Contribution Plans

Superannuation Fund:

Liability for superannuation fund not provided during the year.

Provident Fund and ESI:

Defined Contribution plans for provident fund, Family pension and superannuation benefits are recognized by contribution at specified rate.

H) SALES

Sales are accounted for net of returns, claims etc.

I) TAXATION

Current tax has been provided during the year under section 115JB.

Deferred tax is recognized on the basis that there is a virtual certainty that in future sufficient taxable income will arise against which these deferred tax assets will set-off.

J) PREOPERATIVE EXPENSES

Preoperative expenses incurred prior to the commercial production is amortized over a period of 5 years commencing from the year in which production starts. The period of amortization has been determined based on the exemption of the management.

K) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted at the exchange rates prevalent on the date of transaction. Current assets and liabilities related to foreign currency transactions and remain unsettled at the end of the year are worked out at the exchange rate prevalent on the last day of the financial year. Exchange difference is charged to Profit & loss Account. Exchange difference relating to imported fixed assets is adjusted to the relevant fixed assets.

SCHEDULES FORMING PART OF THE ACCOUNTS 2009-2010

L) CONTINGENT LIABILITIES

Contingent assets are not recognized until the realization of assets is virtually certain.

NOTES ON ACCOUNTS

1. In the opinion of the management, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and provision for all known liabilities has been made.
2. As confirmed by the Management, there are no dues to Small-scale industrial undertakings, which are required to be disclosed as per Schedule-VI of the Companies Act, 1956.
3. Prior year expenses includes Rs. Nil (Previous year Rs. 17,894)
4. Exchange difference has been charged / (credited) to revenue accounts as follows:

	Current year Rupees in Thousand	Previous year Rupees in Thousand
Import of raw material	(252)	841
Export sales	Nil	Nil
	(252)	841

5. Additional information required by paragraph 3 & 4 of part II of Schedule VI of the Companies Act, 1956, are as follows:

a)	Expenditure/Receipts in foreign currency (Actual Outgo/ Incoming)		
	CIF Value of Imports	54,947	35,954
	CIF Value of Capital Goods	Nil	640
	Traveling Expenses	37	16
	Share application money received from JV partner	Nil	Nil
b)	Contingent Liabilities	Nil	Nil
c)	Payment to Directors	Nil	Nil
d)	Remuneration to Auditors		
	Audit Fees	105, Plus Service Tax	85, plus Service Tax
	Tax Audit Fees	20, Plus Service Tax	15, Plus Service Tax
	Out of pocket expenses	24	17

6. **Deferred Tax**

a.	Deferred Tax Liability / Assets		
	On account of accumulated Depreciation	4,067	3,998
	On account of accumulated business loss	1,300	3,072
		5,367	7,070
b.	Deferred Tax Asset on account of :		
	Taxes, Duties, Bonus & Leave Pay etc.	74	58
	Provision for Bad & Doubtful debts	Nil	Nil
	Provision for diminution in value of Investments	Nil	Nil
	Unabsorbed Long Term Capital Losses	Nil	Nil
		74	58

7. Related parties disclosures:

a.	Particulars of Holding Company	Salora International Limited
b.	Particulars of Group Subsidiary Company	Salora Capital Limited
c.	Directors & Key persons	Shri Gopal Sitaram Jiwrajka Director Shri Toshrio Ohigashi Director Shri Tarun Jiwrajka Director
d.	Other related parties in which key managerial personnel or their relatives has significance influence.	Devi Electronics Pvt. Limited.

SALORA COMPONENTS LIMITED

SCHEDULES FORMING PART OF THE ACCOUNTS 2009-2010

Related Parties Transactions

Rupees in thousand

Particulars	Holding Company		Group Subsidiary		Other Related Party	
	Cr .Year 2009-10	Pre. Year 2008-09	Cr .Year 2009-10	Pre. Year 2008-09	Cr .Year 2009-10	Pre. Year 2008-09
Purchase of Goods	40450	15,358	NIL	NIL	NIL	NIL
Loan Taken	2000	19050	NIL	33700	NIL	NIL
Loan Repaid	2000	28550	20000	NIL	NIL	NIL
Interest Paid	1482	2440	3884	606	NIL	NIL
Expenses (Paid by SIL)	20	103	NIL	NIL	NIL	NIL
Advance Received and Repaid	NIL	100	NIL	NIL	NIL	NIL
Sale	274	NIL	NIL	NIL	NIL	NIL
Rent (Including Service Tax)	Nil	NIL	NIL	NIL	2647	2693
Outstanding Balance as on 31.03.2010						
Loan Payable	NIL	NIL	13700	33700	NIL	NIL
Trade Payable	20177	7858	NIL	NIL	NIL	NIL
Rent Payable	NIL	NIL	NIL	NIL	NIL	344
Interest Payable	NIL	NIL	3496	469	NIL	NIL

8. Particulars in respect of Stock and Turnover:
Opening Stock, Closing Stock and Turnover (Finished Goods/Traded Goods)

Rupees in thousand

Item	Opening stock as on 01.04.2009		Closing stock as on 31.03.2010		Turnover	
	Quantity nos.	Value	Quantity nos.	Value	Quantity nos.	Value
Deflection Yoke 14"	320	33	40400	2627	1339584	136625
CTV 14" (Traded Goods)	NIL	NIL	6575	11941	5544	10118

Opening Stock, Closing Stock and Consumption of Raw Material

Rupees in thousand

Item	Opening balance as on 01.04.2009			Purchase during the year		Closing Stock as on 31.03.2010		Consumption during the year	
	Units	Qty	Value	Qty.	Value	Qty.	Value	Qty.	Value
Yoke Former 14"	Nos.	115648	177	3153556	8940	132173	369	3137031	7495
Aluminum wire	Kg.	2912	778	41769	9783	3638	950	41043	8726
Copper Wire	Kg.	3338	1147	94330	32474	7649	2936	90019	30590
Ferrite Core	Prs.	87562	1266	1486620	25043	157124	2582	1417058	23672
Connector Wire	Nos.	14338	72	1090244	5395	23550	125	1081032	4970

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

SCHEDULES A TO Q ARE ANNEXED TO AND FORM PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT.

As per our report of even date annexed

For and on behalf of Board of Directors

For **U. K. AGGARWAL & ASSOCIATES**
Chartered Accountants

Umesh Aggarwal
Proprietor
Membership No. 082011

Gopal Sitaram Jiwrajka
Director

Tarun Jiwrajka
Director

Place : New Delhi
Date : 24th May, 2010

SALORA COMPONENTS LIMITED

STATEMENTS PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANIES GENERAL BUSINESS PROFILE

(Amount In thousands)

1.	Registration Details			
	Registration No.	092819	State	55
	Balance Sheet Date	31.03.2010		
	Capital Raised during the year			
	Public Issue	Nil	Right Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
2.	Position of Mobilization & Development of Funds			
	Total Liabilities	118004	Total Assets	118004
	Sources of Funds		Application of Funds	
	Paid up Capital	43200	Net Fixed Assets	37528
	Reserve & Surplus	476	Investments	Nil
	Secured Loans	Nil	Net Current Assets	38860
	Unsecured Loans	33700	Misc. Expenditure	988
	Share Application Money	Nil	Profit and loss account	Nil
3.	Performance of Company			
	Turnover	151784	Total Expenditure	143956
	Profit before Tax	7828	Profit after Tax	5765
	Earning per share in Rs.	1.33	Dividend rate %	NIL
4.	Generic Names of Three Principal Products/Services of Company (As per monetary terms)			
	Item Code No. 850440 09			
	Product Description Deflection Yoke			

For and on behalf of Board of Directors

Gopal Sitaram Jiwrajka
Director

Tarun Jiwrajka
Director

Place : New Delhi
Date : 24th May, 2010

AUDITORS REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SALORA INTERNATIONAL LIMITED AND ITS SUBSIDIARIES.

We have audited the attached consolidated Balance Sheet of Salora International Ltd. (the Company) and its subsidiaries as at 31st March, 2010, the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of following subsidiaries, which have been audited by other auditors whose report have been furnished to us, and our opinion is based solely on report of other auditors. Total assets & revenues of these Subsidiaries to the extent to which they are reflected in the consolidated financial statements are given below:

(Rs. in lacs)

Name of Subsidiary	Total Assets	Total Revenue
Salora Capital Ltd. (Formerly Jadoonet Ltd.)	616.12	108.42
Salora Components Limited	1121.87	1367.78

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements and Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

We report that on the basis of our Audit, the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Salora Group, we are of the opinion that the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) in the case of the consolidated Balance Sheet of the State of Affairs of the Salora Group as at 31st March, 2010;
- (b) in the case of the consolidated Profit and Loss Account, of the loss of the Salora Group for the financial year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the Cash Flows of the Salora Group for the year ended on that date.

For K. PRASAD & COMPANY
Chartered Accountants
FRN 002755 N

(R.S. Gupta)
Partner.

Place : New Delhi.
Date : 29th May, 2010

Membership No. : 072666

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

(Rs. in Lacs)

	Schedule	AS AT 31.03.2010	AS AT 31.03.2009
Share Capital	A	881.45	881.45
Reserves & Surplus	B	12,068.25	12,601.16
Sub-Total		12,949.70	13,482.60
Minority Interest		143.47	127.63
Loan Funds			
Secured Loans	C	5,491.66	8,693.44
Unsecured Loans	D	200.00	-
Sub-Total		5,691.66	8,693.44
Deferred Tax Liability		674.65	1,036.46
TOTAL		19,459.48	23,340.14
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		10,467.41	10,445.47
Less: Depreciation		5,495.04	5,081.54
Net Block		4,972.36	5,363.93
Add: Capital work in Progress		20.00	-
Sub-Total		4,992.36	5,363.93
Investments	F		
In Associate		148.84	148.82
In Others		48.52	48.55
Sub-Total		197.36	197.37
Current Assets, Loans & Advances			
Inventories	G	9,366.57	10,192.14
Sundry Debtors	H	9,581.37	10,575.40
Cash & Bank Balances	I	255.53	294.55
Other Current Assets	J	98.69	158.59
Loans & Advances	K	4,045.96	3,434.38
Sub-Total		23,348.12	24,655.06
Less: Current Liabilities & Provisions			
Current Liabilities	L	9,047.77	6,749.98
Provisions	M	40.46	145.99
Sub-Total		9,088.23	6,895.97
Net Current Assets		14,259.89	17,759.09
Miscellaneous Expenditure (to the Extent not written off or adjusted)		9.87	19.75
TOTAL		19,459.48	23,340.14
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES	U		

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date annexed.

For and on behalf of Board

For K.Prasad & Company
 Chartered Accountants

R. S. Gupta
 Partner
 M No.072666

 Place : New Delhi
 Date : 29th May, 2010

Gopal Sitaram Jiwrajka
 Vice Chairman & Managing Director

Y. P. Bansal
 Company Secretary

Sitaram Jiwrajka
 Chairman

Surinder Sood
 Chief Finance Officer

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

	Schedule	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
INCOME :			
Sales	N	53,522.65	72,617.60
Less: Excise Duty		596.04	727.74
Net Sales		52,926.60	71,889.86
Other Income	O	162.87	99.60
Increase/(Decrease) in Stock	P	263.54	(962.01)
Total (a)		53,353.01	71,027.46
EXPENDITURE :			
Materials Consumed & Purchases of Goods	Q	48,466.54	63,591.64
Personnel Expenses	R	1,975.97	2,034.40
Manufacturing & Other Expenses	S	2,704.71	3,829.70
Interest	T	614.79	972.28
Depreciation		451.72	544.48
Total (b)		54,213.74	70,972.51
PROFIT/(LOSS) BEFORE TAX		(860.73)	54.95
Less: Provision for Income Tax : Current		10.57	61.57
Earlier		14.40	(6.26)
Deferred		(361.81)	(50.80)
Less: Provision for Fringe Benefits Tax		-	45.34
Less: MAT Credit Entitlement		(6.81)	(7.14)
PROFIT/(LOSS) AFTER TAX (before adjustment for Minority Interest)		(517.08)	12.24
Less: Share of Profit/ (Loss) transferred to Minority Interest		15.84	2.73
PROFIT/(LOSS) AFTER TAX (after adjustment for Minority Interest)		(532.92)	9.51
Add :Balance brought forward from last year		2,120.34	2,213.87
Profit Available for Appropriation		1,587.41	2,223.38
APPROPRIATIONS			
Proposed Dividend		-	88.07
Tax on Dividend		-	14.97
Transfer to General Reserve		-	-
Balance carried to Balance Sheet		1,587.41	2,120.34
Total		1,587.41	2,223.38
BASIC/DILUTED EARNINGS PER SHARE (Rs.)	U-Note 13	(5.87)	0.14
NOTES ON ACCOUNTS AND ACCOUNTING POLICIES			
The schedules referred to above form an integral part of the Profit & Loss Account.			

Consolidated Profit & Loss Account

As per our report of even date annexed.

For and on behalf of Board

For K.Prasad & Company
Chartered Accountants

R. S. Gupta
Partner
M No.072666

Place : New Delhi
Date : 29th May, 2010

Gopal Sitaram Jiwrajka
Vice Chairman & Managing Director

Y. P. Bansal
Company Secretary

Sitaram Jiwrajka
Chairman

Surinder Sood
Chief Finance Officer

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)

	<u>AS AT 31.03.2010</u>	<u>AS AT 31.03.2009</u>
SCHEDULE 'A'		
SHARE CAPITAL:		
Authorised		
2,00,00,000 Equity Shares of Rs. 10/- Each	2,000.00	2,000.00
Issued and Subscribed		
88,20,000 Equity Shares of Rs.10/-Each	882.00	882.00
Paid-Up		
88,07,300 Equity Shares of Rs.10/-Each	880.73	880.73
Add: Share Capital Forfeited (12700 Equity Shares @ Rs.5.65/-each)	0.72	0.72
Total	<u>881.45</u>	<u>881.45</u>
NOTE :		
Out of the above 960000 Equity Shares of Rs. 10/- each were issued as Fully Paid Up Bonus Shares by capitalisation of General Reserve.		
SCHEDULE 'B'		
RESERVES & SURPLUS:		
Share Premium Account	3,244.42	3,244.42
Add : Share Premium Forfeited	2.87	2.87
Sub Total	<u>3,247.29</u>	<u>3,247.29</u>
General Reserve		
As per last Balance Sheet	7,233.53	7,233.53
Add: Profit transferred from Profit and Loss Account	-	-
Sub Total	<u>7,233.53</u>	<u>7,233.53</u>
Profit & Loss Account Balance	<u>1,587.41</u>	<u>2,120.34</u>
Total	<u>12,068.23</u>	<u>12,601.16</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'C'		
SECURED LOANS:		
A. Term Loans (From banks)		
Foreign Currency Loan	1,194.13	1,769.53
Vehicle Loan	48.06	35.82
B. Working Capital Loans		
From banks	3,903.32	6,347.86
C. Interest Free Loan from PICUP Under Sales Tax Deferred Scheme	346.15	540.23
Total	5,491.66	8,693.44

Notes :-

- (a) Foreign currency loan referred to in 'A' are secured against first exclusive charge over immovable and moveable fixed assets (both present and future) relating to the wind power project situated at Dhule in the state of Maharashtra.
(b) Vehicle Loans referred to in 'A' are secured against hypothecation of car.
- Working Capital Loans referred to in 'B' are secured by hypothecation of inventories & receivables and first pari-pasu charge with PICUP on immovable properties of Noida units as collateral security.
- Interest free Loan from PICUP under sales tax deferred scheme is secured by first charge on all movable fixed assets (present & future) of Noida units and first pari-pasu charge with bank(s) on immovable properties of Noida units.

SCHEDULE 'D'

UNSECURED LOANS:

From Damy Royal Stone Pvt. Ltd.

	200.00	0.00
Total	200.00	-

SCHEDULE 'E'

FIXED ASSETS :

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2009	Additions	Deductions/ Adjustments	Balance as at 31.03.2010	Upto 31.03.2009	For The Year	Deductions/ Adjustments	Upto 31.03.2010	Balance as at 31.03.2010	Balance as at 31.03.2009
OWN ASSETS:										
Lease Hold Land	390.29	-	-	390.29	49.46	6.00	-	55.46	334.83	340.83
Building	708.36	-	-	708.36	242.29	20.61	-	262.90	445.46	466.07
Furniture & Fixtures	509.78	1.13	0.24	510.67	326.70	16.39	0.24	342.85	167.82	183.08
Plant & Machinery	7,417.92	29.91	0.75	7,447.07	3,410.06	331.18	0.13	3,741.11	3,705.96	4,007.86
Dies & Moulds	1,133.07	1.38	-	1,134.45	948.47	42.38	-	990.85	143.60	184.60
Motor Vehicles	150.60	45.14	54.62	141.12	76.08	21.69	37.84	59.93	81.19	74.52
Intangible Assets	104.63	-	-	104.63	15.87	10.86	-	26.73	77.90	88.76
Sub Total	10,414.65	77.55	55.61	10,436.59	5,068.92	449.11	38.21	5,479.82	4,956.76	5,345.72
LEASED ASSETS:										
Plant & Machinery	30.82	-	-	30.82	12.61	2.61	-	15.22	15.60	18.21
Total	10,445.47	77.55	55.61	10,467.41	5,081.53	451.72	38.21	5,495.04	4,972.36	5,363.93
PREVIOUS YEAR	10,382.59	168.87	105.99	10,445.47	4,633.48	544.48	96.42	5,081.53	5,363.93	-
CWIP	-	-	-	-	-	-	-	-	20.00	-

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'F'		
A) INVESTMENTS (AT COST):		
Long Term(Unquoted, unless otherwise stated)		
a) Trade Investments in Equity Shares (Fully paid up) In Associate Companies		
i) 855000 Equity Shares of Encompass Software & Systems Pvt. Ltd.of Rs.10/- each. Less: Provision for diminution in value of Investments	85.50 (75.09)	85.50 (75.09)
ii) 978040 Equity Shares of Salora Retail Venture Ltd. of Rs. 10/- each.	97.80	97.80
iii) 780000 Equity Shares of H.K. Shinsei of Hong Kong \$ 1/-each.	40.61	40.61
In Other Companies		
i) 50 Equity Shares of Pacer Salora International (P) Ltd. of Rs.10/-each.	-	0.01
ii) 50 Equity Shares of Salora Floritech Ltd of Rs. 10/-each.	-	0.01
iii) 1000000 Equity Shares of Nanda Netcom Private Limited (FV Re.1/-) Less: Provision for diminution in value of Investments	16.80 (16.80)	16.80 (16.80)
iv) 28500 Equity Shares of Devi Electronics Pvt. Ltd @170/-	48.45	48.45
b) Other Investments in Shares & Bond (Fully paid)		
i) In National Saving Certificates	0.06	0.06
ii) 2 Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/-each	0.02	0.02
Total	197.36	197.37
Aggregate Book value of Unquoted Investments.	197.36	197.37
SCHEDULE 'G'		
INVENTORIES (As Certified by the Management):		
(at cost or estimated realisable value whichever is lower)		
i) Raw Material & Components	774.41	625.47
ii) Stores & Spares etc.	6.40	1.42
iii) Work-in-Progress	152.41	106.06
iv) Finished & Traded Goods	8,260.02	8,042.83
v) Material in Bond & Transit	173.33	1,416.36
Total	9,366.57	10,192.14
SCHEDULE 'H'		
SUNDRY DEBTORS (Unsecured):		
a) Debts outstanding for a period exceeding Six months Considered Good	3,440.85	2,292.25
Considered Doubtful	209.93	-
Less : Provision for Doubtful Debts	209.93	-
b) Others, Considered Good	6,140.52	8,283.15
Total	9,581.37	10,575.40
SCHEDULE 'I'		
CASH & BANK BALANCES:		
Cash in hand	23.88	36.94
Cheques & D.D. /T.T. in hand/Transit	3.15	11.09
Balance with Scheduled Banks:	107.12	137.88
Current Account	0.49	0.45
Fixed Deposit Account (Margin Money)	100.17	86.32
Equity Dividend	20.72	21.87
Total	255.53	294.55

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(Rs. in Lacs)

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'J'		
OTHER CURRENT ASSETS:		
(Unsecured, Considered good)		
i) Gratuity and Superannuation Receivable	35.56	71.58
ii) Insurance Claim Receivable	48.88	63.27
iii) Interest Receivable	14.25	23.74
Total	98.69	158.59
SCHEDULE 'K'		
LOANS & ADVANCES:		
(Unsecured, Considered good)		
Loans	567.60	110.00
Advances recoverable in cash or in kind or for value to be received	643.89	478.65
Balance With Government Authorities	1,662.60	1,688.47
Security Deposits	307.55	302.22
Advance / refundable Income Tax (net of provisions)	673.59	700.91
Advance Fringe Benefit Tax (net of advance tax)	-	0.27
MAT Credit Entitlement Receivable	10.19	7.14
Payment against disputed Income Tax Demand	180.55	146.72
Total	4,045.96	3,434.38
SCHEDULE 'L'		
CURRENT LIABILITIES:		
Sundry Creditors*	8,470.75	5,831.22
Advance From Customers	253.89	310.69
Other Liabilities	179.70	280.15
Trade Deposits	103.17	251.98
Unclaimed/Unpaid dividend	20.72	21.87
Interest Accrued but not due	19.54	54.07
Total	9,047.77	6,749.98
* Information has not been received from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006, and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act have not been given.		
SCHEDULE 'M'		
PROVISIONS:		
For Retirement and Other Employee Benefits	40.37	42.63
For Wealth Tax	0.09	0.32
For Proposed Dividend	-	88.07
For Dividend Tax	-	14.97
Total	40.46	145.99

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in Lacs)

	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 'N'		
SALES:		
Domestic	49,571.02	68,667.87
Export	3,951.63	3,949.73
Total	53,522.65	72,617.60
SCHEDULE 'O'		
OTHER INCOME:		
Interest	60.97	65.62
Rent	2.70	3.60
Cash Discount	97.22	15.43
Liability No Longer Required Written Back	0.93	-
Bad Debts Recovered	-	7.21
Miscellaneous Income	1.05	7.74
Total	162.87	99.60
SCHEDULE 'P'		
INCREASE / (DECREASE) IN STOCK:		
Opening Stock:		
Finished & Trade Goods	8,042.84	9,013.80
Work In Progress	106.06	97.10
Total :	8,148.89	9,110.90
Closing Stock:		
Finished & Trade Goods	8,260.02	8,042.84
Work In Progress	152.41	106.06
Total :	8,412.43	8,148.89
Increase/(Decrease) In Stock:	263.54	(962.01)
SCHEDULE 'Q'		
MATERIALS CONSUMED & PURCHASES OF GOODS :		
A) Raw Materials Consumed :-		
Opening Stock	625.47	802.45
Add : Purchases	5,567.16	4,138.31
Less: Closing Stock	774.41	625.47
Total :	5,418.23	4,315.29
B) Purchase Of Goods :-	43,048.32	59,276.35
Materials Consumed & Purchases of Goods (A+B)	48,466.54	63,591.64
SCHEDULE 'R'		
PERSONNEL EXPENSES:		
Salaries, Wages, Bonus & Other Allowances	1,753.03	1,699.60
Contribution to Provident & Other Fund	98.71	195.18
Staff Welfare & Other Benefits	124.23	139.62
Total	1,975.97	2,034.40

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

(Rs. in Lacs)

	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
SCHEDULE 'S'		
MANUFACTURING & OTHER EXPENSES:		
Assembly Charges	62.14	58.54
Stores & Spares Consumed	19.18	31.22
Power & Fuel	142.86	154.28
Rent (Including Lease Rent)	265.92	246.95
Rates and Taxes	9.44	11.15
Repair & Maintenance :-		
Building	0.03	1.72
Plant & Machinery	86.15	42.74
Others	72.01	156.47
Insurance	87.47	88.43
Travelling & Conveyance	332.23	367.07
Miscellaneous	562.79	572.05
Payment to Auditors	18.49	16.55
Freight and Forwarding	577.25	741.67
Discount, Commission & Incentives	15.59	26.68
Advertisement & Publicity	150.67	387.30
After Sale Service Charges	177.55	439.69
Sales Tax	48.71	88.03
Loss / (Profit) on Sale of Fixed Assets (Net)	(2.02)	3.76
Ir-recoverable Advances and Claim Receivable W/off	-	33.75
Short Excess claims	(29.44)	8.85
Bad Debts	11.97	71.50
Provision for Doubtful Debts	209.93	-
Bank Charges	82.10	90.22
Foreign Currency Exchange Fluctuation (Net)	(205.30)	181.20
Priliminary and Pre-operative expenses w/off	8.99	9.88
Total	2,704.71	3,829.70
SCHEDULE 'T'		
INTEREST:		
On Term Loan	45.28	231.93
Others	569.51	740.35
Total	614.79	972.28

Consolidated Schedules

NOTES ON CONSOLIDATED ACCOUNTS

SCHEDULE 'U'

A. Significant Accounting Policies to the Consolidated Balance Sheet and Profit & Loss Account :

Principles of consolidation:

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

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

- i) The financial statements of the Company and its subsidiary Companies has been combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- ii) In case of associates where the Company directly holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except in case of following:
 - a. **Depreciation on Fixed Assets :**
In case of one subsidiary depreciation is provided as per written down value method as per rates prescribed in Schedule XIV of the Companies Act, 1956.
 - b. **Retirement & Other Benefits :**
In case of one subsidiary provision for liability of gratuity and leave pay if due is made on accrual basis instead of actuarial valuation basis.
 - c. Investments other than in subsidiary and associate have been accounted as per Accounting Standard 13 of "Accounting for Investments".
 - d. **Other significant accounting policies :**
These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Salora International Limited and its subsidiary.

B. Notes on Accounts to Consolidated Balance Sheet and Profit & Loss Account :

1. The subsidiary Company considered in the consolidated financial statements is :

Name of the subsidiary	Country of Incorporation	Proportion of ownership interest
Salora Capital Limited (Formerly Known as Jadoonet Ltd.)	India	91.38%
Salora Components Limited	India	79.05%

2. The associates Company considered in the consolidated financial statements is :

Name of the Associate	Country of Incorporation	Proportion of ownership interest
Encompass Software and Systems Private Limited	India	43.27%
Salora Retail Ventures Ltd	India	49.02%
H. K. Shinsei Ltd.	Hong Kong	50.00%

Based on unaudited financial results.

3. As required by Accounting Standard (AS-23) on Accounting for investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, the carrying amount of investments in Associates at the beginning of the year have been restated by applying "Equity Method" of accounting from the date of acquisition of the associates and corresponding adjustment has been made to the retained earnings at the beginning of the year after eliminating unrealised profit, if any.
4. **Contingent Liabilities not provided for in respect of :**
 - i) Bank Guarantees issued by Bankers Rs.980.93 lacs (Previous year Rs.1057.87 lacs) including for Sales Tax and Excise demand Rs.84.28 lacs (Previous Year Rs.499.76 lacs), against which margin kept by bank Rs.100.12 lacs (Previous Yr.Rs.86.32 lacs).
 - ii) Letter of Credits pending for shipment Rs.299.15 lacs(Previous year Nil.).
 - iii) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.
 - iv) Disputed Sales Tax demands of Rs.744.15 lacs (Previous year Rs.591.44 lacs), against which amount deposited Rs.389.21 lacs (Previous year Rs.249.35 lacs) has not been provided for as the cases are pending in appeals with higher authorities.
 - v) Advance Licence utilised for Import of CPT worth Rs.87.50 lacs during the period from January, 1995 to May 1995 , DGFT issued Show

NOTES ON CONSOLIDATED ACCOUNTS

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 Hon'ble Delhi High Court and after admitting the petition and taking into consideration all the facts, the Hon'ble 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.

5. Demand raised/CENVAT credit disputed, by Excise Authorities amounting to Rs2328.71 lacs (Previous year Rs.2296.28 lacs), against which amount deposited Rs.321.79 lacs (Previous year Rs. 331.34 lacs) has not been provided for as the matters are pending in appeals with higher authorities. Appellate Authority has passed an order to Pre deposit sum of Rs.300 Lacs, which has been deposited. Further, Company has been advised that the demand raised by Excise Authorities is purely on Technical point and on the similar point they have raised demand on most of the TV Manufactures and hence representation is being made through manufacturer association before the Government, and the Company has filed a petition on the issue before Hon'ble Supreme Court, and Company expects to get relief in Appeal.
6. Income Tax Assessments of the Company have been completed upto Assessment Year 2007-2008(in previous year upto 2006-07). Demand has been raised of Rs185.23.lacs(previous year Rs.216.95 lacs) for earlier assessment years against which company has filed appeal before appellate authorities and amount Rs.180.55 lacs(previous year Rs.146.70 lacs) has been deposited against demands. Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Delhi High Court against which refund of Rs.1151.57 lacs received by the Company in the Financial Year 2002-2003.
7. Revenue expenditure incurred on Research and Development including overheads and debited to respective head of accounts aggregating to Rs.21.79 lacs (Previous year Rs.20.47 lacs).

Particulars	YEAR ENDED <u>31.03.2010</u>	(Rs. in Lacs) YEAR ENDED <u>31.03.2009</u>
8. Exchange difference has been charged/ (credited) to revenue accounts as follows:		
On Import of raw material & finished goods including forward contracts	(214.00)	282.59
On Export sales	(29.03)	(160.26)
On Term loan	-	58.87
On Fixed Assets	37.73	-
Total	(205.30)	181.20
9. Remuneration to Auditors (Net of Service Tax: Cenvatable) :		
Statutory Audit Fee (including Limited Review)	12.35	12.18
Tax Audit Fees	1.80	1.65
Other services :		
- Certification	2.07	1.00
- Expenses / Service Tax reimbursed	2.27	1.72
Total	18.49	16.55
10. (a) Directors' Remuneration:		
(Excluding Contribution to Gratuity Fund and Leave encashment provided on actuarial basis)		
Salary & Allowances	100.80	100.80
Commission to one executive Director & Rs.100000/- each to Five Non-Executive Directors	-	-
Contribution to Provident Fund & Superannuation Fund	12.96	12.96
Other benefits & Perquisites	2.66	4.99
Total	116.42	118.75

NOTES ON CONSOLIDATED ACCOUNTS

Particulars	(Rs. in Lacs)	
	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
11. DEFERRED TAX:		
(a) Deferred Tax Liability on account of :		
Depreciation & Business Loss of other than WindMill	221.56	190.29
Depreciation & Business Loss of WindMill	807.36	888.09
	1028.92	1078.38
(b) Deferred Tax Asset on account of :		
Taxes, Duties, Bonus & Leave pay etc.	42.79	41.92
Provision for Bad & Doubtfull debts	64.87	
Unabsorbed Depreciation	117.41	0.00
Unabsorbed Business Loss	129.20	0.00
	354.27	41.92
Deferred Tax Liability (Net)	674.65	1036.46
Deferred Tax Expenditure / (Income)	(361.81)	(50.80)

In view of uncertainty of realisation deferred tax asset Rs.262.40 lacs (previous year Rs.277.38 lacs) has not been recognised in a subsidiary.

12. RELATED PARTIES DISCLOSURES:

1. Relationship :

(a) Associates & Joint Ventures :

Salora Retail Ventures Ltd
H.K.Shinsei Ltd

(b) Other related parties in which key managerial personnel or their relatives have significant influence :

Associated Electrical Agencies
Associated Electronic Research Foundation
Aerthon Electronics Ltd (formerly Sab Electronics Ltd)
Essjay Ericsson Pvt. Ltd.
Ericsson India P Ltd
Manori Properties P Ltd
Feature Home Products P Ltd
Panasonic Carbon India Co Ltd
Devi Electronics P Ltd

(c) Key Managerial Personnel:

Shri Gopal Sitaram Jiwaraajka
Shri S.K.Jiwaraajka
Shri Tarun Jiwaraajka
Shri Toshrio Ohigashi

(d) Relative of key managerial personnel

where transactions have taken place:
Shri Sitaram Jiwaraajka
Smt. Neetu Jiwaraajka

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

NOTES ON CONSOLIDATED ACCOUNTS

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

(Rs. in Lacs)

Nature of Transactions	Related Parties					
	Referred in 1(a) above		Referred in 1(b) above		Referred in 1(c&d) above	
	31.03.10	31.03.09	31.03.10	31.03.09	31.03.10	31.03.09
Purchases						
Goods and Materials	231.67	83.76	-	5.22	-	-
Services - Job Work Charges	-	0.38	-	-	-	-
Fixed Assets	-	-	-	-	-	-
Sales						
Goods and Materials	215.62	2,654.24	122.84	939.26	-	-
Services - Job Work Income	-	-	-	-	-	-
Sale of Fixed Assets	-	-	-	-	-	-
Expenses						
Rent	-	54.99	8.42	34.86	-	0.60
Technical Charges	-	-	0.02	0.99	-	-
Other Charges/ Reimbursements	-	2.02	1.55	0.73	-	-
Lease Liability Paid	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Royalty	-	-	-	-	-	-
Salary	-	-	-	-	13.64	11.49
Commission	-	-	-	-	-	-
Directors Remuneration	-	-	-	-	116.42	118.75
Directors Sitting Fees	-	-	-	-	0.40	0.20
Income						
Rent	18.47	4.03	-	-	-	-
Hire Charges	-	-	-	-	-	-
Other Recoveries	-	15.62	-	0.64	-	-
Discount	-	-	-	-	-	-
Interest	2.62	14.10	14.30	14.30	-	-
Diminution in Investment written back	-	-	-	-	-	-
Investment						
Shares	-	-	-	-	-	-
Shares Application Money	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-
Finance						
Loans given	257.60	460.00	-	-	-	-
Loans received back	255.00	515.00	-	-	-	-
Loans received	-	-	-	-	-	-
Loans repaid	-	-	-	-	-	-
Advance given and received back	-	3.00	-	-	-	-
Others						
Advance for material supply given & recd back	238.00	-	-	-	-	-
Expenses incurred & received back	7.58	-	-	-	-	-
Outstandings						
Payables	-	0.06	0.76	4.46	4.40	4.91
Receivables	1,198.19	1,331.76	15.82	260.90	-	-
Share application pending allotment	-	-	-	-	-	-
Loan Payable	-	-	-	-	-	-
Interest Recoverable	2.35	-	33.25	20.37	-	-
Loan Recoverable	2.60	-	110.00	110.00	-	-
Advance Recoverable	-	20.95	-	-	-	-

Consolidated Schedules

NOTES ON CONSOLIDATED ACCOUNTS

(Rs. in Lacs)

	<u>YEAR ENDED</u> <u>31.03.2010</u>	<u>YEAR ENDED</u> <u>31.03.2009</u>
13. PARTICULARS OF EARNING PER SHARE:		
Net Profit/(Loss) after tax as per Profit and Loss account (Rs.Lacs) attributable to equity shareholders	(517.08)	12.24
Net Profit/(Loss) before exceptional item net of tax expense	(517.08)	12.24
Weighted Average number of equity shares used as denominator for calculating EPS	8807300	8807300
Basic and Diluted Earnings per share	(5.87)	0.14
Basic and Diluted Earnings (before exceptional item) per share	(5.87)	0.14
Face Value per equity share	10.00	10.00

14. SEGMENT REPORTING:
A. Information about Primary Business Segments :

(Rs. in Lacs)

	<u>YEAR ENDED</u> <u>31.03.2010</u>	<u>YEAR ENDED</u> <u>31.03.2009</u>
(I) Segment Revenue :		
a) Infocom Division	43,981.12	64,429.55
b) Consumer Electronics Division (including to subsidiaries)	8,563.41	7,130.31
c) Wind Energy	382.07	330.00
Segments Revenue as per Financial Statements	52,926.60	71,912.35
(II) Segment Results (Rs. Lacs) :		
a) Infocom Division	477.72	2,212.48
b) Consumer Electronics Division	(93.66)	(586.41)
c) Wind Energy	78.37	95.05
Total Segments Results	462.43	1,721.12
Add : i) Exceptional Income	-	-
Less : i) Interest	614.79	972.28
ii) Other un-allocable expenditure net off un-allocable income	708.37	693.89
iii) Provision for Taxes	(343.65)	42.71
Net Profit/(Loss) as per Financial Statements	(517.08)	12.24

(III) Other Informations (Rs. in Lacs):

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
a) Infocom Division				
Current year	16,290.84	7,765.08	20.97	24.67
(Previous year)	(18,477.60)	(5,251.18)	(57.69)	(24.17)
b) Consumer Electronics Division				
Current year	7,520.06	1,642.25	7.03	223.19
(Previous year)	(6,848.98)	(1,820.20)	(43.93)	(321.72)
c) Wind Energy				
Current year	2,667.42	1,207.30	-	156.84
(Previous year)	(2,998.43)	(1,823.97)	-	(156.84)
d) Unallocated Amounts				
Current year	2,069.39	4,839.91	49.55	47.02
(Previous year)	(1,911.10)	(7,730.52)	(67.25)	(41.75)
Total as per Financial Statements (C.Y.)	28,547.71	15,454.54	77.55	451.72
(Previous year)	(30,236.11)	(16,625.87)	(168.87)	(544.48)

NOTES ON CONSOLIDATED ACCOUNTS

B. GEOGRAPHICAL SEGMENTS

The sales of the Salora group are mainly in India and the export turnover being only 5.49 % (Previous year 6.37%) of the total turnover of the Salora group so, there are no separate reportable Geographical Segments.

C. OTHER DISCLOSURES:

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

Business Segment

Type of Products

- | | |
|---|---|
| <ul style="list-style-type: none"> a) Infocom Division b) Consumer Electronics Division c) Wind Energy | <ul style="list-style-type: none"> Mobile Phones, IT Products and Accessories thereof Fly Back Transformer (FBT), Loudspeaker and Deflection Yoke and TV sets, VCD & DVD Players and sub-assemblies thereof Wind Energy Generation |
|---|---|
- iv) The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and allocated on a reasonable basis.

15. Schedules 'A' to 'U' form part of the Consolidated Balance Sheet as on 31st March, 2010 and Consolidated Profit & Loss Account for the year ended on that date.

As per our report of even date annexed.

For and on behalf of Board

For K.Prasad & Company

Chartered Accountants

R. S. Gupta

Partner

M No.072666

Place : New Delhi

Date : 29th May, 2010

Gopal Sitaram Jiwrajka

Vice Chairman & Managing Director

Y. P. Bansal

Company Secretary

Sitaram Jiwrajka

Chairman

Surinder Sood

Chief Finance Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

(Rs. in Lacs)

	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	(860.73)	54.95
Adjustment for :		
Depreciation	451.72	544.48
Interest	614.79	972.28
Provision for Doubtful Debts	209.93	0.00
Interest Income	(60.97)	(65.62)
Wealth Tax	0.09	0.32
(Surplus) / Deficit on sale of Fixed Assets	(2.02)	3.76
Miscellaneous Expenditure not written off	9.87	9.87
Diminution in value of investments written back	-	0.00
Operating Profit before Working Capital changes	362.68	1520.04
Adjustment for :		
Inventories	825.57	3030.01
Trade and other receivables	689.81	(1152.63)
Trade and other payables	2,331.22	(1370.12)
Cash Generated from Operating Activities	4,209.28	2027.30
Adjustment for :		
Direct taxes (paid) / Refund Received	(27.76)	(683.86)
Net cash from Operating Activities	4,181.51	1343.44
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase / adjustment of fixed assets	(97.55)	(168.87)
Sale / adjustment of fixed assets	19.42	5.81
Sale of Investment	0.01	-
Net cash used in Investing Activities	(78.12)	(163.06)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of long term borrowings	(757.19)	(365.82)
Proceeds/ (Repayments) of short term borrowings	(2,444.56)	(223.59)
Interest Paid	(649.32)	(986.03)
Loan Received	200.00	0.00
Loans Given	(712.60)	(460.00)
Loans Received Back	255.00	515.00
Fixed Deposit Account (Margin Money)	(13.85)	110.61
Interest received	70.46	60.11
Dividend paid	(89.22)	(396.30)
Dividend tax paid	(14.97)	(67.36)
Net cash from/(used in) Financing Activities	(4,156.25)	(1813.38)
Net Increase/ (Decrease) in cash and cash equivalents :	(52.87)	(633.00)
Cash and cash equivalents at beginning of the year	208.23	841.23
Cash and cash equivalents at end of the year	155.36	208.23

As per our report of even date annexed.

For and on behalf of Board

For K.Prasad & Company

Chartered Accountants

R. S. Gupta

Partner

M No.072666

Place : New Delhi

Date : 29th May, 2010

Gopal Sitaram Jiwrajka

Vice Chairman & Managing Director

Sitaram Jiwrajka

Chairman

Y. P. Bansal

Company Secretary

Surinder Sood

Chief Finance Officer

Auditors' Certificate

We have verified the above Cash Flow Statement prepared by the Company and certify that the statement has been derived from the accounts of the Company audited by us and has been prepared in accordance with the Stock Exchange Listing Requirements.

For K. Prasad & Company

Chartered Accountants

R.S. Gupta

Partner

M.No.072666

New Delhi : 29th May, 2010



SALORA INTERNATIONAL LIMITED

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

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 in full.....

I certify that I am a Shareholder of the Company and hold.....shares. I hereby record my
presence at the 41st Annual General Meeting of the Company held at SRI SATHYA SAI INTERNATIONAL CENTRE, PRAGATI
VIHAR, INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI – 110 003 on Wednesday, the 21st July, 2010 at 11.00 A.M.

Signature of the Member or Proxy*

*Please indicate whether Member or Proxy



SALORA INTERNATIONAL LIMITED

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

PROXY FORM

Folio No.....

D.P. ID No.....

Client ID No.....

I /We.....of.....
in the district of.....being Member(s)
of Salora International Limited, holding shares, hereby appoint Mr./Ms.....
..... ofin the district
of.....or failing him Mr./Ms.....
.....of.....in the district. of.....
.....as my/our proxy to attend and vote for me/us on my/our behalf at the
41st Annual General Meeting of the Company to be held on Wednesday, the 21st July, 2010 at 11.00 A.M. and at every
adjournment thereof.

Affix
Revenue
Stamp

Signed this.....day of.....2010.

NOTE : ANY 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 THE PROXY NEED NOT BE A MEMBER. THE
FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN
48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.

Salora International Ltd.

D-13/4, Okhla Industrial Area, Phase - II, New Delhi - 110020
Tel.: 011-29207100/01