



Salora International Ltd.

September 10, 2020

The Manager
Department of Corporate Relationship,
BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai - 400 001
Scrip Code: 500370

SUB: Re-submission of Annual Report 2019-2020 (Including Notice of AGM)

Dear Sir/Madam,

We had uploaded the Annual Report 2019-20 of Salora International Limited on 09th September, 2020. Apparently, we came to know that it is not fully uploaded due to any technical reason.

Therefore, we are uploading it again.

Kindly take the same on records and acknowledge receipt of the same.

Thanking You,

Yours faithfully,
For Salora International Limited

(Mahak Agarwal)
Company Secretary & Compliance Officer
M.No.: A-41350



Encl. as above

ANNUAL REPORT 2019-20 Salora International Limited

Step out to the joys...



LED TV
Design & Technology

SALORA

Technology for Happiness



SEMI AUTOMATIC WASHING MACHINE



PUNCH PULSATOR

Punch Pulsator technology propels detergent-rich water vertically into every thread of the fabric. Also, it washes your clothes with care without entangling them.



ANTI RUST

The sturdy plastic body provides strong resistance against corrosion and rusting, which leads to better performance as well as a much longer life of the washing machine.



SOAK

The machine's unique soak process soaks clothes in a concentrated detergent solution for 25 minutes to help loosen tough dirt particles.

BOARD OF DIRECTORS

GOPAL SITARAM JIWARAJKA	– Chairman & Managing Director
KARNA SINGH MEHTA	– Chairman Audit Committee & Independent Director
TARUN JIWARAJKA	– Whole Time Director & CFO
NEETU JIWARAJKA	– Executive Director
SANJEEV KAUL DUGGAL	– Independent Director
PARMARTHA SAIKIA	– Additional (Independent) Director

COMPANY SECRETARY

MAHAK AGARWAL

AUDITORS**R. GOPAL & ASSOCIATES, STATUTORY AUDITORS**

SCV & CO. LLP, INTERNAL AUDITORS

GURVINDER CHOPRA & CO., COST AUDITORS

NAVNEET K. ARORA & CO. LLP, SECRETARIAL AUDITORS

BANKERS

STATE BANK OF INDIA

CANARA BANK

HDFC BANK LTD.

REGISTERED OFFICE

SALORA INTERNATIONAL LTD.
D – 13/4, OKHLA INDUSTRIAL AREA,
PHASE – II, NEW DELHI – 110 020.
CIN L74899DL1968PLC004962
Sect@salora.com

CORPORATE OFFICE & MANUFACTURING PLANTS

PLOT NO. B – 31 to 34 & 50 to 53, SECTOR – 80,
NOIDA (U.P.)

REGISTRAR & SHARE TRANSFER AGENTS

SKYLINE FINANCIAL SERVICES PVT. LTD.
D-153-A, 1st FLOOR, OKHLA INDUSTRIAL AREA,
PHASE -I, NEW DELHI-110020
Tel. No. 011-26812682,83 & 84 Fax:30857562
Email: admin@skylinerta.com

CONTENTS

Page

AGM Notice	2
Directors' Report	19
Corporate Governance Report	47
Management's Discussion & Analysis	62
Company's Financial Statement	
Report of the Auditors	69
Balance Sheet	79
Statement of Profit & Loss	80
Cash Flow Statement	82
Notes to Financial Statements	83

ANNUAL GENERAL MEETING

Day	: Wednesday
Date	: 30th September, 2020
Time	: 11.00 AM
Venue	: D-13/4, Okhla Industrial Area, Phase – II, New Delhi – 110 020.

NOTICE TO THE 51ST ANNUAL GENERAL MEETING

Notice

NOTICE is hereby given that the 51st Annual General Meeting of Salora International Limited will be held on Wednesday, 30th September, 2020 at 11.00 A.M. through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM"), at registered office of the company, to transact the following business:

ORDINARY BUSINESS

Item No.1 – To receive, consider and adopt the financial statements of the Company for the year ended 31st March, 2020 including audited balance sheet as at 31st March, 2020 and the statement of profit and loss of the Company for the year ended on that date along with reports of Board of Directors and Auditors' thereon; and

Item No.2 - To re-appoint Shri Tarun Jiwarajka (DIN 00386240), as director, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

Item No. 3 – To approve appointment of Shri Paramartha Saikia as Non Executive Independent Director

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

"RESOLVED THAT that pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), Shri **Paramartha Saikia** (DIN: 07145770) who was appointed as an Additional Director in the capacity of Non Executive Independent Director of the Company by the Board of Directors effective from 7th October, 2019 and who by operation of law, holds office up to the date of this Annual General Meeting in terms of provision of Section 161 of the Companies Act, 2013, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member in terms of Section 160 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Non Executive Independent Director of the Company from **7th October, 2019 to 6th October, 2024**, not liable to retire by rotation."

Item No. 4 – To approve appointment of Shri Tarun Jiwarajka, as Whole Time Director

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any applicable provisions of the Companies Act, 2013 and any rules made thereunder, read with Schedule V of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and Articles of Association of the Company and subject to the such approvals as may be necessary and further subject to the approval of Shareholders and subject to the approval of the Central Government, if necessary, Shri Tarun Jiwarajka (DIN 00386240) be and is hereby re-appointed as Whole Time Director of the Company for a period of 5 (Five) years w.e.f. 10.11.2019 whose period of office shall be liable for determination by retirement of directors by rotation as per the provisions of Section 152 of Companies Act, 2013 on the following terms of remuneration:

Name of Director	Amount of monthly remuneration
Shri Tarun Jiwarajka	Rs.2,00,000/-

RESOLVED FURTHER THAT pursuant to Section II of Part II of Schedule V and other applicable provisions, of the Companies Act, 2013, if any, (including any amendment and modification thereof) and subject to such approvals as may be necessary, in the event of there being loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Whole Time Director shall be the minimum remuneration payable unless revised further;

Item No. 5 – To ratify the remuneration payable to Cost Auditors for financial year ending 31st March, 2020

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company M/s. Gurvinder Chopra & Co., Cost Accountants, to conduct the audit of the cost records of the Company for the financial year 2020-21, be paid remuneration of Rs.40,000/- plus applicable GST and reimbursement of actual travel and out of pocket expenses, that may be incurred by them in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and approved”.

By Order of the Board of Directors
Salora International Ltd.

Regd. Office:
D – 13/4, Okhla Industrial Area,
Phase – II,
New Delhi – 110 020
CIN L74899DL1968PLC004962
sect@salora.com
Dated: 08.07.2020
Place: New Delhi

(Mahak Agarwal)
Company Secretary

NOTES

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business under Item No.3 to 5 of the Notice is annexed hereto. The relevant details required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing

Regulations") and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of the directors seeking appointment / re-appointment at this AGM are also annexed.

3. Generally, 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 and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. The Share Transfer Register and Register of Members of the Company will remain close during the period from 23.09.2020 to 30.09.2020 (both days inclusive) for the purpose of Annual General Meeting.
5. Members, holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR Code and IFSC code, mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact number, etc., to their depository participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents, M/s. Skyline Financial Services Pvt. Ltd. (SKYLINE) to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to SKYLINE.

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to SKYLINE.

To register you mail-id which is subject to verification use the following link <http://www.skylinerta.com/EmailReg.php>

Shareholders holding shares in physical form may get their KYC updated by sending request to RTA at email compliances@skylinerta.com and shareholders holding shares in demat form can contact their Depository Participant.

6. Any Shareholder wish to speak during the AGM, has to register himself by giving his/her credentials e.g. PAN, DP Id and registered e-mail id with admin@skylinerta.com and sect@salora.com
7. Members are holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or SKYLINE for assistance in this regard.
8. Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or SKYLINE, the details of such folios together with the share certificates for consolidating their holding in one folio.

A consolidated share certificate will be issued to such Members after making requisite changes.

9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Members seeking any information with regard to annual accounts, are requested to write to the Company at least seven working days prior to the meeting, so as to enable the Management to keep information ready at the AGM.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same. Members holding shares in physical form may submit their nomination in Form 2B to SKYLINE. Members holding shares in electronic form may write to their respective depository participant.
12. There were no unclaimed and unpaid dividend amounts lying pending with the company and hence further action is required.
13. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of 51st AGM along with Annual Report 2019-20 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members please note that this Notice and Annual Report 2019-20 will also be available on the Company's website viz. www.salora.com
14. The statutory registers including register of directors and key managerial personnel and their shareholding, the register of contracts or arrangements in which directors are interested maintained under the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members who wish to inspect the register are requested to write to the company by sending e-mail to sect@salora.com.
15. The information required in terms of provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Corporate Governance Report annexed to the Directors' Report which is published in the 51st Annual Report 2019-20.
16. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with their DPs / SKYLINE.
17. At the 48th AGM held on 13th September, 2017 the Members approved appointment of M/s. R. Gopal & Associates, Chartered Accountants, (Firm Registration No.000846C), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 53rd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.
18. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
19. Members can contact Mr. Mahak Agarwal, Company Secretary, on Alternate Tel. No. 0120-4885528 for any query relating to Annual General Meeting (AGM).

20. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given at Point No.24 below. Resolution(s) passed by Members through e-voting is / are deemed to have been passed as if they have been passed at the AGM.
21. The Board of Directors has appointed CS Shivam Rastogi, Company Secretary in practice (FCS No. 10704 & Certificate of practice No. 14600) Partners of M/s. SVR & Co., Company Secretaries, New Delhi as the Scrutinizers, for conducting the voting / poll and remote e-voting process in a fair and transparent manner.
22. The facility for voting through electronic voting system shall be made available at the AGM and the Members attending the meeting through VC, who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
23. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

SHAREHOLDERS MAY KINDLY NOTE THAT NO GIFTS / GIFT COUPONS OR CASH IN LIEU OF GIFTS WILL BE DISTRIBUTED AT THE MEETING, AS THE SAME HAS BEEN PROHIBITED UNDER THE SECRETARIAL STANDARDS FRAMED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA FOR HOLDING GENERAL MEETING.

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

Dear Members

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the **business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).**

- i. The voting rights shall be as per the number of equity share held by the Member(s) as on 23.09.2020. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- ii. The Electronic voting period shall commence at 9.00 A.M. on 27th September, 2020 and will end at 5:00 p.m. on 29th September, 2020. The e-voting module shall be disabled by NSDL at 5:00 p.m. on the same day.

The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nSDL.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nSDL.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
 - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).
 - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for

shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2 : Cast your vote electronically on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for Shareholders for remote e-voting during AGM

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail cs.shivamr@gmail.com to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries/grievances pertaining to remote e-voting (prior to and/or during the AGM), you may refer to the Frequently Asked Questions ('FAQs') for Shareholders and e-voting user manual for Shareholders available in the 'Downloads' section of www.evoting.nsdl.com or call on toll free number:1800-222-990 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. 91 22 2499 4545 / 1800-222-990.

Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL E-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members

login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members may join the Meeting through Laptops Smartphones, Tablets and iPads for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at (company email id).
6. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address sect@salora.com on or before 5.00 p.m. (IST) on Wednesday, September 23, 2020. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
7. Members who would like to express their views/ask questions as a speaker at the Meeting may preregister themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at sect@salora.com between Friday, September 18, 2020 (9:00 a.m. IST) and Wednesday, September 23, 2020 (5:00 p.m. IST). Only those members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nSDL.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, at the designated email id– evoting@nsdl.co.in or pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with the voting by electronic means.

DECLARATION OF RESULTS ON THE RESOLUTIONS:

The Scrutinizer shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolution(s) has/have been carried or not, to the Chairman or a person authorized by him in writing. The

result declared along with the Scrutinizer's Report shall be placed on the Company's website www.salora.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited where the securities of the Company is listed. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. September 30, 2020

By Order of the Board of Directors
Salora International Ltd.

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

(Mahak Agarwal)
Company Secretary

Dated: 08.07.2020
Place: New Delhi

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

As required by Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos.2 to 5 of the accompanying Notice:

Item No. 2

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

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

It is proposed that Shri Tarun Jiwrajka be appointed as a Director liable to retire by rotation. His brief resume is given in the Corporate Governance Report.

Except Shri Gopal Sitaram Jiwrajka, Smt. Neetu Jiwrajka and Shri Tarun Jiwrajka himself, none of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Item No.2 of the Notice.

ITEM NO. 3

The Board of Directors has appointed Shri Paramartha Saikia as an Additional Director of the company with effect from 7th October, 2019, on recommendation of Nomination and Remuneration Committee. As per provisions of Section 161(1) of the act, he holds office of Additional Director up to this Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, along with the requisite deposit. The profile and specific areas of expertise of Shri Paramartha Saikia is provided in annexure to this notice.

The resolution seeks the approval of the members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Shri Paramartha Saikia.

Except Shri Paramartha Saikia, none of other Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No.3 of the Notice.

Item No. 4

The Board of Directors of the Company in its meeting held on 13th November, 2019 had considered the report of Nomination and Remuneration Committee constituted by the Board recommending the Company to approve the remuneration payable to Shri Tarun Jiwrajka (DIN 00386240), Whole Time Director of the Company; to restore his remuneration at the level of remuneration which was paid to him by company during the term of his previous appointment. The Board discussed the various aspects to the report of the Committee and analyzed the amount of Salary and other perquisites forming part of remuneration payable to Shri Tarun Jiwrajka, Whole Time Director. The Board approved the recommendation of the Nomination & Remuneration Committee and agreed to seek approval of the members in the ensuing Annual General Meeting on the terms, conditions and remuneration as approved by the Board.

Further details of Shri Tarun Jiwrajka has been given in the Annexure to this Notice.

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

Item No. 5

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee at its meeting held on 08th July, 2020 the Board has, considered and approved the appointment of M/s. Gurvinder Chopra & Co., Cost Accountants as the Cost Auditor for the financial year 2020-21 at a remuneration of Rs.40,000/- per annum plus applicable service tax and reimbursement of out of pocket expenses.

The Board recommends this resolution for approval of the Members. None of the Directors / Key Managerial Personnel of the Company / their relatives, in any way, is interested or concerned, financially or otherwise, in the resolution.

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

By Order of the Board of Directors
Salora International Ltd.

(Mahak Agarwal)
Company Secretary.

Dated: 08.07.2020
Place: New Delhi

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

Particulars	Shri Tarun Jiwrajka	Shri Paramartha Saikia
Date of Birth (Age)	31.03.1984	15.03.1962
Date of Appointment in the Company	10.11.2011	07.10.2019
DIN No.	00386240	07145770
Qualification	Graduate	Master degree in Economics
Experience	Experience of 9+ years of e-commerce business, marketing, finance and administration.	Experience of more than 25 years in the world of marketing and brand development
Directorship held in other public companies	-	6
Membership/ Chairmanship of committees of other companies	-	1
Relationship with other Directors/ MD/ KMPs	Shri Gopal Sitaram Jiwrajka, Chairman & Managing Director, and Smt. Neetu Jiwrajka, Executive Director	N.A.
Shareholding in the Company	3,72,741	-
Present Remuneration	Rs.24,00,000/-	-
Remuneration Last drawn	Rs.23,96,080/-	-

By Order of the Board of Directors
Salora International Ltd.

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

(Mahak Agarwal)
Company Secretary

Dated: 08.07.2020
Place: New Delhi

STATEMENT PURSUANT TO SCHEDULE V PART II SECTION – II

I) GENERAL INFORMATION									
1. Nature of Industry	<ul style="list-style-type: none"> • Manufacturing of Smart LED / LED TVs, Speakers, Home Theater, Speaker Tower, Mobile Phone charger, battery, Washing machine and Refrigerator • Distribution of IT & Telecom Products • Distribution of Life style Products • Wind Power Generation 								
2. Date or expected date of Commencement of commercial production.	29.11.1968								
3. In case of new company, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable								
4.									
5. Financial performance based on given indicators	<table border="1"> <thead> <tr> <th colspan="2">(Rs. in lacs)</th> </tr> </thead> <tbody> <tr> <td>i. EBITD</td> <td>: (-) 389.87</td> </tr> <tr> <td>ii. PBT</td> <td>: (-) 1,291.13</td> </tr> <tr> <td>iii. PAT</td> <td>: (-) 1,353.97</td> </tr> </tbody> </table>	(Rs. in lacs)		i. EBITD	: (-) 389.87	ii. PBT	: (-) 1,291.13	iii. PAT	: (-) 1,353.97
(Rs. in lacs)									
i. EBITD	: (-) 389.87								
ii. PBT	: (-) 1,291.13								
iii. PAT	: (-) 1,353.97								
6. Foreign investment or collaborations, if any	No foreign collaboration or investment								

Annexure - Notice

II) INFORMATION ABOUT THE APPOINTEE

(A) SHRI PARAMARTHA SAIKIA	
(1) Background details :	Provided in the explanatory statement.
(2) Past remuneration :	N.A.
(3) Recognition or awards :	N.A.
(4) Job profile and his suitability :	Non Executive & Independent Director
(5) Remuneration proposed :	Sitting fee for attending Board & Audit Committee meetings
(6) Comparative remuneration profile with respect to industry	Not Applicable
(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Except holding position of Non Executive & Independent Director, he has no other pecuniary relationship with the Company.
(B) SHRI TARUN JIWARAJKA	
(1) Background details :	Provided in the explanatory statement.
(2) Past remuneration :	Past Remuneration of Shri Tarun Jiwaraajka, Whole Time Director of the company is within the managerial remuneration limit approved by the members earlier.

(3) Recognition or awards :	NIL
(4) Job profile and his suitability :	Shri Tarun Jiwrajka, is taking care of Company Business operations with his rich experience in e-commerce, marketing, finance, and administration. He has been associated with Company from last 9+ years. In view of his varied and vast experience, the Board has bestowed the above responsibilities on him.
(5) Remuneration proposed :	Provided in relevant Resolution in the AGM Notice.
(6) Comparative remuneration profile with respect to industry	The remuneration for the similar position in the industry, having regard to the size of the Company and profile of persons is not less than the proposed remuneration of Shri Tarun Jiwrajka.
(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any	Except for holding position of Whole Time Director and drawing remuneration and as shareholder, he has no other pecuniary relationship with the Company. He is relative of Shri Gopal Sitaram Jiwrajka, Managing Director and Smt. Neetu Jiwrajka, Executive Director.

III) OTHER INFORMATION

(1) Reasons of loss or inadequate profits:	<ol style="list-style-type: none"> 1. Slowing down of economy 2. Intense competition and drop in Pricing of LED TV's 3. End of Wind PPA with Maharashtra State Electricity Board 4. Recall of led sets from market due to component failure 5. Reduction in component business 6. Reversal of provision in deferred tax asset due to change in the rate of income tax and lapse of certain amount of deferred tax asset.
(2) Steps taken or proposed to be taken for improvement	<ol style="list-style-type: none"> 1. Rationalization of cost of operation 2. Reduction in rate of interest 3. Raw material cost optimization to increase margins 4. Increase in consumer durable business by: <ol style="list-style-type: none"> a. Increased production range b. Increase of geography c. launch of own e-commerce portal d. launch of salora branded products on amazon and flipkart
(3) Expected increase in productivity and profits in measurable terms :	Consecutive efforts are being made to improve productivity and profits.

IV DISCLOSURE

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

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;	
(ii) Details of fixed components and performance linked incentives along with the performance criteria	
(iii) Service contracts, notice period, severance fees.	
(iv) Stock option details, if any, and whether the same has been issued at the discount as well as the period over which accrued and over which exercisable.	

By Order of the Board of Directors
Salora International Ltd.

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

(Mahak Agarwal)
Company Secretary

Dated: 08.07.2020
Place: New Delhi

To,

M/s. Skyline Financial Services Pvt. Ltd.
 D-153A, 1st Floor,
 Okhla Industrial Area, Phase – I
 New Delhi – 110 020.

Unit: Salora International Ltd.

Sir,

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

Name of Shareholders			
Folio No.			
PAN (attached self attested copy) First Holder, Second Holder Third Holder	FIRST HOLDER	SECOND HOLDER	THIRD HOLDER
Bank a/c No. (kindly attach name printed cancel cheque / attested copy of pass book)			
Bank Name			
Branch Address			
IFSC No.			
MICR No.			
Email id			
Mobile / Telephone No.			

Name of shareholder(s)	Signature of shareholder(s)
1. _____	1. _____
2. _____	2. _____
3. _____	3. _____

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present 51st Annual Report and Audited Financial Statements for the Financial Year ended 31st March, 2020.

The web address, if any, where annual return referred to in sub-section (3) of section 92 has been placed: www.salora.com

1. FINANCIAL RESULTS

The financial statement of the company has been prepared in accordance with the Indian Accounting Standards ("Ind AS"). A quick view of the financial performance of the Company for the financial year ended 31st March, 2020 along with the performance figures of previous financial years have been tabled below:

Particulars	2019-20	2018-19
Net Sales /Income from Business Operations	16789.70	17516.34
Less: Excise Duty	-	-
Net Sales	16789.70	17516.34
Add: Other Income	105.10	85.48
Increase / (Decrease) in stock	- 689.37	67.03
Total	16205.43	17668.85
Less: Total Expenditure	16600.27	17096.35
Operating Profit	-394.84	572.50
Less: Interest	696.27	702.68
Less: Depreciation & Amortization	200.02	194.93
Profit before exceptional item & tax	(1291.13)	(325.11)
Less: Exceptional Item	-	-
Profit before tax	(1291.13)	(325.11)
Less: Provision for taxes	-	-
Current Tax	-	-
Deferred Tax	(62.84)	(162.74)
Earlier Year: Deferred Tax	-	-
Earlier Year: Income Tax	-	-
Profit / (Loss) after tax	(1353.97)	(487.85)
Other comprehensive income	3.72	(6.89)
Balance carried to Balance Sheet	(1350.25)	(494.74)

2. DIVIDEND

In view of accumulated losses, the Board of Directors has not recommended any dividend this year also.

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

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

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the period under review, the Company has achieved net sales of Rs.167.89 Crore in the current financial year 2019-20 as compared to Rs.175.16 crores in the last financial year.

Company has operating loss of Rs. 394.84 lakhs against the operating profit of Rs. 572.50 lacs incurred during the last financial year.

The year 2019-20 has been an operationally challenging year for the company. The economy was in a downward spiral which led to a slowdown in the demand. This impacted the sales of your company. The onset of Coronavirus in China followed by the impact of this in India in March, 2020 severely impacted the company's operation in Q4.

The Management has made deep analysis of the situation and made necessary changes to its strategy to mitigate the impact of a slowing economy and the impact of COVID-19. We are very hopeful that with the measures being implemented fully, the company can revive growth and return to profit.

Consumer Electronics

This will be the prime activity of the company in the year 20-21. The company will continue to expand more state of the art products to its line up.

LED TV

The company has undertaken a backward integration of assembling the LED Panel which is the most critical component of LED TV's. This leads to cost saving as duty on parts of panel is NIL compared to 10% on the Panel itself. Assembly of the panel in-house also allows us to have greater control on the quality of the product.

The company has started to source local cabinets for 24 and 32 inch sizes which constitute almost 70% of our sales. This will further lead to cost reduction and better inventory management.

The demand for large screen TV's is growing in the country. In line with this growing demand the company launched 50,55,65 inch televisions which have been received well. Company plans to keep expanding its product portfolio in the future.

Large Appliances

The company launched entry level refrigerators last year. The company plans to expand the range to higher size and multi-door refrigerators. This will help us to grow our business in the category.

Washing Machines

The company launched washing machines last year which have been received well in the market. The trend is changing towards washing machines with top lid made of toughened glass. The company plans to launch such models in the upcoming season

Distribution & Trading:

The company has built warehouses in line with Seller Flex Programs of Amazon and Flipkart during the year. We aligned with brands such as JBL, Kent, Eureka Forbes, Marico and Dabur to name a few. Based on our experience during the year, the operations are being rationalized in terms of cost and the brands that we will carry forward. We are hopeful this activity will reap good benefits in the current year.

The trading and export of electronic goods still provides a good opportunity and provides significant revenue to the operations of the company. The company will make all efforts to consolidate this opportunity.

The company will make efforts to expand its geographical distribution as well as look at following initiatives:

- E-Commerce through Company owned portal
- E- distribution to physical channel through App

After sales service is very critical to the success of our consumer electronics business. The company is making technology based solutions available to the consumers to access the services quicker and more easily.

The management of the company is also exploring all the other permissible measures to boost the sale like interest subsidy, Low Cost EMI Facility to its customers.

The company has seen an increased interest in Indian branded telecom products during the COVID-19 situation and also the Anti-China sentiment. Basis the same the company is evaluating the opportunity.

We are confident that all of the above initiatives and actions would lead to a significant improvement in the operating performance of the division in 20-21

Wind Energy

The PPA of the wind energy with MSEB has ended leading to a lower realization per unit of Power generated. The company is looking at various options such as Open access and re-signing of the PPA depending on where higher tariff can be realized. The environment in the power sector is extremely challenging due to limited demand.

5. GLOBAL HEALTH PANDEMIC FROM COVID19

Due to widespread outbreak of Covid-19 and lockdown situation in India, We have been tirelessly working on a multi-pronged prevention, mitigation, adaptation and ongoing support strategy with the government and civil society to beat this pandemic.

We have complied with all the guidelines as formulated/ stipulated from time to time by Ministry of Home Affairs (MHA) and Ministry of Corporate Affairs (MCA) with regard to the maintenance of Social distancing and other safety measures against novel Coronavirus. We have come up with our own product range to beat COVID 19 which include IR thermometer, Safety Mask, Sanitizers & PPE Kits. As a responsible Corporate Citizen we are contributing our bit to support the Government.

6. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED DURING THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred at the end of the financial year of the Company i.e. 31st March, 2020 and the date of Directors' Report i.e. 8th July, 2020.

Further, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operation in future.

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

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in **Annexure-I'**to this report forming an integral part of this report.

8. RESEARCH AND DEVELOPMENT

The information regarding Research & Development as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is provided in **Annexure-I'**to this report forming an integral part of this report.

9. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT OF THE COMPANY

A well defined risk management framework has been put in place to identify, evaluate and assess the potential risk and challenges and determine the process to mitigate and manage the same. Detailed exercise has been carried out to identify, evaluate, manage and monitor the potential risks to the operations of the Company. The Board periodically reviews the risks and suggests steps to be taken to mitigate and manage the same.

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

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

The Section 135 of the Companies Act, 2013 is not applicable on the Company.

11. LOANS, GUARANTEES OR INVESTMENTS

There were no loans, guarantees or investments made by the Company exceeding the limit as specified under Section 186 of the Companies Act, 2013 during the year under review and particulars of loans given, investments made, guarantees given and securities provided under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the purpose for which the loan or guarantee are provided in Note No. 5 & 7 of the financial statement.

12. RELATED PARTY TRANSACTIONS

To comply with the applicable provisions of the Companies Act, 2013, and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and on recommendation of Audit Committee, Board of Directors of the Company adopted a policy to regulate transactions between the Company and its related parties. This policy is available on the company's website at: www.salora.com

All related party transactions entered during the year under review were in ordinary course of business, on Arm's Length Basis and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For transactions which are foreseen and repetitive in nature, omnibus approval of Audit Committee is obtained at the beginning of the financial year. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying in nature, value and terms and conditions of the transactions.

Attention of the members is drawn to the disclosure of Related Party Transactions set out in Note No. 41 of the standalone financial statements forming integral part of this Annual Report.

13. AUDITORS

Statutory Auditors

At the 48th AGM held on 13th September, 2017 the Members approved appointment of M/s. R. Gopal & Associates, Chartered Accountants, (Firm Registration No. No.000846C), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 53rd AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies

(Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. SVR & Co., Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Board at its meeting held on 8th July, 2020, has appointed M/s. SVR & Co. Company Secretaries, in place of M/s. Navneet K Arora and Co.LLP, as Secretarial Auditor, for conducting Secretarial Audit of the Company for financial year 2020-21.

Cost Auditors

Pursuant to Section 148(2) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, Company is required to get its cost accounting records audited by a Cost Auditor.

Accordingly, the Board of Directors of the Company at its meeting held on 8th July, 2020 on the recommendation of the Audit Committee, appointed M/s. Gurvinder Chopra & Co. Cost Accountants to conduct the audit of cost accounting records of the Company for the financial year 2020-21 at a remuneration of Rs.40,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expenses. The remuneration is subject to the ratification of the members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

14. AUDITORS' REPORT

There were no qualifications or reservations or adverse remarks made by the Statutory Auditors of Your Company for the standalone financial statements. However, the auditors have made following Emphasis of Matters:

For Financial Statements-The point –wise Emphasis of Matters made by the Statutory Auditor and Management's response to the Emphasis of Matter made as above is as under:

Emphasis of Matters

Management's response

- | Emphasis of Matters | Management's response |
|--|--|
| i) The Company has inventories as at 31st March 2020 of Rs. 4912.00 lakhs at cost. This includes old inventories under the process of identification of slow moving and non moving against which provision of Rs 262.48 lakhs has been considered on estimation basis. The Company has prepared a road map going forward to reduce the old inventory level on priority. The Company has also been able to sell old inventory subsequent to the balance sheet date. The additional provision if any on inventories shall be accounted for at the time of disposal / realization.. | : The company is making a positive effort to reduce the inventory of ageing stock. The goods are in saleable condition and continuous sale of the same has been observed at prices above cost. There are positive signs of faster sellout of these inventories in the near future. Company expects better sale of this inventory during upcoming festival season. The Company is also expecting sale of these products through e-commerce portals. |
| ii) Contingent liabilities of Rs 5891.57 lakhs related to Sales tax, Excise duty, Service tax and Income tax etc against which amount deposited Rs 868.69 lakhs which are contested by the company and pending before various forums. However management believes that based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable. | : As per the expert's opinion, the company has strong legal opinion in the cases of all the litigation in its favour. Therefore, the management is of the opinion that all the litigation and claim the outcomes are the most likely to be in favour of the company. In respect of said liabilities, The company has appeal to the various authorities/forums/tribunals against the liabilities. |
| iii) The Company has material statutory dues recoverable of Sales tax Rs.302.98 lakhs, Income tax Rs.114.73 lakhs and Modvat Rs.7.82 lakhs have been considered good based on the opinion rendered by consultants. | : The company has strong opinion in the cases of realisation in its favour. The management is of the opinion that all the balances are recoverable and considered good and no provision there against at this stage is considered necessary in the financial statements. |

- iv) Deferred tax assets (net) Rs. 1770.55 lakhs as at 31st March,2020, as the management is confident for realization of the same on the basis of future taxable Income will be available against which deferred tax assets shall be realized. : Though the company has been incurring losses but with the launch of new products and new alliances for distribution business it expects turnaround and return to profitability and accordingly has recognized deferred tax, owing to reasonable certainty of availability of future taxable income to realize such assets.
- v) Pending confirmations / statement of accounts / follow up documents of old debit balances of certain trade payables and advances amounting to Rs 58.30 lakhs have been considered good, as the Management is hopeful of recovery/adjustment of the same. : Company is in the process to reconcile of balances and expect that there will be no material impact on the financial statements.

The observations and comments given by the Auditors in their report read together with notes on financial statements are self explanatory particularly Note No. 47,48,49,50,51 and hence the same to be treated as explanation provided under Section 134 of the Act.

15. SECRETARIAL AUDITORS' REPORT

The Secretarial Auditors' Report contains observation.

M/s Navneet K. Arora & Co. LLP Company Secretaries was appointed as Secretarial Auditor of the Company for the Financial Year 2019-20. The observation of the Secretarial Auditor and the Management reply with respect to it is as follows:

Observation

Labour, Environment & Other following specific applicable Acts / Laws for which Secretarial Audit was conducted as an overview test check basis audit and was generally based / relied upon on the documents provided to us, Management Confirmation Certificate & other Audit

Management's reply

: Company is already in the process to renew the mentioned licence and NOC but somewhere due to COVID-19 pandemic, there is a delay in respective government departments due to shortage of staff.

Report and Certificates given by other Professionals, the Company has complied with the following Acts / Laws applicable to the Company during the audit period **except delay in renewal of factory licence and its associated permissions since 31st December 2019:**

As reported in our Secretarial Audit Report for the financial year 2018-19, the Company was required to transfer 1,11,060 Equity Shares of Rs. 10/- each held by 807 shareholders to IEPF pursuant to Section 124 (6) of the Companies Act, 2013 on 20.08.2016 out of which the Company has requested by initiating Corporate Action Information Form on 22nd October 2019 to CDSL / NSDL to transfer 74,925 Equity Shares of Rs. 10/- each held by 567 shareholders. Further the Company was required to file Form IEPF-4 for transfer of shares to Investor Education Protection Fund during the financial year but has not filed till date.

: The total number of shares transferred was 74,522 equity shares of Rs. 10/- each out of 74,925 equity shares of Rs. 10/- each. The difference of 403 equity shares was because of the rejection by CDSL/NSDL. Further the company has already filed IEPF-4 which was delayed due to the COVID-19 pandemic situation.

Report of the Secretarial Auditors' is furnished in **Annexure-'II'** and is attached to this report.

16. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Board of Directors has adopted a policy on directors' appointment and remuneration including criteria for determining qualification, positive attributes and independence of the directors and other matters as per sub-section (3) of Section 178 of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, forming integral part of this report under Nomination and Remuneration Committee section.

17. COMPANY'S POLICY ON PREVENTION OF INSIDER TRADING

In Terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company framed (a) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and (b) Code of Fair Disclosure (c) Code of Practice & Procedure for fair disclosure of unpublished price sensitive information. The Company's Code, inter alia, prohibits dealing in the shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods.

18. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in MGT- 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is provided in **Annexure-'III'** to this Report forming an integral part of this report.

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

Following are the meetings of the Board of directors which were held during the financial year under review with a gap of statutory time limit provided under the Companies Act, 2013 and SEBI (Listing Obligations & Listing Requirements) Regulations, 2015.

Members of the Board duly met on following certain dates;

- 1st Board Meeting 15th April, 2019
- 2nd Board Meeting, 25th May, 2019,
- 3rd Board Meeting 9th August, 2019
- 4th Board Meeting 7th October, 2019
- 5th Board Meeting 13th November, 2019
- 6th Board Meeting 12th February, 2020

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the directors to the best of their knowledge and ability confirm that:

- a. in preparation of the annual accounts, applicable accounting standards "IND AS" have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and 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 at the end of financial year and of the profit / (loss) of the company for that period;
- c. the directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared annual accounts on a going concern basis;
- e. the directors have laid down proper internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31st March, 2020 and date of Board Meeting i.e. 8th July, 2020 there is no subsidiary of the Company.

The Company has no joint venture / associate company.

22. DEPOSITS

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

23. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Gautam Khaitan, resigned from the office of Non Executive Independent Director w.e.f. 8th July, 2019

Shri Paramartha Saikia, was appointed as Additional Director in the category of Non Executive Independent Director w.e.f. 7th October, 2019.

Ms. Silky Gupta, resigned from the post of Company Secretary & Compliance Officer of the Company w.e.f. 06.01.2020

24. DECLARATION OF INDEPENDENT DIRECTORS

All Independent Directors have submitted declarations confirming that they meet the criteria of independence, as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent Directors have also confirmed compliance with the Company's code of conduct during the financial year 2019-20.

25. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

The Audit Committee consists of the following members:

- 1) Shri Karna Singh Mehta, Chairman
- 2) Shri Sanjeev Kaul Duggal, Member
- 3) Smt. Neetu Jiwrajka, Member

The above composition of the Audit Committee consists of two independent directors and one executive director (promoter's group).

Shri Gautam Khaitan resigned from membership of the committee w.e.f. 08.07.2019

26. VIGIL MECHANISM

The Company has in place a Whistle Blower Policy which provides a mechanism for employees / Board Members and others to raise good faith concerns about violation of any applicable laws / Code of Conduct of the Company, gross wastage or misappropriation of funds, substantial or specific danger to public health and safety, abuse of authority or unethical behavior and to protect the individuals who take such action from retaliation or any threat of retaliation and also provides for direct access to the Chairman of the Audit Committee. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time.

The Whistle Blowers are not denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy are given in the Report on Corporate Governance and are also available on the Company's website at: www.salora.com

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

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

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

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

28. SHARE CAPITAL

The Equity Shares of the Company are listed at BSE Ltd. (BSE) and listing fees for the Financial Year 2020-21 have been paid to Stock Exchange.

29. DEMATERIALISATION

Trading of Equity Shares of the Company in dematerialized form is compulsory for all shareholders w.e.f. 28.08.2000 in terms of the Notification issued by SEBI. The Company has achieved higher level of dematerialization with 98.90% of the total number of Equity Shares being held in the electronic mode with two depositories (NSDL & CDSL).

30. PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in **Annexure-V** forming part of this Report.

31. CORPORATE GOVERNANCE REPORT

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this Annual Report is annexed as **Annexure-VI**. A certificate from M/s. SVR & Co., Company Secretaries (COP No.14600) confirming the compliance of Corporate Governance is given in **Annexure-VII** forming part of this Annual Report.

32. MANAGEMENT DISCUSSION AND ANALYSIS

As per Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, a separate section on Management Discussion and Analysis is set out in the **Annexure-VIII** forming part of this Report.

33. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

Adequate internal control systems, commensurate with size, scale and complexity of company's operations have been put in place to ensure compliance with policies and procedures. The Company has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The internal control mechanism comprises a well-defined organization, which undertakes time bound audits and reports its findings to the Audit Committee, documents policy guidelines

and determines authority level and processes. The Audit Committee regularly reviews the systems and operations to ensure their effectiveness and implementation.

The Internal Auditors and Statutory Auditors regularly attend Audit Committee meetings and convey their views on the adequacy of internal control systems as well as financial disclosures. The Audit Committee is briefed about corrective actions taken by the management on the audit observations. The Audit scope is regularly reviewed by the Audit Committee for enhancement / modification of scope and coverage of specific areas. The Statutory Auditors review the internal financial controls periodically.

34. EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

The Board has carried out performance evaluation of itself, its committees, and each of the Directors (without participation of the concerned director). Independent Directors collectively evaluated the Board's performance, performance of the Chairman and other executive directors. The Nomination and Remuneration Committee also reviewed the performance of the Board of Directors and its Committees.

The performance evaluation concluded on the note that each of the individual directors, Committees and the Board as a whole, were performing efficiently and effectively and shared a common vision to turn organization goals into reality.

35. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for support and cooperation, which the Company continues to receive from its employees, customers, vendors, investors and academic partners, Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

The Directors also commend the continuing commitment and dedication of the employees at all levels, which has been critical for the Company's success. The Directors look forward to their continued support in future.

For and on behalf of the Board
Salora International Ltd.

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

Date: 08.07.2020
Place: New Delhi

Annexure-'I'

STATEMENT CONTAINING PARTICULARS PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY

- (a) THE STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY : The Company has taken appropriate steps for conservation of energy by using energy efficient equipments i.e. LED lights in the factory and surroundings. Company is also creating awareness at the employee level for conservation of energy.
- (b) THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY : The Company is evaluating the deployment of roof solar panels at its factory in Noida.
- (c) THE CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS : N.A.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

- (a) THE EFFORTS MADE IN TECHNOLOGY ABSORPTION

Research and Development (R&D)

LED TV:

(a) Company has developed and launched a range of 4k resolution Ultra High Definition LED TV's for sizes above 50 inches. These TV's are equipped with state of the art features including special Double Prim's technology to enhance the Display brightness and resolution.

(b) Company developed LED TV with frameless design in line with product range of Leading brands

(c) Company developed a full range of Smart TV's based on Android platform in line with growing market requirement for Smart Televisions.

The increased focus on manufacturing in India creates jobs for a large number of skilled and unskilled workforce and also helps in reducing input costs.

Home appliances:

Company has launched a range of Washing Machines and Refrigerators during the year. It hopes to further develop the product range in line with market requirements.

- (b) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION

- (a) Increased portfolio of Smart LED TV models, for deep penetration into the market.
- (b) Technology at par with the market.
- (c) Better control of quality.
- (d) Cost effectiveness and reduced dependence on the import.

- (c) IN CASE OF IMPORTED : N.A.
TECHNOLOGY (IMPORTED
DURING THE LAST THREE
YEARS RECKONED FROM THE
BEGINNING OF THE
FINANCIAL YEAR)

i) the details of technology imported

ii) the year of import

iii) whether the technology been fully absorbed

iv) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof

- (d) THE EXPENDITURE INCURRED ON RESEARCH & DEVELOPMENT:

	(Rs. in lacs)	
	2019-20	2018-19
	-----	-----
(a) Capital	--	--
(b) Recurring	0.11	0.24
Total	0.11	0.24
	===	===

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.

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

TOTAL FOREIGN EXCHANGE USED AND EARNED :

	(Rs. in lacs)	
	2019-20	2018-19
	-----	-----
Foreign Exchange used	394.02	624.51
Foreign Exchange earned	---	---

For and on behalf of the Board
Salora International Ltd.

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

Date: 08.07.2020
Place: New Delhi

Annexure-II

Secretarial Audit Report **[For the Financial Year ended on 31st March 2020]**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SALORA INTERNATIONAL LIMITED
Regd. Office: D- 13/4, Okhla Industrial Area
Phase II, New Delhi- 110020

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SALORA INTERNATIONAL LIMITED (CIN No. L74899DL1968PLC004962)**(hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion there on.

Based on our verification of the **SALORA INTERNATIONAL LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance -Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on **31st March 2020** according to the provisions of:

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **The Company was not engaged in the activities relating to Registrar to a issue and also not acting as Share Transfer Agent hence the said Regulations were not applicable to the Company during the audit period.**
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- The Board in its Meeting held on 09th March, 2019 decided for Voluntary Delisting of Equity Share from the National Stock Exchange of India Limited (NSE) without giving exist opportunity to the shareholders as per Regulation 6 and 7 of Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009. NSE vide its Reference No.- NSE/LIST/78155 dated 03rd April, 2019 passed the order for withdrawn (delisted) of security of the Company w.e.f 25th April, 2019 subject to the following conditions-
 - a. The company will redress the investors' grievances (if any) for a minimum period of one year from the date of delisting.
 - b. The company will disclose the fact of delisting in the first annual report prepared after the delisting.

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

(vi) Labour, Environment & Other following specific applicable Acts / Laws for which Secretarial Audit was conducted as an overview test check basis audit and was generally based / relied upon on the documents provided to us, Management Confirmation Certificate & other Audit Report and Certificates given by other Professionals, the Company has complied with the following Acts / Laws applicable to the Company during the audit period **except delay in renewal of factory licence and its associated permissions since 31st December 2019:**

- a. The Employees State Insurance Act 1948 and The Employees State Insurance (General) Regulation, 1950 and The Employees State Insurance Rules, 1950.
- b. The Employees Provident Fund & Miscellaneous Provisions Act 1952 & The Employees Deposit-Linked Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952.
- c. The Payment of Bonus Act 1965 and the Payment of Bonus Rules. 1975.
- d. The Payment of Gratuity Act 1972 and the Payment of Gratuity (Central) Rules, 1972.
- e. The Workmen's Compensation Act 1923 & The Workmen's Compensation Rules, 1924.
- f. Minimum Wages Act 1948 & Minimum Wages (Central) Rules, 1950.
- g. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013.
- h. The Maternity Benefit Act 1961 and the Maternity Benefit Rules, 1963.
- i. Environment (Protection) Act 1986 read with The Environment (Protection) Rules 1986 & Hazardous Waste (Management Handling & Transboundary Movement) Rules 2008 and other Environment Laws.
- j. The Explosives Act, 1884 and Gas Cylinder Rules, 2004.
- k. The Electricity Act, 2003 and the Electricity Rules, 1956.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 in respect listing of securities with BSE Limited and National Stock Exchange of India Limited.

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

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

- ***As reported in our Secretarial Audit Report for the financial year 2018-19, the Company was required to transfer 1,11,060 Equity Shares of Rs. 10/- each held by 807 shareholders to IEPF pursuant to Section 124 (6) of the Companies Act, 2013 on 20.08.2016 out of which the Company has requested by initiating Corporate Action Information Form on 22nd October 2019 to CDSL / NSDL to transfer 74,925 Equity Shares of Rs. 10/- each held by 567 shareholders. Further the Company was required to file Form IEPF-4 for transfer of shares to Investor Education Protection Fund during the financial year but has not filed till date.***

We further report that:

- 1) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- 2) Adequate notice is given to all the directors to schedule the Board Meetings atleast seven days in advance and agenda and detailed notes on agenda were also sent in advance to all the directors subsequently, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) All the decisions were carried unanimously as evident from the minutes of the meeting of the board and other committees recorded and duly signed by the chairman, there were no dissenting members' views during the audit period and therefore dissenting members' views are not required to be captured and recorded as part of the minutes.
- 4) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act 2013, Depositories Act and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- 5) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and

operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

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

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

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

**CS Navneet Arora
Managing Partner
FCS: 3214, COP: 3005
UDIN: F003214B000590781
Place: New Delhi**

Date: 18th August, 2020

[Note: This report is to be read with our letter of even date which is annexed as “Annexure-A” and forms an integral part of this report. The Draft Report was given to the Company on 8th July 2020, subsequently UDIN was generated and signed report issued on 18th August 2020]

Annexure –“A”

To,
The Members,
SALORA INTERNATIONAL LIMITED
Regd. Office: D- 13/4, Okhla Industrial Area
Phase II, New Delhi- 110020

Our report of even date is to be read along with this letter as under:

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Navneet K Arora & Co LLP
Company Secretaries

CS Navneet Arora
Managing Partner
FCS: 3214, COP: 3005
UDIN: F003214B000590781
Place: New Delhi
Date: 18th August 2020

FORM No. MGT-9**EXTRACT OF ANNUAL RETURN**
as on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L74899DL1968PLC004962
Registration Date	29.11.1968
Name of the Company	Salora International Limited
Category/ Sub-Category of the Company	Public Limited Company
Address of the Registered office	D-13/4 Okhla, Industrial Area, Phase-II, New Delhi-110020
Contact Details	Ph: +91-11-40552341 Email: sect@salora.com
Whether Listed Company Yes/No	YES, Listed on BSE Ltd.
Registrar and Transfer Agent (RTA)	Skyline Financial Services Private Limited
Address of RTA	D-153A, 1 st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Contact Details of RTA	011 – 26812682-83

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of Main Products/Services	NIC Code of the Product /Service	% to total turnover of the Company
1.	Manufacturing of LED TVs, CRT TVs its Component and Mobile Phones & accessories, Home Theatre	26401	10 %
2.	Distribution of IT & Telecom Products	46524	90%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANY(IES) – N.A.**SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

A) Category-wise Share holding		Shares held at beginning of the year				Shares held at the end of the year				% Change during the Year
S.N o.	Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
1	Indian									
a)	Individual /HUF	5317237	0	5317237	60.37	5317237	0	5317237	60.37	0.00
b)	Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00

SALORA INTERNATIONAL LIMITED
ANNUAL REPORT 2019-20

Annexure - Director's Report

c)	State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d)	Bodies Corporate	558929	0	558929	6.35	558929	0	558929	6.35	0.00
e)	Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(1)	5876166	0	5876166	66.72	5876166	0	5876166	66.72	0.00
2	Foreign									
a)	NRI Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b)	Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d)	Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Share holding of Promoters(A)	5876166	0	5876166	66.72	5876166	0	5876166	66.72	0.00
B	Public Shareholding									
1	Institutions									
a)	Mutual Funds	0	400	400	0.00	0	400	400	0.00	0.00
b)	Banks/FI	0	100	100	0.00	0	100	100	0.00	0.00
c)	Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d)	State Government	0	0	0	0.00	0	0	0	0.00	0.00
e)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g)	FIs	0	200	200	0.00	0	100	100	0.00	0.00
h)	Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
i)	Any Other	0	0	0	0.00	0	100	100	0.00	0.00
j)	Any Other Foreign	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	0	700	700	0.01	0	600	600	0.01	0.00
2	Non-Institutions									
a)	Bodies Corporate									
1)	Indian	429729	4701	434430	4.93	973424	3700	977124	11.09	6.16
2)	Overseas	175	0	175	0.00	175	0	175	0.00	0.00
b)	Individuals									
1)	Individual shares holders having nominal share capital up to Rs. 1,00,000	899139	149933	1049072	11.91	901561	92699	994260	11.29	-0.62

2)	Individual shares holders having nominal share capital Excess of Rs. 1,00,000	342331	0	342331	3.89	510866	0	510866	5.80	1.91
c)	Others									
a)	HUF	38959	0	38959	0.44	44326	0	44326	0.50	0.06
b)	Non Resident Indian	327281	0	327281	3.72	329261	0	329261	3.74	0.02
c)	Foreign National	0	0	0	0.00	0	0	0	0	0
d)	Clearing Members	738186	0	738186	8.38	0	0	0	0	-8.38
e)	Trust	0	0	0	0.00	0	0			
e)	Foreign Bodies-DR	0	0	0	0.00	0	0			
f)	NBFC Registered With RBI	0	0	0	0.00	0	0			
	Sub-Total (B)(2)	2775800	154634	2930434	33.27	2759613	96399	2856012	32.43	-0.84
	Total Public Shareholding (B)	2775800	154634	2931134	33.28	2759613	96399	2856012	32.43	-0.85
C)	Shares Held By Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
D)	IEPF	0	0	0	0	74522	0	74522	0.85	0.85
	Grand Total	8651966	155334	8807300	100.00	8710301	96999	8807300	100.00	0.00

ii) Shareholding of Promoters

S. No	Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year i.e. 31 st March, 2020			% change in share holding during the year
		No. of shares	% of shares of the Company	% of Shares pledge / encumbered to total shares	No. of shares	% of shares of the Com.	% of shares pledge / encumbered to total shares	
1.	Shri Gopal Sitaram Jiwarajka	2339011	26.56	Nil	2339011	26.56	Nil	0.00
2.	Gopal Jiwarajka (HUF)	1498988	17.02	Nil	1498988	17.02	Nil	0.00
3.	Smt. Neetu Jiwarajka	731410	8.30	Nil	731410	8.30	Nil	0.00
4.	Shri Tarun Jiwarajka	372741	4.23	Nil	372741	4.23	Nil	0.00
5.	Shri Ayush Jiwarajka	375087	4.26	Nil	375087	4.26	Nil	0.00
6.	Manori Properties Pvt. Ltd.	558929	6.35	Nil	558929	6.35	Nil	0.00
	Total	5876166	66.72	Nil	5876166	66.72	Nil	0.00

iii) **Change in Promoters' Shareholding (please specify, if there is no change):**
There is no change in Promoters' Shareholding recorded during the financial year.

iv) **Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Raviraj Developers Ltd. (IN30292710132151)	0.00	0.00	369051	4.19
2.	Sujay Ajitkumar Hamlai (IN30216410418110)	250000	2.84	250000	2.84
3.	New Millenium Technology Management Ltd. (1203330000287126)	203941	2.32	203941	2.32
4.	JM Financial Services Ltd. (IN30292710000038)	737830	8.38	148239	1.68
5.	Globe Fincap Limited (IN30096610496350)	104047	1.18	104047	1.18
6.	Tejash Finstock Pvt. Ltd. (IN30292710132819)	0.00	0.00	87278	0.99
7.	Mahendra Girdharilal (IN30045010599444)	40003	0.45	84301	0.96
8.	Businessmatch Services (India) Private Limited (1201220000066304)	0.00	0.00	56862	0.65
9.	Sachin Srinivas Sawrikar (IN30115122444767)	45892	0.52	45892	0.52
10.	Ashish Chugh (1204980000229481)	40007	0.45	40007	0.45

*List of top 10 shareholders is taken according to data available as on March 31st, 2020. The shares of the Company are traded on a daily basis and hence date wise increase/ decrease in shareholding is not indicated.

v) Shareholding of Directors and Key Managerial Personnel

S. No.	For each of the Director and KMP	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Gopal Sitaram Jiwrajka, Chairman & Managing Director				
	At the beginning of the year	2339011	26.56	2339011	26.56
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	2339011	26.56
2.	Tarun Jiwrajka, Whole Time Director & CFO				
	At the beginning of the year	372741	4.23	372741	4.23
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity	--	--	--	--

	etc.)				
	At the end of the year (or the date of separation, if separated during the year)	--	--	372741	4.23
3.	Neetu Jiwrajka, Executive Director				
	At the beginning of the year	731410	8.30	731410	8.30
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	731410	8.30

vi) INDEBTEDNESS

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

(Rs./lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness	
Indebtedness at the beginning of the financial Year					
i)	Principal Amount	21.33	1387.00	-	1408.33
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	0.16	101.03	-	101.19
	Total (i + ii + iii)	21.49	1488.03	-	1509.52
Change in Indebtedness during the financial year					
	• Addition	-	2068.15	-	2068.15
	• Reduction	-8.07	-1739.82	-	-1747.89
	Net Change	-8.07	328.33	-	320.26
Indebtedness at the end of the financial year					
i)	Principal Amount	13.26	1715.33	-	1728.59
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	0.11	95.64	-	95.75
	Total (i + ii + iii)	13.37	1810.97	-	1824.34

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD/WTD/ED/Manager			Total Amount
		Shri Gopal Sitaram Jiwrajka (MD)	Shri Tarun Jiwrajka (WTD)	Smt. Neetu Jiwrajka (ED)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Sec.17(1) of the Income Tax Act, 1961	617954	2396080	700401	3714435
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-	-
2.	Stock Option	0.00	0.00	0.00	0.00
3.	Sweat Equity	0.00	0.00	0.00	0.00
4.	Commission	0.00	0.00	0.00	0.00
	- as % of Profit				

	- others, specify				
5.	Others, please specify	0.00	0.00	0.00	0.00
	Total (A)	617954	2396080	700401	3714435
	Ceiling as per the Act (Pursuant to the Section II Part II of Schedule V of the Companies Act, 2013 and with the consent of Shareholders through Special Resolution)	12000000	2400000	720000	15120000

B. Remuneration to Independent Directors:

S. No.	Particulars of remuneration	Name of directors			Total amount (Rs.)
		Shri Karna Singh Mehta	Shri Sanjeev Kaul Duggal	Shri Gautam Khaitan*	
1.	• Fees for attending Board / Committee Meetings	100000	70000	20000	190000
2.	• Commission	-	-	-	-
3.	• Others, Please specify	-	-	-	-
	Total :	100000	70000	20000	190000

*resigned from office of Independent & Non Executive Director w.e.f. 08.07.2019

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

S. No.	Particulars of remuneration	Key Managerial Personnel		Total (Rs.)
		Ms. Deepika*	Ms. Silky Gupta, CS**	
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	41039	319144	360183
	b) Value of perquisites U/S 17(2) Income Tax Act, 1961	-	-	-
	c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of Profit	-	-	-
	- Others	-	-	-
5.	Others, Please specify	-	-	-
	Total	41039	319144	360183

*Appointed on 25.02.2020

**Resigned from the office of Company Secretary w.e.f. 06.01.2020

viii) PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended 31st March, 2020.

For and on behalf of the Board
Salora International Ltd.

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

Date: 08.07.2020
Place: New Delhi

Annexure-'IV'**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures**Part "A": Subsidiaries**

(Information in respect of subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1	Name of the subsidiary	No subsidiary
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March, 2020
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	
5	Reserves & surplus	
6	Total assets	
7	Total Liabilities	
8	Investments	
9	Turnover	
10	Profit before taxation	
11	Provision for taxation	
12	Profit after taxation	
13	Proposed Dividend	
14	% of shareholding	

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures – Company doesn't have any Associate or Joint Venture Company during the reporting period.

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

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN:00024325

Tarun Jiwrajka
Whole Time Director & CFO
DIN:00386240

Dated: 08.07.2020
Place: New Delhi

Mahak Agarwal
Company Secretary

(THIS REPORT FORMS PART OF DIRECTORS' REPORT)

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sr. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Name of the Director	Ratio
		Shri Gopal Sitaram Jiwrajka, MD	52.92%
		Smt. Neetu Jiwrajka, ED	3.12%
		Shri Tarun Jiwrajka, WTD	11.76%
		1) For the purpose, sitting Fees paid to the directors have not been considered as remuneration. 2) Figures have been rounded off wherever necessary.	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year.	Shri Gopal Sitaram Jiwrajka-MD	N.A.
		Smt. Neetu Jiwrajka, ED	N.A.
		Shri Tarun Jiwrajka, WTD & CFO	N.A.
3.	The percentage increase in the median remuneration of employees in the financial year	Nil* *Due to decrease in number of employees in comparison to previous FY, the increase in median remuneration can't be ascertained.	
4.	The number of permanent employees on the rolls of company	There were 98 employees as on March 31, 2020.	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There is no average increase recorded in remuneration for Employees other than Managerial Personnel during the period under review. Further, average managerial remuneration was showing an increment due to resignation and appointment of new Key Managerial Personnel. This revision is in line with factors outlined in Remuneration Policy of the Company. Other than this, there are no any other exceptional circumstances for increase in the managerial remuneration.	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.	

General Note:

- Profit of the Company is calculated as per Section 198 of the Companies Act, 2013
- Managerial Personnel includes Chairman and Managing Director, Whole Time Director, Executive Director and Key Managerial Personnel.

Annexure-‘VI’

CORPORATE GOVERNANCE REPORT

This report has been prepared in compliance with requirements stipulated under Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company believes in best corporate governance practice.

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company’s philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, vendors, investors, customers, employees and the society at large. Good corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company has a strong legacy of fair, transparent and ethical governance practices. The company has adopted a Code of Conduct for its Managing Director, Executive Directors and Employees. In addition the Company has adopted a Code of Conduct for its Non-Executive & Independent Directors which suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 (“Act”).

The Company’s corporate governance strengthened through Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices (“Insider Trading Code”). The Company is compliant with the latest provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

BOARD OF DIRECTORS

COMPOSITION

- i. As on March 31, 2020, the Company has six (6) directors including one women director. Out of six, three directors are Non-executive and Independent. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013.

S. No.	Name	Designation/ Category
1.	Shri Gopal Sitaram Jiwrajka (DIN 00024325)	Chairman & Managing Director (Promoter & Executive Director)
2.	Shri Tarun Jiwrajka (DIN 00386240)	Whole Time Director & CFO (Promoter & Executive Director)
3.	Smt. Neetu Jiwrajka (DIN:00025570)	Executive Director (Promoter & Executive Director)
4.	Shri Sanjeev Kaul Duggal (DIN 00004977)	Non Executive & Independent Director (Member Audit Committee)
5.	Shri Kama Singh Mehta (DIN 00128166)	Non Executive & Independent Director (Chairman Audit Committee)
6.	Shri Paramartha Saikia (DIN 07145770)	Additional Director (Non Executive & Independent)

As required under the Companies Act, 2013, two directors are liable to retire by rotation and, if eligible, seek re-appointment at the AGM of Company. At the ensuing AGM, Shri Tarun Jiwrajka, is liable to retire by rotation and being eligible, offers himself for re-appointment. The Board has recommended for his re-appointment.

- ii. None of the Company’s directors hold directorship in more than ten public companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he or she is a director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2020 have been made by the Directors. None of directors are related to each other except Shri Gopal Sitaram Jiwrajka, Smt. Neetu Jiwrajka and Shri Tarun Jiwrajka.

- iii. All Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act. The maximum tenure of independent directors is in compliance with the Act. All Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act.
- iv. Six Board meetings were held during the year i.e. on 15th April, 2019, 25th May, 2019, 9th August, 2019, 7th October, 2019, 13th November, 2019 and 12th February, 2020. The directors attending the meeting actively participated in the deliberations at these meetings. The intervening gap between any two meetings was within the period as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The necessary quorum was present for all the meetings.

DETAILS OF EXECUTIVE DIRECTORS

Shri Gopal Sitaram Jiwrajka, is Chairman & Managing Director of the Company. He is a commerce graduate from University of Bombay. He possesses over 30 years of experience across the fields of manufacturing, marketing and consumer goods. He serves as a director of PHD Chamber of Commerce and Industry, New Delhi. He serves as an independent director of Lemon Tree Hotels Ltd., New Delhi. He is also having in depth knowledge of Indian market conditions for business of consumer electronics, telecom and IT products.

Shri Tarun Jiwrajka, is Whole Time Director & CFO of the Company. He is a graduate from Indiana University, Bloomington and possesses rich experience of e-commerce business, marketing, finance and administration. He has been re-appointed by the Board on 13th November, 2019 for a further period of five years, subject to approval of the shareholders. He is liable to retire by rotation.

Smt. Neetu Jiwrajka, is Executive Director. She is associated with the Company since 4th July, 2008 as Director - Business Development. She is looking after products portfolio and business in Life Style Division of the Company. She is also liable to retire by rotation.

Including business, as of now, she also overlooking the philanthropically activities of Company's established trust named "Uttarayan", in Nebsarai, New Delhi to empower and welfare for children and women.

DETAILS OF NON-EXECUTIVE INDEPENDENT DIRECTORS

Shri Sanjeev Kaul Duggal, is Independent & Non Executive Director of the Company. He is the founder & CEO of Centum Learning Limited, an Indian Multinational Training & Skills Company with operations in over 19 countries. He is the winner of Udyog Rattan Award of Institute of Economic Studies & Award for "Creating Corporate Advantage in Global Economy" of Delhi School of Economics.

Shri Karna Singh Mehta, is also Independent & Non Executive Director of the Company. He is a Chartered Accountant by profession and is spearheading head of M/s. S.S. Kothari Mehta & Co., Chartered Accountants. He has specialization in Corporate Financial Planning & Corporate Restructuring, Project Financing, Business Valuation, etc. He has been a re-known professional in the recent past and headed important position, like director of SEBI, National Stock Exchange, President of PHD Chamber of Commerce and Industry, Delhi. Shri Mehta has a wide exposure to industry in his capacity as director of some leading companies in the corporate sector.

Shri Paramartha Saikia, has been appointed as an Additional director in the category of Independent & Non Executive by the Board of Directors of the Company at its meeting held on 07.10.2019. Shri Paramartha Saikia holds Master degree in Economics from University of Delhi and has more than 25 years in the world of marketing and brand development. He served as Chief Executive Officer (CEO) of J. Walter Thomson Sdn. Bhd., Malaysia. He also served as CEO of IRIS India and CEO of Publicis India and on the management board of McCann Erickson, Grey and EURO RSCG.

BOARD MEETING ATTENDANCE:

S. No.	Name	No. of Board Meeting attended	Attendance at the Last AGM
1.	Shri Gopal Sitaram Jiwarajka	6	Yes
2.	Shri Tarun Jiwarajka	6	Yes
3.	Shri Gautam Khaitan*	1	No
4.	Shri Sanjeev Kaul Duggal	5	No
5.	Smt. Neetu Jiwarajka	5	Yes
6.	Shri Karna Singh Mehta	6	Yes
7.	Shri Paramartha Saikia**	1	No

*resigned w.e.f. 08.07.2019

**appointed on 07.10.2019

DETAIL OF CHAIRMANSHIP / DIRECTORSHIP / COMMITTEE MEMBERSHIP IN OTHER COMPANIES

Name of Director	Category	Number of Directorship in other companies		Number of mandatory Committee Memberships in other Public companies	
		Chairman	Member	Chairman	Member
Shri Gopal Sitaram Jiwarajka	Executive & Promoter	-	4	-	-
Shri Tarun Jiwarajka	Executive & Promoter	-	2	-	-
Smt. Neetu Jiwarajka	Executive & Promoter	-	3	-	-
Shri Sanjeev Kaul Duggal	Non Executive & Independent	-	4	-	-
Shri Karna Singh Mehta	Non Executive & Independent	-	-	-	-
Shri Paramartha Saikia	Additional - Non Executive & Independent	-	6	-	1

INDEPENDENT DIRECTORS MEETING

During the year a meeting of Independent Directors was held on 12.02.2020. The Independent Directors, inter-alia, have reviewed the following items as required under Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

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

DISCLOSURES / POLICIES

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

Apart from those, the Company has formulated Mandatory Policies and Code of Conducts to provide better means to the existence of corporate governance in its operations. Following policies/ guidelines are available on Company's website: www.salora.com -

- 1) Code of Conduct for the Board of Directors, KMPs and employees of the Company as per provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
- 2) Code of Conduct and Procedures for fair disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015;
- 3) Nomination & Remuneration Policy
- 4) Related Party Transaction Policy
- 5) Whistle Blower Policy and Vigil Mechanism
- 6) Policy for Determining Material Subsidiary
- 7) Policy for Board Diversity
- 8) Terms and Conditions of appointment of Non-executive & Independent Directors
- 9) Archival Policy under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
- 10) Familiarisation Programme for Independent Directors
- 11) Policy on preservation of Books of Accounts
- 12) Composition of Committees
- 13) Anti Sexual Harassment Policy for protection of women workers at work place.

BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted as per the requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. The minutes of the meetings of all committees are placed before the Board for review. The Board Committees requires special invitees to join the meeting, as and when considered appropriate.

AUDIT COMMITTEE

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.

Currently, Audit Committee comprises of three directors, namely Shri Karna Singh Mehta, Shri Sanjeev Kaul Duggal and Smt. Neetu Jiwarajka. Shri Karna Singh Mehta, Shri Sanjeev Kaul Duggal are Independent Directors and Smt. Neetu Jiwarajka is executive director (Promoter group). Shri Karna Singh Mehta is chairman of the Committee. Shri Gautam Khaitan resigned from the Board and its committees w.e.f. 08.07.2019

Terms of reference -

- Oversight of financial reporting process
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
- Evaluation of internal financial controls and risk management systems.
- Recommendation for appointment, remuneration and terms of appointment of Statutory auditors, Internal Auditor, Secretarial Auditor and Cost Auditor of the company
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

Other details -

- Five meetings of the Audit Committee were held during the year i.e. on 15.04.2019, 25th May, 2019, 9th August, 2019, 13th November, 2019 and 12th February, 2020 and gap between two meetings did not exceed one hundred and twenty days.
- Committee invites such of the executives particularly CFO and GM finance & accounts functions, representatives of statutory auditors and internal auditors, as it considers appropriate, to be present at its meetings.
- The previous AGM of the Company held on 28.09.2019, was attended by Shri Karna Singh Mehta, Chairman of the Audit Committee.
- The Company Secretary acts as the Secretary to the Audit Committee.

The details of member's attendance at the Audit Committee Meetings during the financial year are as under:

Names	No. of Meeting attended
Shri Karna Singh Mehta	5
Shri Gautam Khaitan*	1
Shri Sanjeev Kaul Duggal	4
Smt. Neetu Jiwarajka	2

*resigned from the membership of the Committee w.e.f. 08.07.2019

The meetings of Audit Committee are also attended by the Chief Financial Officer, representative of Statutory Auditors and Internal Auditors, G.M. (Fin & Accounts) as special invitees.

NOMINATION AND REMUNERATION COMMITTEE

Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.

Terms of references

- Recommend to the Board its composition and the set up and composition of the committees.
- Recommend to the Board the appointment / re-appointment of Directors and Key Managerial Personnel.
- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.
- Recommend to the Board the remuneration policy for directors, executive team, Key Managerial Personnel, as well as the rest of employees.
- Oversee the Human Resource philosophy, Human Resource and people strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning.
- Oversee familiarisation programme for directors.

Currently, the Committee comprises of three directors; namely -

- (1) Shri Sanjeev Kaul Duggal, Chairman
- (2) Shri Karna Singh Mehta, Member
- (3) Shri Gopal Sitaram Jiwarajka, Member

Shri Gautam Khaitan resigned from the membership of committee w.e.f. 08.07.2019

The committee meets periodically as and when required. During the year under review, the Committee met on 07.10.2019.

The member's attendance at the Nomination and Remuneration Committee Meetings during the financial year 2019-20 is as follows:

Names	No. of Meeting attended
Shri Sanjeev Kaul Duggal	1
Shri Karna Singh Mehta	1
Shri Gopal Sitaram Jiwarajka	1

The Company Secretary is the secretary to the committee.

NOMINATION & REMUNERATION POLICY & CRITERIA FOR PERFORMANCE EVALUATION

The Board had framed Nomination and Remuneration Policy, which is in line with the existing industry practice and applicable laws. The Remuneration policy of the Company is available on the company's website: www.salora.com

APPOINTMENT CRITERIA AND QUALIFICATIONS

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Executive Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

TERM / TENURE

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

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) INDEPENDENT DIRECTORS

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

The number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

REMOVAL

Committee may recommend removal of any Director, KMP or Senior Management Personnel to the Board for any disqualification mentioned in the Companies Act, 2013 or under any other applicable act, rules and regulations made thereunder, with the reasons recorded in writing, subject to the provisions and compliance of the said Act, rules and regulations.

DETAILS OF FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The detailed programme for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the company's website: [http://salora.com/pdf/Familiarisation Programme for Independent Director.pdf](http://salora.com/pdf/Familiarisation_Programme_for_Independent_Director.pdf)

DETAILS OF REMUNERATION PAID TO DIRECTORS

Shri Gopal Sitaram Jiwrajka, Shri Tarun Jiwrajka and Smt. Neetu Jiwrajka, are executive directors of the Company. The remuneration payable to them is determined by the Board on the recommendation of Nomination & Remuneration Committee and subject to approval of the shareholders at the Annual General Meeting and that of the Central Government and such other authorities as may be necessary. Details of remuneration paid to the executive directors are given under MGT-9 attached as **Annexure 'III'**.

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

DETAILS OF SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS DURING THE FINANCIAL YEAR 2019-20

Name of the Director	Board Meeting (Rs.)	Audit Committee Meeting (Rs.)	Remuneration Committee Meeting (Rs.)	Stake holder's Relationship Committee Meeting (Rs.)	Total (Rs.)
Shri Karna Singh Mehta	60,000	40,000	-	-	1,00,000
Shri Sanjeev Kaul Duggal	50,000	20,000	-	-	70,000
Shri Gautam Khaitan*	10,000	10,000	-	-	20,000

*resigned w.e.f. 08.07.2019

There were no signs of pecuniary relationships or transactions with the non-executive directors' vis-à-vis the Company during the financial year ended 31st March, 2020.

CRITERIA FOR MAKING PAYMENTS TO NON - EXECUTIVE DIRECTORS

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.

Currently, Stakeholder Relationship Committee comprises of three directors, namely Shri Karna Singh Mehta, Shri Sanjeev Kaul Duggal and Shri Tarun Jiwrajka. Shri Karna Singh Mehta, is Chairman of the Committee. Shri Gautam Khaitan resigned from the membership of the committee from 08.07.2019

Terms of reference

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

Other details

- Four meetings of the Stakeholders' Relationship Committee were held during the year i.e. on 25.05.2019, 09.08.2019, 13.11.2019 and 12.02.2020

- The Company has always valued its customer relationship. This philosophy has been extended to investor relationship. The Committee focuses on servicing the needs of various stakeholders viz., investors, analysts and general public.
- Details of investor complaints and compliances thereof are provided in this report.

The member's attendance at the Stakeholder Relationship Committee Meetings during the financial year 2019-20 is as follows:

Names	No. of Meeting attended
Shri Karna Singh Mehta	4
Shri Gautam Khaitan*	1
Shri Sanjeev Kaul Duggal	3
Shri Tarun Jiwrajka	4

*resigned w.e.f. 08.07.2019

The Company Secretary is the secretary to the committee.

SHARE TRANSFER COMMITTEE

The Committee comprises of Shri Gopal Sitaram Jiwrajka and Shri Tarun Jiwrajka. The Share Transfer Committee shall consider requests of share transfer / transmission / transposition / split / consolidation / duplicate share certificate etc.

The Company Secretary is the secretary to the committee.

CODE OF CONDUCT

Code of conduct formulated in compliance with Regulation 17 of SEBI Listing Regulations, 2015 and Companies Act, 2013. The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2020. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declaration received from Independent & Non Executive Directors and senior management. The same is available on the company's website: www.salora.com.

WHISTLE BLOWER POLICY & VIGIL MECHANISM

Pursuant to Regulation 22 of SEBI Listing Regulations, the Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns on ks.mehta@sskmin.com about unethical behavior. No person has been denied to access the Chairman of the Audit Committee. The Policy is available on the Company's website at following link: http://salora.com/pdf/whistleblower_policy_salora.pdf

GENERAL BODY MEETING

Location and time, where last three AGMs held -

Venue	Financial Year	Date & Time
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi-110 003.	2016-17	13 th September, 2017 11.00 A. M.
India Islamic Cultural Centre, 87-88, Lodhi Road, Lodhi Gardens, Lodhi Estate, New Delhi -110 003	2017-18	27 th September, 2018 11.00 A.M.
India Islamic Cultural Centre, 87-88, Lodhi Road, Lodhi Gardens, Lodhi Estate, New Delhi -110 003	2018-19	28 th September, 2019 11.00 A.M.

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

AGM No.	Subject
48 th AGM	<ol style="list-style-type: none"> 1. Appointment of Statutory Auditors of the company M/s. R Gopal & Associates in place of retiring Auditors M/s. K. Prasad & Co. 2. Appointment and ratification of remuneration of Cost Auditors of the company, Gurvinder Chopra and Co. Cost Auditors. 3. Appointment of Shri K.S. Mehta as Non Executive Independent Director for five years 4. Appointment as Smt. Savitri Devi Jiwarajka as Non Executive Directors for three years
49 th AGM	<ol style="list-style-type: none"> 1. Ratification of Cost Auditors' remuneration 2. Revision of remuneration of Shri Gopal Sitaram Jiwarajka, Chairman & Managing Director (DIN: 00024325) 3. Sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013.
50 th AGM	<ol style="list-style-type: none"> 1. Appointment of Shri Gopal Sitaram, Jiwarajka, as Managing Director for a term of 3 years. 2. Ratification of Cost Auditors' remuneration

During the year under review no EGM was held by the Company.

E-Voting/Poll: E-voting and Poll facility provided at AGM of the Company in compliance of provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations.

OTHER DISCLOSURES

- i. Disclosures on materially significant related party transaction that may have potential conflict with the interest of Company at large.
- ii. Detail of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- iii. Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.
- iv. Details of compliance with mandatory requirements and adoption of non mandatory requirements of this clause. The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- v. Web link where policy on dealing with related party transactions is disclosed:

The particulars of transactions between the Company and its related parties as per the "IND AS" mentioned in "Note No.41" of the Balance Sheet. These transactions are not likely to have any conflict with the Company's interest. The Company has complied with all applicable laws and regulations and no strictures / penalties have been imposed on the Company by Stock Exchange or SEBI or any other Statutory Authority.

At present, Company has not put in place other non-mandatory requirements.

A qualified Practicing Company Secretary carried out Reconciliation of Share Capital Audit to reconcile the total admitted equity capital with National Security Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed equity capital. The Reconciliation of Share Capital Audit Report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialize shares held with NSDL and CDSL.

Salora International Limited
B-50 Sector-80, Noida, Phase-II,
Uttar Pradesh, 201305
Website: www.salora.com
Tel. No. 0120-4885528,
Email – sect@salora.com

LISTING ON STOCK EXCHANGES

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

LISTING FEES

Annual Listing fee to BSE Limited for the financial year 2020-21 has been paid.

STOCK MARKET DATA

Month	BSE Ltd.		
	Month's High	Month's Low	Total volume of shares transacted
April, 2019	17.95	13.40	13470
May, 2019	14.99	12.64	10529
June, 2019	13.95	10.29	25633
July, 2019	11.00	8.60	10487
August, 2019	10.97	8.51	18803
September, 2019	11.50	8.92	29132
October, 2019	10.98	10.44	1511
November, 2019	11.00	9.45	3822
December, 2019	11.80	10.40	3174
January, 2020	13.00	11.11	6586
February, 2020	13.00	11.75	5208
March, 2020	12.90	12.90	1950

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2020

Category of Shareholders	No. of Folios	No. Shares held	Percentage
Individuals	3580	15,05,126	17.09
Companies	79	9,77,299	11.10
Promoters	5	53,17,237	60.37
Group Companies	1	5,58,929	6.35
Mutual Fund, Banks, FIs	3	600	0.01
NRI	27	3,29,261	3.74
Resident Indian HUF	87	44,326	0.50
Trust	0	0	0
Clearing Members	0	0	0
Others	0	0	0
IEPF	1	74,752	0.85
Total	3783	88,07,300	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2020

No. of Equity Shares held Nominal Value	Number of Shareholders	% to Total Numbers	Share or Debenture holding Amount (Rs.)	% to Total Amount
(1)	(2)	(3)	(4)	(5)
Up To 5,000	3384	89.45	39,37,910	4.47
5001 To 10,000	155	4.10	12,56,860	1.43
10001 To 20,000	106	2.80	15,63,630	1.78
20001 To 30,000	36	0.95	9,32,390	1.06
30001 To 40,000	23	0.61	8,09,260	0.92
40001 To 50,000	17	0.45	7,59,300	0.86
50001 To 1,00,000	27	0.71	19,14,310	2.17
1,00,000 and Above	35	0.93	7,68,99,340	87.31
Total	3783	100.00	8,80,73,000	100.00

DETAILS OF DIRECTORS' SHAREHOLDING AS ON 31st MARCH, 2020

Name	No. of Shares
Shri Gopal Sitaram Jiwrajka	23,39,011
Shri Tarun Jiwrajka	3,72,741
Smt. Neetu Jiwrajka	7,31,410
Shri Sanjeev Kaul Duggal	-
Shri Kama Singh Mehta	-
Shri Paramartha Saikia	-

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

No amount of unclaimed/unpaid dividend is available with Company.

SUBSIDIARY COMPANY

As on 31st March, 2020 and date of Board Meeting i.e. 8th July, 2020 there is no subsidiary of the Company.

The Company has no joint venture / associate company.

RELATED PARTY TRANSACTION

Disclosure required under Regulation 24 of SEBI Listing Regulations, 2015. There are no material related party transactions during the year under review that have conflict with the interest of the Company. All the transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business which are not material in nature too, hence, outside the scope of Section 188 of the Companies Act, 2013 and were approved by the Audit Committee. The Company has Related Party Transactions Policy to ensure the proper approval and reporting of transactions entered between the Company and its related parties. The Company's policy for related party transaction is available on the company's website:

<http://salora.com/pdf/Related%20Party%20TransactionsSalora.pdf>

COMPLIANCES

There have been no instances of non-compliance by the company on any matters related to the capital markets, nor have any penalty/strictures been imposed on the company by the Stock Exchange or SEBI or any other Statutory Authority on such matters.

REQUEST TO INVESTORS

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order to avoid risks while dealing in the securities of the company.

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

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

Shareholders holding shares in physical form and have not availed nomination facility and would like to do so, are requested to avail the same by submitting the nomination in Form 2B. The form will be made available on request by the Registrars and Share Transfer Agent of the company.

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

Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or SKYLINE (RTA), the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

RECONCILIATION OF SHARE CAPITAL AUDIT

A quarterly audit was conducted by a Company Secretary in practice to reconcile the total capital of the company admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialized form (held by the depositories). As on 31st March 2020 there was 87,10,301 equity shares representing 98.90% of the paid up equity capital are in dematerialized form.

INFORMATION TO SHAREHOLDERS

Brief particulars of director reappointed together with the nature of his experience and details of directorship held by him/her in other companies are annexed to the Notice convening the Annual General Meeting.

NOMINATION FACILITY

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

ELECTRONIC CLEARING SERVICE

SEBI vide its Circular No. DCC/FITTCIR-3/2001 dated 15th October, 2001 had advised that all companies should mandatory use ECS facility wherever available. In the absence of ECS facility, Company may use warrants for distributing the dividends and vide its Circular No. D&CC/FUTTCUR-4/2001 dated 13th November, 2001, SEBI had advised companies to mandatory print the Bank Account details furnished by the Depositories on the Dividend Warrants. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrant and ensures safety for the investors. However, members who wish to receive dividend in an account other than the one specified while opening the depository account, may notify their DPs about any change in their bank account details.

BUSINESS / PLANT LOCATIONS

1. Consumer Electronics Business
D-13/4, Okhla Industrial Area, Phase – II, New Delhi – 110 020.
2. Plant
Plot Nos. 31 – 34 & 50 – 53, Block – B, Sector – 80, NOIDA (U.P.)
3. Wind Energy Division
Village Petle, Israde and Penhalipada
Taluka Sakri, Distt. Dhule, Maharashtra.

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

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

Date: 08.07.2020
Place: New Delhi

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

In terms of Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per "affirmation of compliance" letters received from the directors and the members of senior managerial personnel of the Company, I hereby declare that members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management during the financial year 2019-20.

For Salora International Limited

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

Date: 08.07.2020

Place: New Delhi

CMD [CEO] / CFO CERTIFICATE
[Regulation 17(8)]

To
The Board of Directors
Salora International Ltd.

We hereby certify that we have reviewed the financial statements and the Cash Flow Statement for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief:

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

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

(Tarun Jiwrajka)
Whole Time Director & CFO.
DIN:00386240

Date: 08.07.2020

Place: New Delhi

PRACTISING COMPANY SECRETARY'S REPORT ON CORPORATE GOVERNANCE

To,
The Members of
Salora International Limited
Regd. Office: D- 13/4, Okhla Industrial Area Phase II,
New Delhi- 110020

We have examined the compliance of conditions of Corporate Governance by Salora International Limited for the year ended 31st March, 2020 as referred in the Regulation 15(2) and other relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

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

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

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

For SVR & CO.
Company Secretaries

CS Shivam Rastogi
Partner
FCS: 10704, COP: 14600

Place: New Delhi
Date: 08th July, 2020

Annexure-VIII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management discussion and analysis report has been included adherence to the spirit enunciated in the code of Corporate Governance approved by Security and Exchange Board of India (SEBI)

The Management Discussion and Analysis presented in this Annual Report focuses on reviewing the performance of the Company.

Consumer Electronics Industry Overview

The year 2019-20 has been an operationally challenging year for the company. The economy was in a downward spiral which led to a slowdown in the demand. This impacted the sales of your company. The onset of Corona virus in China followed by the impact of this in India in March severely impacted the company's operation in Q4.

Market experts have already stated that this global pandemic will impact India, though there is a chance that the situation will be under control by the end of September.

Since the situation is still evolving, how the pandemic will hamper the market eventually can only be speculated on, but it is certain to damage economies in the long run. This disruption will have far reaching consequences so it's important to be ready with contingency plans.

The Management has made deep analysis of the situation and made necessary changes to its strategy to mitigate the impact of a slowing economy and the impact of COVID-19. We are very hopeful that with the measures being implemented fully, the company can revive growth and return to profit.

Distribution & Trading:

The company has built warehouses in line with Seller Flex Programs of Amazon and Flipkart during the year. We aligned with brands such as JBL, Kent, Eureka Forbes, Marico and Dabur to name a few. Based on our experience during the year, the operations are being rationalized in terms of cost and the brands that we will carry forward. We are hopeful this activity will reap good benefits in the current year.

The trading and export of mobile phones still provides a good opportunity and provides significant revenue to the operations of the company. The company will make all efforts to consolidate this opportunity.

Consumer Electronics

This will be the prime activity of the company in the year 20-21. The continue will continue to expand more state of the art products to its line up.

LED TV

The company has undertaken a backward integration of assembling the LED Panel which is the most critical component of LED TV's. This leads to cost saving as duty on parts of panel is NIL compared to 10% on the Panel itself. Assembly of the panel in-house also allows us to have greater control on the quality of the product.

The company has started to source local cabinets for 24 and 32 inch sizes which constitute almost 70% of our sales. This will further lead to cost reduction and better inventory management.

The demand for large screen TV's is growing in the country. In line with this growing demand the company launched 50 inch television which has been received well. Now company plans to launch 43,55 & 65 Inch models in the upcoming quarters.

Large Appliances

The company launched entry level refrigerators last year. The company plans to expand the range to higher size and multi-door refrigerators. This will help us to grow our business in the category.

Washing Machines

The company launched washing machines last year which have been received well in the market. The trend is changing towards washing machines with top lid made of toughened glass. The company plans to launch such models in the upcoming season

COVID Essentials

The impact of COVID-19 has created a demand for a variety of safety and immunity boosting products. In line with the demand the company has introduced following product categories:

- Sanitizers
- Mass
- Thermometer
- Oximeter
- Fogging gun
- UVC sterilizer

The company will make efforts to expand its geographical distribution as well as look at following initiatives:

- E-Commerce through Company owned portal
- E- distribution to physical channel through App

After sales service is very critical to the success of our consumer electronics business. The company is making technology based solutions available to the consumers to access the services quicker and more easily.

The management of the company is also exploring all the other permissible measures to boost the sale like interest subsidy, Low Cost EMI Facility to its customers.

The company has seen an increased interest in Indian branded telecom products during the COVID-19 situation and also the Anti-China sentiment. Basis the same the company is evaluating the opportunity.

We are confident that all of the above initiatives and actions would lead to a significant improvement in the operating performance of the division in 20-21

Wind Energy

The PPA of the wind energy with MSEB has ended leading to a lower realization per unit of Power generated. The company is looking at various options such as Open access and re-signing of the PPA depending on where higher tariff can be realized.

The environment in the power sector is extremely challenging due to limited demand.

Component Division

As the component division was producing components which were mainly used in the CRT TV, and now the CRT TV production has completely stopped, this has led to reduced demand. Under the circumstances the company has suspended the activities of the component division and re-evaluating the business basis the after-market demand under the circumstances and then will resume.

OPPORTUNITIES AND THREATS

Opportunities: Consumer Electronics Sector

As a result of the Covid 19 impact more number of people have to work from home & depend on communication tools & gadgets. More time is being spent on Entertainment & gaming by the youngsters.

- Internet subscribers in India have increased significantly in last few years and it is expected to grow further. This could be a driving factor for innovation in the Smart TVs and other consumer durables.
- Increase in awareness about smart TV is a significant factor which could be driving the growth in sales of Smart TVs in India.
- Growing number of High Networth Individuals and women in workforce is boosting demand for high end consumer electronics and home appliances.
- The growing use of credit and debit card and easy availability of credit has resulted in the increase in spending inter-alia including on purchases of consumer electronics and home appliances thereby fueling the demand in the durable sector.
- The growth of mediums such as e-commerce and m-commerce has provided retailers to stay in touch with consumers via various mediums and thus increase on their sales by constant promotion of products. Further, the incentives such as cash-back, discounts, freebies offered through e-commerce has huge positive impact on sales of consumer electronics and home appliances and the demand is further expected to boost over the years.
- The rapid growth of population, affordable housing, opportunities in semi-urban and urban areas have led to growth of nuclear families. This has pushed the demand for consumer electronics and home appliances.
- The growing number of dual income families (both husband and wife earning) has given greater purchasing power and willingness to spend to them which has pushed family's focus towards luxury / semi-luxury products resulting into higher demand for consumer electronics and home appliances.
- With the development of the communication channel and the rise of information, Communication and Technology Industry, a rise in media across the world is seen. Number of people with internet access has increased drastically and it has thus created a new opportunity for companies to position / market their products in a better way using improved and more efficient marketing channels. Social media too is playing vital role in shaping the position of the product.

- Continuous R&D and Innovation, has resulted in development of different products and services and this can be driver for improved sales and growth for the company.
- Recent and upcoming products in the Indian market reiterate the emphasis of product innovation and development to lead the way in future. The companies are increasing their focus on product design and ensuring that consumers get varied features to crease a differentiation in the market and create an impact.

Threats: Consumer Electronics Sector

- The recent outbreak of COVID 19 had adverse impact on the overall consumer Electronics Business.However your company is taking effective steps to mitigate all risks.
- The Company intend to mitigate the threat posed by big MNC brands via appropriate corporate marketing communication stressing the high pedigree of the company and its commitment to innovation and quality. The Company faces the threat of a consumers choosing foreign brands.
- Price sensitivity may lead many consumers to shift preferences.Due to the widespread import and rebranding, the consumer has a large number of brands to choose from at the low cost end of the price spectrum. This threat will have to be countered with appropriate marketing communication about the difference in quality of the company's products vis-à-vis such competitors and through highlighting the service reputation of the Company.
- The rise of modern trade retail chains of various hues leads to the risk of concentration of the company's sales to a few large customers. This is a threat to the margins of the Company. It can be countered by enhancing the pull factors that drive sales through brand building measures at the corporate level.

RISK & CONCERNS

Risk relating to Consumer Electronics Business

- Overall slowdown in the off take due to country going into massive Lockdown and lack of movement of goods & closure of retail spaces & malls may lead to sales degrowth.
- Rising input prices such as the selling, general & administrative expenses along with the cost of goods sold is difficult to control and thus a reduction in profit margin is seen. Despite the fact that the consumer products companies in most cases are able to pass on the cost to the consumers but the same is not likely seen during the downturn when a lag effect of few quarters is seen when the earnings of the companies gets pressurized.
- Consumer Electronics Business is highly capital intensive and becoming increasing competitive.

INTERNAL CONTROL SYSTEMS AND ACCURACY

Internal control is all of the policies and procedures management uses to achieve the following goals.

- Promote efficient and effective operations – Internal controls provide an environment in which managers and staff can maximize the efficiency and effectiveness of their operations.
- Safeguard assets – well designed internal controls protect assets from accidental loss or loss from fraud.
- Ensure the reliability and integrity of financial information – internal controls ensure that management has accurate, timely and complete information, including accounting records, in order to plan, monitor and report business operations.
- Ensure compliance – Internal controls help to ensure that company is in compliance with the many federal, state and local laws and regulations affecting the operations of our business.
- Accomplishment of goals and objectives – Internal controls system provide a mechanism for management to monitor the achievement of operational goals and objectives.

Internal control Activities and Best Practices

Internal control activities are the policies and procedures as well as the daily activities that occur within an internal control system. A good internal control system should include the control activities listed below.

Your Company works on checks to reduce the instance of errors or fraud. Preventive activities include thorough documentation and authorization practices. Preventive control activities prevent undesirable “activities” from happening, thus require well thought out processes and risk identification.

Also we have detective control activities identify undesirable “occurrences” after the fact. The most obvious detective control activity is reconciliation.

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

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

Salora has a proper and adequate system of internal control with tools of monitoring through use of a strong customized oracle based ERP system “Salora Integrated Management System (SIMS)”. Your Company has a vigilant Audit Committee headed by a non-executive independent director, inter-alia, to oversee your Company's financial reporting process, disclosure of financial information, reviewing the performance of statutory and internal auditors with management, adequacy of internal audit function and internal control systems, related party transactions, investigations relating to suspected fraud or failure of internal

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

The Company has an internal control system which provides for –

- Accurate recording and custody of assets;
- Compliance with applicable statutes, policies, procedures, SEBI (LODR) requirements, management guidelines and circulars;
- Transaction being accurately recorded; cross verified and promptly reported;
- Efficient use and safeguarding of resources;
- Adherence to applicable accounting standards and policies; and
- Information technology system which include controls for facilitating the above.
- The scope of internal audit extends to all functions and locations of the Company.

Outlook

The medium to Long term outlook is at the moment little hazy as the economic Impact of the current crises need to be ascertained. The growth prospects for individual items would, however, depend on specific demand drivers. The Company has adopted the best and the most sophisticated technology to suit Indian needs. The Company has successfully forayed into market either directly or indirectly.

The Company focuses on Indigenous Strategy, Improved Technology, Innovative products, inspired thinking and insightful marketing. Company focuses on customer and his needs and is committed to delight and deliver beyond what is expected.

The aim of the Company is to serve consumers domestically by creating technologically path breaking products through constant innovation. The Company as a part of reducing manufacturing cost of products has explored the possibility of manufacturing of various components at the in-house facility. We will try our best to expand our reach in the market with innovative products.

Human Resources

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and meritocracy. It is important for us that organization culture and organization strategy are well aligned. Over a period we have developed a strong culture of transparency through constant employee communication and have developed strong performance management practices wherein best in class reward and recognition systems are deployed. We have also set up a scalable recruitment and human resources management process which enables us to attract and retain high caliber employees. Our employee partnership ethos reflects the Company's longstanding business principles and drives the Company's overall performance with the prime focus to identify, assess, groom and build leadership potential for future.

The Company has a dynamic team of highly qualified professionals and proficient employees and as on 31st March 2020, the Company has 98 employees on its payroll. During the year under review there was no significant development in human resources and on industrial relation front.

Adequacy of Internal Financial Controls with reference to the Financial Statements

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal auditors of the company checks and verifies the internal control and monitors them in accordance with policy adopted by the company. The Company continues to ensure proper and adequate systems and procedures commensurate with its size and nature of its business.

Cautionary Statement

The above Management Discussion and Analysis contains certain forward looking statements within the meaning of applicable security laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. In accordance with the Code of Corporate Governance approved by the Securities and Exchange Board of India, shareholders and readers are cautioned that in case of data and information external to the Company, no representation is made on its accuracy or comprehensiveness though the same are based on sources thought to be reliable.

Independent Auditor's Report

To the Members of Salora International Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Salora International Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matters

We draw attention to the following matters

- i) In assessing the recoverability of assets such as inventories, trade receivables, property, plant & equipments and other financial assets based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The impact of the global health pandemic COVID-19, may be different from the presently estimated and would be recognized in the financial statements when material changes to economic conditions arise as stated in note No. 45 of the financial statements.
- ii) In view of the Covid-19 pandemic, the Government of India had imposed a nationwide lockdown from March 24, 2020 onwards resulting in disruption of the Company's operations. Due to the continuing lockdown, physical verification of inventories could not be done at the year end. However as explained by the management, Physical verification of inventories has been done internally on selected items during the year and no material discrepancies were observed. Management has considered the inventories as per the stock records maintained for the purpose of valuation of stock as stated in note No. 46 of the financial statements.
- iii) The Company's has inventories as at 31st March, 2020 of Rs.4912.00 lacs at cost. This includes old inventories under the process of identification of slow moving and non moving by the management against which provision of Rs.262.48 lacs has been considered on estimation basis and we have relied upon thereon. The company has prepared a road map going forward to reduce the old

inventory level on priority. The company has also been able to sell old inventory subsequent to the balance sheet date. The additional provision if any on inventories shall be accounted for at the time of disposal / realization as stated in note No. 47 of the financial statements.

- iv) Contingent liabilities of Rs.5891.57 lacs related to Sales tax, Excise duty, Service tax and Income tax etc. against which amount deposited Rs.868.69 lacs which are contested by the company and pending before various forums. However management believes that based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable as stated in note No. 48 of the financial statements.
- v) The Company has material statutory dues recoverable of Sales tax of Rs.302.98 lacs, Income tax Rs.114.73 lacs and Modvat Rs.7.82 lacs have been considered good stated in note No.49 of the financial statements.
- vi) Deferred tax assets (net) Rs.1770.55 lacs as at 31st March, 2020, as the management is confident for realization of the same on the basis of future taxable income will be available against which deferred tax assets shall be realized as stated in note No.50 of the financial statements.
- vii) Pending confirmations / statement of accounts / follow up documents of old debit balances of certain trade payables and advances amounting to Rs.58.30 lacs have been considered good, as the management is hopeful of recovery/adjustment of the same as stated in note No.51 of the financial statements

Our conclusion is not modified in respect of these matters stated above.

Key Audit Matter

Key audit matter is those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion there is no any such matter to be reported by us.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance but does not include the financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2 As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No. 38 to the financial statements.
 - II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, and
 - III. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

S.K. Agarwal
Partner
Membership No.: 093209
UDIN: **20093209AAAAAN6574**

Place: New Delhi
Date: 08th July 2020

Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Fixed assets have been physically verified by the management during the year. As explained to us, no major discrepancies were noticed on such verification.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company, except Lease hold land at D-13/4 Okhla Industrial Area, Phase II, New Delhi – 110 020 is in the Company's old name i.e. Electronics Consortium Private Limited and necessary steps are being taken for transfer in the company name as explained by the management.
- (ii) The Management was not able to perform year end physical verification of due to COVID 19 related nationwide lockdown. However as explained by the management, Physical verification of inventories has been done internally on selected items during the year and no material discrepancies were observed.
- (iii) According to the information and explanation given to us, the Company's has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Companies Act 2013 and hence sub clause (a) (b) (c) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has neither given any loans u/s 185 of the companies Act 2013 to its directors and nor has given any loans and guarantee or provided any security in connection with a loan by a company to any person or other body corporate and acquiring securities of any other body corporate by the company, hence clause (iv) is not applicable to the company.
- (v) The company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the Rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records are being made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) According to the records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods & Service Tax, Cess, and other material statutory dues have been deposited regularly during the year with the appropriate authorities except some delays which are not material in nature. According to the records of the Company and information and explanations given to us there were no arrears of outstanding statutory dues as at 31st March, 2020 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 are no dues of Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have been not deposited on account of any dispute except the following:

Name of the Statute	Nature of the dues	Demand (Rs./Lacs)	Deposited under dispute (Rs. /Lacs)	Amount not Deposited (Rs./Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	37.88	37.88	-	2002-2003	Appellate Authority - High Court
Sales Tax Law	Sales Tax	42.21	16.18	26.03	2001-2004	Supreme Court
	Sales Tax	0.34	0.15	0.19	2001-2002	High Court
	Sales Tax	36.49	16.39	20.10	2006-2009	High Court
	Sales Tax	87.64	45.53	42.11	2011-2013	Tribunal
	Sales Tax	749.36	122.38	626.98	2000-2014	Sales Tax Commissioner
	Sales Tax	25.92	-	25.92	1999-2000	High Court
	Sales Tax	2.99	-	2.99	1995-1996	Tribunal
	Sales Tax	7.56	7.56	-	2000-2001	High Court
	Sales Tax	1.40	0.62	0.78	2000-2001	Tribunal
Finance Act, 1994	Service Tax on Royalty	1.97	-	1.97	2002-2003	Excise Commissioner
Custom Act, 1962	Custom Duty	*20.00	20.00	-	1994-1995	Tribunal
Central Excise Act, 1944	Excise Duty	2,435.21	600.00	1,835.21	1993-1994 to 2003-2004	Supreme Court
	Penalty	2435.21	-	2435.21	1993-1994 to 2003-2004	Supreme Court
	Excise Duty	3.75	-	3.75	2000-2003	Remand back to Assessing officer
	Excise Duty	1.86	-	1.86	2000-2003	CESTAT
	Excise Duty	1.78	2.00	-	1995-1996	Commissioner

* Amount is not ascertained

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayments of dues to any banks and financial institution. The Company does not have any loan and borrowings from government or dues to debenture holders during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan and hence clause (ix) is not applicable to the company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us and to best of our knowledge, we are of the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanation given to us and based on our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statements as per applicable Indian Accounting Standard.

- (xiv) According to the information and explanation given to us and to the best of our knowledge, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the company.
- (xv) According to the information and explanation given to us and to the best of our knowledge, the Company has not entered into any non-cash transactions during the year with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

S.K. Agarwal
Partner
Membership No.: 093209
UDIN: 20093209AAAAAN6574

Place: New Delhi
Date: 08th July 2020

Report on the Internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Salora International Limited** ("the Company") as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: -

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, which needs to be strengthened.

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

S.K. Agarwal
Partner
Membership No.: 093209
UDIN: **20093209AAAAAN6574**

Place: New Delhi
Date:- 08th July 2020

SALORA INTERNATIONAL LIMITED
Balance Sheet as at 31st March, 2020

(Rs. in lakhs)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS			
1.Non-current assets			
(a) Property, Plant and Equipment	3	1,694.87	2,152.78
(b) Other Intangible Assets	4	5.08	5.08
(c) Right to use - Lease	3A	336.40	-
(d) Financial Assets			
(i) Investments	5	4.34	345.82
(ii) Trade Receivables	6	2,071.46	1,838.46
(iii) Loans	7	-	-
(iv) Other Financial Assets	8	30.52	24.42
(e) Deferred Tax Assets (Net)	9	1,770.55	1,834.64
(f) Other Non-Current Assets	10	868.70	905.73
Total Non-current assets		6,781.92	7,106.93
2.Current assets			
(a) Inventories	11	4,912.00	5,445.51
(b) Financial Assets			
(i) Trade Receivables	12	2,204.86	4,370.08
(ii) Cash and cash equivalents	13	8.44	8.85
(iii) Bank Balances other than (ii) above	14	41.39	11.84
(iv) Other Financial Assets	15	252.41	144.86
(c) Current Tax Assets (Net)	16	114.73	112.81
(d) Other Current Assets	17	412.01	543.69
Total current assets		7,945.84	10,637.44
TOTAL ASSETS		14,727.76	17,744.37
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	18	881.45	881.45
(b) Other Equity	19	4,613.40	5,963.65
Total Equity		5,494.85	6,845.10
Liabilities			
1. Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	1,281.72	1,393.86
(ii) Other Financial Liabilities	21	52.61	118.31
(iii) Lease liabilities	3B	62.44	-
(b) Provisions	22	16.94	18.09
Total non-current liabilities		1,413.71	1,530.26
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	5,221.29	5,147.23
(ii) Trade payables	24		
Micro, Small and Medium Enterprises		83.37	24.54
Others		1,995.48	3,888.43
(iii) Other Financial Liabilities	25	235.50	193.47
(b) Other current liabilities	26	236.00	62.90
(c) Provisions	27	47.56	52.44
Total Current liabilities		7,819.20	9,369.01
TOTAL EQUITY AND LIABILITIES		14,727.76	17,744.37
Significant Accounting Policies	2		

The accompanying notes (1-53) form an integral part of the financial statements

As per our separate report of even date annexed.
For **R Gopal & Associates**
Chartered Accountants
Firm Reg No. 000846C

For and on behalf of the Board

S K Agarwal
Partner
M.No: 093209

Tarun Jiwarajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN: 00024325

Place : New Delhi
Date: 08.07.2020

Mahak Agarwal
Company Secretary

SALORA INTERNATIONAL LIMITED
ANNUAL REPORT 2019-20

SALORA INTERNATIONAL LIMITED

Statement of Profit and Loss for the year ended 31st March, 2020

(Rs. in lakhs)

	Particulars	Note No.	For the year ended 31st March 2020	For the year ended 31st March 2019
I.	Revenue from Operations	28	16,878.82	17,583.36
II.	Other Income	29	15.98	18.46
III.	Total Income (I+II)		16,894.80	17,601.82
IV.	EXPENSES			
	Cost of materials consumed		422.20	935.52
	Purchases of Stock-in-trade		15,094.72	15,353.77
	Changes in Inventories of finished goods, Stock-in-trade and work in progress	30	689.37	-67.03
	Employee benefits expenses	31	421.58	501.37
	Finance costs	32	745.23	743.01
	Depreciation and amortization expense	33	200.02	194.93
	Other expenses	34	612.81	265.36
	Total expenses (IV)		18,185.93	17,926.93
V.	Profit/(Loss) before exceptional items and tax (III-IV)		-1,291.13	-325.11
VI.	Exceptional Items		-	-
VII.	Profit/(loss) before tax (V-VI)		-1,291.13	-325.11
VIII.	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax	36	-62.84	-162.74
IX.	Profit/(loss) for the year (VII-VIII)		-1,353.97	-487.85
X.	Other Comprehensive Income			
	(i) Items that will not be reclassified subsequently to profit or loss			
	Re-measurement gains (losses) on defined benefit plans		4.97	-10.01
	Income Tax effect (Deferred Tax)		-1.25	3.12
			3.72	-6.89
XI.	Total Comprehensive Income for the year (Comprising Profit (Loss) and Other Comprehensive Income for the year)		-1,350.25	-494.74
XII.	Earnings per equity share			
	(1) Basic (in Rs.)	35	-15.37	-5.54
	(2) Diluted (in Rs.)	35	-15.37	-5.54
	Significant accounting policies	2		

Statements of Profit & Loss

The accompanying notes (1-53) form an integral part of the financial statements.

As per our separate report of even date annexed.

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

For and on behalf of the Board

S K Agarwal
Partner
M.No: 093209

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN: 00024325

Place : New Delhi
Date: 08.07.2020

Mahak Agarwal
Company Secretary

SALORA INTERNATIONAL LIMITED
Statement of Changes in Equity for the year ended 31st March, 2020
A. Equity Share Capital

(Rs. in lakhs)

	As at March 31, 2019	Changes during the year	As at March 31, 2020
	881.45	-	881.45

B. Other Equity

(Rs. in lakhs)

Particulars	Reserves & Surplus			Items of Other Comprehensive Income	Total
	Securities Premium	General Reserve	Retained Earnings		
Balance as at 1 st April, 2019	3,247.29	4,045.58	-1,319.90	-9.32	5,963.65
For the Year	-	-	-1,353.97	3.72	-1,350.25
Balance as at 31st March, 2020	3,247.29	4,045.58	-2,673.87	-5.60	4,613.40

The accompanying notes (1-53) form an integral part of the financial statements

As per our separate report of even date annexed.

For R Gopal & Associates

Chartered Accountants

Firm Reg No. 000846C

For and on behalf of the Board

S K Agarwal
 Partner
 M.No: 093209

Tarun Jiwrajka
 Whole Time Director & CFO
 DIN No. 00386240

Gopal Sitaram Jiwrajka
 Chairman & Managing Director
 DIN: 00024325

 Place : New Delhi
 Date: 08.07.2020

Mahak Agarwal
 Company Secretary

SALORA INTERNATIONAL LIMITED
Statement of Cash Flows for the year ended 31st March 2020

(Rs. in lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	-1,291.13	-325.11
Adjustment for :		
Depreciation and amortization expense	200.02	194.93
Lease hold rent	-	2.50
Interest Paid	702.98	702.68
Interest Income	-4.13	-7.39
Allowance for doubtful receivables/advance	-10.17	-454.73
Provision for Interest receivable written back		-0.24
Provision for Irrecoverable Loans & Advances	30.00	
Bad Debts	10.28	9.23
Loss/(Profit) on sale of Property, Plant and Equipment	25.06	11.13
Provision/Liability no longer required written back	-88.98	-65.03
Operating Profit before Working Capital changes	-426.07	67.97
Adjustment for :		
(Increase) /Decrease in Inventories	533.51	215.30
(Increase)/Decrease in Trade and other receivables	1,914.11	-3,035.22
(Increase)/Decrease in Trade and other payables	-1,604.79	2,477.54
Cash Generated from Operating Activities	416.76	-274.41
Adjustment for :		
Direct taxes (paid) / Refund Received	-1.92	-0.33
Net cash from Operating Activities	414.84	-274.74
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant & Equipment	-13.10	-26.00
Right of Use-Lease	-62.44	
Proceeds from sale of Property, Plant & Equipment	15.29	18.45
Margin Money (given)/realised	-29.75	-2.80
Proceeds from sale of Investment	341.48	
Interest received	3.87	9.60
Net cash from / (used in) Investing Activities	255.35	-0.75
CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of Non current Borrowings (Net)	-8.07	-32.01
Unsecured Loan Received/(repayment) (net)	328.33	687.00
Proceeds/ (Repayments) of Current Borrowings (Net)	-366.49	241.60
Interest Paid	-686.81	-633.69
Repayment/addition to lease liabilities	62.44	-
Net cash from/(used in) Financing Activities	-670.60	262.90
Net Increase/ (Decrease) in cash and cash equivalents :	-0.41	-12.59
Cash and cash equivalents at beginning of the year	8.85	21.44
Cash and cash equivalents at end of the year	8.44	8.85

The accompanying notes (1-53) form an integral part of the financial statements.

Note: 1. The above cash flow statement has been prepared under the "Indirect Method" as set out in IND AS-7

2. Components of Cash and Cash equivalents

Particulars	2019-2020	2018-2019
Balances with banks		
Current accounts	6.76	5.05
Cash in hand	1.68	3.80
Total (refer Note-13)	8.44	8.85

3. Figures in minus indicate cash outflows.

As per our report of even date attached.

For R Gopal & Associates

Chartered Accountants

FRN-000846C

S K Agarwal
Partner
M.No: 093209

Tarun Jiwrajka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram Jiwrajka
Chairman & Managing Director
DIN: 00024325

Place :New Delhi
Date: 08.07.2020

Mahak Agarwal
Company Secretary

For and on behalf of the Board

SALORA INTERNATIONAL LIMITED

Significant accounting policies:

1 Corporate information

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

2 Significant accounting policies

A Basis of preparation

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

The financial statements are presented in Indian rupees and all values are rounded off to the nearest lakhs and two decimals thereof, except otherwise stated.

The Financial statements were approved by the Board of Directors on 8th July 2020.

B Use of estimates and judgements

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

C Property plant and equipment (PPE):

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

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

Depreciation and amortisation

Depreciation on Property, Plant and Equipment is provided as per StraightLine Method on the basis of useful life of assets specified and in the manner specified in the Schedule II of the Companies Act, 2013.

Category	Useful Life
Buildings (including roads)	30- 60 Years
Plant & Equipment	15 Years
Mould & Dies	8 Years
Furniture & Fixture	10 years
Office Equipment	5 Years
Vehicles	8 - 10 Years
Computer	3 Years

D Intangible assets

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

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

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

E Leases-(Right to use)

The Company account for the leases in accordance with Ind AS 116 Leases. This is the first year of adoption of Ind AS 116. The Company followed Appendix C to the Ind AS 116 for the purpose of transition. Accordingly as a practical expedient, company have not reassess whether a contract is, or contains, a lease at the date of initial application. Instead, the company has

- (a) applied this Standard to contracts that were previously identified as leases applying Ind AS 17, Leases.
- (b) not to applied this Standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Company enters into hiring/service arrangements for various assets. The Company evaluates whether a contract contains a lease or not, in accordance with the principles of Ind AS 116. This requires significant judgements including but not limited to, whether asset is implicitly identified, substantive substitution rights available with the supplier, decision making rights with respect to how the underlying asset will be used, economic substance of the arrangement, etc.

As a lessee the Company has measured lease liability at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. After the commencement date / transition date, the Company measures the right-of-use asset applying a cost model, whereas the Company measures the right-of-use asset at cost:

- (a) less any accumulated depreciation and any accumulated impairment losses; and
- (b) adjusted for any remeasurement of the lease liability

The Company recognises the finance charges on lease expense on reducing balance of lease liability. The Lease asset is depreciated over the lease term on straight line basis.

The Company applies the above policy to all leases except:

Leases for which the lease term (as defined in Ind AS 116) ends within 12 months of the acquisition date

As a lessor the Company identifies leases as operating and finance lease. A lease is classified as a finance lease if the Company transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

At the commencement date, the Company recognises assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease. After the initial recognition the Company recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

For Operating leases as a lessor the Company recognises lease payments from operating leases as income straight-line basis.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified in financing activities in cash flows.

F Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds.

G Current Vs non-current

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

H Financial Instruments

(I) Initial recognition

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

(II) Subsequent measurement

a) Financial assets carried at amortized cost

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

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

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

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

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

d) Financial liabilities

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

e) Equity Instruments

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

(iii) Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS109. A financial liability (or a part of financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Fair value of financial instruments

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

I Impairment:

Financial assets

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

Non-financial assets

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

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

J Inventories

- a) Inventories are valued at cost or net realisable value whichever is lower.
- b) Cost of manufactured finished goods and work in progress includes cost of material, labour and manufacturing overheads.
- c) Cost is calculated on FIFO basis in respect of mainly trading goods and on weighted average basis in respect of manufactured goods.

K Revenue from contracts with customers

The Company recognizes revenue, whenever control over distinct goods or services is transferred to the customer; i.e. when the customer is able to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits, provided a contract with enforceable rights and obligations exists and amongst others collectability of consideration is probable taking into account customer's creditworthiness.

Revenue is the transaction price the Company expects to be entitled to. In determining the transaction price, the Company considers effects of variable consideration, the existence of significant financing contracts, noncash consideration and consideration payable to the customer, if any. The Company considers whether there are other promises in the contract that are separate performance obligations to which the transaction price needs to be allocated (e.g. warranties etc.).

Variable consideration

If the consideration in a contract includes a variable amount, the company estimates the amount of consideration to which it will be entitled to in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal of revenue will not occur once associated uncertainties are resolved. Some contracts with the customers provide them with a right to return and volume rebates. The right to return and volume rebates gives rise to variable consideration.

The amount of variable consideration is calculated by either using the expected value or the most likely amount depending on which is expected to better predict the amount of variable consideration. Consideration is also adjusted for the time value of money if the period between the transfer of goods or services and the receipt of payment exceeds twelve months and there is a significant financing benefit either to the customer or the Company. If a contract contains more than one distinct goods or service, the transaction price is allocated to each performance obligation based on relative selling prices. If selling prices are not observable, the Company reasonably estimates those.

Revenue is recognized for each performance obligation either at a point in time or over time.

Sale of products

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

Sale of service

Service income (net of taxes) is recognised as and when service is complete.

Sale of power

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

Other operating revenue

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

Other income

Interest income from a financial asset is recognized using the effective interest rate.
Other income is recognized on accrual basis net of taxes.

L Foreign exchange transactions

Functional currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian rupees.

Transactions and translations

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

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

M Employee benefits

Short term employee benefits :

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

Long term employee benefits :

Compensated absence:

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

Post -employment benefits

a) Defined contribution plan

Defined Contribution Plans for Provident Fund, Family Pension benefits are recognised by contribution at specified rate or percentage on salary. No actuarial assumptions are required to measure the obligations or expenses and there is no possibility of any actuarial gain or loss. Moreover the obligations are measured on an undiscounted basis. The contribution paid /payable under the schemes is recognised during the period in which employee renders the related service.

b) Defined benefit plan

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

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

N Income taxes

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

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

O Provisions and contingencies

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

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

P Earnings per share (EPS)

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

Q Cash and cash equivalents

Cash and cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

R Statement of Cash flows

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

S Operating segment

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

T Standards issued but not yet effective

Ministry of Corporate affairs (MCA) notifies new standards or amendment to the existing standards. There are no such standards issued but not yet effective.

SALORA INTERNATIONAL LIMITED
Notes to financial statements

3 Property, Plant & Equipment		(Rs. in lakhs)												
Particulars		Leasehold Land	Building	Furniture & Fittings	Plant & Machinery	Dies & Moulds	Vehicles	Office Equipment	Total Tangible Assets					
Gross Carrying Amount														
Balance as at 1st April, 2018		315.29	594.72	462.87	6,288.99	1,045.83	249.12	56.64	9,013.46					
Additions		-	-	0.06	27.79	-	-	1.10	28.95					
Deduction/ Adjustment		-	-	-	56.26	515.53	9.06	-	580.85					
Balance as at 31st March, 2019		315.29	594.72	462.93	6,260.52	530.30	240.06	57.74	8,461.56					
Accumulated Depreciation														
Balance as at 31st March, 2018		74.23	326.93	426.30	4,993.30	968.25	124.39	51.71	6,665.11					
For the year		3.50	15.38	3.43	139.90	5.31	26.67	0.74	194.93					
Deduction/ Adjustment		-	-	-	53.45	489.78	8.03	-	551.26					
Balance as at 31st March, 2019		77.73	342.31	429.73	4,779.75	483.78	143.03	52.45	6,308.78					
Net carrying amount as at 31st March, 2019		237.56	252.41	33.20	1,480.77	46.52	97.03	5.29	2,152.78					
Net carrying amount as at 31st March, 2018		241.06	267.79	36.57	1,595.69	77.58	124.73	4.93	2,348.35					
Gross Carrying Amount														
Balance as at 1st April, 2019		315.29	594.72	462.93	6,260.52	530.30	240.06	57.74	8,461.56					
Additions		-	-	-	1.88	-	10.76	0.46	13.10					
Deduction/ Adjustment		-	-	-	671.90	-	10.56	-	682.46					
Reclassified on account of adoption of Ind As 116 (Refer note 3 A)		315.29	-	-	-	-	-	-	315.29					
Balance as at 31st March, 2020		-	594.72	462.93	5,590.50	530.30	240.26	58.20	7,476.91					
Accumulated Depreciation														
Balance as at 31st March, 2019		77.73	342.31	429.73	4,779.75	483.78	143.03	52.45	6,308.78					
For the year		-	16.17	2.08	142.48	5.25	26.42	0.70	193.10					
Reclassified on account of adoption of Ind As 116 (Refer note 3 A)		77.73	-	-	-	-	-	-	77.73					
Deduction/ Adjustment		-	358.48	431.81	638.73	489.03	3.38	53.15	642.11					
Balance as at 31st March, 2020		-	358.48	431.81	4,283.50	489.03	166.07	53.15	5,782.04					
Net carrying amount as at 31st March, 2020		-	236.24	31.12	1,307.00	41.27	74.19	5.05	1,694.87					
Net carrying amount as at 31st March, 2019		237.56	252.41	33.20	1,480.77	46.52	97.03	5.29	2,152.78					

Note : For assets provided as security refer note no. 20 and 23.

3A RIGHT TO USE - LEASE (Rs. in lakhs)

Particular	Total
Gross carrying amount	
Balance as at 1st April 2019	-
Reclassified on account of adoption of Ind AS 116 of lessee	315.29
Prepayment of Lesseehold Land(refer to note no.10)	43.33
Additions	62.44
Balance as at 31st March 2020	421.06
Accumulated Depreciation	
Balance as at 1st April 2019	77.73
Reclassified on account of adoption of Ind AS 116	6.93
Amortisation	
Deductions/ Adjustment	
Balance as at 31st March 2020	84.66
Net carrying amount as at 1st April 2019	
Net carrying amount as at 31st March 2020	336.40

Note: Leasehold Land at Delhi and Noida are under finance lease for 99 years and 90 years respectively
Lease hold land at D-13/4, Okhla Industrial Area,Phase-II is in the company's old name i.e. Electronics Consortium Private Limited.
For assets provided as security refer note no. 23

3B Lease liabilities (Rs. in lakhs)

Particulars	As at March 31, 2020s at March 31, 2019
Opening Balance	-
Addition during the year	62.44
Finance Charges on lease	8.71
Repayment during the year	-6.72
Closing Balance	62.44

Effective from April 01, 2019, the company has adopted Ind-AS 116 - Leases and applied to all lease contracts existing on April 01, 2019, using the modified retrospective method. The Company measured that lease liability at the present value of the remaining lease payments, discounted using incremental borrowing rate of 10.75% p.a. On transition, the adoption of new standard resulted in recognition of Right-of-Use-assets (ROU) of 62.44 lakhs and a corresponding lease liability of Rs. 62.44 lakhs.

Maturity analysis of the future lease payments (Rs. in lakhs)

Future Minimum lease payable	As at March 31, 2020s at March 31, 2019
Within one year	0.01
Later one year and not later than 5 years	0.04
Later than 5 Years	62.39

SALORA INTERNATIONAL LIMITED
ANNUAL REPORT 2019-20

SALORA INTERNATIONAL LIMITED
Notes to financial statements

Note No.	Particulars	(Rs. in lakhs)	
		As at 31st March 2020	As at 31st March 2019
4	Other Intangible Assets		
	Cost as at beginning of the year	106.21	106.21
	Cost at the end of the year	106.21	106.21
	Opening Accumulated Amortisation	101.13	101.13
	Total Amortisation at the end of the year	101.13	101.13
	Net Carrying amount as at the end of the year	5.08	5.08
5	Non-Current Investments		
	Investments in Equity Instruments:		
	Unquoted, fully paid-up		
	Investments carried at cost		
	In Subsidiary Company :		
	Nil. (P.Y. 3414800) Equity Shares of Salora Component Ltd.of Rs.10/-each.	-	341.48
	Investment carried at fair value through other comprehensive Income		
	In Other Company :		
	355000 (P.Y. 355000) Equity Shares of Encompass Software & Systems Pvt.Ltd.of Rs.10/-each.	35.50	35.50
	Less: Provision for diminution in value of investments	-31.18	-31.18
	Investments carried at amortized cost		
	Other investments in Bond (Fully paid)		
	2 (P.Y. 2) Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of Rs.1000/-each	0.02	0.02
	Total	4.34	345.82
	Aggregate amount of Unquoted Investments:	35.52	377.00
	Aggregate amount of impairment in value of investments:	31.18	31.18
6	Trade Receivables-Non current		
	- Unsecured, considered good	2,071.46	1,838.46
	- Doubtful	2,079.59	2,061.38
	Less : Allowance for bad & doubtful debts	-2,079.59	-2,061.38
	Total	2,071.46	1,838.46
7	Loans- Non current		
	(Unsecured, Considered Doubtful)		
	Inter Corporate Loan Given	255.00	255.00
	Less: Allowance for Impairment loss	-255.00	-255.00
	Total	-	-
8	Other Financial Assets-Non Current		
	(Unsecured, considered doubtful unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received	1,364.18	1,334.18
	Less: Allowance for Impairment Loss	-1,364.18	-1,334.18
	Interest Receivable	94.40	94.40
	Less: Allowance for Impairment Loss	-94.40	-94.40
	Security Deposits (considered good)	30.52	24.42
	Total	30.52	24.42
9	Deferred tax Assets (Net)		
	Deferred tax liability:		
	On account of depreciation on property, plant & equipment and other intangible assets	313.19	433.88
	Sub Total	313.19	433.88
	Deferred tax assets:-		
	On account of timing differences in recognition of expenditures	22.88	31.00
	On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	920.13	977.12
	On account of ECL & Impairment losses	959.27	1,183.00
	On account of capital Loss	181.46	77.40
	Total	2,083.74	2,268.52
	Deferred tax assets (net)	1,770.55	1,834.64
10	Other Non-Current Assets		
	(Unsecured, Considered good)		
	Deposits with Statutory Authorities	868.70	862.40
	Prepayment of Leasehold Land*	-	43.33
	Total	868.70	905.73
	*Transferred to right to use-lease (refer note no. 3A)		

SALORA INTERNATIONAL LIMITED
Notes to financial statements

Note No.	Particulars	(Rs. in lakhs)	
		As at 31st March 2020	As at 31st March 2019
11	Inventories:		
	Raw materials	576.42	534.67
	Work in progress	75.04	54.85
	Finished goods	908.51	1,374.50
	Stock in Trade	3,196.92	3,440.49
	Goods in transit, Bond, and under clearance:		
	Raw materials	155.11	41.00
	Total	4,912.00	5,445.51
12	Trade Receivables (Unsecured)		
	- Considered good	2,204.86	4,370.08
	- Doubtful	7.77	36.15
	Less : Allowance for bad & doubtful debts	-7.77	-36.15
	Total	2,204.86	4,370.08
13	Cash and Cash Equivalents		
	Cash balance in hand	1.68	3.80
	Balances with banks		
	- in current accounts	6.76	5.05
	Note: Balance of Rs. 3.94 lakhs (P.Y. Rs. 3.94 lakhs) seized by Sales Tax Department		
	Total	8.44	8.85
14	Bank Balances other than above		
	Fixed Deposits - Margin Money with Banks	41.39	11.64
	Total	41.39	11.64
15	Other Financial Assets (Unsecured, considered good unless otherwise stated)		
	Superannuation Recoverable	1.43	1.43
	Interest Receivable	2.17	1.91
	Receivable from related party	43.48	-
	Advances recoverable in cash or in kind or for value to be received:		
	-Considered Good	205.33	141.52
	-Considered Doubtful	10.53	10.53
	Less: Allowance for Impairment Loss	-10.53	-10.53
	Total	252.41	144.86
16	Current Tax Assets (Net)		
	Income Tax Refund Receivable	114.73	112.81
	Total	114.73	112.81
17	Other Current Assets (Unsecured, Considered good)		
	Balance With / Recoverable from Government Authorities	369.64	503.88
	Prepaid expenses	42.37	39.81
	Total	412.01	543.69

SALORA INTERNATIONAL LIMITED
Notes to financial statements

(Rs. in lakhs)

Note No.	Particulars	As at 31st March, 2020		As at 31st March, 2019	
		Number	Rs.	Number	Rs.
18	(a) Equity Share Capital:				
	Authorised:				
	Equity Shares of Rs. 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
	Issued and Subscribed :				
	Equity Shares of Rs. 10/- each	88,20,000	882.00	88,20,000	882.00
	Issued, Subscribed and Paid-up :				
	Equity Shares of Rs.10/- each	88,07,300	880.73	88,07,300	880.73
	Share Capital forfeited Equity Shares @ 5.65/- each	12,700	0.72	12,700	0.72
	Total		881.45		881.45

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Rs.	Number	Rs.
Equity shares outstanding at the beginning of the Year	88,07,300	880.73	88,07,300	880.73
Add: issued during the year	-	-	-	-
Less: Shares bought back	-	-	-	-
Equity shares outstanding at the end of the year	88,07,300	880.73	88,07,300	880.73

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

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of shareholders:	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of holding	No. of Shares	% of holding
Gopal Kumar Jiwaraajka	23,39,011	26.56	23,39,011	26.56
Gopal Kumar Jiwaraajka HUF	14,98,988	17.02	14,98,988	17.02
Neetu Jiwaraajka	7,31,410	8.30	7,31,410	8.30
Manori Properties Pvt Ltd.	5,58,929	6.35	5,58,929	6.35

	As at	
	31st March 2020	31st March 2019
19 Other Equity		
a. Securities Premium Reserve		
As per last balance sheet		
Share Premium Account	3,244.42	3,244.42
Share Premium Forfeited	2.87	2.87
Sub Total	3,247.29	3,247.29
b. General Reserve		
As per last Balance sheet	4,045.58	4,045.58
Sub Total	4,045.58	4,045.58
c. Surplus/Deficit in Statement of Profit and Loss		
As per last Balance sheet	-1,319.90	-832.05
Add : Profit/(Loss) Transferred from Statement of Profit & Loss	-1,353.97	-487.85
Sub Total	-2,673.87	-1,319.90
d. Other Comprehensive Income		
Opening balance	-9.32	-2.43
Add : Re-measurements of Defined Employee Benefits plans(Net of Tax)	3.72	-6.89
Sub Total	-5.60	-9.32
Total	4,613.40	5,963.65

Nature and purpose of Reserves:

(i) Securities Premium

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

(ii) General Reserve

This represents appropriation of profit after tax by the company.

(iii) Surplus/Deficit

This comprise company's undistributed profit/loss after tax.

SALORA INTERNATIONAL LIMITED
Notes to financial statements

Note No.	Particulars	(Rs. in lakhs)	
		As at 31st March 2020	As at 31st March 2019
20	Borrowings- Non Current		
	(a) Secured		
	Term Loan:		
	Vehicle Loans from Banks	13.26	21.33
	Less : Current Maturities of vehicle loans(Refer Note No. 25)	6.32	14.47
	Sub Total	6.94	6.86
	(b) Unsecured Loans:		
	Loans from related parties	1,274.78	1,052.00
	Loan from Other	-	335.00
	Sub Total	1,274.78	1,387.00
	Total	1,281.72	1,393.86
	Additional Information:		
	Vehicle Loans are secured against hypothecation of cars.		
	Vehicle Loans from Banks, repayment on monthly instalment basis.		
	Unsecured loan from NBFC is secured by pledged of shares of other listed company held by promoters and their relatives.		
21	Other Financial Liabilities-Non Current		
	Trade Deposit	52.61	118.31
	Total	52.61	118.31
22	Provisions-Non Current		
	Employees benefits:		
	Provision for Leave	16.94	18.09
	Total	16.94	18.09
23	Borrowings-Current		
	Secured Loans:		
	Working capital From Banks	4,780.74	5,147.23
	Sub Total	4,780.74	5,147.23
	(b) Unsecured Loans:		
	Loans from related parties	127.00	-
	Loan from Other	313.55	-
	Sub Total	440.55	-
	Total	5,221.29	5,147.23
	Additional Information:		
	Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge on immovable properties of Noida units as collateral security.		
	Unsecured loan from NBFC is secured by pledged of shares of other listed company held by promoters and their relatives.		
24	Trade Payables		
	Dues to Micro, Small and Medium Enterprises*	83.37	24.54
	Others	1,995.48	3,888.43
	Total	2,078.85	3,912.97
	Additional Information:		
	*The Company has declared the dues to Micro, Small and Medium Enterprises on the basis of confirmations received from parties.		
25	Other Financial liabilities- Current		
	Current maturities of long term debt: Vehicle Loans	8.32	14.47
	Interest accrued & due on borrowings	95.75	101.20
	Interest accrued but not due on borrowings	21.62	-
	Payable to Employees	111.81	77.80
	Total	235.50	193.47
	Additional Information:		
	Vehicle Loans are secured against hypothecation of cars.		
	Interest accrued & due on borrowings includes Rs. 4.73 lakhs (previous year Rs. 0.80 lakhs) of MSMED parties.		
26	Other Current liabilities		
	Statutory Liabilities	39.97	42.74
	Others	196.03	20.16
	Total	236.00	62.90
27	Provisions-Current		
	Employees benefits:		
	Provision for Leave	8.95	8.95
	Provision for Gratuity	38.61	43.49
	Total	47.56	52.44

SALORA INTERNATIONAL LIMITED
ANNUAL REPORT 2019-20

SALORA INTERNATIONAL LIMITED
Notes to financial statements

(Rs. in lakhs)

Note No.	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
28	Revenue from Operations:		
	Sales of Goods		
	Domestic	16,445.23	16,995.49
	Export	-	45.90
	Total	16,445.23	17,041.39
	Sale of Services		
	Wind Energy	344.47	474.95
	Total	344.47	474.95
	Gross Sales	16,789.70	17,516.34
	Other Operating Income		
	Bad Debts Recovered	-	0.98
	Liability no Longer required written back	88.98	65.03
	Miscellaneous Income	0.14	1.01
		89.12	67.02
	Total Revenue from Operations	16,878.82	17,583.36
29	Other Income:		
	Interest	4.13	7.39
	Rent received	11.85	11.07
	Total	15.98	18.46
30	Changes in Inventories of finished goods, Stock-in-trade and work in progress		
	Stock at the end of the year		
	Work in progress	75.04	54.85
	Stock in Trade:	3,196.92	3,440.49
	Finished goods	908.51	1,374.50
	Sub Total :	4,180.47	4,869.84
	Less : Stock at the beginning of the year		
	Work in progress	54.85	205.92
	Stock in Trade:	3,440.49	3,712.05
	Finished goods	1,374.50	884.84
	Sub Total :	4,869.84	4,802.81
	(Increase) / Decrease In Stock :	689.37	-67.03

SALORA INTERNATIONAL LIMITED
Notes to financial statements

(Rs. in lakhs)

Note No.	Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
31	Employee benefits expenses:		
	Salary and wages		440.80
	Contribution to provident and other funds	38.46	49.73
	Staff Welfare & Other Benefits	8.80	10.84
	Total	421.58	501.37
32	Finance Costs:		
	Interest	696.27	702.67
	Interest on lease liabilities	6.71	-
	Bank charges and Others	42.25	40.34
	Total	745.23	743.01
33	Depreciation and amortization:		
	Depreciation	193.10	191.43
	Amortization of Land	6.93	3.50
	Total	200.02	194.93
34	Other expenses:		
	Assembly Charges	0.78	5.53
	Stores & Spares Consumed	2.24	4.88
	Power and fuel	49.24	51.06
	Lease Rent	-	2.50
	Rent	16.02	17.67
	Repair & Maintenance :-		
	Building	-	1.78
	Plant & Machinery	88.84	89.25
	Others	7.14	11.56
	Insurance	11.98	12.90
	Rates and taxes	6.16	5.50
	Legal and professional fees	63.23	71.65
	Payment to Auditors		
	Statutory Audit Fees (including Limited review)	11.20	11.20
	Tax Audit Fees	1.50	1.50
	Certification	0.03	-
	Expenses reimbursed	1.00	1.00
	In Other capacity	1.50	1.50
	Travelling & Conveyance	43.69	51.69
	Freight and Forwarding	89.92	42.53
	Discount, Commission & Incentives	113.13	244.21
	Advertisement & Publicity	2.62	0.82
	After Sale Service Charges	14.63	14.64
	Sales Tax/GST/Service Tax etc. (net)	-4.33	0.28
	Bad Debts	10.28	9.23
	Provision for Irrecoverable Loans & Advances	30.00	-
	Loss on sale of property, plant & equipment (net)	25.06	11.13
	Short / (Excess) Claims	-3.74	-15.44
	Miscellaneous expenses	63.14	67.09
	Net (gain)/loss on foreign currency transaction	-2.28	4.43
	Allowance for doubtful receivables	-10.17	-454.73
	Total	612.81	265.36

SALORA INTERNATIONAL LIMITED
Notes to standalone financial statements

35 Earnings per Share

Particulars	(Rs. in lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
a).Net profit / (loss) available to equity shareholders	(1,353.97)	(487.85)
b).Number of weighted average equity shares outstanding during the year for the purpose of calculation of earnings per share	88,07,300	88,07,300
c).Nominal value of equity share (in Rs.)	10	10
d).Basic earnings per share (in Rs)	(15.37)	(5.54)
e).Diluted earnings per share (in Rs.)	(15.37)	(5.54)

36 Income tax:

(a) Income Tax Expense

i) Income tax recognised in Statement of Profit and Loss

Particulars	(Rs. in lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Current tax expense		
Current year	-	-
Total	-	-
Deferred tax expense	-62.84	-162.74
Total Income tax expense	-62.84	-162.74

ii) Income tax recognised in other comprehensive income

Particulars	(Rs. in lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Net actuarial gains/(losses) on defined benefit plans		
Before tax	4.97	-10.01
Tax expense/ (benefit)	-1.25	3.12
Net of tax	3.72	-6.89

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

Particulars	(Rs. in lakhs)	
	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Profit before tax	-1,291.13	-325.11
Tax using the Company's domestic tax rate of 25.168% (previous year 31.20%)	-324.95	-101.43
Tax effect of:		
Business Loss Expired	175.74	237.38
Adjustment in respect of Deferred tax related to earlier years	302.70	36.31
Others	1,074.80	-9.88
Income Tax Expenses (Income) recognised in the statement of profit and loss account	-62.84	-162.74
Income tax recognised in other comprehensive income Rs. -1.25 lakhs (in PY 3.12 lakhs)		

b)The movement in deferred tax assets and liabilities during the year ended March 31, 2020:

Deferred tax assets/ (liabilities)	(Rs. in lakhs)				
	As at 1st April, 2018	Credit/ (charge) in statement of Profit and Loss	As at 31st March, 2019	Credit/ (charge) in statement of Profit and Loss	As at 31st March, 2020
On account of Depreciation	-475.51	41.63	-433.88	120.69	-313.19
On account of amount allowable on payment basis & others	25.56	5.44	31.00	-8.12	22.88
On account of brought forwarded business losses and depreciations	1,054.01	-76.89	977.12	-56.99	920.13
On account of ECL & Impairment losses	1,312.79	-129.80	1,182.99	-223.72	959.27
On account of Capital losses	77.40	-	77.40	104.06	181.46
Total	1,994.26	-159.62	1,834.64	-64.09	1,770.55

The Company elected to exercise the option of lower tax rate permitted under section 115BAA of the Income-tax Act, 1961. The Company, accordingly has re-measured its Deferred Tax assets, basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit & Loss for the year ended including reversal of deferred tax assets relating to earlier years of Rs 302.70 lakhs

37 Employee benefits

A. Defined benefit plan

Gratuity

The Company provides to the eligible employees, defined benefit plans in the form of gratuity. The gratuity plan provides for a lump sum payment. The following table sets out the details of the defined benefit retirement plans and the amounts recognised in the financial statements based on

i) Change in Present Benefit Obligation			(Rs. in lakhs)
	2019-2020	2018-2019	
Present value of obligations at the beginning of the period	123.19	105.35	
Current Service Cost	5.27	5.70	
Interest Cost	8.70	8.00	
Re-measurement (or actuarial) (gain)/loss arising from:			
a) change in demographic assumptions	-0.02	-	
b) change in financial assumptions	5.56	2.40	
c) experience variance (i.e. actual experience vs assumptions)	-10.53	7.72	
Past Service Cost	-	-	
Benefits Paid	-8.24	-5.98	
Present value of obligations at the end of the period	123.93	123.19	

ii) Change in fair value of plan assets			(Rs. in lakhs)
	2019-2020	2018-2019	
Fair value of plan assets at the beginning of the period	79.72	73.99	
Investment Income	5.63	5.62	
Benefits Paid	-	-	
Return on plan assets, excluding amount recognised in net interest expense	-0.01	0.11	
Fair value of plan assets at the end of the period	85.34	79.72	

iii) Expenses recognised in Income statement			(Rs. in lakhs)
	2019-2020	2018-2019	
Current Service Cost	5.27	5.70	
Past Service Cost	-	-	
Net Interest Cost/(Income) on the Net Defined Benefit Liability/(Asset)	3.07	2.38	
Expense recognised in Statement of Profit and Loss	8.34	8.08	

iv) Other Comprehensive Income (OCI)			(Rs. in lakhs)
	2019-2020	2018-2019	
Actuarial Gain/Losses			
a) Change in Demographic assumptions	-0.02	-	
b) Change in Financial Assumptions	5.56	2.40	
c) Experience Variance (i.e. Actual experience Vs Assumptions)	-10.53	7.72	
Return on Plan Assets, excluding amount recognised in net interest expense	0.01	-0.11	
Components Of Defined Benefit costs recognised in other Comprehensive Income	-4.97	10.01	

v) Sensitivity Analysis of the defined benefit obligation			(Rs. in lakhs)
	2019-2020	2018-2019	
a) Impact of the change in discount rate			
Impact due to increase of 1 %	-119.66	-118.92	
Impact due to decrease of 1 %	128.58	127.81	
b) Impact of the change in salary increase			
Impact due to increase of 1 %	128.48	127.77	
Impact due to decrease of 1 %	-119.69	-118.90	
c) Impact of change in Attrition Rate			
Impact due to increase of 0.5 %	125.78	125.95	
Impact due to decrease of 0.5 %	-121.30	-119.28	
d) Impact of change in Mortality Rate			
Impact due to increase of 10 %	123.97	123.23	
Impact due to decrease of 10 %	123.93	123.17	

vi) Expected maturity analysis of the undiscounted gratuity benefits is as follows			(Rs. in lakhs)
	2019-2020	2018-2019	
1 year	43.32	41.40	
2 to 5 years	63.21	70.65	
6 to 10 years	34.08	35.77	
More than 10 years	14.20	15.52	

Expected contributions to post-employment benefit plans for the year ending 31 March 2020 are Rs. 44.06 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 3 years.

vii) The assumptions used in accounting for the defined benefit plan are set out below:			(Rs. in lakhs)
Particulars	As at	As at	
	31st March 2020	31st March 2019	
Discount Rate	5.75%	7.05%	
Future Salary Increase	3.00%	3.00%	
Retirement Age	58 years	58 years	
Mortality rates	100%	100%	
	(IALM 2012-14)	(IALM 2006-08)	
Withdrawal rate	10%	10%	

B. Long term employee benefit plans

Compensated Absence

The liability for leave encashment is recognized on the basis of actuarial valuation made at the end of the year. A provision of Rs. 5.32 Lakhs (31 March 2019: Rs. 1.73 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

C Defined contribution plans

The company's contribution to provident fund, pension fund and ESI scheme recognised as expense for the year are as under (Rs. in lakhs)

	2019-2020	2018-2019
- Contribution to Provident fund	23.14	26.15
- Contribution to ESI	3.35	5.48

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

(Rs. in lakhs)

Particulars	As at 31 st March 2020	As at 31 st March 2019
Letter of credit pending for shipment	Nil.	8.07
Bank Guarantees (net of margin)	214.58	496.28
Custom Duty demand	Not Ascertainable	Not Ascertainable
Income Tax Matters	37.88	37.88
Sales Tax Matters	953.91	1,565.10
Service Tax Matters	1.97	1.97
Excise Matters	4,877.81	4,877.81

Note:

i) Bank Guarantees issued by Bankers Rs.221.21 lakhs (Previous year Rs.502.21 lakhs) including for Sales Tax and Excise demand Rs.21.21 lakhs (Previous Year Rs. 9.20 lakhs), against which margin kept by bank Rs. 6.63 lakhs (Previous year Rs.5.93 lakhs)

ii) Advance Licence utilised for Import of CPT worth Rs. 87.50 lakhs 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 lakhs 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 lakhs within the time stipulated by the Court. Duty and penalty amount is not ascertainable at this stage. Petition has been refiled against appeal order of DGFT.

iii)(a) The demand amounting to Rs.1113.78 lakhs (previous year Rs. 1113.78 lakhs) and penalty Rs. 1113.78 lakhs (previous year Rs.1113.78 lakhs) for the period April 2002 to April 2003 and demand of Rs.28.99 lakhs (previous year Rs.28.99 lakhs) and penalty of Rs.28.99 lakhs (previous year Rs.28.99 lakhs) for the period July 1993 to February 1994 are on the basis of differential duty on Chassis, Sub assembly parts of T.V.considered as T.V. The Honorable Supreme Court has decided on the classification issue for the period 1989-90 and the facts of these cases are different from the case decided by the Supreme Court. The company had gone in appeal before CESTAT. The appeal before CESTAT were remanded back to the Commissioner Adjudication to decide a fresh while considering the differential facts of the case. The Commissioner has decided the cases against the company without considering the differential facts as per directions given by the CESTAT in remand order. The company has again filed appeal against Commissioner's order before the CESTAT. CESTAT has decided the case against the company. The company has filed the SLP against the order of CESTAT before the Supreme Court.

(b)The demand for Rs.1292.44 lakhs (previous year Rs. 1292.44 lakhs) and penalty Rs.1292.44 lakhs (previous year Rs. 1292.44 lakhs) for the period June 1998 to March 2002 raised on the same basis by the department is time barred and case had been decided in favour of the company.The department had gone in appeal before CESTAT. The CESTAT had remanded this matter to Commissioner Adjudication who has decided the case against the company without considering direction / differential facts of the CESTAT. The company has again filed appeal on the matter before CESTAT. CESTAT has decided the case against the company.The company has filed the SLP against the order of CESTAT before the Supreme Court. Therefore considering directions / differential facts given by CESTAT in remand order not considered in Commissioner's orders, the company has good case on merits. Demand deposited amounting to Rs.600.00 lakhs (previous year Rs. 600.00 lakhs).Miscellaneous Excise duty demand amounting to Rs.7.39 lakhs(previous year Rs. 7.39 lakhs) and Service Tax demand Rs.1.97 lakhs(previous year Rs. 1.97 lakhs) has been raised by the department against which company has filed appeals. The amount deposited against demand Rs.2.00 lakhs (previous year Rs.2.00 lakhs).

(c) The company has made applications on SabkaVishwas (Legacy Dispute Resolution) Scheme, (SVLDRS) 2019 for settlement of the disputed Excise matters as on 30.06.2019 . The Company has filed necessary form SVLDR -1 on 31.12.2019 and liabilities to be paid as per scheme Rs 1210.99 lakhs after availing the relief of the principal disputed amount i.e. Rs. 2435.21 lakhs and penalty Rs. 2435.21 Lakhs (Deposited Rs. 600 Lakhs.) and full waiver of interest and penalties as per legacy scheme.Necessary application has been accepted and determined by the designated committee based on SVLDR -3 issued on 28.02.2020.based on further legal advice the Company strongly believes that the case is very strong in favour of the Company hence Company has not exercised the option on or before the due date 30.06.2020 which has expired.

iv)The Central Sales Tax and VAT/ State Sales Tax Authorities has raised demand of Rs. 953.91 lakhs (Previous Year Rs. 1565.10 lakhs) primarily pertains to exparte order and/or some interpretation related issues, which is under appeal and an amount of Rs. 208.81 lakhs (previous year Rs.202.52 lakhs) deposited under protest, which has been disputed bythe company. However in most of the cases, required documents are being filed. The Company's appeal against the said demands are pending before various appellate authorities forums.

vi) Income Tax Assessments of the Company have been completed upto Assessment Year 2016-17 (in previous year upto 2016-17). Demand has been raised of Rs.37.88 lakhs (previous year Rs. 37.88 lakhs) for earlier assessment year 2002-03 against which company has filed appeal before appellate authorities and amount Rs. 37.88 lakhs (previous year Rs.37.88 lakhs) has been deposited against demands.

vii) Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Supreme Court against refund of Rs.1151.57 lakhs (previous year Rs. 1151.57 lakhs) received by the Company in the Financial Year 2002-2003. There is final demand of Rs. 382.99 lakhs on Rs. 17.84 crores direct benefit to share holders is only in SLP as High Court relieved depreciation part of Rs. 32.48 crores.

Pending completion of the legal process the impact of liability, if any, cannot be ascertained at this stage, however, management believes that, based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.

- B. Estimated amount of contracts remaining to be executed on capital account & not provided for (net of advances) is Rs. Nil. (previous year Rs. Nil.).

39 **Capital Management**

The Company's objectives when managing capital are to:

Particulars	(Rs. in lakhs)	
	As at	As at
	31 st March 2020	31 st March 2019
Total borrowings	6,605.08	6,656.76
Less : Cash and cash equivalents	8.44	8.85
Net debt	6,596.64	6,647.91
Total equity	5,494.85	6,845.10
Net debt to equity ratio	1.20	0.97

40 **Financial Risk Management**

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

A **Market Risk**

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

B **Interest Rate Risk**

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

Particulars	Carrying Amount (Rs. in Lakhs)	
	As at	As at
	31 st March 2020	31 st March 2019
Fixed rate instruments		
Long term borrowings	6.94	6.86
Current maturities of long term debt	6.32	14.47
Unsecured loans	1,715.33	1,387.00
Variable rate Instruments		
Short term borrowings	4,780.74	5,147.23

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

Particulars	(Rs. in lakhs)	
	2019-2020	2018-2019
Increase in 50 basis point	23.90	25.74
Decrease in 50 basis point	-23.90	-25.74

C **Liquidity Risk**

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

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

Particulars	(Rs. in lakhs)	
	As at	As at
	31 st March 2020	31 st March 2019
Borrowings:		
0-1 year	5,227.61	5,161.70
More than 1 year	1,281.72	1,393.86
Trade Payables:		
0-1 year	2,078.85	3,912.97
More than 1 year	-	-
Lease Liability:		
0-1 year	0.01	-
More than 1 year	62.43	-
Other Financial liabilities:		
0-1 year	229.18	179.00
More than 1 year	52.61	118.31

D **Credit Risk**

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

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

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

(I) Exposure to Credit Risk

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

Particulars	(Rs. in lakhs)	
	As at 31st March 2020	As at 31st March 2019
Financial assets for which loss allowance is measured using:		
-Lifetime expected credit losses		
Trade receivables	4,276.32	6,208.54
-12 months expected credit losses		
Investments	4.34	345.82
Cash and cash equivalent	8.44	8.85
Other bank balances	41.39	11.64
Loans	-	-
Other financial assets	282.93	169.28
Total	4,613.42	6,744.13

(II) Provision for expected credit losses

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

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

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

Particulars	(Rs. in lakhs)	
	As at 1st April, 2019	ECL on Trade Receivable
Provided/(Reversal) during the year		2,097.53
		-10.17
As at March 31, 2020		2,087.36

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

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

Reconciliation of impairment loss provisions

Particulars	(Rs. in lakhs)	
	As at 31st March 2020	As at 31st March 2019
Opening Provision	1,725.29	1,725.53
Add: Provided during the year	30.00	-
Less: Reversal of loss allowance *	-	-0.24
Closing Provision	1,755.29	1,725.29

E Foreign Currency Risk

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

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

Foreign currency exposure	Currency	(Rs. in lakhs)	
		As at 31st March 2020	As at 31st March 2019
Trade Receivables	USD	0.36	0.36
Trade payables	USD	0.44	0.38
Net Exposure to foreign currency risk	USD	-0.08	-0.02

Foreign Currency Risk Sensitivity

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

Particulars	2019-2020		2018-2019	
	1% Appreciation In USD	1% Depreciation In USD	1% Appreciation In USD	1% Depreciation In USD
Increase/(Decrease) in Profit or Loss	(0.06)	0.06	(0.01)	0.01

**F. Fair Value Measurement:
Financial Instruments by category**

The carrying value and fair value of financial instruments by categories as of 31st March, 2020 (Rs. in lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
Financial Assets:				
Non current investment-others	-	4.32	0.02	4.34
Other Financial Assets-Non Current	-	-	30.52	30.52
Trade Receivables	-	-	4,276.32	4,276.32
Cash and Cash Equivalents	-	-	8.44	8.44
Other Bank Balances	-	-	41.39	41.39
Other financial asset -Current	-	-	252.41	252.41
Financial Liabilities:				
Non - Current Borrowings	-	-	1,281.72	1,281.72
Trade Deposits	-	-	52.61	52.61
Lease Liability	-	-	62.44	62.44
Current Borrowings	-	-	5,221.29	5,221.29
Trade Payables	-	-	2,078.85	2,078.85
Other Financial liabilities	-	-	235.50	235.50

The carrying value and fair value of financial instruments by categories as of 31st March, 2019 (Rs. in lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Carrying Cost
Financial Assets:				
Non current investment-others	-	4.32	341.50	345.82
Other Financial Assets-Non Current	-	-	24.42	24.42
Trade Receivables	-	-	6,208.54	6,208.54
Cash and Cash Equivalents	-	-	8.85	8.85
Other Bank Balances	-	-	11.64	11.64
Other financial asset -Current	-	-	144.86	144.86
Liabilities:				
Non - Current Borrowings	-	-	1,393.86	1,393.86
Trade Deposits	-	-	118.31	118.31
Current Borrowings	-	-	5,147.23	5,147.23
Trade Payables	-	-	3,912.97	3,912.97
Other Financial liabilities	-	-	193.47	193.47

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

41 RELATED PARTIES DISCLOSURES :

1. Relationship :

(a) Subsidiary :

Salora Components Ltd (upto 31.03.2019)

(b) Other related parties in which key managerial Personnel are able to exercise significant influence :

Salora Components Ltd (w.e.f. 01.04.2019)
Manori Properties Private Limited

Devi Electronics Private Limited
Quick Load 247 Private Limited
Tiss Technologies LLP
PJTJ Technologies Private Limited

(c) Key Managerial Personnel:

Mr. Gopal Sitaram Jiwarajka (Chairman & Managing Director)
Mr. Tarun Jiwarajka (Whole Time Director & CFO)
Mrs. Neetu Jiwarajka (Director)
Ms. Silky Gupta (Company Secretary, till 06.01.2020)
Ms. Deepika (Company Secretary, w.e.f. 25.02.2020 till 30.06.2020)
Mr. Mahak Agarwal (Company Secretary, w.e.f. 08.07.2020)
Mr. Ayush Jiwarajka

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

Mrs. Savitri Devi Jiwarajka

(e) Other Relative Parties

Mr. Gautam Khaitan (Chairman Audit Committee & Independent Director) till 08.07.2019
Mr. Paramartha Salkia (Independent Director w.e.f. 07.10.2019)
Mr. Sanjeev Kaul Duggal (Independent Director)
Mr. K.S. Mehta (Chairman Audit Committee & Independent Director)

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

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

(Rs. in lakhs)

Nature of Transactions	Related Parties							
	Referred In 1 (a) above		Referred In 1 (b) above		Referred In 1 (c) & (d) above		Referred In 1 (e) above	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Purchases								
Goods and Materials	-	-	16.91	151.37	-	-	-	-
Capital Assets	-	24.33	-	-	-	-	-	-
Maintenance item	-	0.38	-	-	-	-	-	-
Sales								
Goods and Materials	-	-	84.35	179.42	-	-	-	-
Investments	341.48	-	-	-	-	-	-	-
Expenses								
Interest	-	-	3.18	0.95	6.79	93.47	-	-
Directors Remuneration & Perquisite	-	-	-	-	37.14	32.33	-	-
Director Sitting Fee	-	-	-	-	-	-	1.90	2.00
Salary of Others	-	-	-	-	10.61	9.67	-	-
Income								
Rental & Other Incomes	-	-	10.16	12.68	-	-	-	-
Finance								
Loans received	-	-	127.00	75.00	821.15	316.00	-	-
Loans repaid	-	-	70.00	5.00	528.38	34.00	-	-
Others								
Advance Received for sale of share	-	-	-	5.00	-	-	-	-
Expenses/Payment on their behalf	-	4.87	0.75	1.01	-	-	-	-
Outstandings								
Payables	-	-	0.28	-	4.54	1.28	1.17	-
Receivables	-	5.85	78.75	10.14	-	-	-	-
Loan Payable	-	-	127.00	70.00	1,274.78	982.00	-	-
Interest Payable	-	-	2.28	0.85	83.97	97.14	-	-
Advance Received for sale of share	-	-	-	5.00	-	-	-	-

42 Segment reporting :

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

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

Business Segment	Type of Products
a) Consumer Electronics Division	Mobile Phones, IT Products, Telecom products, Home Appliances and Other items etc. Fly Back Transformer (EHT), Loudspeaker, Deflection Yoke. LED TVs, CRT TVs and Home Theatres
b) Wind Energy	Wind Energy Generation

Summary of Segment Information are as follows:

	Year Ended 31.03.2020	(Rs. in lakhs) Year Ended 31.03.2019
Information about Primary Business Segments :		
(I) Segment Revenue :		
a) Consumer Electronics Division	16,534.35	17,108.41
b) Wind Energy	344.47	474.95
Total	16,878.82	17,583.36
Less : Inter Segment Revenue	-	-
Total Segment Revenue as per Financial Statements	16,878.82	17,583.36
(II) Segment Results :		
a) Consumer Electronics Division	-402.40	387.68
b) Wind Energy	119.52	272.88

Total Segment Results	-282.88	660.56
Add : i) Extraordinary Item		
Less : i) Interest	702.98	702.67
ii) Other un-allocable expenditure	305.27	283.00
net off un-allocable income		
iii) Provision for Taxes	-62.84	-162.74
Net Profit/(Loss) as per Financial Statements	-1,353.97	-487.85

(iii) Other Informations (Rs. In Lakhs) :

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
a) Consumer Electronics Division				
As at 31st March 2020	11,086.96	2,277.24	1.12	49.69
As at 31st March 2019	13,721.25	4,016.41	23.51	46.83
b) Wind Energy				
As at 31st March 2020	1,399.78	101.94	-	117.83
As at 31st March 2019	1,500.74	78.02	-	116.14
c) Unallocated Amounts				
As at 31st March 2020	2,241.02	6,853.73	11.98	32.49
As at 31st March 2019	2,522.37	6,804.84	5.44	31.96
Total as per Financial Statements				
As at 31st March 2020	14,727.76	9,232.91	13.10	200.02
As at 31st March 2019	17,744.37	10,899.27	28.95	194.93

GEOGRAPHICAL SEGMENTS:

	Year Ended 31.03.2020 (Rs. in Lakhs)	Year Ended 31.03.2019 (Rs. in Lakhs)
Revenue from Operations :		
Domestic	16,789.70	17,470.44
Export	-	45.90
Total	16,789.70	17,516.34

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

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

43 Disclosure under The Micro, Small and Medium Enterprises Development Act, 2006

The Company has sent letters to vendors to confirm whether they are covered under micro, small and medium enterprise development act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

Particulars	As at	
	March 31, 2020 (Rs. in Lakhs)	March 31, 2019 (Rs. in Lakhs)
The Principal amount remaining unpaid at the year end	83.37	24.54
The Interest amount remaining unpaid at the year end	4.73	0.80
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
The amount of interest accrued and remaining unpaid at the year end	4.73	0.80
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	4.73	0.80

- 44** In the opinion of the board, any of the assets other than property, plant and equipment and non current investments have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated.
- 45** In assessing the recoverability of Assets such as Inventories, trade receivables, property, plant & equipments and other financial assets based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The impact of the global health pandemic COVID-19, may be different from the presently estimated and would be recognized in the financial statements when material changes to economic conditions arise.
- 46** In view of the Covid-19 pandemic, the Government of India had imposed a nationwide lockdown from March 24, 2020 onwards resulting in disruption of the Company's operations. Due to the continuing lockdown, physical verification of Inventories could not be done at the year end. However, Physical verification of Inventories has been done internally on selected items during the year and no material discrepancies were observed. Management has considered the Inventories as per the stock records maintained by the Company.
- 47** The Company has inventories as at 31st March 2020 of Rs. 4812.00 lakhs at cost. This includes old inventories under the process of identification of slow moving and non moving against which provision of Rs 262.48 lakhs has been considered on estimation basis. The Company has prepared a road map going forward to reduce the old inventory level on priority. The Company has also been able to sell old inventory subsequent to the balance sheet date. The additional provision if any on inventories shall be accounted for at the time of disposal / realization.
- 48** Contingent liabilities of Rs 5891.57 lakhs related to Sales tax, Excise duty, Service tax and Income tax etc against which amount deposited Rs 868.69 lakhs which are contested by the company and pending before various forums. However management believes that based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable.
- 49** The Company has material statutory dues recoverable of Sales tax Rs.302.98 lakhs, Income tax Rs.114.73 lakhs and Modvat Rs.7.82 lakhs have been considered good based on the opinion rendered by consultants.
- 50** Deferred tax assets (net) Rs. 1770.55 lakhs as at 31st March, 2020, as the management is confident for realization of the same on the basis of future taxable income will be available against which deferred tax assets shall be realized.
- 51** Pending confirmations / statement of accounts / follow up documents of old debit balances of certain trade payables and advances amounting to Rs 58.30 lakhs have been considered good, as the Management is hopeful of recovery/adjustment of the same.

52 Debtors , creditors,loans and advances are subject to confirmations except received of some parties.

53 Previous year figures have been re-grouped / re-arranged wherever considered necessary.

The accompanying notes (1-53) form an integral part of the financial statements.

As per our seperate report of even date annexed.

For and on behalf of the Board

For **R Gopal & Associates**

Chartered Accountants
Firm Reg No. 000846C

S K Agarwal
Partner
M.No: 093209

Tarun JiwaraJka
Whole Time Director & CFO
DIN No. 00386240

Gopal Sitaram JiwaraJka
Chairman & Managing Director
DIN: 00024325

Place :New Delhi
Date: 08.07.2020

Mahak Agarwal
Company Secretary



SALORA
Technology for Happiness

REFRIGERATOR





SALORA INTERNATIONAL LIMITED

Regd Office:- D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110020
Tel-011-40552341, Email: info@salora.com

Corp Office:- B-31-34, to 50-53, Sector 80, Phase-II, Noida - 201305 (U.P.)
Ph.: +91-120-4885503, Website: www.salora.com