SALORA

Salora International Ltd.

September 08, 2017

National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E) **MUMBAI - 400 051.**	BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street **MUMBAI - 400 001.**

Sub: **Typographical error in the Directors' Report for the year 2016-17**

Dear Sir,

We would like to bring to your kind notice that the following typographical error has been occurred in the Directors' Report in Annual Report of the Company for the Financial Year 2016-17 sent to the members.

On Page No.12, of the Annual Report 2016-17, figures of the current year 2016-17 under the head **"total expenditure"** was inadvertently mentioned as **Rs.31709.85 lacs** whereas the actual figure is **Rs.32083.77** lacs and accordingly figures of Operating Profit shall be **Rs.677.65 lacs** instead of **Rs.1051.57 lacs**.

Further, it is pertinent to mention that the above mentioned typographical error does not have any effect on the financials.

The revised Page 12 of Annual Report 2016-17 is enclosed herewith for your information and records. The same has also posted on the Company's website i.e. www.salora.com

Further, the above errata shall also be published in Newspapers for Shareholders' information and copy of the same shall be forwarded to the Stock Exchanges.

Thanking you,

Yours faithfully,
for **SALORA INTERNATIONAL LTD.,**

(MOHD. FAISAL FAROOQ)
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl.: As above

48TH ANNUAL REPORT 2016-17

SALORA
Technology for Happiness

BOARD OF DIRECTORS

GOPAL SITARAM JIWARAJKA – Chairman & Managing Director
GAUTAM KHAITAN – Chairman Audit Committee & Independent Director
TARUN JIWARAJKA – Whole Time Director
NEETU JIWARAJKA – Executive Director
PATANJALI GOVIND KESWANI – Independent Director
SANJEEV KAUL DUGGAL – Independent Director
K. S. MEHTA – Additional Director
SAVITRI DEVI JIWARAJKA – Additional Director

CHIEF FINANCE OFFICER

VINAY KISHORE

COMPANY SECRETARY

MOHD. FAISAL FAROOQ

AUDITORS

K. PRASAD & COMPANY, STATUTORY AUDITORS
S.C VASUDEVA & Co., 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 & CORPORATE OFFICE

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

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

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ANNUAL GENERAL MEETING

Day : Wednesday
Date : 13th September, 2017
Time : 11.00 am
Venue : Lok Kala Manch, Lodhi institutional Area, Lodhi Road, New Delhi – 110 003.
Note : Members are requested to bring their copy of the Annual Report to the Meeting.

Visit us at www.salora.com

NOTICE TO THE 48TH ANNUAL GENERAL MEETING

NOTICE is hereby given that 48th Annual General Meeting of the Members of Salora International Limited will be held on Wednesday, 13th September, 2017 at 11.00 A.M. at Lok Kala Manch, 20 Lodhi Institutional Area, Lodhi Road, New Delhi – 110 003 to transact the following businesses:

ORDINARY BUSINESS

Item No.1 - Adoption of Financial Statements

To receive, consider and adopt audited financial statements (including the consolidated financial statements) of the Company as at 31st March, 2017 together with the Reports of Board of Directors and Auditors' thereon.

Item No.2 - Appointment of a Director

To appoint a director in place of Smt. Neetu Jiwarajka (DIN 00025570), who retires by rotation and being eligible offers herself for re-appointment.

Item No.3 – Appointment of Statutory Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. R. Gopal & Associates, Chartered Accountants (Firm Registration No.000846C), be and is hereby appointed as Auditors of the Company in place of retiring auditors M/s. K. Prasad & Co., Chartered Accountants (Firm Registration No.002755N) to hold office from the conclusion of this Annual General Meeting till the conclusion of the 53rd Annual General Meeting of the Company to be held in the year, 2022 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, boarding and lodging expenses, as mutually agreed between Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

Item No. 4 – Ratification of remuneration to be paid to Gurvinder Chopra and Co. Cost Auditors.

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 2017-18, be paid remuneration of Rs.40,000/- plus applicable service tax and out of pocket expenses that may be incurred".

Item No. 5 – Appointment of Shri K.S. Mehta as Non Executive Independent Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary 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 K.S. Mehta (DIN 00128166) who was appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective from 12th November, 2016 and who by operation of law, holds office up to the date of this Annual General Meeting in terms of provision of Section 161(1) 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(1) of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Non Executive Independent Director of the Company for a period of 5 years with effect from 12th November, 2016 up to 11th November, 2021."

Item No. 6 – Appointment of Smt. Savitri Devi Jiwarajka as Non Executive Director

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

"**RESOLVED THAT** that pursuant to Section 152 read with any 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), Smt. Savitri Devi Jiwarajka (DIN 07066988) who was appointed as an Additional Director by the Board of Directors with effect from 15th March, 2017 and who by operation of law, holds office up to the date of this Annual General Meeting in terms of provision of Section 161(1) 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(1) of the Companies Act, 2013 proposing her candidature for the office of Director of the Company, be and is hereby appointed as Non-Executive Director of the Company for a period of 3 years with effect from 15th March, 2017 up to 14th March, 2020, liable to retire by rotation.

By Order of the Board of Directors
Salora International Ltd.

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

(Mohd. Faisal Farooq)
Company Secretary

Dated: 29.05.2017
Place: New Delhi

NOTES

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the business under Item No. 2 to 6 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, of the person seeking appointment / re-appointment as director under Item Nos. 3, 5 and 6 of the Notice, are enclosed.

2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED DULY COMPLETED AND SIGNED, BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

3. The Share Transfer Register and Register of Members of the Company will remain close from 06.09.2017 to 13.09.2017 (both days inclusive) for the purpose of Annual General Meeting.

4. Members / Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith duly completed and signed, mentioning therein DP ID and Client ID / Folio No.

5. 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.

6. 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.

7. 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.

8. 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.

9. Members seeking any information with regard to the accounts, are requested to write to the Company at least seven working days prior to the meeting, so as to enable the Management to keep information ready at the AGM.

10. 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.

11. Pursuant to provisions of Section 124 of the Companies Act, 2013 unpaid / unclaimed dividend of Rs.1,11,060/- for the Financial Years ended, 2008-09 which was due on 19.08.2016 has been transferred to Investors Education and Protection Fund (IEPF), set up by the Government of India.

12. The Notice of 48th AGM along with Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. www.salora.com

13. Pursuant to the third proviso of Section 136 (1) audited annual accounts of subsidiary company is uploaded on the website of the Company and members who are interested in obtaining the annual accounts of subsidiary company at any point of time may write to the Company Secretary at the Registered Office of the Company. The annual accounts of subsidiary company shall be kept available at the head office of the Company for inspection by any member during working hours.

14. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on any day between 10.00 A.M. to 4.00 P.M. except holidays and shall also be available at the meeting.

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 48th Annual Report 2016-17.

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. The route map showing directions to reach the venue of the 48th AGM is annexed.

18. Members can contact Shri Mohd. Faisal Farooq, Company Secretary, Tel. No. 011-49207125 for any query relating to Annual General Meeting (AGM).

19. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given at Point No.23 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.

20. The Board of Directors has appointed M/s. Sanjay Grover & Associates, Practicing Company Secretaries, B-88, 1st Floor, Defence Colony, New Delhi – 110 024 as Scrutinizer, to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.

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

22. 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.

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

PROCEDURE FOR E-VOTING

I. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) for facilitating e-voting for Annual General Meeting. The instructions for e-voting are as under:

(a) In case of Members receiving an e-mail from NSDL:

i) Open the PDF file 'SIL e-Voting.pdf' attached to the e-mail, using your Client ID/ Folio No. as password. The PDF file contains your User ID and Password for e-voting. Please note that the Password provided in PDF is an 'Initial Password'.

ii) Launch an internet browser and open https://www.evoting.nsdl.com

iii) Click on Shareholder - Login.

iv) Insert 'User ID' and 'Initial Password' as noted in step (i) above and click 'Login'.

v) Password change menu will appear. Change the Password with a new Password of your choice. Please keep a note of the new Password. It is strongly recommended not to share your Password with any person and take utmost care to keep it confidential.

vi) Home page of e-voting will open. Click on e-Voting - Active Voting Cycles.

vii) Select 'EVEN' (E-Voting Event Number) of Salora International Limited.

viii) Now you are ready for e-voting as 'Cast Vote' page opens.

ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted

x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

xii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by an e-mail at sanjaygrover7@gmail.com with copy to evoting@nsdl.co.in.

(b) In case of Shareholders receiving physical copy of the Notice of Annual General Meeting.

(i) Initial Password is provided, as follows, along with Notice of Annual General Meeting.

EVEN (E-Voting Event Number)	USER ID	PASSWORD
-	-	-

(ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.

II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in downloads section of NSDL's e-voting website www.evoting.nsdl.com.

III. If you are already registered with NSDL for e-voting then you can use your existing User ID and Password for casting vote.

IV. The voting rights shall be as per the number of equity share held by the Member(s) as on 5th September, 2017. Members are eligible to cast vote electronically only if they are holding shares as on that date.

V. The Companies (Management and Administration) Rules, 2014 provides that the electronic voting period shall be completed three days prior to the date of Annual General Meeting. Accordingly, the voting period shall commence at 9.30 A.M. on 10th September, 2017 and will end at 5:00 p.m. on 12th September, 2017. The e-voting module shall be disabled by NSDL at 5:00 p.m. on the same day.

VI. In terms of provisions of Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, in order to enable its members, who do not have access to e-voting facility, polling facility will be provided at the AGM.

VII. The results declared along with the Scrutinizer's report shall be placed on the Company's website www.salora.com and on the website of NSDL www.evoting.nsdl.com within three days of the passing of the resolutions at the 48th Annual General Meeting of the Company on 13th September, 2017 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors
Salora International Ltd.

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

(Mohd. Faisal Farooq)
Company Secretary

Dated: 29.05.2017
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 6 of the accompanying Notice:

ITEM NO. 2

Smt. Neetu Jiwarajka, Executive Director of the Company reties by rotation and holds office up to this Annual General Meeting.

Smt. Neetu Jiwarajka was appointed for Five (5) years w.e.f. 30th June, 2016 as Executive Director, which was approved by shareholders in the 47th Annual General Meeting of the Company held on 14th September, 2016, liable to retire by rotation as per the provisions of Section 152 of Companies Act, 2013.

She has been representing Salora under provision of women director as required under section 149(3) of Companies Act, 2013 and steering the Company from several years. The profile and specific areas of expertise of Smt. Neetu Jiwarajka is provided in annexure to this notice.

Except Shri Gopal Sitaram Jiwarajka, Shri Tarun Jiwarajka, Smt. Savitri Devi Jiwarajka and Smt. Neetu Jiwarajka, herself, 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

M/s. K. Prasad & Co., Chartered Accountants (FRN 002755N) was appointed as the Auditors of the Company at the 45th Annual General Meeting of the Company held on 29th September, 2014 for a term of 3 years to hold the office till the conclusion of this AGM. M/s. K. Prasad & Co. having completed their term as per provisions of Section 139 of the Companies Act, 2013.

After evaluation of leading audit firms, and based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 29th May, 2017 proposed the appointment of M/s. R. Gopal & Associates, Chartered Accountants (FRN 000846C) as Statutory Auditors of the Company for a period of 5 years, to hold the office from the conclusion of this AGM till the conclusion of 53rd AGM to the held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act) in place of M/s. K. Prasad & Co., Chartered Accountants (FRN 002755N).

M/s. R. Gopal & Associates, have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board recommends the Ordinary Resolution set out at Item No.3 of the Notice for approval of the Members.

None of the Directors or 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

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 29th May, 2017, the Board has, considered and approved appointment of M/s. Gurvinder Chopra & Co., Cost Accountants as Cost Auditor to conduct cost audit of the accounts maintained by the Company during the financial year 2017-18 in respect of the various products prescribed under the applicable Cost Audit Rules at a remuneration of Rs.40,000/- plus applicable service tax and reimbursement of out of pocket expenses, subject to ratification by the Members of the Company at ensuing AGM.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No.4 of the Notice.

ITEM NO. 5

The Board of Directors has appointed Shri K.S. Mehta as an Additional Director of the company with effect from 12th November, 2016, 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 K.S. Mehta 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 K.S. Mehta.

Except Shri K.S. Mehta, 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.5 of the Notice.

Item No. 6

Smt. Savitri Devi Jiwarajka was appointed as an Additional Director on the Board of the Company with effect from 15th March, 2017 in the category of Non Executive Director, liable to retire by rotation. As per provision of Section 161 of Companies Act, 2013, being an Additional Director she hold the office up to this Annual General Meeting and is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company along with the requisite deposit. Profile of Smt. Savitri Devi is provided in annexure to this Notice.

Smt. Savitri Devi Jiwarajka, Shri Gopal Sitaram Jiwarajka, Shri Tarun Jiwarajka and Smt. Neetu Jiwarajka are relative of each other.

Except Shri Gopal Sitaram Jiwarajka, Smt. Neetu Jiwarajka, Shri Tarun Jiwarajka, and Smt. Savitri Devi Jiwarajka, herself, 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.6 of the Notice.

By Order of the Board of Directors
Salora International Ltd.

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

(Mohd Faisal Farooq)
Company Secretary

Dated: 29.05.2017
Place: New Delhi

Annexure to the Notice

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:

A brief profile of Smt. Neetu Jiwarajka;

Smt. Neetu Jiwarajka, Executive Director of the company retires by rotation and holds office up to this Annual General Meeting

Smt. Neetu Jiwarajka, aged about 57 Years is a graduate from Delhi University. She has been associated with the Company since 4th July, 2008 with the company as Director - Business Development and was subsequently appointed on the Board of company as Executive Director for five years with effect from 30th June, 2016. Smt. Neetu Jiwarajka got an enormous experience and exposure in the field of lifestyle products and other similar activities. Products portfolio and Business in Life Style Division of the Company are being developed and managed by her.

Presently, Smt. Neetu Jiwarajka is also at the Board of other companies like Devi Electronics Private Limited & Manori Properties Private Limited. Company expects large benefit from her long standing career and expertise in development of Lifestyle Division.

She is also overlooking the philanthropical activities of Company's established trust named "Uttarayan", to empower and welfare for children and women in Nebsarai, New Delhi through imparting lessons in Singing/ Arts/ Dancing.

Smt. Neetu Jiwarajka is relative of Shri Gopal Sitaram Jiwarajka, Shri Tarun Jiwarajka and Smt. Savitri Devi Jiwarajka.

A brief profile of Shri K.S. Mehta;

Shri K.S. Mehta, aged about 71 years, by profession is qualified Chartered Accountant and heading M/s. S. S. Kothari Mehta & Co., Chartered Accountants firm. He has specialization in Corporate Financial Planning & Corporate Restructuring, Project Financing and Business Valuation. He has also contributed various Articles on: Finance Bills, Economic Policy, Company Law, MRTP SICA, Tax Laws and these were favourably published in The Economic Times, The Business Standard, and the Journals of leading institution like, The Chartered Accountant, The Chartered Secretary, etc.

Shri K. S. Mehta has made various technical presentations at FICCI Annual Tax Conference, Seminars Organized by ICAI and PHDCCI. On professional grounds his intellects and professional acumen has been recognized by various government bodies. In past he has been appointed Director of SEBI and National Stock Exchange of India. He has been Former Member Advisory Committee on Primary Markets, SEBI and various other recognized government bodies and trade chambers like FICCI, PHD etc.

Shri K. S. Mehta has wide exposure to industry in his capacity as Director of some of leading companies in the corporate sector and currently holding position of director in the following leading listed companies and their respective committees of the Board -

1) Transport Corporation of India Ltd.
2) Radico Khaitan Ltd.
3) Kothari Management & Industrial Consultants Ltd.
4) Cavendish Industries Ltd.

Except holding position of director of the Company Shri K.S. Mehta, does not have any other relationship with the Company or other directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested.

A brief profile of Smt. Savitri Devi Jiwarajka;

Smt. Savitri Devi Jiwarajka Aged about 88 years is the wife of Late Shri Sitaram Jiwarajka the precedent Chairman of the Company. She has been a business woman in the past and holds rich experience in guiding and mentoring the management of Business. Along with the worthy credential of good business leader, she is also contributing to the society in terms of running and actively participating in various charitable trusts. The Company looks to achieve great heights of success with her valuable guidance & experience.

Smt. Savitri Devi Jiwarajka, Shri Gopal Sitaram Jiwarajka, Shri Tarun Jiwarajka and Smt. Neetu Jiwarajka are relative of each other.

By Order of the Board of Directors
Salora International Ltd.

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

(Mohd. Faisal Farooq)
Company Secretary

Dated: 29.05.2017
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 K.S. Mehta	Smt. Savitri Devi Jiwarajka	Smt Neetu Jiwarajka
Date of Birth (Age)	71 Years	88 years	56 years
Date of Appointment in the Company	12.11.2016	15.03.2017	30.06.2016
Qualification	Chartered Accountant	-	Graduate
Experience			Experience in marketing and business development of life style products
Directorship held in other public companies	(1) Transport Corporation of India Ltd. (2) Radico Khaitan Ltd. (3) Kothari Management & Industrial Consultants Ltd. (4) Cavendish Industries Ltd.	-	-
Membership/ Chairmanship of committees of other companies	(1) Transport Corporation of India Ltd. (2) Radico Khaitan Ltd.	-	-
Relationship with other Directors/ MD/ KMPs	No relation	Shri Gopal Sitaram Jiwarajka, Chairman & Managing Director, Shri Tarun Jiwarajka, Whole Time Director and Smt. Neetu Jiwarajka, Executive Director	Shri Gopal Sitaram Jiwarajka, Chairman & Managing Director, Shri Tarun Jiwarajka, Whole Time Director and Smt. Savitri Devi Jiwarajka, Additional Director
Shareholding in the Company	Nil	309894	731410
Present Remuneration	-	-	Rs.7,20,000/-
Remuneration Last drawn	-	-	Rs.4,90,653/-

STATEMENT PURSUANT TO SCHEDULE V PART II SECTION – II

I. GENERAL INFORAMTION

(1) Nature of Industry : Manufacturing of Mobile Phone, Mobile charger, Mobile battery, LED TV, CRT TV and TV Components
: Distribution of IT & Telecom Products
: Distribution of Life style Products
: Wind Power Generation

(2) Date or expected date of commencement of commercial production. : 29.11.1968

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not Applicable

(4)	Financial performance based on given indicators	:	(Rs. in lacs)
			i. EBITD : 1051.87
			ii. PBT : (-) 186.96
			iii. PAT : (-) 139.33
(5)	Foreign investment or collaborations, if any	:	No foreign collaboration or investment

II INFORAMTION ABOUT THE APPOINTEE

(A) Shri K. S. Mehta

(1)	Background details	:	Provided in the explanatory statement
(2)	Past remuneration	:	Not applicable
(3)	Recognition or awards	:	NIL
(4)	Job profile and his suitability	:	Non Executive & Independent Director
(5)	Remuneration proposed	:	Sitting fee for attending Board and committee meetings.
(6)	Comparative remuneration profile with respect to industry size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).	:	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) Smt. Savitri Devi Jiwarajka

(1)	Background details	:	Provided in the explanatory statement
(2)	Past remuneration	:	Not applicable
(3)	Recognition or awards	:	NIL
(4)	Job profile and his suitability	:	Non Executive Director
(5)	Remuneration proposed	:	Sitting fee for attending Board and Committee meetings.
(6)	Comparative remuneration profile with respect to industry size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).		Not applicable
(7)	Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any		Except holding position of a Non Executive Director (Promoter Group) and as shareholder, she has no other pecuniary relationship with the Company. She is relative of Shri Gopal Sitaram Jiwarajka, Chairman & Managing Director, Shri Tarun Jiwarajka, Whole Time Director and Smt. Neetu Jiwarajka, Executive Director.

III OTHER INFORMATION

(1)	Reasons of loss or inadequate profits	During the FY 2016-17, sluggish demand of Company's product range in the market, profit margins have been impacted.

(2)	Steps taken or proposed to be taken for improvement	:	The Company is taking all essential steps with utmost concern for future growth and stability of business which inter-alia includes: • Company's focus majorly on manufacturing of Salora Brand products to improve margin rates. • Distribution & trading of high quality and demandable IT & telecom products through its online market place service providers. • Company has launched new range of LED TVs, CRT TVs, Mobile Phones, Home Theaters and Speakers. These activities will add to turnover and profit in the year 2017-18.
(3)	Expected increase in productivity and profits in measurable terms	:	Rigorous efforts are being made to improve productivity and profits of the Company.
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 Report.
(i)	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;		
(ii)	Details of fixed components and performance linked incentives along with the performance criteria		
(iii)	Service contracts, notice period, severance fees.		
(iv)	Stock option details, if any, and whether the same has been issued at the discount as well as the period over which accrued and over which exercisable.		

By Order of the Board of Directors
Salora International Ltd.

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

(Mohd. Faisal Farooq)
Company Secretary.

Dated: 29.05.2017

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting 48th Annual Report and Audited Financial Statements for the Financial Year ended 31st March, 2017.

1. FINANCIAL RESULTS (STANDALONE)

A quick view of the financial performance of the company for the financial year ended 31st March, 2017 along with the performance figures of previous financial year have been tabled below:

(₹ in Lacs)

	Year ended 31st March, 2017	Year Ended 31st March, 2016
Net Sales /Income from Business Operations	32369.25	31169.95
Less: Excise Duty	298.36	221.88
Net Sales	32070.89	30948.07
Add: Other Income	382.91	329.35
Increase / (Decrease) in stock	307.62	522.65
Total	32761.42	31800.07
Less: Total Expenditure	32083.77	31133.14
Operating Profit	677.65	666.93
Less: Interest	642.29	558.35
Less: Depreciation & Amortization	222.32	250.92
Profit before exceptional item & tax	(186.96)	(142.34)
Less: Exceptional Item	-	-
Profit before tax	(186.96)	(142.34)
Less: Provision for taxes		
Current Tax	-	-
Deferred Tax	47.63	55.32
Earlier Year: Deferred Tax	-	-
Earlier Year: Income Tax	-	-
Profit / (Loss) after tax	(139.33)	(87.02)
Add: Balance brought forward from last year	-	-
	(139.33)	(87.02)
Less: Appropriations	-	-
Balance carried to Balance Sheet	(139.33)	(87.02)

2. DIVIDEND

In view of sluggish market the profits brackets of the company has been remained unopened and therefore due to non availability of profits, Board of directors have not recommended any dividend this year also.

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

In terms of Section 125 of the Companies Act, 2013, unclaimed dividend of Rs.1,11,060/- pertaining the financial year 2008-09 has been transferred to Investor Education and Protection Fund, established by the Government of India, which was due for transfer on 19.08.2016

4. REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the period under review, the Company has achieved net sales of Rs.320.71 crores in the financial year 2016-17 as compared to Rs.309.48 crores in the last financial year.

Operating profit for the year was stood at Rs.1051.57 lacs against Rs.666.93 lacs during the preceding financial year.

The Company has adopted the best and most sophisticated technology to suit Indian customer's need. The Company has successfully forayed into market either directly or indirectly.

The Company's intension is to serve the consumers 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 in-house facility.

Online selling business of the company has also been catchy during the period under review as compared to the previous years. The company has successfully aligned various agreements with numbers of key players of Smartphone maker of the world, namely Apple. XIOMI and other brands like Le-EECO for which agreements have also been executed as official online trading partners. Agreement with Apple and XIOMI would help the company to penetrate and extends its arms in E-commerce trading business and would definitely demarcate with the other competitors in this sensuous, business environment.

The company and its management are also looking to open and explore its arms in the accessories business of mobile gadgets in the coming year.

The distribution business of Zojirushi's Life Style products (small appliances and thermo-ware) have been evaluated at a satisfactory level and continuous efforts are being done to escalate this business segment.

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

No material changes and commitments affecting the financial position of the Company occurred at the end of the financial year to which this financial statement relates on the date of this report.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules,

2014 is furnished in **Annexure-'I'** and is attached to this report.

7. RESEARCH AND DEVELOPMENT

Particulars regarding Research & Development as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure-'I'** and is attached to this report.

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

Risk Management is attempting to identify, assessment, minimization and then management of threats that could severally impact or bring down an organization. The Company believes that it is need of the hour in the present market scenario for any business organization to impeccably recognize and effectively address the risk existing in the environment in which it operates. Company's Board, Audit Committee and Senior Management Personnel are continuously identifying the possible risk and make guidance to the management to hedge against those threats.

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

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

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

10. GOODS AND SERVICE TAX (GST)

The introduction of Goods and Service Tax (GST) is a very significant step in the field of indirect tax reforms in India. By amalgamating a large number of Central and State taxes into a single tax, it would mitigate cascading or double taxation in a major way and pave the way for a common national market.

The transition to GST scenario is a major change process and the Company has established a dedicated team to evaluate the impact analysis and carry out changes to the business process & IT systems as per the GST framework.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the purpose for which the loan or guarantee are provided in Note No.11 & 13 of the Standalone Financial Statement.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

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

The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is available on the website of the Company at www.salora.com.

Attention of the members is drawn to the disclosure of Related Party Transactions set out in Note No.40 of the Standalone Financial Statements forming part of this Annual Report.

13. AUDITORS

Statutory Auditors

After commencement of Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s. K. Prasad & Co., Chartered Accountants (ICAI Registration No. 002755N), Statutory Auditors of the Company were eligible to be appointed for a period of three more years and were accordingly appointed by the members in the 45th Annual General Meeting held on 29th September, 2014 for a period of three more years, i.e. until the conclusion of 48th Annual General Meeting of the Company.

After evaluation of leading audit firms, the Board of Directors of the Company has recommended the appointment of M/s. R. Gopal & Associates, Chartered Accountants (ICAI Registration No.000846C) as Statutory Auditors of the Company in place of M/s. K. Prasad & Co. Chartered Accountants, for a term of five consecutive years, from the conclusion of 48th Annual General Meeting of the Company scheduled to be held in the year 2017 till the conclusion of the 53rd Annual General Meeting to be held in the year 2022, for approval of the shareholders of the Company, based on the recommendation of the Audit Committee.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Navneet K Arora and Co.LLP, a firm of Company Secretaries in Practice, to undertake the

Secretarial Audit of the Company. The Board at it meeting held on 29th May, 2017, has re-appointed M/s. Navneet K Arora and Co.LLP, as Secretarial Auditor, for conducting Secretarial Audit of the Company for financial year 2017-18.

Cost Auditors

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

Accordingly, the Board of Directors of the Company at its meeting held on 29th May, 2017 on the recommendation of the Audit Committee, appointed M/s. Gurvinder Chopra & Co. Cost Accountants to conduct the audit of Cost Accounting records of the Company for financial year 2017-18 at a remuneration of Rs.40,000/- plus taxes as applicable and reimbursement of actual travel and out of pocket expense. The remuneration is subject to the ratification of the Members in terms of Section 148 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

14. AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

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

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

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, directors' qualifications, positive attributes, independence of directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance Report, which is part of this report under Nomination and Remuneration Committee section.

16. EXTRACT OF ANNUAL RETURN

The extract of Annual Return in MGT- 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure-'III' and is attached to this report.

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

Six (6) Meetings of the Board 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 27th May, 2016, 30th June, 2016, 12th August, 2016, 12th November, 2016, 10th February, 2017 & 15th March, 2017.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the Directors' Responsibility Statement, it is hereby confirmed that:

a. in preparation of the annual accounts for the financial year 2016-17, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. the accounting policies selected and applied are consistent and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the profit / (loss) of the company for year ended on that date;

c. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the annual accounts have been prepared the on a going concern basis;

e. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

The Company has no joint venture company.

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

20. DEPOSITS

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

21. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the period under review, Smt. Neetu Jiwarajka, was appointed by the Company as Executive Director, under the provision of Section 152, rotational retiring director and compliance of section 149(3), i.e. woman director. Appointment of Smt. Neetu Jiwarajka, was approved by the shareholders of the Company at the last Annual General Meeting and being eligible offer herself for the re-appointment.

Shri K.S. Mehta was appointed on the Board of Company as Additional Director on 12th November, 2016 till the conclusion of ensuing Annual General Meeting. The Company is seeking approval of the members for his appointment as Non Executive Independent Director, not liable to retire by rotation, at the ensuing Annual General Meeting.

Smt. Savitri Devi Jiwarajka was appointed on the Board of the company on 15th March, 2017 as Non Executive Director till the conclusion of ensuing Annual General Meeting. The Company is seeking approval of the members for her appointment as

Non Executive Director (Promoter Group), liable to retire by rotation, at the ensuing Annual General Meeting.

Shri Vinay Kishore was appointed as Chief Financial Officer w.e.f. 12th August, 2016 in place of Shri Ashok Kumar Kucheria, who left services of the Company effective from 1st August, 2016.

Shri Mohd. Faisal Farooq was appointed as Company Secretary w.e.f. 12th November, 2016 in place Shri Nitin Agrahari, who left services of the Company effective from 15th October, 2016.

During the year under review Shri P. N. Mehta Non-Executive Director of the company resigned from his office and his resignation was taken on record by the Board in its meeting held on 27th May, 2016.

22. DECLARATION OF INDEPENDENT DIRECTORS

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

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

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

The Audit Committee consists of the following members:

1) Shri Gautam Khaitan, Chairman
2) Shri Sanjeev Kaul Duggal, Member
3) Shri Patanjali Govind Keswani, Member

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

The Company has established a vigil mechanism and which oversee through the committee, the genuine concerns expressed by the employees and other directors. The Company has also provided adequate safeguards against victimization of employees and directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of company employees and the Company.

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

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

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

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

25. SHARE CAPITAL

The Equity Shares of the Company are listed at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and listing fees for the Financial Year 2017-18 have been paid to both the Stock Exchanges.

DEMATERIALISATION

Trading of Equity Shares of the Company in dematerialized form is compulsory for all shareholders w.e.f. 28.08.2000 in terms of the Notification issued by the Securities and Exchange Board of India (SEBI). The Company has achieved higher level of dematerialization with 98.14% of the total number of Equity Shares being held in the electronic mode with the two depositories (NSDL & CDSL).

26. PARTICULARS OF EMPLOYEES

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

27. CORPORATE GOVERNANCE REPORT

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forming part of this Annual Report is annexed as **Annexure-'VI'**. A certificate from M/s. Navneet K. Arora & Co.LLP, Practicing Company Secretary (CoP No.3005) confirming the compliance of Corporate Governance is given in **Annexure-'VII'** forming part of this Annual Report.

28. MANAGEMENT DISCUSSION AND ANALYSIS

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

29. INTERNAL FINANCIAL CONTROL

Company has a proper and adequate system of internal control commensurate with the size and nature of its business to oversee the Company's financial reporting process, disclosure of financial information, reviewing the performance of statutory and internal auditors with management, adequacy of internal audit function and internal control system, related party transactions etc., and for this purpose Company has a well constituted Audit Committee headed by a Non-Executive Independent Director.

Further, the Company's Internal Auditors verify the information concerning the reliability of the financial statements as well as the compliance with the Company policies so as to maintain accountability of all its assets and correctness of recorded transactions.

30. EVALUATION OF BOARD AND INDIVIDUAL DIRECTORS

Pursuant to the Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out. The performance evaluation of the Chairman and Executive Directors was carried out by the Independent Directors. Details of the same are given in the Report on Corporate Governance annexed to this report.

31. ACKNOWLEDGEMENTS

The Board wishes to record its appreciation of the continued support and hard work of the employees at all levels. The Board also acknowledges continued co-operation received from Dealers, Suppliers, Customers, Banks, Government Departments, and Financial Institutions.

The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders.

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

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

Date: 29.05.2017
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 Production floor and workshops and creating awareness in the employees for conservation of energy.
(b)	THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY	:	Company has taken steps to use Solar lights on factory's boundary walls.
(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):** **Deflection Yoke:** New version of 21" TFT V-2 DY start for Thomson China. **FBT: (a)** Development of 14", 21" Flat, 21" Ultra Slim FBT for Company and Other customers **(b)** Developed Market Model FBT in new Plastic Parts (low Cost FBT) and also started many new models for market segment **Speaker: (a)** Development of Multimedia speakers for Company and different customers like Philips etc. **(b)** Development of LCD & LED TV Speakers for Company and Videocon, Panasonic & other patrons. **CRT TV:** Optimize design of existing Chassis for Energy efficient Star Rating. **LED TV:** Developed new 98 CM LED TV in single board concept (Power supply and small signal processing are combined) for better reliability, productivity and serviceability **Telecom Division:** **(a)** Development of CDMA Mobile Phone for Tata and MTS Telecom providers **(b)** Development of charger (adopter) for Mobile phone **(c)** Development of Speaker for mobile phone **(d)** Development of Battery for mobile Phone Company has successfully absorbed the LED TV assembly technology to manufacture LED TV in house and started use of LED TV technology for mass production. This creates a new opening for company to produce cost effective high end CTV for masses adding margin to the company. Indigenous Mobile Phone charger will reduce dependency on foreign suppliers.

(b) THE BENEFITS DERIVED LIKE PRODUCT IMPROVEMENT, COST REDUCTION, PRODUCT DEVELOPMENT OR IMPORT SUBSTITUTION	:	a) Compliance of all legal requirement of BIS b) Cost competitiveness w.r.t. competition c) Use of latest technology d) Being in pace with the latest trend of the industry e) Getting leadership position in market latest technology absorption and quality improvement
(c) IN CASE OF IMPORTED TECHNOLOGY (IMPORTED DURING THE LAST THREE YEARS RECKONED FROM THE BEGINNING OF THE FINANCIAL YEAR) i) the details of technology imported ii) the year of import iii) whether the technology been fully absorbed iv) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof		N. A.

(d) THE EXPENDITURE INCURRED ON RESEARCH & DEVELOPMENT:

(Rs. in lacs)

	2016-17	**2015-16**
(a) Capital	0.00	0.00
(b) Recurring	1.54	0.81
(c) Total	1.54	0.81

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows. : Foreign Exchange mainly used during the year for import of goods and visit of Marketing & Engineering staffs to different countries for business purpose and market penetration.

(Rs. in lacs)

Total foreign exchange used and earned :	**2016-17**	**2015-16**
Foreign Exchange used	2576.02	2394.41
Foreign Exchange earned	189.88	4143.82

Annexure – II

Secretarial Audit Report

[For the Financial Year ended on 31st March 2017]

[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

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'S** 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 2017 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 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act 1956 ('SCRA') and the rules made there under and The Securities Contracts (Regulation) Rules 1957;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.- No such transaction was held during the financial year hence the said Act, Rules and Regulations were not applicable to the Company during the audit period;

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - No such transaction was held during the financial year hence the said Regulations were not applicable to the Company during the audit period;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- No such transaction was held during the financial year hence the said Regulations were not applicable to the Company during the audit period;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - No such Transaction was held during the financial year hence the said Regulations were not applicable to the Company during the audit period;

  (f) 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;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; - No such transaction was held during the financial year hence the said Regulations were not applicable to the Company during the audit period; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - No such Transaction was held during the financial year hence the said Regulations were not applicable to the Company during the audit period;

(vi) Other Labour, Environment & Other industry specific applicable Acts / Laws for which Secretarial Audit was conducted as an overview test check basis audit and was generally based / relied upon on the documents provided to us, Management Confirmation Certificate & other Audit Report and certificates given by other professionals, the company has complied with the following Acts / Laws applicable to the Company during the audit period:

  a. The Employees State Insurance Act 1948 and The Employees State Insurance (General) Regulation, 1950 and The Employees State Insurance Rules, 1950;

  b. The Employees Provident Fund & Miscellaneous Provisions Act 1952 & The Employees Deposit-Linked

Insurance Scheme, 1976 and Employees Provident Fund Scheme, 1952;

c. The Payment of Bonus Act 1965 and the Payment of Bonus Rules. 1975;

d. The Payment of Gratuity Act 1972 and The Payment of Gratuity (Central) Rules, 1972;

e. The Employees Compensation Act 1923 & The Workmen's Compensation Rules, 1924;

f. Minimum Wages Act 1948 & Minimum Wages (Central) Rules, 1950;

g. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act 2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013;

h. The Maternity Benefit Act 1961 and The Maternity Benefit Rules, 1963;

i. Environment (Protection) Act 1986 read with The Environment (Protection) Rules 1986 & Hazardous Waste (Management Handling & Transboundry Movement) Rules 2008 and other Environment Laws;

j. The Explosives Act, 1884 and Gas Cylinder Rules, 2004;

k. The Electricity Act, 2003 & 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.

We further report that:

1) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 at least 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) Majority decision is carried through while the dissenting members' views, if any, were 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

Date: 29.05.2017
Place: New Delhi

[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].

Annexure –"A"

To,
The Members,
SALORA INTERNATIONAL LIMITED

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

Date: 29.05.2017
Place: New Delhi

FORM No. MGT-9

Annexure – III

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[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: +91-11-49207100/101 Email: sect@salora.com
Whether Listed Company Yes/No	YES, Listed on BSE and NSE
Registrar and Transfer Agent (RTA)	Skyline Financial Services Private Limited
Address of RTA	D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Contact Details of RTA	011 – 26812682-83

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of Main Products/Services	NIC Code of the Product /Service	% to total turnover of the Company
1.	Manufacturing of LED TVs, CRT TVs its Component and Mobile Phones & accessories	26401	12.02
2.	Distribution of IT & Telecom Products	46524	85.75

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

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of Shares Held	Applicable Section
1	Salora Component Limited	U32301DL2006PLC149584	Subsidiary	3414800 (79.05%)	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders Demat		No. of Shares at the beginning of the year				No. of Shares held at the end of the year i.e. 31st March,2017				% of change during the Year
		Demat	Physical	Total	% of total shares	Demat	Phy sical	Total	% of total shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	Individual / HUF	5317287	-	5317287	60.37	5317237	-	5317237	60.37	0.00
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.	558929	-	558929	6.35	558929	-	558929	6.35	0.00
(e)	Banks/FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)		**5876216**	**-**	**5876216**	**66.72**	**5876166**	**-**	**5876166**	**66.72**	**0.00**
(2)	**Foreign**									
(a)	NRIs – Individuals	-	-	-	-	-	-	-	-	-
(b)	Others – Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
(d)	Bank / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total Share-holding of Promoters (A) = (A)(1)+(A)(2)		5876216	-	5876216	66.72	5876166	-	5876166	66.72	0.00
B.	**Public Share-holding**									
1.	**Institutions**									
(a)	Mutual Funds	400	-	400	0.00	400	-	400	0.00	0.00
(b)	Banks / FI	100	-	100	0.00	100	-	100	0.00	0.00
(c)	Central Govt(s)	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIs	200	-	200	-	200	-	200	0.00	0.00
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

(i)	Others: Companies	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)		700	-	700	0.01	700	-	700	0.01	0.00
2.	**Non Institutions**									
(a)	**Bodies Corp.**									
i)	Indian	1075172	5101	1080273	12.27	1013593	5101	1018694	11.57	-0.07
ii)	Overseas	-	-	-	-					
(b)	**Individual**									
i)	Individual share holder holding nominal shares capital up to Rs.1 lakh	1016123	158687	1174810	13.34	1055801	157863	1213484	13.78	-0.44
ii)	Individual share holder holding nominal share capital in excess of Rs.1 lakh	312729	-	312779	3.55	295604	-	295604	3.36	-0.19
(c)	**Others**									
i)	NRI	314974	-	314974	3.58	336640	-	336640	3.82	0.24
ii)	Clearing House / Public Trust	2300	-	2300	0.03	-	-	-	-	0.00
iii)	Corp. Bodies (OCB)	175	-	175	0.00	175	-	175	-	0.00
iv)	HUF	42245	-	42245	0.48	50487	-	50487	0.57	0.09
v)	Clearing Members / House	2878	-	2878	0.03	15350	-	15350	0.17	0.14
Sub-Total (B)(2)		**2766596**	**163788**	**2930384**	**33.27**	**2767650**	**162964**	**2930434**	**33.27**	**0.00**
Total Public Shareholding B= (B)(1)+(B)(2)		**2767296**	**163788**	**2931084**	**33.28**	**2767650**		**2931134**	**33.28**	**0.00**
C.	**Shares held by custodian for GDRs & ADRs**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Grand Total (A+B+C)		**8643512**	**163788**	**8807300**	**100.00**	**8643816**	**162964**	**8807300**	**100.00**	**0.00**

II. Shareholding of Promoters

S. No	Name of Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year i.e. 31st March, 2017			% 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	2029117	23.04	Nil	2029117	23.04	Nil	0.00
2.	Gopal Jiwarajka (HUF)	1498988	17.02	Nil	1498988	17.02	Nil	0.00
3.	Smt. Savitri Devi Jiwarajka	309894	3.52	Nil	309894	3.52	Nil	0.00
4.	Smt. Neetu Jiwarajka	731410	8.30	Nil	731410	8.30	Nil	0.00
5.	Shri Tarun Jiwarajka	372741	4.23	Nil	372741	4.23	Nil	0.00
6.	Shri Ayush Jiwarajka	375087	4.26	Nil	375087	4.26	Nil	0.00
7.	R. P. Khaitan (HUF)	50	0.00	Nil	0.00	0.00	Nil	0.00
8.	Manori Properties Pvt. Ltd.	558929	6.35	Nil	558929	6.35	Nil	0.00
	Total	**5876216**	**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)	365114	4.15	331349	3.76
2.	Sujay Ajitkumar Hamlai (IN30216410418110)	211065	2.40	221065	2.51
3.	New Millenium Technology Management Ltd. (1203330000287126)	203941	2.32	203941	2.32
4.	Atrun Fiscal Pvt. Ltd.	123651	1.40	116522	1.32
5.	Globe Fincap Limited	104047	1.18	87278	0.99
6.	Tejash Finstock Pvt. Ltd. (IN30292710132819)	119344	1.36	87278	0.99
7.	Sachin Srinivas Sawrikar (IN30115122444767)	45892	0.52	45892	0.52
8.	Chhagan Lal Meghji Savla- 1201120100048669	-	-	40000	0.45
9.	Vishnu Kumar Aggarwal IN30001110250644	-	-	32203	0.37
10.	Aniruddha Banerjee	-	-	30000	0.34

*List of top 10 shareholders is taken according to data available as on March 31st, 2017. 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 Jiwarajka, Chairman & Managing Director**				
	At the beginning of the year	2029117	23.04	2029117	23.04
	Date wise increase / decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	2029117	23.04
2.	**Tarun Jiwarajka, Whole Time Director**				
	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 Jiwarajka, Executive Director**				
	At the beginning of the year	731410	8.30	731410	8.30
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	731410	8.30
4.	**Savitri Devi Jiwarajka, Non-Executive Director**				
	At the beginning of the year	309894	3.52	309894	3.52
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	309894	3.52
4.	**Mohd Faisal Farooq, Company Secretary**				
	At the beginning of the year	--	--	--	--
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	--	--
5.	**Vinay Kishore, Chief Financial Officer**	--	--	--	--
	At the beginning of the year	--	--	--	--
	Date wise increase/ decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc.)	--	--	--	--
	At the end of the year (or the date of separation, if separated during the year)	--	--	--	--

VI. INDEBTEDNESS

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

(Rs./lacs)

		Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial Year					
i)	Principal Amount	127.14	480.00		507.14
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	1.05	21.19	-	22.24
	Total (i + ii + iii)	128.19	501.19	-	629.38
Change in Indebtedness during the financial year					
	• Addition	19.50	430.00	-	449.50
	• Reduction	(49.49)	(310.00)	-	(359.49)
	Net Change	(29.99)	120.00	-	90.01
Indebtedness at the end of the financial year					
i)	Principal Amount	98.20	600.00	-	698.20
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	4.83	12.21	-	17.04
	Total (i + ii + iii)	103.03	612.21	-	715.24

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 Jiwarajka (MD)	Shri Tarun Jiwarajka (WTD)	Smt. Neetu Jiwarajka (ED)	
1.	Gross Salary				
	(a) Salary as per provisions contained in sec.17(1) of the Income Tax Act, 1961	10103517	2385000	466560	12955077
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	495667	-	-	495667
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-		-
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
4.	Commission				
	- as % of Profit	-	-		-
	- others, specify	-	-		-
5.	Others, please specify	-	-		-
	Total (A)	10599184	2385000	466560	13450744
	Ceiling as per the Act (Pursuant to the Section II Part II of Schedule V of the Companies Act, 2013 and with the consent of Shareholders through Special Resolution)	12000000	2400000	720000	15120000

B. Remuneration to Independent Directors:

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

*Shri K. S. Mehta was appointed on 12th November, 2016 on Board

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Shri Mohd. Faisal Farooq Company Secretary**	Shri Nitin Agrahari, Company Secretary##	Shri Vinay Kishore CFO*	Shri Ashok Kumar Kucheria CFO#	
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	65312	180288	358914	498248	1102762
	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	65312	180288	358914	498248	1102762

*Appointed as CFO for part of the year w.e.f. 12.08.2016

#Resigned from the office of CFO w.e.f. 01.08.2016.

**Appointed as Company Secretary for part of the year w.e.f. 12.11.2016

##Resigned from the office of Company Secretary w.e.f. 15.10.2016

VIII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the financial year ended 31st March, 2017.

Form AOC-1

Annexure – IV

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

Statement containing salient features of the financial statement of subsidiaries/associate companies / joint ventures

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1	Name of the subsidiary	SALORA COMPONENTS LTD.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March, 2017
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
4	Share capital	4,32,00,000
5	Reserves & surplus	(2,15,35,956)
6	Total assets	5,45,44,856
7	Total Liabilities	3,28,80,811
8	Investments	Nil
9	Turnover	2,24,48,351
10	Profit before taxation	(26,53,582)
11	Provision for taxation	(26,17,650)
12	Profit after taxation	(52,71,231)
13	Proposed Dividend	Nil
14	% of shareholding	79.05%

Part "B": Associates and Joint Ventures

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

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

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN:00024325

Tarun Jiwarajka
Whole Time Director
DIN:00386240

Dated: 29.05.2017
Place: New Delhi

Vinay Kishore
Chief Financial Officer

Mohd. Faisal Farooq
Company Secretary

Annexure – V

(THIS REPORT FORMS PART OF DIRECTORS' REPORT)

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

Sr. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	Name of the Director	Ratio
		Shri Gopal Sitaram Jiwarajka, MD	53.66
		Smt. Neetu Jiwarajka, ED	7.06
		Shri Tarun Jiwarajka, WTD	11.91
		For the purpose, sitting Fees paid to the directors have not been considered as remuneration. Figures have been rounded off wherever necessary.	
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year.	Shri Gopal Sitaram Jiwarajka-MD	N.A.
		Smt. Neetu Jiwarajka, ED	N.A.
		Shri Tarun Jiwarajka, WTD	N.A.
		Shri Ashok Kucheria -CFO*	N.A.
		Shri Vinay Kishore - CFO#	N.A.
		Shri Nitin Agrahari – CS*	N.A.
		Shri Mohd. Faisal Farooq – CS#	N.A.
		*Resigned on 1st August, 2016 #Appointed on 12th August, 2016 *Resigned on 15th October, 2016 #Appointed on 12th November, 2016	
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 241 employees as on March 31, 2017.	
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 a 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:

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

REPORT ON CORPORATE GOVERNANCE — Annexure – VI

This Corporate Governance Report related to the financial year ended 31st March 2017 has been issued in compliance of Regulation 34(3) read with Section C of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and forms a major part of Board's Report to the Members of the Company.

CORPORATE GOVERNANCE PHILOSOPHY

Our attitude towards Corporate Governance is to maximizing shareholders worth and enhancing stakeholders trust through our fair, ethical and legal corporate behavior for compliance of the laws of land in letter as well as in spirit. The Company is committed to ensure high standards of transparency and accountability to its stakeholders. The fiduciary responsibilities shared by Directors, Key Managerial Personnel and Employees on behalf of members and stakeholders are justified through collective sustainable action taken for achieving the vision set.

For us the corporate governance philosophy do not ends with Company and its stakeholders, but the corporate governance philosophy extends its arms to the environment in which it flourish and sustains.

As a Company, we distinguish ourselves in the market by offering a portfolio of ecologically responsible consumer electronic products, that delivers powerful, sustainable and energy efficient solutions which ultimately saves energy and protect the environment for the generation to come.

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

In '**SALORA**' Corporate Structure, business and financial reporting practices have been evenly aligned to the principles of corporate governance and continuous endeavour is made to improve these practices on an ongoing basis.

In '**SALORA**' we position ourselves as a minor stakeholder who only adds value to its net worth, through their professional and skilled acumen, which we possess. We strongly believe, the technology we produce and provides to our customer should justify our tagging words **SALORA a 'TECHNOLOGY FOR HAPPINESS**'

BOARD OF DIRECTORS

COMPOSITION

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with two women directors and more than fifty per cent of the Board of Directors comprised of Non-Executive Directors. The Chairman of the Board is an Executive Director and half of the board of directors is comprised of Independent Directors. The composition of the Board is in conformity with Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015. During the FY 2016-17, half of the Board i.e. 4 out of 8, are comprises of Independent Directors, One Non Executive-Non Independent, and three Executive Directors for day-to-day management of the Company.

The Board consists of eight (8) directors and details of composition of Board of Directors as on 31st March 2017 is as follows:

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

DETAILS OF EXECUTIVE DIRECTORS

Shri Gopal Sitaram Jiwarajka, is Chairman & Managing Director of the Company. He is a commerce graduate and possesses rich experience in Marketing, Finance, Production and Administration. He has extensively traveled all over the globe and possesses rich experience of TV/Electronic and IT industry and also having in depth knowledge of Indian conditions for business. At present, he is President of PHD Chambers of Commerce and Industry and also heading many other important trade bodies of industry like CEAMA etc.

Shri Tarun Jiwarajka, is Whole Time Director of the Company. He is B.Sc. in Business from Indiana University, Bloomington and possesses rich experience in e-commerce industry, Marketing, Finance and Administration. He was appointed as Whole Time Director by the Board of Directors in their meeting held on 10th November, 2011 and re-appointed by the Board on 10th November, 2014 for further period of five years, subject to approval of the shareholders of the Company, liable to retire by rotation.

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

Further more, she is also looking the philanthropically activities of Company's established trust named "Uttarayan", to empower and welfare for children and women in Nebsarai, New Delhi through imparting lessons in Singing/ Arts/ Dancing.

DETAIL OF NON-EXECUTIVE DIRECTOR

Smt. Savitri Devi Jiwarajka, aged 88 years, was appointed as Additional Director on the Board of the Company in the category of Non Executive & Non Independent (Promoter Group). She is wife of late Shri Sita Ram Jiwarajka, precedent chairman of the Company. She has been a business woman in the past and holds rich experience in guiding and mentoring business management. Along with the worthy credential of good business leader, she is contributing to the society in terms of running and actively participating in various charitable trusts. The Company looks to achieve great heights of success with her valuable guidance & experience.

DETAILS OF NON-EXECUTIVE INDEPENDENT DIRECTORS

Shri Gautam Khaitan, Independent Non Executive Director of the Company is a Graduate from Delhi University and having Law Degree from Law Campus, University of Delhi. He is also holding directorships in various companies of eminent corporate houses apart from the directorship he is member of International Bar Association, FICCI, Delhi High Court Bar Association etc. He has been appointed as an Independent Director with effect from 29th September, 2014 to 28th September, 2019 for a period of five years.

Shri Patanjali Govind Keswani, Independent Non Executive Director of the Company, a Bachelor in Electrical Engineering from IIT Delhi and holder of a PG Diploma in Business Management from IIM Kolkatta. He has vast experience in working with big business houses like TATA Group and Taj Hotel Group. As a bright entrepreneur and promoter of Lemon Tree Hotel Group, he has the capability to steer the Company towards growth. He has been appointed as an Independent Director with effect from 29th September, 2014 to 28th September, 2019 for a period of five years.

Shri Sanjeev Kaul Duggal, Independent Non Executive Director of the Company, is the founder & CEO of Centum Learning Limited, an Indian Multinational Training & Skills Company with operations in over 19 countries. He is the winner of Udyog Rattan Award by the Institute of Economic Studies. He was appointed as an Independent Director with effect from 29th September, 2014 to 28th September, 2019 for a period of five years.

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

All Independent Directors have certified that the disqualification mentioned under Section 164, 167 and 169 of the Companies Act, 2013 do not apply to them. Independent Directors have confirmed that they have complied with the code for Independent Directors mentioned in the Schedule IV of the Companies Act, 2013 and that they are not disqualified to act as an Independent Director in compliance with the provisions of Section 149 of the Companies Act, 2013 and under provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015.

ATTENDANCE OF EACH DIRECTOR AT BOARD MEETINGS AND AT THE PREVIOUS ANNUAL GENERAL MEETING (AGM)

S. No.	Name	No. of Board Meeting held	No. of Board Meeting attended	Attendance at the Last AGM
1.	Shri Gopal Sitaram Jiwarajka	6	6	Yes
2.	Shri Tarun Jiwarajka	6	6	Yes
3.	Shri Gautam Khaitan	6	6	Yes
4.	Shri Sanjeev Kaul Duggal	6	6	Yes
5.	Shri Patanjali Govind Keswani	6	2	No
6.	Smt. Neetu Jiwarajka	4	4	Yes
7.	Shri K.S. Mehta	2	0	No
8.	Smt. Savitri Devi Jiwarajka	0	0	No

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

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

None of the directors are member of more than ten (10) committees or chairman of more than five (5) committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

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

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

BOARD MEETINGS AND ATTENDANCE AT BOARD MEETINGS

The Board met Six (6) times during the financial year 2016-17. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days.

The relevant details are as under:

S. No.	Date	Board Strength	No. of Directors Present
1.	27/05/2016	6	4
2.	30/06/2016	5	4
3.	12/08/2016	6	5
4.	12/11/2016	6	5
5.	10/02/2017	7	5
6.	15/03/2017	7	6

The Company places before the Board all those details as required under Part "A" Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The dates for the Board Meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors with all information required for decision making. Information those are price sensitive and those cannot be included in the agenda are tabled at the meeting for discussion, approval and to take on record.

The Chairman and Managing Director appraise the Board overall performance of the Company at every Board Meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the Company should follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

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

DISCLOSURES / POLICIES

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

Apart from those, the Company has formulated many Policies and Code of Conducts to provide better means to the existence of corporate governance in its operations. All these can be seen on Company's website: www.salora.com. Some of these policies/ guidelines are-

1) Code of Conduct for the Board of Directors, KMPs and Employees of the Company as per provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;
2) Code of Conduct and Procedures for fair disclosure of Unpublished Price Sensitive Information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015;
3) Nomination & Remuneration Policy
4) Related Party Transaction Policy
5) Whistle Blower Policy and Vigil Mechanism
6) Policy for Determining Material Subsidiary
7) Policy for Board Diversity
8) Terms and Conditions of appointment of Non-executive Independent Directors
9) Archival Policy under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
10) Familiarisation Programme for Independent Directors

11) Policy on preservation of Books of Accounts

12) Composition of Committees

13) Anti Sexual Harassment Policy for protection of women workers at work place.

BOARD COMMITTEES

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

AUDIT COMMITTEE

1. The Company's Audit Committee comprises all the three Independent Directors. The Audit Committee is headed by Shri Gautam Khaitan and has Shri Patanjali Govind Keswani and Shri Sanjeev Kaul Duggal as its members. All the members of the Committee have relevant experience in financial matters.

The composition of the audit committee is as per Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on 14th September, 2016.

The Chief Financial Officer is permanent invitee to the meetings of the committee. The executive directors are being invited to attend the audit committee meetings as and when required. The meetings of the committee were duly called convened and conducted with the presence of Representatives of Statutory Auditors and Internal Auditors. The Internal and Statutory Auditors were present at all audit committee meetings where financial statements are being discussed. The Audit Committee met four (4) times during the year under review i.e. on 27.05.2016, 12.08.2016, 12.11.2016, 10.02.2017.

2. The Audit Committee assists the Board in dissemination of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of the audit committee covers all matters specified in Regulation 18 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also those specified in Section 177 of the Companies Act, 2013.

The terms of reference broadly include review of internal audit reports and action taken reports, assessment of the efficacy of the internal control systems / financial reporting systems and reviewing the adequacy of the financial policies and practices followed by the Company. The Audit Committee reviews the compliance with legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The Committee also recommends the appointment of Statutory Auditor, Internal Auditor, Secretarial Auditor and Cost Auditor. The Audit Committee takes note of any default in the payments to creditors and shareholders. The Committee also looks into those matters specifically referred to it by the Board.

ATTENDANCE OF EACH DIRECTOR AT AUDIT COMMITTEE MEETINGS

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

The Company Secretary acts as the secretary to the committee.

NOMINATION AND REMUNERATION COMMITTEE

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

(i) Terms of reference of the Committee, inter alia includes the followings:

- To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and / or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- The remuneration is to be fixed keeping in mind the persons' track record, his potential individual performance, the market trends and scales prevailing in the similar industry.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To decide whether to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- To devise a policy on Board diversity
- To recommend / review remuneration of the Managing Director, Whole Time Director & Executive Director based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

- Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board". Additionally the Committee may also oversee the performance review process of the KMP and executives of the Company.

(ii) Composition of Committee during the FY 2016-17

(1) Shri Patanjali Govind Keswani, Chairman

(2) Shri Sanjeev Kaul Duggal, Member

(3) Shri, Gautam Khaitan, Member

(4) Shri Gopal Sitaram Jiwarajka, Member

(iii) Attendance during the Year

During the financial Year 2016-17, the committee met Five (5) times on the following dates with the physical attendance of the members:

S. No.	Name of Director and Position	Attendance during the Year (2016-17)				
		27.05.16	30.06.16	12.08.16	12.11.16	15.03.17
1.	Shri Patanjali Govind Keswani, Chairman	No	Yes	No	No	Yes
2.	Shri Gautam Khaitan, Member	Yes	Yes	Yes	Yes	Yes
3.	Shri Sanjeev Kaul Duggal Member	Yes	Yes	Yes	Yes	Yes
4.	Shri Gopal Sitaram Jiwarajka, Member	Yes	Yes	Yes	Yes	Yes

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

During the year under review Shri P.N. Mehta resigned from the Board of Company and all the membership position he held in various committees. In order to fulfil the statutory requirements of the Nomination & Remuneration Committee, Shri Gautam Khaitan and Shri Gopal Sitaram Jiwarajka was inducted as member of the Committee. Shri Gopal Jiwarajka will not preside over any meeting.

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 has been displayed on the website of the Company i.e. www.salora.com and a brief of the policy is also narrated below.

The Policy inter alia provides for the following:

- attract, recruit and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- Fulfil the Company's objectives and goals, including in relation to good corporate governance, transparency and sustained long-term value creation for its stakeholders.

FREQUENCY OF MEETINGS

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

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/ Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

TERM / TENURE

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

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

b) INDEPENDENT DIRECTORS

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

Further, No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

REMOVAL

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

DETAILS OF FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of programme for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link:

http://salora.com/pdf/Familiarisation_Programme_for_Independent_Director.pdf

DETAILS OF REMUNERATION PAID TO ALL DIRECTORS

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

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

DETAILS OF SITTING FEES PAID TO NON-EXECUTIVE DIRECTORS DURING THE FINANCIAL YEAR 2016-17

Name of the Director	Board Meeting (Rs.)	Audit Committee Meeting (Rs.)	Remunera -tion Committee Meeting (Rs.)	Stake holder's Relationship Committee Meeting (Rs.)	Total (Rs.)
Shri Gautam Khaitan	60000	40000	-	-	100000
Shri Sanjeev Kaul Duggal	60000	40000			100000
Shri Patanjali Govind Keswani	20000	10000	-	-	30000
Shri. K.S Mehta	-	-	-	-	-

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, 2017.

CRITERIA FOR MAKING PAYMENTS TO NON - EXECUTIVE DIRECTORS

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

STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

The terms of reference of the Stakeholders' Relationship Committee as stated in the Section 178 of the Companies Act, 2013 and rules made thereof and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and includes:

a). 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.

b). 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.

c). To monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

COMPOSITION OF THE COMMITTEE

Name	Designation	Category
Shri Patanjali Govind Keswani	Chairman	Non-executive Independent Director
Shri Tarun Jiwarajka	Member	Whole Time Director
Shri Sanjeev Kaul Duggal	Member	Non-executive Independent Director
Shri Gautam Khaitan	Member	Non-executive Independent Director

The Company Secretary is the secretary to the committee.

At the end of financial year no complaint was pending.

SHARE TRANSFER COMMITTEE

The terms of reference of the Share transfer Committee includes,

to approve, transfer and transmission of shares and issue of new/duplicate share certificates, whenever requested for by the shareholders of the Company. The Committee authorised Chairman & Managing Director and Whole Time Director of the Company to sign the Memorandum of Share Transfer/Transmissions submitted by Registrar and Transfer Agent and counter signed by Company Secretary of the Company and same to be rectified by the Committee in subsequent meeting.

Presently, the share transfers which are received in physical form are processed and the share certificates returned within the prescribed period, subject to the documents being valid and complete in all respects.

The Board has delegated the authority for approving transfer, transmission etc. of the company's securities to the Share Transfer Committee. A summary of share transfer / transmission of the securities of the company, approved by the committee is being placed at every Board Meeting.

COMPOSITION OF SHARE TRANSFER COMMITTEE

Name	Designation	Category
Shri Gopal Sitaram Jiwarajka	Chairman	Managing Director
Shri Tarun Jiwarajka	Member	Whole Time Director

The Company Secretary is the secretary to the committee.

VIGIL MECHANISM & WHISTLE BLOWER POLICY

The Company has an established mechanism for Directors / Employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors / employees who avail the mechanism. The Company affirms that no personnel have been denied access to the Audit Committee. The Company has formulated a Policy of Vigil Mechanism and established a mechanism that any personnel may raise reportable matters within 60 days after becoming aware of the same. All suspected violations and reportable matters are reported to the Chairman of Audit Committee at gkhaitan@opkhaitan.com. The key directions/actions will be informed to the Managing Director of the Company. The policy on Vigil Mechanism & Whistle Blower Policy may be accessed on the Company's website at the following link: http://salora.com/pdf/whistleblower_policy_salora.pdf

GENERAL BODY MEETING

Location and time, where last three AGMs held

Venue	Financial Year	Date & Time
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi–110 003.	2013-14	29th September, 2014 3.30 P. M.
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi–110 003.	2014-15	18th September, 2015 11.00 A.M.
Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi–110 003.	2015-16	14th September, 2016 11:00 A.M.

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

AGM No.	Subject
45th AGM	1) Appointment of Shri Sanjeev Kaul Duggal, as an Independent Director for a term of 5 years. 2) Appointment of Shri Gautam Khaitan, as an Independent Director for a term of 5 years. 3) Appointment of Shri Patanjali Govind Keswani, as an Independent Director for a term of 5 years. 4) Alteration of Articles of Association of the Company. 5) To invite / accept / renew / receive money by way of secured / unsecured deposits from public and / or members of the Company. 6) Approval of Scheme of granting of loan to Managing Director and Whole time Director. 7) Variation in the remuneration payable to Shri Gopal Sitaram Jiwarajka, Managing Director of the Company.
46th AGM	1. Appointment of Smt. Sushmita Shekhar, as an Independent Director for a term of 5 years. 2. Appointment of M/s. Gurvinder Chopra & Co., as Cost Auditor of the Company. 3. Appointment of Shri Tarun Jiwarajka, as Whole Time Director for a term of 5 years. 4. Increase in borrowing powers of the Board of Directors of the Company from Rs.100.00 crores to Rs.125.00 crores 5. Shareholder's approval to give power to the Board of directors of the Company to create mortgage / charges on the movable / immovable assets of the Company.
47th AGM	1. Appointment of Shri Gopal Sitaram, Jiwrajka, as Managing Director for a term of 3 years. 2. Appointment of Smt. Neetu Jiwarajka as Executive Director of the Company for a term of 5 year.

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 the non mandatory requirements of this clause. The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 are mentioned in "Note No.40" of the Balance Sheet. These transactions are not likely to have any conflict with the Company's interest. The Company has complied with all applicable laws and regulations and no strictures / penalties have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority.

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

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

MEANS OF COMMUNICATION

1) The unaudited quarterly results of the Company are published in leading newspapers such as the Pioneer (English) and The Pioneer (Hindi). These are not sent individually to the shareholders.

2) The company's website address is: www.salora.com. The website contains basic information about the Company and such other details as required under the listing agreement. The company ensures periodical updation of its website. The Company has designated the email-id sect@salora.com in order to enable the shareholders to register their grievances.

3) Pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, all data related to quarterly financial statements, shareholding pattern, etc., are filed electronically on BSE's & NSE's filing portal respectively within the time frame prescribed in this regard.

No presentations have been made to Institutional Investors or analysts.

GENERAL INFORMATION FOR SHAREHOLDER

ANNUAL GENERAL MEETING

Date and time	Wednesday, 13th September, 2017 at 11.00 A.M.
Venue	Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi – 110 003.
Book Closure date	06-09-2017 – 13-09-2017 (both days inclusive)
Financial Year	1st April to 31st March

FINANCIAL CALENDAR 2017-18

Result for the quarter ended 30th June, 2017	On or before 14th August, 2017
Result for the quarter ended 30th September, 2017	On or before 14th November, 2017
Result for the quarter ended 31st December, 2017	On or before 14th February, 2018
Result for the quarter ended 31st March, 2018	On or before 30th May, 2018

INVESTORS CORRESPONDENCE

In case of any delay in attending to transfer of shares, non receipt of Annual Report or any other related matter the company secretary of Salora International Limited may be contacted.

REGISTRAR AND SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

Salora International Limited
D-13/4, Okhla Industrial Area,
Phase-II, New Delhi – 110 020
Website: www.salora.com
Tel. No. 011- 49207100 & 101,
Email – sect@salora.com

LISTING ON STOCK EXCHANGES

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

LISTING FEES

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

STOCK MARKET DATA

Month	Bombay Stock Exchange Ltd.			National Stock Exchange of India Ltd.		
	Month's High	Month's Low	Total volume of shares transacted	Month's High	Month's Low	Total volume of shares transacted
April, 2016	54.00	41.00	42,226	54.90	39.00	34,985
May, 2016	51.65	40.25	27,003	53.45	41.60	20,213
June, 2016	49.80	39.10	94,617	50.80	38.60	45,339
July, 2016	45.85	41.55	49,901	47.45	40.25	69,588
August, 2016	47.75	41.05	47,248	47.95	41.10	34,647
September, 2016	59.30	42.00	1,34,646	59.25	41.05	2,57,889
October, 2016	66.00	49.80	84,260	64.00	50.00	1,37,005
November, 2016	73.75	45.10	1,09,069	73.40	46.00	2,98,062
December, 2016	78.60	54.00	92,869	78.70	52.50	3,20,450
January, 2017	66.00	55.60	54,975	65.35	55.50	1,33,605
February, 2017	72.00	54.85	1,14,052	69.90	52.65	2,66,936
March, 2017	71.00	57.00	5,84,121	72.50	59.10	4,35,805

SHAREHOLDING PATTERN AS ON 31st MARCH, 2017

Category of Shareholders	No. of Folios	No. Shares held	Percentage
Individuals	4510	1522148	17.28
Companies	125	1010826	11.48
Promoters	6	5317237	60.37
Group Companies	1	558929	6.34
Mutual Fund, Banks, FIs	4	700	0.01
NRI	27	323578	3.67
HUF	101	50487	0.57
Trust	0	0	0
Clearing Members	17	23395	0.27
Others	0	0	0
Total	**4791**	**8807300**	**100.00**

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2017

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	4311	89.98	5192650	5.90
5001 To 10,000	205	4.28	1657500	1.88
10001 To 20,000	118	2.46	1746670	1.98
20001 To 30,000	45	0.94	1153840	1.32
30001 To 40,000	29	0.61	1051800	1.19
40001 To 50,000	19	0.40	876080	0.99
50001 To 1,00,000	29	0.61	2244330	2.55
1,00,000 and Above	35	0.73	74150130	84.19
Total	**4791**	**100.00**	**88073000**	**100.00**

DETAILS OF DIRECTORS' SHAREHOLDING AS ON 31st MARCH, 2017

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

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

Under the provisions of the Companies Act, 2013 dividends that remain unclaimed for a period of seven years from the date of declaration are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. No amount of unclaimed/unpaid dividend as on 31st March, 2017 is pending with Company.

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

MEETING OF INDEPENDENT DIRECTORS

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 15th March, 2017, at the Registered Office of the Company at D-13/4, Okhla Industrial Area, Phase-II, New Delhi- 110 020, where at the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

a) Review of performance of Non-Independent Directors and the Board as a whole;

b) Review of performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors;

c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

SUBSIDIARY COMPANY

The financials of the subsidiary company viz., M/s Salora Components Ltd., have been duly reviewed by the audit committee and the Board of the holding company. The board minutes of the unlisted subsidiary company has been placed before the Board of the holding company. The holding company's Board is also periodically informed about all significant transactions and arrangements entered into by the subsidiary company. The Company has also formulated a policy for determining the Material Subsidiary and the details of such policies are disseminated in the website of the Company http://salora.com/pdf/Policy_determining_material_subsidiary.pdf

RELATED PARTY TRANSACTION

All related party transactions that were entered into during the financial year were on Arm's Length Basis and in the Ordinary Course of Business and which are not material in nature too, hence, outside the scope of Section 188(1) of the Act. There have been no materially significant related party transactions with the company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy. Related Party Transaction policy of the Company is available on the company's website at following link:

http://salora.com/pdf/Related%20Party%20Transactions_Salora.pdf

The Company has also formulated a policy for determining the Material RPT and the details of such policies for dealing with RPT and the Related Party Transactions are disseminated in the website of the Company at following link: http://salora.com/pdf/Related%20Party%20Transactions_Salora.pdf

COMPLIANCES

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

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The standards for business conduct provide that the directors and senior management will uphold ethical values and legal standards as the company pursues its objectives and that honesty and personal integrity will not be compromised under any circumstances. A copy of the said code of conduct is available on the company's website www.salora.com. As provided under SEBI LODR Regulations, the Board members and senior management personnel have affirmed compliance with the code of conduct for the financial year 2016-17.

REQUEST TO INVESTORS

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

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

The Securities and Exchange Board of India ("SEBI") has mandated

the submission of Permanent Account Number (PAN) by every participant in securities market.

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

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

RECONCILIATION OF SHARE CAPITAL AUDIT

A quarterly audit was conducted by a Company Secretary in practice to reconcile the total capital of the company admitted with National Securities Depository Limited and Central Depository Services (India) Ltd. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and total number of shares in dematerialized form (held by the depositories). As on 31st March 2017 there was 8643816 equity shares representing 98.14% of the paid up equity capital are in dematerialized form.

INFORMATION TO SHAREHOLDERS

A brief particulars of director reappointed together with the nature of his experience and details of directorships held by him in other companies is annexed to the Notice convening the Annual General Meeting.

NOMINATION FACILITY

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

ELECTRONIC CLEARING SERVICE

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

BUSINESS / PLANT LOCATIONS

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

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

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

Date: 29.05.2017
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 2016-17.

For Salora International Limited

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

Date: 29.05.2017
Place: New Delhi

CEO / CFO CERTIFICATE
[Regulation 17(8)]

To
The Board of Directors
Salora International Ltd.

We hereby certify that we have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief:

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

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

(Vinay Kishore)
Chief Financial Officer

Date: 29.05.2017
Place: New Delhi

Annexure – VII

PRACTISING COMPANY SECRETARY'S REPORT ON CORPORATE GOVERNANCE

To,
The Members of
Salora International Limited

We have examined the compliance of conditions of Corporate Governance by Salora International Limited for the year ended 31st March, 2017 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 (Listing Regulations).

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

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

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

For Navneet K Arora & Co LLP
Company Secretaries

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

Date: 29.05.2017
Place: New Delhi

Annexure – VIII

Management Discussion and Analysis Report

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

CONSUMER ELECTRONICS INDUSTRY OVERVIEW

Your Company competes, and continues to do so, primarily in the consumer electronics sector. The consumer electronics consists of televisions, computers, mobile phones and various audio and video systems. Your Company has its focus on these segments, serving with a wide array of products catering to all types of consumer tastes and needs.

This sector has witnessed renewed emphasis along two fronts. The focus on rural prosperity contained in the 2017 budget promises to raise rural incomes and drive up demand for discretionary purchase of consumer electronic items. To complement this demand with supply, the Government has announced via the budget some significant provisions relating to investment promotion, technology up gradation and tax reforms that may benefit to the manufacturers, such as your Company. However, this could be offset by overall economic downturns.

Research efforts worldwide, meanwhile, continue to expand the technology frontier. This leads the consumers to expect ever increasing sensory pleasures and conveniences from adoption of new lifestyles, made possible by new and improved products. Your Company continues to bring to the Indian consumer the benefits of the cutting edge technology, by presenting to them what are arguably some of the most advanced devices.

Such a focus on innovations, combined with a commitment to quality and service excellence, keeps your Company poised to perform beyond expectations in the hyper-competitive consumer durables sector. After sale service network, spread across the length and breadth of the country, further strengthens your Company's status as a dominant competitor in the sector.

COMPANY PROFILE

The Company is a large conglomerate with diversified business interests. The culture of excellence leads to strong performance in all the spheres of its activity. The Company involves itself in the manufacturing and assembly of LED TVs, CRT TVs, TV Components, Home Theaters, Mobile Phone, Mobile Batteries & Chargers and also distribution of large variety of IT and Telecom Products.

The growth of the Company is also intimately tied to the growth of the disposable incomes and the aspirational levels of the Indian consumer. With hectic lifestyles and better monetary rewards in return for their efforts, the Indian consumers now demand more sophisticated devices that facilitate more convenience and entertainment at home. The Company has constantly risen to this challenge by providing consumer-centric innovations contained in consumer electronics and easy to use devices that provide the advantage of reliability and ease of use and maintenance. To this end, the Company also engages in the sales and after sales service of TVs and Mobile Phones.

COMPANY'S PRODUCTS

Televisions:

Explosion of a wide variety of entertainment, news and media content in the first three decades of television broadcasting in the country has led to the current situation where a TV is considered a need rather than a comfort or luxury. High levels of penetration have been achieved, meaning that further demand comes from replacement and up gradation purchases. The increase in prosperity due to the sustained GDP growth has led to frequent up gradation of TVs. Earlier it was in terms of technology up gradation (from CRT to LCD and then LED), then in terms of screen sizes and increasingly in terms of quality of display, i.e., towards higher definitions and eventually 3D.

Keeping in line with emerging trends your company is also putting greater emphasis on development of LED TV business. The company has introduced new mobile and also expanded its product range which has been received well by the market. The company now produces LED TV from 19 inch to 48 inches. To ensure company remains competitive it has decided to backward.

In view of the booming Audio market company will launch a range of Audio products comprising if Home theatre systems, tower speakers, sound bass and Bluetooth speakers this will be helpful in getting better visibility also for the company's brand. Growth of Audio Business will also lead to increase the business for speaker unit.

Mobile Phones:

Mobile phones represent a new and exciting category for your Company. Your Company aims to disrupt the market through innovative and feature packed products at an attractive price point. Your Company will leverage its immense experience and capabilities in design and manufacturing to be at the forefront of the mobile led digital revolution that will bring the value added services to the largest number of consumers.

Your company has expanded its product range as well as expanded its geographic coverage. The company will soon launch 4G Smart Phone. Further in order to ensure the good quality the company has started to assemble some of the critical components like battery and charges.

Components:

Fly back transformers and Deflection Yoke demand is rapidly declining. Your company is planning to aggressively to enhance its speaker production. Upgraded production facilities are being planned along with new products like P.A speakers, Car Speakers etc.

Wind Energy:

Wind power generation has the lowest impact on the environment as compared to the other methods of power generation and this is in tandem with our philosophy of being in tune with nature hence we

ventured in power generation with Wind Energy. The Company has five (5) wind turbines 1.25 MW Capacity (6.25 MW total) at Dhule Maharashtra operated and maintained by Suzlon Energy Ltd.

OPPORTUNITIES AND THREATS

The increasing discretionary incomes and improving tastes of the consumers provides many opportunities and possesses some threats.

Opportunities: Consumer Electronics Sector

- **Expanding market:** This high growth is on account of two main factors. Firstly, economic growth will boost the consumption, especially in the rural areas. Secondly, the average selling price of each category will also improve due to consumers trading up towards more premium offerings. This will give the OEMs a more favourable model mix.
- **Lifestyle changes:** Lifestyle changes will lead to increased purchases of LED TVs. Change in the society's priorities away from family to work and education also increases the aspirational purchases, due to the awareness of products through discussions at workplace and societies.
- **Rise of E-Commerce:** E-Commerce companies will play a significant role in expanding the market. By offering big discounts, they are able to bring more price sensitive consumers to the market. They enable easier price discovery across sellers and platforms for the internet savvy consumers. By targeted advertisement based on product search and view history, they are able to sell with a greater persistence but with less outward aggression. Increasing trust through greater familiarity leads to more confident consumer behaviour. Risk averse consumers are also benefitted through the returns policy adopted by many such e-tailers, leading to purchase of higher value items than they would buy otherwise.
- **Availability of affordable credit:** Credit growth in the consumer electronics category has been increasing. Many banks and NBFCs offer attractive loans to purchase goods and televisions. Consumers also use their credit cards to afford purchases of items that they would otherwise hold off on for a while. This has facilitated greater sales of consumer electronic products and this trend is expected to continue.
- **Development of infrastructure:** Electrification of rural areas is expected to provide a big thrust to the sector, since the availability of electricity is a pre-condition for purchase of consumer electronics items. Improving road infrastructure will make it possible to service geographically dispersed demand more efficiently with re-routing of inventory to where demand arises. This reduces the capital tied up in inventory and enhances the supply potential of the OEMs, enabling them to tap a greater portion of the demand.

Threats: Consumer Electronics Sector

- **Rapidly changing consumer tastes:** Consumers are always on the lookout for new and novel experiences. Reliability and quality of products in the conventional sense have become hygiene factors, whose absence creates losers but whose presence does not differentiate winners. Consumers are looking for a high confluence of frills and features that surprise them with the ease of use and convenience. Staying one step ahead of the consumer's expectations and bringing something new to the table every year will be essential in retaining the excitement in the consumer's mind about a brand and its offerings.
- **Decreasing risk aversion among consumers:** Due to the plethora of distributor brands and domestic brands that specializes in import and rebranding, the consumers have a large number of brands to choose from at the low cost end of the price spectrum. Price sensitivity may lead many consumers to overcome their risk aversion. 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.
- **Preference for foreign brands:** Due to the high marketing spends of Multinational Companies (MNCs) the Company faces the threat of a preference developing among consumers for foreign brands. This will have to be countered via appropriate corporate marketing communication stressing the high pedigree of the Company and its commitment to innovation and quality.
- **Threat of concentration of sales:** 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

Risk of economic downturns: If the forecast of the economic growth proves to be overly optimistic, then the discretionary consumption of the consumers will reduce. This will decrease the demand for the Company's products. Hence, the Company is vulnerable to risks from an economic downturn.

Disruption of supply or distribution: If acts of God or political unrest disrupt the supply or distribution capabilities of the Company, then sales could suffer and the goodwill of the Company among consumers may be affected.

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

Adverse regulation: If the regulatory regime becomes unfavourable and regulations are passed that hamper the existing modes of the Company's conduct of business, the profitability of the Company may be affected.

Tax changes: Changes to the tax code that may increase the incidence of tax or lead to retrogressive taxation may affect the profitability of the Company.

Technological disruptions: If new technologies protected by intellectual property laws revolutionize the industry, making existing products obsolete, then the Company may be affected adversely if

such innovations do not come from within the Company.

Talent management: If high quality talent is not recruited and retained, then the competitiveness of the Company in its managerial effectiveness may be threatened.

Labour unrests: Incidence of labour unrests may disrupt the production of the Company's products and hence poses a risk to the business of the Company.

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

INTERNAL CONTROL SYSTEM AND ACCURACY

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

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

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

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

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 Company has adopted the best and the most sophisticated technology to suit Indian needs. The Company has successfully forayed into market either directly or indirectly.

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

A detailed statement of financial performance for the fiscal period 2016-17 is scribed in the Directors' Report. During the year under review, the performance of the company was satisfactory in spite of the various stiff challenges and uncertainties across the industry in various segments such as demonetization, financial crisis, volatile prices, currency fluctuation and liquidity crisis. During the Financial Year 2016-17, the net turnover of the Company stood at Rs.320.71 crore as against Rs.309.48 crore in the previous financial year. The Company generated cash profit but due to increase in finance cost, company incurred loss of Rs.1.39 crore in the books.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCE

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

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

Industrial relations remained cordial during the year under review.

CAUTIONARY STATEMENT

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Salora International Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SALORA INTERNATIONAL LIMITED. (the "Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India, in exercise of powers conferred by sub-section 11 of section 143 of the Act, we give in the "Annexure A" attached hereto our comments on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by sub-section 3 of Section 143 of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
   (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms section 164 (2) of the Companies Act, 2013.
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
   (g) With respect to the matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our

opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 35 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

For **K. Prasad & Company**
Chartered Accountants
FRN 002755N

R.S. Gupta
Partner
M.No: 072666

Place: New Delhi
Date-: 29th May 2017

THE ANNEXURE A REFERRED TO IN INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE COMPANY ON THE STANDALONE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH, 2017, WE REPORT THAT:

1. a. The Company has maintained proper records, showing full particulars including quantitative details and situation of fixed assets.

b. Major fixed assets have been physically verified by the management during the year. As explained to us, no discrepancies were noticed on such verification.

c. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company, except the following,

- Lease hold land at D-13/4 Okhla Industrial Area Phase II is in the Company's old name.

2. Inventories has been physically verified by the management during the year except service spares and goods/ material in bond, transit or with third party. In our opinion, the frequency of physical verification is reasonable.

3. According to the information and explanation given to us, the Company's has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act 2013 and hence sub clause (a) (b) (c) are not applicable.

4. According to the information and explanation given to us, In respect of loans, investments, guarantees and security the provisions of section 185 and 186 of the Companies Act 2013 have been complied with.

5. The company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the Rules framed there under.

6. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government of India, maintenance of cost records has been prescribed under sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records are being made and maintained.

7. a. According to the records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Custom Duty, Cess, Excise Duty, Service Tax, Value added tax, and other material statutory dues have been deposited regularly during the period with the appropriate authorities. According to the records of the Company and information and explanations given to us there were no arrears of outstanding statutory dues as at 31st March, 2017 for a period of more than six months from the date they became payable.

Name of the Statute	Nature of the dues	Dispute Amount (Rs / Lacs)	Amount Deposited (Rs /Lacs)	Amount not Deposited (Rs /Lacs)	Period to which the amount relates to various years covering the period	Forum where pending
Income Tax Act, 1961	Income Tax	37.88	37.88	0	2002-2003	Appellate Authority - High Court
	Income Tax	7.12	2.55	4.57	2009-2010	Appellate Authority - CIT (A)
Sales Tax Law	Sales Tax	42.21	16.18	26.03	2001-2004	Appellate Authority - Supreme Court
	Sales Tax	36.81	7.70	29.11	1995-2002	Appellate Authority - High Court
	Sales Tax	914.99	173.66	741.33	2000-2012	Appellate Authority - Sales Tax Commissioner

Finance Act, 1994	Service Tax on Royalty	1.97	0	1.97	2002-2003	Appellate Authority - Excise Commissioner
Custom Act, 1962	Custom Duty	Not ascertained	20	0	1994-1995	Appellate Authority – Tribunal
	Custom Duty	20.14	20.14	0	2015-16	Commissioner
Central Excise Act, 1944	Excise Duty	2435.21	300.00	2135.21	1993-1994 to 2003-2004	Appellate Authority – Tribunal
	Excise Duty	41.97	0	41.97	2001-2004	Assistant Commissioner
	Excise Duty	47.26	4.20	43.06	2009-2011	Appellate Authority – Tribunal
	Excise Duty	7.66	7.66	0	2006-2007	Assistant Commissioner
	Excise Duty	1.78	2.00	0	1995-1996	Commissioner
	Excise Duty	0.17	0.17	0	2010-2011	Assistant Commissioner
	Penalty	2435.22	0	2435.22	1993-1994 to 2003-2004	Appellate Authority – Tribunal

b. According to the records of the Company and information and explanations given to us the following are the particulars of disputed amounts payable in respect of Income tax, Sales Tax, Custom Duty, Excise Duty and Service tax as at the last day of the period ending 31st March, 2017 are as follows.

8. According to the information and explanation given to us by the management, the Company has not defaulted in the repayment of dues to banks. The company did not have any debenture holders during the year.

9. Term loans were applied for the purpose for which they were raised. The company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) during the year.

10. To be best of our knowledge and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

11. According to the information and explanation given to us and to best of our knowledge, we are of the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

12. According to the information and explanation given to us, the provisions of any Special Statute applicable to Nidhi Companies are not applicable to the Company, so the provision of this clause is not applicable to the Company.

13. According to the information and explanation given to us and based on our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statements as per Accounting Standard-18.

14. According to the information and explanation given to us and to the best of our knowledge, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review.

15. According to the information and explanation given to us and to the best of our knowledge, the Company has not entered into any non-cash transactions during the period with directors or persons connected with him.

16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **K. PRASAD & COMPANY**
CHARTERED ACCOUNTANTS
FRN: 002755N

Place : New Delhi.
Date : 29th May 2017.

(R. S. GUPTA)
PARTNER.
Membership No.: 072666

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SALORA INTERNATIONAL LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SALORA INTERNATIONAL LIMITED ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI") These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct

of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K. PRASAD & COMPANY**
CHARTERED ACCOUNTANTS
FRN: 002755N

Place : New Delhi.
Date : 29th May 2017.

(R. S. GUPTA)
PARTNER.
Membership No.: 072666

BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ In lacs)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	**881.45**	881.45
(b) Reserves and Surplus	2	**10,261.69**	10,401.02
Sub Total		**11,143.14**	11,282.47
Non - Current Liabilities			
(a) Long term borrowings	3	**653.33**	558.06
(b) Other long term liabilities	4	**115.80**	174.14
(c) Long term provisions	5	**25.06**	17.03
Sub Total		**794.19**	749.23
Current Liabilities			
(a) Short term borrowings	6	**4,777.43**	3,234.40
(b) Trade payables	7	**2,397.04**	3,986.99
(c) Other current liabilities	8	**260.09**	330.80
(d) Short term provisions	9	**80.33**	88.97
Sub Total		**7,514.89**	7,641.16
TOTAL		**19,452.22**	**19,672.86**
ASSETS			
Non - Current Assets			
(a) **Fixed Assets**			
(i) Tangible assets	10	**2,561.76**	2,747.60
(ii) Intangible assets	10	**7.82**	17.94
(iii) Capital work in progress	10	**2.31**	-
Sub Total		**2,571.89**	**2,765.54**
(b) Non - current investments	11	**346.07**	346.07
(c) Deferred tax Assets (Net)	12	**324.64**	277.02
(d) **Long term loans and advances**	13	**2,219.01**	**885.92**
(e) Trade Receivables (Legal)	14	**1,636.15**	1,614.70
Sub Total		**7,097.76**	5,889.25
Current Assets			
(a) Inventories	15	**5,015.33**	4,754.19
(b) Trade receivables	16	**6,404.79**	6,486.14
(c) Cash and Bank Balances	17	**58.51**	215.63
(d) Short Term Loans and Advances	18	**774.29**	2,218.74
(e) Other Current Assets	19	**101.55**	108.91
Sub Total		**12,354.47**	**13,783.61**
TOTAL		**19,452.22**	**19,672.86**

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS **1 - 43**

For and on behalf of the Board

As per our report of even date annexed.

For **K.Prasad & Company**
Chartered Accountants
FRN: 002755N

R.S.Gupta
Partner
M.No: 072666

Tarun Jiwarajka
Whole Time Director
DIN No. 00386240

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Place :New Delhi
Date: 29th May 2017

Mohd Faisal Farooq
Company Secretary

Vinay Kishore
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In lacs)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
INCOME			
Revenue from Operations	**20**	**32,165.47**	31,250.48
Other Income	**21**	**288.33**	26.94
Total Revenue		**32,453.80**	31,277.42
Expenses			
Cost of Materials Consumed	**22**	**2,651.81**	1,684.47
Purchase of Trading Goods	**23**	**26,924.51**	26,848.33
Changes in Inventories of Finished Goods, Work in progress and Trading goods	**24**	**(307.62)**	(522.65)
Employees Benefits Expenses	**25**	**948.85**	905.72
Finance Costs	**26**	**697.01**	625.45
Depreciation and Amortization Expenses	**27**	**222.32**	250.92
Other Expenses	**28**	**1,503.88**	1,627.52
Total Expenses		**32,640.76**	31,419.76
Profit/(Loss) before Exceptional and Extraordinary Items and Tax		**(186.96)**	(142.34)
Exceptional Items		**-**	-
Profit/(Loss) before Extraordinary Items and Tax		**(186.96)**	(142.34)
Extraordinary Items		**-**	-
Profit/(Loss) before Tax		**(186.96)**	(142.34)
Tax Expense:			
Current Tax		**-**	-
Deferred tax		47.63	55.32
Total Tax		**47.63**	55.32
Profit/(Loss) for the year		**(139.33)**	(87.02)
Earning per equity share: Basic and Diluted	**41**	(1.58)	(0.99)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS	**1 - 43**		

As per our report of even date annexed.

For and on behalf of the Board

For **K.Prasad & Company**
Chartered Accountants
FRN: 002755N

R.S.Gupta
Partner
M.No: 072666

Tarun Jiwarajka
Whole Time Director
DIN No. 00386240

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Place :New Delhi
Date: 29th May 2017

Mohd Faisal Farooq
Company Secretary

Vinay Kishore
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	**₹**	Number	₹
1 Share Capital:				
Authorised:				
Equity Shares of Rs. 10 /- each	20,000,000	**2,000.00**	20,000,000	2,000.00
Issued and Subscribed :				
Equity Shares of Rs. 10/- each	8,820,000	**882.00**	8,820,000	882.00
Issued, Subscribed and Paid--up :				
Equity Shares of Rs.10/- each	8,807,300	**880.73**	8,807,300	880.73
Add: Share Capital forfeited Equity Shares @ 5.65/- each	12,700	**0.72**	12,700	0.72
Total		**881.45**		881.45
Note :				
Number of Shares at the beginning and close of the year are same.				
Particulars of equity share holders holding more than 5% of the total number of equity share capital:	**No. of Shares**	%	**No. of Shares**	**%**
Gopal Kumar Jiwarajka	2029117	**23.04**	2029117	23.04
Gopal Kumar Jiwarajka HUF	1498988	**17.02**	1498988	17.02
Neetu Jiwarajka	731410	**8.30**	731410	8.30
Manori Properties Pvt Ltd.	558929	**6.35**	558929	6.35

Note: 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.

2 Reserves and Surplus:			
Securities Premium Reserve			
As per last balance sheet			
Share Premium Account	**3,244.42**		3,244.42
Add : Share Premium Forfeited	**2.87**		2.87
Sub Total	**3,247.29**		3,247.29
General Reserve			
As per last Balance sheet	**6,804.47**		6,804.47
Sub Total	**6,804.47**		6,804.47
Profit & Loss Account Balance			
As per last Balance sheet	**349.26**		436.28
Add : Profit/(Loss) Transferred from Profit & Loss Statement	**(139.33)**		(87.02)
Sub Total	**209.93**		349.26
Total	**10,261.69**		10,401.02

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
3 Long term Borrowings		
Secured Loans:		
Vehicle Loans from Banks and Others	**98.20**	127.14
Less : Current Maturity	**44.87**	49.08
Sub Total	**53.33**	78.06
Unsecured Loans:		
Loans from related parties	**600.00**	200.00
Loan from Others	**-**	280.00
Sub Total	**600.00**	480.00
Total	**653.33**	558.06
Additional Informations:		
a Details of security for secured loans		
Vehicle Loans are secured against hypothecation of cars.		
b Terms of repayment of term loans and others		
i) Vehicle Loans from Banks and others on monthly installment basis.		
ii) Unsecured Loans are repayable on demand.		
4 Other Long term liabilities		
Trade Deposit	**115.80**	174.14
Total	**115.80**	174.14
5 Long term Provisions		
Provisions for employees benefits		
For Leave Pay	**25.06**	17.03
Total	**25.06**	17.03
6 Short Term Borrowings		
Secured Loans:		
Working Capital Loans		
From Banks	**4,777.43**	3,234.40
Total	**4,777.43**	3,234.40

Additional Information:
Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge on immovable properties of NOIDA units as collateral security.

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
7 Trade Payables		
i) To Micro, Small and Medium Enterprises*	**-**	-
ii) Others	**2,397.04**	3,986.99
Total	**2,397.04**	3,986.99

Additional Information:
*The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act 2006,hence disclosure relating to amounts unpaid as at the year end together with interest paid /payable under this Act have not been given.

8 Other current liabilities:		
Current maturities of long term debt		
Vehicle Loans	**44.87**	49.08
Interest accrued & due/but not due on borrowings	**17.04**	22.24
Unpaid dividend	**-**	1.17
Statutory Liabilities	**94.71**	136.00
Others	**103.47**	122.31
Total	**260.09**	330.80

Additional Information:
Vehicle Loans are secured against hypothecation of cars.

9 Short term provisions:		
Provision for employee benefits:		
For Salary and Bonus etc.	**74.57**	84.63
For Leave Pay	**5.76**	4.34
Total	**80.33**	88.97

NOTES TO FINANCIAL STATEMENTS

10 Fixed Assets : (₹ In lacs)

PARTICULARS	<----------GROSS BLOCK---------->				<----------DEPRECIATION---------->				<----NET BLOCK---->	
	Balance as at 01.04.2016	Additions	Deductions/ Adjustments	**Balance as at 31.03.2017**	Upto 31.03.2016	For The Year	Deductions/ Adjustments	**Upto 31.03.2017**	**Balance as at 31.03.2017**	Balance as at 31.03.2016
(i) TANGIBLE ASSETS :										
Lease Hold Land	**390.29**	-	-	**390.29**	91.40	6.00	-	**97.40**	**292.88**	298.89
Building	**576.73**	-	-	**576.73**	296.71	15.38	-	**312.09**	**264.63**	280.02
Furniture & Fixtures	444.59	-	0.17	444.42	402.24	12.50	0.17	414.57	29.84	42.35
Plant & Machinery	**6,312.30**	13.53	20.24	**6,305.59**	4,459.69	141.95	19.23	**4,582.41**	**1,723.17**	1,852.61
Dies & Moulds	**1,042.57**	2.90	-	**1,045.47**	956.31	6.53	-	**962.84**	**82.63**	86.26
Motor Vehicles	**273.72**	25.35	36.61	**262.46**	92.54	29.07	22.01	**99.60**	**162.86**	181.18
Office Equipment	**56.21**	0.20	-	**56.41**	49.90	0.76	-	**50.66**	**5.75**	6.31
Sub Total	**9,096.41**	**41.98**	**57.02**	**9,081.37**	**6,348.79**	**212.19**	**41.41**	**6,519.57**	**2,561.76**	**2,747.62**
(ii) INTANGIBLE ASSETS :										
Trade Mark	**106.21**	-	-	**106.21**	88.26	10.13	-	**98.39**	**7.82**	17.95
Total	**9,202.62**	**41.98**	**57.02**	**9,187.58**	**6,437.05**	**222.32**	**41.41**	**6,617.96**	**2,569.58**	**2,765.57**
PREVIOUS YEAR	**9,227.81**	**130.91**	**156.12**	**9,202.62**	**6,331.14**	**250.92**	**145.00**	**6,437.05**	**2,765.57**	**2,896.67**
(iii) Capital Work in Progress :									**2.31**	**Nil**

NOTES TO FINANCIAL STATEMENTS ₹

(In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
11 Non Current Investments:		
Investments in Equity Instruments:		
INVESTMENTS (AT COST):		
Long Term(Unquoted,unless otherwise stated)		
a) Trade Investments in Equity Shares (Fully paid up)		
In Subsidiary Company :		
3414800 (P.Y.3414800) Equity Shares of Salora Component Ltd.of Rs.10/- each.	**341.48**	341.48
In Other Companies:		
i) 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)
ii) 2500 (P.Y. 2500) Equity Shares of Terminal Power Pvt. Ltd. of Rs.10/-each.	**0.25**	0.25
b) 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
Aggregate value of Unquoted investments	**377.25**	377.25
Less : Provision for diminution in value of investments	**31.18**	31.18
Total	**346.07**	346.07
12 Deferred tax Asset		
Deferred tax liability:		
On account of depreciation on fixed assets	**535.72**	569.92
Sub Total	**535.72**	569.92
Deferred tax asset :		
a) On account of timing differences in recognition of expenditure	**20.52**	16.38
b) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	**757.81**	748.54
c) On account of capital Loss	**82.02**	82.02
Total	**860.35**	846.94
Deferred tax asset (net)	**324.64**	277.02

Notes to Financial Statements

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
13 Long term loans and advances (Unsecured considered good) :		
Inter Corporate Loan Given	**255.00**	255.00
Advances recoverable in cash or in kind or for value to be received	**1,334.18**	-
Security Deposits	**32.94**	40.46
Payment against disputed Sales Tax Demand	**197.54**	191.12
Payment against disputed Income Tax Demand	**53.00**	53.00
Payment against disputed Excise Demand	**306.20**	306.20
Payment against Custom Demand	**40.14**	40.14
Total	**2,219.00**	885.92
14 Trade Receivables (Legal)		
Unsecured, considered good	**1,636.15**	1,614.70
Total	**1,636.15**	1,614.70
15 Inventories:		
Raw materials	**612.93**	511.90
Work in progress	**133.64**	97.34
Finished goods	**489.80**	487.56
Trading Goods	**3,719.78**	3,450.69
Stores,spares & fuel	**1.57**	1.82
Goods in transit:		
Raw materials	**57.61**	204.88
Total	**5,015.33**	4,754.19
16 Trade Receivables (Unsecured)		
i) Trade receivables exceeding six months		
Considered Good	**2,750.64**	2,824.93
Considered Doubtful		
Less : Provision for Doubtful Debts		
ii) Others, Considered Good	**3,654.15**	3,661.21
Total	**6,404.79**	6,486.14
17 Cash and Bank Balances :		
i) Balances with banks		
- in unpaid dividend accounts	**-**	1.17
- in margin money	**33.59**	175.63
- in other accounts	**18.76**	15.68
ii) Cheques/ Drafts in Hand	**-**	9.25
iii) Cash in hand	**6.16**	13.90
Total	**58.51**	215.63

NOTE: Following is the disclosure in terms of notification issued by the Ministry of Corporate Affairs dated 30th March 2017:

Particulars	Specified Bank Notes	Other Denominations Notes	Total (Rs.) (In Lakhs)
Closing cash in hand as on 08.11.2016	15.50	0.59	16.09
Add: Cash withdrawls from Bank		3.50	3.50
Add: Permitted receipts		4.01	4.01
Less: Permitted payments		6.01	6.01
Less: Amount deposited in Banks	15.50		15.50
Closing cash in hand 30.12.2016		2.09	2.09

18	**Short Term Loans and Advances (Unsecured and Considered Good) :**		
	Advances recoverable in cash or in kind or for value to be received	**227.59**	1,680.46
	Income Tax Refund Receivable	**108.40**	95.04
	Balance With / Recoverable from Government Authorities	**438.30**	443.24
	Total	**774.29**	2,218.74
19	**Other Current Assets**		
	Interest Receivable	**94.64**	102.85
	Duty Drawback Receivable	**0.49**	1.98
	Gratuity Recoverable	**4.99**	2.65
	Superannuation Recoverable	**1.43**	1.43
	Total	**101.55**	108.91
20	**Revenue from operations:**		
	Sales of Goods		
	Domestic	**31,587.71**	26,295.69
	Export	**191.79**	4,155.55
	Total	**31,779.50**	30,451.24
	Sale of Services		
	Infocom Products	**148.00**	361.82
	Wind Energy	**441.76**	356.89
	Total	**589.76**	718.71
	Gross Sales	**32,369.26**	31,169.95
	Less : Excise duty	**298.36**	221.88
	Net Sales	**32,070.90**	30,948.07
	Other Operating Income		
	Bad Debts Recovered	3.78	1.85
	Liability no Longer required written back	74.07	295.91
	Commission Received	14.51	-
	Miscellaneous Income	2.21	4.65
		94.57	302.41
	Total Revenue from Operations	**32,165.47**	31,250.48

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars		Year Ended 31.03.2017	Year Ended 31.03.2016
20-A	**Particulars of Sale of Products**		
	Mobile Phones and Accessories	**28,045.98**	20,152.50
	IT Products & Accessories	**722.43**	5,865.93
	Others	**3,011.09**	4,432.81
	Total	**31,779.50**	30,451.24
21	**Other Income:**		
	Interest	**1.79**	16.70
	Miscellaneous Income	**2.16**	10.24
	Keyman Insurance Policy	**284.38**	-
	Total	**288.33**	26.94
22	**Cost of Materials Consumed:**		
	Consumption of raw materials		
	Electronic & Mobile Components	**2,651.81**	1,684.47
	Total	**2,651.81**	1,684.47
23	**Purchase of Trading Goods**		
	Mobile Phones and Accessories	**25,261.52**	16,656.58
	IT Products & Accessories	**955.64**	6,635.26
	Others	**707.35**	3,556.49
	Total	**26,924.51**	26,848.33
24	**Changes in inventories of finished goods, work in progress and trading goods:**		
	Stocks at the end of the year		
	Work in progress	**133.64**	97.34
	Trading goods	**3,719.77**	3,450.69
	Finished goods	**489.80**	487.56
	Sub Total :	**4,343.21**	4,035.59
	Less : Stocks at the beginning of the year		
	Work in progress	**97.34**	19.67
	Trading goods	**3,450.69**	3,213.07
	Finished goods	**487.56**	280.20
	Sub Total :	**4,035.59**	3,512.94
	Increase / (Decrease) in Stock :	**(307.62)**	(522.65)

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars			Year Ended 31.03.2017	Year Ended 31.03.2016
25	**Employee Benefits Expenses:**			
		Salaries and wages	**859.55**	811.20
		Contribution to provident and other funds	**71.47**	59.71
		Staff Welfare & Other Benefits	**17.83**	34.81
		Total	**948.85**	905.72
26	**Finance Costs:**			
	i)	Interest	642.29	558.35
	ii)	Net (Gain)/Loss on Foreign Currency Transaction	(0.10)	(2.35)
	iii)	Others	54.82	69.45
		Total	**697.01**	625.45
27	**Depreciation and amortization:**			
	i)	Depreciation	216.32	244.92
	ii)	Amortization of Land	6.00	6.00
		Total	**222.32**	250.92
28	**Other expenses:**			
		Assembly Charges	20.38	17.51
		Stores & Spares Consumed	9.89	12.88
		Power and fuel	71.61	78.54
		Rent	33.34	35.61
		Repair & Maintenance :-		
		Building	5.42	0.27
		Plant & Machinery	89.84	88.09
		Others	28.37	34.73
		Insurance	13.76	17.80
		Rates and taxes	12.97	3.64
		Legal and professional fees	92.38	154.98
		Payment to Auditors		
		Statutory Audit Fee (including Limted review)	12.50	11.00
		Tax Audit Fee	1.50	1.50
		Certification	0.71	0.41
		Expense / Service Tax reimbursed	2.78	2.23
		In Other capacity	1.50	-
		Travelling & Conveyance	155.70	169.56
		Freight and Forwarding	449.14	239.83
		Discount,Commission & Incentives	243.63	289.96
		Advertisement & Publicity	18.80	18.95
		After Sale Service Charges	30.91	47.66
		Sales Tax,Entry Tax and Service Tax	1.46	33.90
		Bad Debts	76.11	247.27
		Irrecoverable loans and advances written off	5.00	4.22
		Loss on sale of fixed asset (net)	3.06	(0.48)
		Short / (Excess) Claims	(0.93)	(0.89)
		Miscellaneous expenses	117.34	150.41
		Net (gain)/loss on foreign currency transaction	6.71	(32.06)
		Total	**1,503.88**	1,627.52

NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Amount	% to total	Amount	% to total
Other Additional Information:				
29 Break-up of Material and Components Consumed :				
i) Imported	**1,907.17**	**71.92**	1,087.78	64.58
ii) Indigenous	**744.64**	**28.08**	596.69	35.42
Total	**2,651.81**	**100.00**	1,684.47	100.00
30 Break-up of Store & Spares Consumed :				
i) Imported				
ii) Indigenous	**9.89**	**100.00**	12.88	100.00
Total	**9.89**	**100.00**	12.88	100.00
31 Value of Imports calculated on CIF basis:				
i) Raw Material & Components	**1,828.80**		1,357.37	
ii) Trading Goods- Direct Purchase	**700.05**		521.55	
iii) Trading Goods- High Sea Purchase	**44.27**		513.18	
Total	**2,573.12**		2,392.10	
32 Expenditure in foreign currency (Gross of TDS)				
Foreign Travelling	**2.90**		2.31	
Total	**2.90**		2.31	
33 Earning in foreign exchange :				
i) Export of Goods calculated on FOB basis	**189.88**		3,962.41	
ii) High Sea Export on FOB basis	**-**		167.46	
iii) Service Charges including Service Tax	**-**		13.95	
Total	**189.88**		4,143.82	

NOTES TO FINANCIAL STATEMENTS

34 Significant Accounting Policies :

i) Basis of Accounting :

The Financial Statements are prepared under the historical cost convention on accrual basis as a going concern, in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act,2013.

ii) Revenue Recognition :

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

iii) Fixed Assets and Depreciation:

a. Fixed Assets :

Fixed assets (except freehold land) are stated at cost of acquisition and/or cost of construction, less accumulated depreciation Cenvat,Vat etc. claimed on fixed assets is reduced from the cost of respective assets. Borrowing costs that are attributable to the acquisition or construction of fixed assets are capitalized as part of cost of such assets till such time as the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the period in which incurred. Fixed assets are reviewed for impairment of such assets by taking them as part of a cash generating unit and on assets not in use basis on each Balance Sheet date, Impairment loss and reversal of earlier years, if any is recognised to statement of Profit & Loss. Intangible assets are recorded at cost of acquisition less accumulated depreciation / amortisation.

b. Depreciation on Fixed Assets :

Depreciation on Fixed Assets is provided as per Straight Line Method on the basis of useful life of assets specified and in the manner specified in the Schedule II of the Companies Act, 2013. Depreciation is charged on pro-rata basis on Additions/Sales during the year. Depreciation on assets whose actual cost do not exceed Rs. 5000 has been charged 100% without pro-rata basis. Cost of leasehold land and furnishing expenses in leasehold property are amortised over the lease period. Intangible assets are amortised over the useful life of such assets.

iv) Investments :

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

v) Inventory Valuation

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

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

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

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

vi) Excise Duty, Custom Duty & Cenvat:

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

b. Credit of excise duty, VAT under CENVAT scheme on goods purchased, is reduced from the cost of purchase.

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

vii) Employee Benefits :

a. Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Defined Contribution Plans for Provident Fund, Family Pension and Superannuation benefits are recognised by contribution at specified rate or percentage on salary. No actuarial assumptions are required to measure the obligations or expenses and there is no possibility of any actuarial gain or loss. Moreover the obligations are measured on an undiscounted basis.

c. Other Post employment and long term employee benefits Gratuity and Leave Pay are recognised as an expense in the statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of Profit and Loss.

d. Contribution to Employees Provident Fund and Family Pension Scheme are charged to statement of Profit & Loss as incurred under the relevant Act.

e. Gratuity is charged to statement of Profit & Loss on the basis of actuarial valuation at the end of the year.

f. Liability in respect of leave pay is provided on the basis of actuarial valuation at the end of the year.

g. Differential / extra / temporary employees Gratuity & Leave Pay paid is charged to statement of Profit & Loss.

viii) Foreign Currency Transactions :

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

ix) Taxation :

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

x) Contingent Liabilities and Assets :

Contingent liability is recognised and provided for when the Company has present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligations and of which a reliable estimate can be made. Contingent liability is disclosed in notes to accounts in case of obligation is disputed and the possibility of an outflow of resources is remote. Contingent assets is not recognised until the realisation of income is virtually certain.

35 **A Contingent Liabilities not provided for in respect of :**

i) Bank Guarantees issued by Bankers Rs. 455.47lakhs (Previous year Rs. 255.47 lakhs) including for Sales Tax and Excise demand Rs. 5.47 lakhs (Previous Year Rs. 5.47 lakhs), against which margin kept by bank Rs. 21.18 lakhs (Previous year Rs. 1.18 lakhs)

ii) Letter of Credits pending for shipment Rs.251.70 lakhs (Previous year Rs. 315.47 lakhs).

iii) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.

iv) Disputed Sales Tax demands of Rs. 994.01 lakhs (Previous year Rs. 888.77 lakhs), against which amount deposited Rs. 197.54 lakhs (Previous year Rs.191.12 lakhs) has not been provided for as the cases are pending in appeals with higher authorities.

v) Advance Licence utilised for Import of CPT worth Rs.87.50 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 Delhi High Court and after admitting the petition and taking into consideration all the facts, the Delhi High Court directed the Company to deposit a sum of Rs. 20.00 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. Custom Department has raised demand of Rs. 20.14 lakhs for the year 2015-16 against amount of drawback for which company has deposited Rs. 20.14 lakhs lakhs under protest and appeal has been filed against the order of DGFT.

vi) The demand amounting to Rs. 1113.77 lakhs (previous year Rs.1113.77 lakhs) and penalty Rs. 1113.77 lakhs (previous year Rs.1113.77 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 Supremen 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. The demand of Rs. 1292.45 lakhs (previous year Rs. 1292.45 lakhs) and penalty Rs. 1292.45 lakhs (previous year Rs. 1292.45 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. Therefore considering directions / differential facts given by CESTAT in remand order not considered in Commissioner's orders, the company has good case on merits. Demand deposited amounting to Rs. 300 lakhs (previous year Rs. 300 lakhs). Miscellaneous Excise duty demand amounting to Rs. 98.84 lakhs (previous year Rs. 98.84 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 14.03 lakhs (previous year Rs. 14.03 lakhs).

vii) Income Tax Assessments of the Company have been completed upto Assessment Year 2014-15 (in previous year upto 2013-14). Demand has been raised of Rs. 45 lakhs previous year Rs. 45 lakhs) for earlier assessment years against which company has filed appeal before appleate authorities and amount Rs. 40.43 lakhs (previous year Rs.40.43 lakhs) has been deposited against demands. Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Supreme Court against refund of Rs. 1151.57 lakhs (previous year Rs. 1151.57 lakhs) received by the Company in the Financial Year 2002-2003.

B Estimated amount of contracts remaining to be executed on capital account Rs. 20 lakhs (previous year NIL).

36 Sundry Debtors, considered good includes :

i) Rs. 1613.20 lakhs (previous year Rs. 1606.76 lakhs) due more than six months and Rs. 22.96 lakhs due less than six months (previous year Rs. 7.94 lakhs) from parties on whom legal action initiated for recovery.

ii) Rs.2750.64 lakhs (previous year Rs. 2824.93 lakhs) due more than six months are under follow-up,negotiation,reconciliation,settlement and realisation.

NOTES TO FINANCIAL STATEMENTS

37 Employees Benefits disclosure as per accounting standard 15 (Revised) :

		Year Ended 31.03.2017 (₹ Lacs)	Year Ended 31.03.2016 (₹ Lacs)	**Year Ended 31.03.2017 (₹ Lacs)**	Year Ended 31.03.2016 (₹ Lacs)
		Leave Encashment Unfunded		**Gratuity Funded**	
i.	**The Principal assumptions in acturial valuation are as below**				
	a . Discount Rate	6.90%	**7.80%**	6.90%	7.80%
	b . Expected rate of return on assets	NA	**NA**	7.75%	8.00%
	c . Expected rate of future salary increase	**3%**	3%	**3%**	3%
	Note :Expected rate of return on assets is taken on the basis of funds past performance.				
ii.	**Change in present value of obligations**				
	Present value of obligations at the beginning of the period	**21.37**	21.44	**99.14**	100.74
	Interest Cost	**1.67**	1.68	**7.73**	7.87
	Past Service Cost	**-**	-	**-**	-
	Current Service Cost	**12.32**	3.99	**7.03**	6.56
	Currtailment / Settelement Cost	**-**		**-**	-
	Benefits Paid	**(8.10)**	(8.75)	**(15.66)**	(14.45)
	Actuarial (gain) / loss on obligations	**3.57**	3.00	**7.02**	(1.59)
	Present value of obligations at the end of the period	**30.83**	21.37	**105.26**	99.14
iii.	**Change in fair value of plan assets**	**NA**	NA		
	Fair value of plan assets at the beginning of the period	**-**	-	**101.79**	94.02
	Expected Return on plan assets	**-**	-	**8.14**	8.48
	Actuarial gain / (loss) on plan assets	**-**	-	**0.32**	(0.71)
	Fair value of plan assets at the end of the period	**-**	-	**110.25**	101.79
	Total Acturial (gain)/ loss to be recognised	**3.57**	3.00	**6.70**	(0.88)
iv.	**Actual return on plan assets**	**NA**	NA	**NA**	NA
	Expected return on plan assets	**-**	-	**8.14**	8.48
	Actuarial gain / (loss) on plan assets	**-**	-	**0.32**	(0.71)
	Actual return on plan assets	**-**	-	**8.46**	7.77
v.	**Liability recognised in the Balance Sheet**				
	Present value of obligations at the end of the period	**30.83**	21.37	**105.26**	99.14
	Fair value of plan assets as at the end of the period	**-**	-	**110.25**	101.79
	Unfunded / (funded) status	**30.82**	21.37	**(4.99)**	(2.65)
	Net (Assets) / Liability recognised in Balance Sheet	**30.82**	21.37	**(4.99)**	(2.65)
vi.	**Expenses recognised in Statement of Profit and Loss**				
	Current Service Cost	**12.32**	3.99	**7.03**	6.56
	Interest Cost	**1.67**	1.68	**7.73**	7.87
	Expected return on plan assets	**-**	-	**(8.14)**	(8.48)
	Net Actuarial (Gain) / Loss recognised during the year	**3.57**	3.00	**6.70**	(0.88)
	Expense recognised in Statement of Profit and Loss	**17.56**	8.68	**13.32**	5.08
	Differential/casuals paid debited to P&L	**-**	-	**-**	-
	Total Expense recognised in Statement of Profit and Loss	**17.56**	8.68	**13.32**	5.08
vii.	**Breakup of Plan Assets as a percentage of total plan assets**				
	Funds managed by Insurer	**NA**	NA	**1.00**	100%
viii.	**Balance Sheet Reconciliation**				
	Opening Net Liability	**21.37**	21.44	**(2.65)**	6.72
	Expenses as above	**17.56**	8.68	**13.32**	5.08
	Benefits Paid	**-**	-	**(15.66)**	(14.45)
	Employers Contribution Paid	**(8.10)**	(8.75)	**-**	-
	Closing Net Liability	**30.82**	21.37	**(4.99)**	(2.65)
	Current	**5.76**	4.34	**(4.99)**	(2.65)
	Non Current	**25.06**	17.03	**-**	-

Notes to Financial Statements

Particulars	Year Ended 31.03.2017 (₹ Lacs)	Year Ended 31.03.2016 (₹ Lacs)
38 Exchange difference has been charged/ (credited) to revenue accounts as follows:		
On Import of raw material & finished goods	**(3.26)**	9.81
On Export sales	**10.37**	22.24
Others	**(0.41)**	0.25
On Working Capital Loan	**(0.10)**	2.10
Total	**6.60**	34.40

39 FINANCE LEASE OBLIGATIONS:

Future obligations towards lease rentals for Fixed assets(Leasehold land) taken on lease as on 31.03.2017 is as under :

Within one year	**6.72**	6.72
Later than one year and not later than five years	**33.60**	33.60
Later than five years	**430.08**	436.80
Total	**470.40**	477.12

40 RELATED PARTIES DISCLOSURES :

1. Relationship :

(a) Subsidiary :

Salora Components Ltd

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

Associated Electronics Research Foundation
Manori Properties P Ltd
Devi Electronics P Ltd

(c) Key Managerial Personnel:

Shri Gopal Sitaram Jiwarajka
Shri Tarun Jiwarajka
Smt Neetu Jiwarajka (w.e.f 01.07.16)

(d) Relative of key managerial personnel where transactions have taken place:
Smt. Neetu Jiwarajka (till 30.06.16)
Shri Ayush Jiwarajka
Smt. Savitri Devi Jiwarajka

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

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

(₹ In Lacs)

Nature of Transactions	Related Parties					
	Referred in 1 (a) above		Referred in 1 (b) above		Referred in 1 (c) & (d) above	
	31.03.17	31.03.16	**31.03.17**	31.03.16	**31.03.17**	31.03.16
Purchases						
Goods and Materials	**227.66**	740.06		-	**-**	-
Sales						
Goods and Materials	**82.88**	357.92		-	**-**	-
Expenses						
Interest	**-**			-	**25.57**	24.07
Salary	**-**	-	**-**	-	**8.37**	13.30
Directors Remuneration	**-**	-	**-**	-	**142.07**	137.70
Finance						
Purchase of Keyman Insurance	**-**	-		-	**250.00**	-
Loans received	**-**	-	**-**		**430.00**	-
Loans repaid	**-**			-	**30.00**	-
Others						
Expenses/Payment on their behalf	**24.84**	85.96	**4.29**	14.00	**-**	-
Outstandings						
Payables	**-**	-	**-**	-	**8.45**	15.84
Receivables	**28.76**	88.05	**2.83**	0.56	**-**	-
Loan Payable	**-**	-	**-**		**600.00**	200.00
Interest Payable	**-**	-	**-**		**12.19**	5.76

Particulars	**Year Ended 31.03.2017**	**Year Ended 31.03.2016**
41 PARTICULARS OF EARNING PER SHARE :		
Net Profit/(Loss) after tax as per profit and loss account (Rs. lakhs) attributable to equity shareholders	**(139.33)**	(87.02)
Net Profit /(Loss) before extraordinary item net of tax expense (Rs. lakhs)	**(139.33)**	(87.02)
Weighted Average number of equity shares used as denominator for calculating EPS	**8,807,300**	8,807,300
Basic and Diluted Earnings per share(Rs.)	**(1.58)**	(0.99)
Basic and Diluted Earnings (before extraordinary item) per share(Rs.)	**(1.58)**	(0.99)
Face Value per equity share(Rs.)	**10.00**	10.00

Notes to Financial Statements

	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
			(₹ In Lacs)
42	**SEGMENT REPORTING :**		
A.	**Information about Primary Business Segments :**		
	(I) Segment Revenue :		
	a) Consumer Electronics Division	**31,723.71**	30,893.59
	b) Wind Energy	**441.76**	356.89
	Total	**32,165.47**	31,250.48
	Total Segment Revenue as per Financial Statements	**32,165.47**	31,250.48
	(II) Segment Results		
	b) Consumer Electronics Division	**488.42**	799.65
	c) Wind Energy	**245.69**	162.98
	Total Segment Results	**734.11**	962.63
	Less : i) Interest	**642.29**	558.36
	ii) Other un-allocable expenditure net off un-allocable income	**278.78**	546.61
	iii) Provision for Taxes	**(47.63)**	(55.32)
	Net Profit/(Loss) as per Financial Statements	**(139.33)**	(87.02)
	(III) Other Informations		

	Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
a)	**Consumer Electronics Division**				
	Current year	16,331.09	2,692.71	14.80	60.02
	(Previous year)	(16,256.30)	(4,425.46)	(74.18)	(85.81)
b)	**Wind Energy**				
	Current year	1,634.68	39.28	-	116.14
	(Previous year)	(1,796.35)	(19.30)	-	(116.48)
c)	**Unallocated Amounts**				
	Current year	1,486.45	5,577.09	27.18	46.17
	(Previous year)	(1,620.21)	(3,945.63)	(56.73)	(48.63)
d)	**Total as per Financial Statements (C.Y.)**	19,452.22	8,309.08	41.98	222.33
	(Previous year)	(19,672.86)	(8,390.39)	(130.91)	(250.92)

B. Geographical Segments:	**Year Ended 31.03.2017 (₹ in Lacs)**	Year Ended 31.03.2016 (₹ in Lacs)
Segment Revenue - Turnover		
Domestic	31,879.11	26,792.52
Export	191.79	4,155.55
Total	**32,070.90**	**30948.07**

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

C. OTHER DISCLOSURES :

i) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as thedifferential risks and return of these segments.

ii) The Company has disclosed Business Segment as the primary segment.

iii) Type of products and services in each business segment :

Business Segment	**Type of Products**
a) Consumer Electronics Division	Mobile Phones, IT Products and Accessories thereof. Fly Back Transformer(EHT), Loudspeaker,Deflection Yoke. TV sets and sub-asseblies thereof. Other consumer items.
b) Wind Energy	Wind Energy Generation

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

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

As per our report of even date annexed.

Signature to Notes '1' to '43'.

For **K.Prasad & Company**
Chartered Accountants
FRN: 002755N

R.S.Gupta
Partner
M.No: 072666

Place :New Delhi
Date: 29th May 2017

Tarun Jiwarajka
Whole Time Director
DIN No. 00386240

Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Vinay Kishore
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In lacs)

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	**(186.96)**	(142.34)
Adjustment for :		
Depreciation	**222.32**	250.92
Interest	**642.29**	558.36
Interest Income	**(1.79)**	(16.70)
Loss/(Profit) on sale of Fixed Assets	**3.06**	(0.48)
Operating Profit before Working Capital changes	**678.92**	649.76
Adjustment for :		
Inventories	**(261.14)**	(879.35)
Trade and other receivables	**183.78**	(763.49)
Trade and other payables	**(1,709.03)**	2,198.97
Cash Generated from Operating Activities	**(1,107.47)**	1,205.90
Adjustment for :		
Direct taxes (paid) / Refund Received	**(13.36)**	(15.35)
Net cash from Operating Activities	**(1,120.83)**	1,190.55
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	**(44.29)**	(130.91)
Sale / adjustment of fixed assets	**12.55**	11.60
Sale of Investment in shares	**-**	-
Net cash from / (used in) Investing Activities	**(31.74)**	(119.31)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of Secured term Loans (Net)	**(28.93)**	13.68
Proceeds/ (Repayments) of Working Capital Loan (Net)	**1,543.03**	(561.02)
Interest Paid	**(647.49)**	(537.74)
Loan Received (Unsecured)	**430.00**	-
Loan Repaid (Unsecured)	**(310.00)**	-
Margin Money	**142.04**	27.34
Interest received	**10.00**	18.15
Dividend paid	**(1.17)**	(2.58)
Net cash from/(used in) Financing Activities	**1,137.48**	(1,042.16)
Net Increase/ (Decrease) in cash and cash equivalents :	**(15.09)**	29.08
Cash and cash equivalents at beginning of the year	**40.00**	10.92
Cash and cash equivalents at end of the year	**24.91**	40.00

Note:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in AS-3 notified under Section 133 of the Companies Act 2013.
2. Figures in bracket indicate cash outflows.

As per our report of even date attached.

For **K.Prasad & Company**
Chartered Accountants
FRN: 002755N

R.S.Gupta
Partner
M.No: 072666

Place :New Delhi
Date: 29th May 2017

Tarun Jiwarajka
Whole Time Director
DIN No. 00386240

Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Vinay Kishore
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Members of Salora International Limited

Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Salora International Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whetherdue to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

a. We did not audit the financial statements / financial information of subsidiary whose financial statements / financial information reflect total assets of Rs.54544856 as at 31st March, 2017, total revenues of Rs. 22448351 for the year ended on that date, as considered in the consolidated financial statements.

These financial statements / financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary are based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, incorporated in India, none of the directors of the Group companies, are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The group has disclosed the impact of Pending litigations on its financial position in its financial statements- Refer note No. 31 to the financial statements,

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

For **K. Prasad & Company**
Chartered Accountants
FRN 002755N

R.S. Gupta
Partner
M.No: 072666

Place: New Delhi
Date-: 29th May 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

(₹ In lacs)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	1	**881.45**	881.45
(b) Reserves and Surplus	2	**10,091.46**	10,272.47
Sub Total		**10,972.91**	11,153.92
Minority Interest		45.40	56.44
Non - Current Liabilities			
(a) Long term borrowings	3	**908.33**	798.06
(b) Other long term liabilities	4	**115.80**	174.14
(c) Long term provisions	5	**25.06**	17.03
Sub Total		**1,049.19**	989.23
Current Liabilities			
(a) Short term borrowings	6	**4,777.43**	3,234.40
(b) Trade payables	7	**2,400.71**	4,015.15
(c) Other current liabilities	8	**301.48**	400.25
(d) Short term provisions	9	**80.33**	88.97
Sub Total		**7,559.95**	7,738.77
TOTAL		**19,627.45**	19,938.35
ASSETS			
Non - Current Assets			
(a) **Fixed Assets**			
(i) Tangible assets	10	**2,739.27**	2,958.41
(ii) Intangible assets	10	**7.82**	17.94
(iii) Capital work in progress	10	**2.31**	-
Sub Total		**2,749.40**	2,976.35
(b) Non - current investments	11	**4.59**	4.59
(c) Deferred tax Assets (Net)	12	**418.53**	397.08
(d) Long term loans and advances	13	**2,273.02**	939.81
(e) Trade receivables (Legal)	14	**1,636.15**	1,614.70
Sub Total		**7,081.69**	5,932.53
Current Assets			
(a) Inventories	15	**5,024.93**	4,814.61
(b) Trade receivables	16	**6,474.19**	6,555.54
(c) Cash and Bank Balances	17	**61.53**	218.22
(d) Short Term Loans and Advances	18	**883.56**	2,308.54
(e) Other Current Assets	19	**101.55**	108.91
Sub Total		**12,545.76**	14,005.82
TOTAL		**19,627.45**	19,938.35

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS **1 - 37**

For and on behalf of the Board

As per our report of even date annexed.

For **K.Prasad & Company**
Chartered Accountants
FRN: 002755N

R.S.Gupta	**Tarun Jiwarajka**	**Gopal Sitaram Jiwarajka**
Partner	Whole Time Director	Chairman & Managing Director
M.No: 072666	DIN No. 00386240	DIN No. 00024325
Place :New Delhi	**Mohd Faisal Farooq**	**Vinay Kishore**
Date: 29th May 2017	Company Secretary	Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In lacs)

Particulars	Note No.	Year Ended 31.03.2017	Year Ended 31.03.2016
INCOME			
Revenue from Operations	**20**	**32,080.49**	30,890.63
Other Income	**21**	**288.33**	26.94
Total Revenue		**32,368.82**	30,917.57
Expenses			
Cost of Materials Consumed	**22**	**2,502.06**	1,811.93
Purchases of Trading Goods	**23**	**26,924.52**	26,142.22
Changes in Inventories of Finished Goods, Work in Progress and Trading Goods	**24**	**(313.49)**	(521.99)
Employees Benefits Expense	**25**	**981.43**	996.69
Finance Costs	**26**	**704.11**	652.86
Depreciation and Amortization Expense	**27**	**255.63**	284.56
Other Expenses	**28**	**1,528.06**	1,678.52
Total Expenses		**32,582.32**	31,044.79
Profit/(Loss) before exceptional and extraordinary items and tax		**(213.50)**	(127.22)
Exceptional Items		**-**	-
Profit/(Loss) before extraordinary items and tax		**(213.50)**	(127.22)
Extraordinary Items		**-**	-
Profit/(Loss) before tax		**(213.50)**	(127.22)
Tax expenses:			
(1) Current tax		**-**	-
(2) Deferred tax		**21.45**	51.06
Total tax		**21.45**	51.06
Profit/(Loss) for the year		**(192.05)**	(76.16)
Less: Share of Profit/ (Loss) transferred to Minority Interest		**(11.04)**	(2.27)
Profit/(Loss) for the period		**(181.01)**	(73.89)
Earning per equity share:			
Basic and Diluted		**(2.06)**	(0.84)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON FINANCIAL STATEMENTS **1 - 37**

For and on behalf of the Board

As per our report of even date annexed.

For **K.Prasad & Company**
Chartered Accountants
FRN: 002755N

R.S.Gupta
Partner
M.No: 072666

Tarun Jiwarajka
Whole Time Director
DIN No. 00386240

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Place :New Delhi
Date: 29th May 2017

Mohd Faisal Farooq
Company Secretary

Vinay Kishore
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017		As at 31.03.2016	
	Number	₹	Number	₹
1 Share Capital:				
Authorised:				
Equity Shares of Rs. 10 /- each	20,000,000	**2,000.00**	20,000,000	2,000.00
Issued and Subscribed :				
Equity Shares of Rs. 10/- each	8,820,000	**882.00**	8,820,000	882.00
Issued, Subscribed and Paid--up :				
Equity Shares of Rs.10/- each	8,807,300	**880.73**	8,807,300	880.73
Add: Share Capital forfeited Equity Shares @ Rs. 5.65/- each	12,700	**0.72**	12,700	0.72
Total		**881.45**		881.45
Note : Number of Shares at the beginning and close of the year are same.				
Details of Shareholders holding more than 5% shares	**No. of Shares**	**%**	**No. of Shares**	**%**
Gopal Kumar Jiwarjka	2029117	**23.04**	2029117	23.04
Gopal Kumar Jiwarjka HUF	1498988	**17.02**	1498988	17.02
Neetu Jiwarjka	731410	**8.30**	731410	8.30
Manori Properties Pvt Ltd.	558929	**6.35**	558929	6.35

Note: 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.

2 Reserves and Surplus:				
Securities Premium Reserve				
As per last balance sheet				
Share Premium Account		**3,244.42**		3,244.42
Add : Share Premium Forfeited		**2.87**		2.87
Sub Total		**3,247.29**		3,247.29
General Reserve				
As per last Balance sheet		**6,804.47**		6,804.47
Sub Total		**6,804.47**		6,804.47
Profit & Loss Account Balance				
As per last Balance sheet		**220.70**		294.59
Add : Profit/(Loss) Transferred from Profit & Loss Statement		**(181.01)**		(73.89)
Sub Total		**39.69**		220.70
Grand Total		**10,091.46**		10,272.47

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
3. Long Term Borrowing		
1) Secured Loans:		
Vechile Loans from Banks and Others	98.20	127.14
Less: Current Maturity	44.87	49.08
Sub Total	**53.33**	**78.06**
2) Unsecured Loans:		
Loan from Related party	855.00	370.00
From Others	-	350.00
Sub Total	855.00	**720.00**
Total	**908.33**	**798.06**
Additional Information:		
a) Details of security for secured loans		
Vehicle Loans are secured against hypothecation of cars.		
b) Terms of repayment of term loans and others.		
Vehicle Loans from Banks and Others on monthly instalment basis.		
Unsecured Loans are repayable on demand .		
4. Other long term liabilities		
Trade Deposit	115.80	174.14
	115.80	**174.14**
5 Long term Provisions		
Provisions for employees benefits		
For Leave Pay	25.06	17.03
Total	**25.06**	**17.03**
6 Secured Loans:		
Working Capital Loans		
From Banks	4,777.43	3,234.40
Total	**4,777.43**	**3,234.40**
Additional Information:		
Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge on immovable properties of Noida units as collateral security.		
7 Trade Payables		
i) To Micro, Small and Medium Enterprises*		
ii) Others	2,400.71	4,015.15
Total	**2,400.71**	**4,015.15**

Additional Information:

*The Company has not received information from vendors regarding their status under the Micro,Small and Medium Enterprises Development Act 2006,hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act have not been given.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
8 Other current liabilities:		
Current maturities of long term debt		
Vehicle Loans	44.87	49.08
Interest accrued & due /but not due on borrowings	41.37	46.37
Unpaid dividend	-	1.17
Statutory Liabilities	100.41	152.14
Others	114.83	151.49
Total	**301.48**	**400.25**

Additional Information:
Vehicle loans are secured against hyothecation of cars

9 Short term provisions:		
Provision for employee benefits		
For Salary and Bonus etc.	74.57	84.63
For Leave Pay	5.76	4.34
Total	**80.33**	**88.97**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10 Fixed Assets : (₹ In lacs)

PARTICULARS	<----------GROSS BLOCK---------->				<----------DEPRECIATION---------->				<----NET BLOCK---->	
	Balance as at 01.04.2016	Additions	Deductions/ Adjustments	**Balance as at 31.03.2017**	Upto 31.03.2016	For The Year	Deductions/ Adjustments	**Upto 31.03.2017**	**Balance as at 31.03.2017**	Balance as at 31.03.2016
TANGIBLE ASSETS :										
Lease Hold Land	**390.29**	-	-	**390.29**	91.46	6.00	-	**97.46**	**292.83**	298.83
Building	**576.73**	-	-	**576.73**	296.70	15.38	-	**312.08**	**264.65**	280.03
Furniture & Fixtures	**450.91**	-	0.17	**450.74**	406.89	13.38	0.17	**420.10**	**30.64**	44.02
Plant & Machinery	**6,760.44**	13.53	20.24	**6,753.73**	4,698.90	174.35	19.23	**4,854.02**	**1,899.53**	2,061.36
Dies & Moulds	**1,042.57**	2.90	-	**1,045.47**	956.34	6.53	-	**962.87**	**82.59**	86.23
Motor Vehicles	**273.72**	25.35	36.61	**262.46**	92.52	29.07	22.01	**99.58**	**162.88**	181.20
Office Equipment	**57.54**	0.20	-	**57.74**	50.80	0.79	-	**51.59**	**6.15**	6.74
Sub Total	**9,552.20**	**41.98**	**57.02**	**9,537.16**	**6,593.61**	**245.50**	**41.41**	**6,797.70**	**2,739.27**	**2,958.41**
INTANGIBLE ASSETS :										
Trade Mark	**106.21**	**-**	**-**	**106.21**	**88.27**	**10.13**	**-**	**98.40**	**7.82**	**17.94**
Total	**9,658.41**	**41.98**	**57.02**	**9,643.37**	**6,681.88**	**255.63**	**41.41**	**6,896.10**	**2,747.09**	**2,976.35**
PREVIOUS YEAR	**9,683.61**	**130.91**	**156.11**	**9,658.41**	**6,542.52**	**284.56**	**144.99**	**6,681.88**	**2,976.35**	**3,141.11**
CAPITAL WORK IN PROGRESS :									**2.31**	**Nil**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
11 Non Current Investments:		
Investments in Equity Instruments:		
a) Trade Investments in Equity Shares (Fully paid up)		
In Other Companies :		
i) 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)
ii) 2500 (P.Y. 2500) Equity Shares of Terminal Power Pvt. Ltd. of Rs.10/-each.	**0.25**	0.25
b) 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
Aggregate value of Unquoted investments	**35.77**	35.77
Less : Provision for diminution in value of investments	**31.18**	31.18
Total	**4.59**	4.59
12 Deferred tax Asset (Net)		
Deferred tax liability:		
On account of depreciation on fixed assets	**535.72**	569.92
Sub Total	**535.72**	569.92
Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	**20.53**	17.47
b) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	**851.69**	867.51
c) On account of capital Loss	**82.03**	82.02
Total	**954.25**	967.00
Deferred tax asset (net)	**418.53**	397.08
13 Long term loans and advances (Unsecured considered good) :		
Inter Corporate Loan Given	**255.00**	255.00
Advances recoverable in cash or in kind or for value to be received	**1,334.18**	-
Security Deposits	**33.57**	40.96
Payment against disputed Sales Tax Demand	**208.17**	201.75
Payment against disputed Income Tax Demand	**53.00**	53.00
Payment against disputed Excise Demand	**306.20**	306.20
Payment against Custom Demand	**82.90**	82.90
Total	**2,273.02**	939.81
14 Trade Receivables (Legal)		
Unsecured, considered good	1,636.15	1,614.70
Total	**1,636.15**	1,614.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
15 Inventories:		
Raw materials	**613.90**	566.98
Work in progress	**133.64**	97.34
Finished goods	**498.44**	490.32
Trading Goods	**3,719.78**	3,450.69
Stores,spares & fuel	**1.56**	1.82
Goods in transit:		
Raw materials	**57.61**	207.46
Total	**5,024.93**	4,814.61
16 Trade Receivables		
i) Trade Receivables exceeding six months		
Considered Good	**2,820.04**	2,894.33
Considered Doubtful	**-**	-
Less : Provision for Doubtful Debts	**-**	-
ii) Others, Considered Good	**3,654.15**	3,661.21
Total	**6,474.19**	6,555.54
17 Cash and Bank Balances :		
i) Balances with banks		
- in Unpaid Dividend accounts	**-**	1.17
- in Margin Money	**33.59**	175.63
- in Other accounts	**20.63**	17.11
- Cheques/drafts in hand	**1.15**	9.25
iii) Cash in hand	**6.16**	15.06
Total	**61.53**	218.22

Particulars	Specified Bank Notes	Other Denominations Notes	Total (Rs.) (In Lakhs)
Closing cash in Hand as on 08.11.2016	15.50	1.58	17.08
Add: Cash withdrawls from Bank		3.50	3.50
Add: Permitted Receipts		4.50	4.50
Less: Permitted payments		6.19	6.19
Less: Amount Deposited in Banks	15.50		15.50
Closing cash in hand 30.12.2016		3.40	3.40

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
18 Short Term Loans and Advances (Unsecured and Considered Good) :		
Advances recoverable in cash or in kind or for value to be received	**198.88**	1,592.49
Income Tax Refund Receivable	**108.40**	95.04
Balance With / Recoverable from Government Authorities	**576.28**	621.02
Total	**883.56**	2,308.55
19 Other Current Assets		
Duty Drawback Receivable	**0.49**	1.98
Interest Receivable	**94.64**	102.85
Gratuity Recoverable	**4.99**	2.65
Superannuation Recoverable	**1.43**	1.43
Total	**101.55**	108.91
20 Revenue from operations:		
Sales of Goods		
Domestic	**31,504.83**	25,938.33
Export	**191.79**	4,155.55
Total	**31,696.62**	30,093.88
Sale of Services		
Infocom Products	**148.00**	361.82
Wind Energy	**441.76**	356.89
Total	**589.76**	718.71
Gross Sales	**32,286.38**	30,812.59
Excise duty	**325.94**	313.98
Net Sales	**31,960.44**	30,498.61
Other Operating Income		
Bad Debts Recovered	3.78	1.85
Liability no Longer required written back	74.08	295.91
Commission Received	14.51	-
Miscellaneous Income	6.08	6.00
Excise Refund	21.60	88.26
	120.05	392.02
Total Revenue from Operations	**32,080.49**	**30,890.63**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars		Year Ended 31.03.2017	Year Ended 31.03.2016
20-A	**Particulars of Sales of Products**		
	Mobile Phones and Accessories	**28,045.98**	20,152.50
	IT Products & Accessories	**722.43**	5,865.93
	Others	**2,928.21**	4,432.81
	Total	**31,696.62**	30,451.24
21	**Other Income:**		
	Interest	**1.79**	16.70
	Miscellaneous Income	**2.16**	10.24
	Keyman Insurance	**284.38**	-
	Total	**288.33**	26.94
22	**Cost of Materials Consumed:**		
	Consumption of raw materials :		
	Electronic Components and Others	**2,502.06**	1,811.93
	Total	**2,502.06**	1,811.93
23	**Purchase of Trading Goods**		
	Mobile Phones and Accessories	**25,261.52**	16,656.58
	IT Products & Accessories	**955.64**	6,635.26
	Others	**707.36**	2,850.38
	Total	**26,924.52**	26,142.22
24	**Changes in inventories of finished goods, work in progress and trading goods:**		
	Stocks at the end of the year		
	i. Work in progress	**133.63**	97.34
	ii. Trading goods	**3,719.78**	3,450.69
	iii. Finished goods	**498.44**	490.33
	Sub Total :	**4,351.85**	4,038.36
	Less : Stocks at the beginning of the year		
	i. Work in progress	**97.34**	19.67
	ii. Trading goods	**3,450.69**	3,301.38
	iii. Finished goods	**490.33**	195.32
	Sub Total :	**4,038.36**	3,516.37
	Increase / (Decrease) in Stock :	**(313.49)**	(521.99)
25	**Employees Benefit Expenses:**		
	i) Salaries and wages	891.02	899.62
	ii) Contribution to provident and other funds	71.95	60.80
	iii) Staff Welfare & Other Benefits	18.46	36.27
	Total	**981.43**	996.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars			Year Ended 31.03.2017	Year Ended 31.03.2016
26	**Finance Costs:**			
	i)	Interest	**649.30**	585.75
	ii)	Net (Gain)/Loss on Foreign Currency Transaction	**(0.10)**	(2.35)
	iii)	Others	**54.91**	69.46
		Total	**704.11**	652.86
27	**Depreciation and amortization:**			
	i)	Depreciation	**249.63**	278.56
	ii)	Amortization of Land	**6.00**	6.00
		Total	**255.63**	284.56
28	**Other expenses:**			
		Assembly Charges	**20.38**	17.51
		Stores & Spares Consumed	**9.89**	12.88
		Power and fuel	**75.83**	91.40
		Rent	**38.94**	45.21
		Repair & Maintenance :-		
		Building	**6.35**	2.66
		Plant & Machinery	**89.84**	88.09
		Others	**28.37**	34.73
		Insurance	**13.76**	17.80
		Rates and taxes	**18.05**	12.99
		Legal and professional fees	**95.56**	159.40
		Payment to Auditors		
		Statutory Audit Fee (including Limted review)	**13.50**	12.00
		Tax Audit Fee	**1.75**	1.75
		Certification	**0.71**	0.41
		Expense / Service Tax reimbursed	**3.00**	2.37
		In other capacity	**1.50**	-
		Travelling & Conveyance	**156.92**	173.45
		Freight and Forwarding	**449.14**	239.83
		Discount,Commission & Incentives	**243.63**	289.96
		Advertisement & Publicity	**18.80**	18.95
		After Sale Service Charges	**30.91**	47.66
		Sales Tax,Entry Tax and Service Tax	**1.46**	33.90
		Bad Debts	**76.11**	247.27
		Irrecoverable loans and advances written off	**5.00**	4.22
		Loss on sale of fixed asset (net)	**3.06**	(0.48)
		Short / (Excess) Claims	**(0.93)**	(0.89)
		Miscellaneous expenses	**119.82**	157.51
		Net (gain)/loss on foreign currency transaction	**6.71**	(32.06)
		Total	**1,528.06**	1,678.52

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

29 Significant Accounting Policies :

Principles of consolidation :

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

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

i) The financial statements of the Company and its subsidiary Company has been combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - " Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

ii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements:

Significant accounting policies :

These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Salora International Limited and its subsidiary.

30 The subsidiary Company considered in the consolidated financial statements is :

Name of the subsidiary	Country of Incorporation	Proportion of ownership interest	
		Current Year	Previous year
Salora Components Limited	India	79.05%	79.05%

31 A Contingent Liabilities not provided for in respect of :

i) Bank Guarantees issued by Bankers Rs. 455.47lakhs (Previous year Rs. 255.47 lakhs) including for Sales Tax and Excise demand Rs. 5.47 lakhs (Previous Year Rs. 5.47 lakhs), against which margin kept by bank Rs. 21.18 lakhs (Previous year Rs. 1.18 lakhs)

ii) Letter of Credits pending for shipment Rs.251.70 lakhs (Previous year Rs. 315.47 lakhs).

iii) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.

iv) Disputed Sales Tax demands of Rs. 994.01 lakhs (Previous year Rs. 888.77 lakhs), against which amount deposited Rs. 197.54 lakhs (Previous year Rs.191.12 lakhs) has not been provided for as the cases are pending in appeals with higher authorities.

v) Advance Licence utilised for Import of CPT worth Rs.87.50 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 Delhi High Court and after admitting the petition and taking into consideration all the facts, the Delhi High Court directed the Company to deposit a sum of Rs. 20.00 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. Custom Department has raised demand of Rs. 20.14 lakhs for the year 2015-16 against amount of drawback for which company has deposited Rs. 20.14 lakhs lakhs under protest and appeal has been filed against the order of DGFT.

vi) The demand amounting to Rs. 1113.77 lakhs (previous year Rs.1113.77 lakhs) and penalty Rs. 1113.77 lakhs (previous year Rs.1113.77 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 Supremen 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.

The demand of Rs. 1292.45 lakhs (previous year Rs. 1292.45 lakhs) and penalty Rs. 1292.45 lakhs (previous year Rs. 1292.45 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. Therefore considering directions / differential facts given by CESTAT in remand order not considered in Commissioner's orders, the company has good case on merits.

Demand deposited amounting to Rs. 300 lakhs (previous year Rs. 300 lakhs).Miscellaneous Excise duty demand amounting to Rs. 98.84 lakhs (previous year Rs. 98.84 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 14.03 lakhs (previous year Rs. 14.03 lakhs).

vii) Income Tax Assessments of the Company have been completed upto Assessment Year 2014-15 (in previous year upto 2013-14). Demand has been raised of Rs. 45 lakhs previous year Rs. 45 lakhs) for earlier assessment years against which company has filed appeal before appleate authorities and amount Rs. 40.43 lakhs (previous year Rs.40.43 lakhs) has been deposited against demands. Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Supreme Court against refund of Rs. 1151.57 lakhs (previous year Rs. 1151.57 lakhs) received by the Company in the Financial Year 2002-2003.

B Estimated amount of contracts remaining to be executed on capital account Rs. 20 lakhs (previous year NIL).

32 Sundry Debtors, considered good includes :

i) Rs. 1613.20 lakhs (previous year Rs. 1606.76 lakhs) due more than six months and Rs. 22.96 lakhs due less than six months (previous year Rs. 7.94 lakhs) from parties on whom legal action initiated for recovery.

ii) Rs. 2820.04 lakhs (previous year Rs. 2894.33 lakhs) due more than six months are under follow-up,negotiation,reconciliation,settlement and realisation.

33 Particulars

	Year Ended 31.03.2017 (₹ in Lacs)	Year Ended 31.03.2016 (₹ in Lacs)
Exchange difference has been charged/ (credited) to revenue accounts as follows:		
On Import of raw material & finished goods including forward contracts	(3.26)	9.81
On Export sales	**10.37**	22.24
Others	**(0.41)**	0.25
On Working Capital FC Loan	**(0.10)**	2.10
Total	**6.60**	34.40

34 RELATED PARTIES DISCLOSURES :

1. Relationship :

(a) Related parties in which key managerial personnel are able to exercise significant influence :
Manori Properties P Ltd
Devi Electronics P Ltd
Associated Electronics Research Foundation

(b) Key Managerial Personnel:
Shri G.K.Jiwarajka
Shri Tarun Jiwarajka
Smt Neetu Jiwarajka (w.e.f 01.07.16)

(c) Relative of key managerial personnel where transactions have taken place:
Smt. Neetu Jiwarajka (till 30.06.16)
Shri Ayush Jiwarajka
Smt. Savitri Devi Jiwarajka

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

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

(₹ In Lacs)

Nature of Transactions	Related Parties			
	Referred in 1 (a) above		Referred in 1 (b) &1 (c) above	
	31.03.17	31.03.16	**31.03.17**	31.03.16
Expenses				
Rent	5.60	9.60	-	-
Interest	-	-	25.80	44.47
Salary	-	-	8.37	13.30
Directors Remuneration	-	-	142.07	137.70
Finance				
Purchase of Keyman Insurance	-	-	250.00	-
Loans received	-	-	515.00	-
Loans repaid	-	-	30.00	-
Others				
Expenses incurred	4.29	14.00	-	-
Outstandings				
Payables	11.18	8.64	8.45	16.01
Receivables	2.83	0.56	-	-
Loan Payable	-	-	855.00	370.00
Interest Payable	-	-	36.52	29.89

	Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
35	**PARTICULARS OF EARNING PER SHARE :**		
	Net Profit/(Loss) after tax as per profit and loss account (Rs.lakhs) attributable to equity shareholders	**(181.01)**	(73.89)
	Net Profit /(Loss) before extraordinary item net of tax expense (Rs.lakhs)	**(181.01)**	(73.89)
	Weighted Average number of equity shares used as denominator for calculating EPS	**8807300**	8807300
	Basic and Diluted Earnings per share(Rs.)	**(2.06)**	(0.84)
	Basic and Diluted Earnings (before extraordinary item) per share(Rs.)	**(2.06)**	(0.84)
	Face Value per equity share(Rs.)	**10.00**	10.00
36	**SEGMENT REPORTING :**		
A.	**Information about Primary Business Segments :**		
	(I) Segment Revenue : (₹ Lacs)		
	a) Consumer Electronics Division	**31,638.73**	30,533.74
	b) Wind Energy	**441.76**	356.89
	Total Segment Revenue as per Financial Statements	**32,080.49**	30,890.63
	(II) Segment Results		
	a) Consumer Electronics Division	**468.88**	842.16
	b) Wind Energy	**245.69**	162.98
	Total Segment Results	**714.57**	1,005.14
	Less : i) Interest	**649.29**	585.75
	ii) Other un-allocable expenditure net off un-allocable income	**278.78**	546.61
	iii) Provision for Taxes	**(21.45)**	(51.06)
	Net Profit/(Loss) as per Financial Statements	**(192.05)**	(76.16)

(III) Other Informations (₹ Lacs) :

	Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
a)	**Consumer Electronics Division**				
	Current year	16,506.32	2,992.80	14.80	93.32
	(Previous year)	(16,521.79)	(4,763.06)	(74.18)	(119.45)
b)	**Wind Energy**				
	Current year	1,634.68	39.28	-	116.14
	(Previous year)	(1,796.35)	(19.30)	-	(116.48)
c)	**Unallocated Amounts**				
	Current year	1,486.45	5,577.09	27.18	46.17
	(Previous year)	(1,620.21)	(3,945.63)	(56.73)	(48.63)
	Total as per Financial Statements (C.Y.)	**19,627.45**	**8,609.17**	**41.98**	**255.63**
	(Previous year)	**(19,938.35)**	**(8,727.99)**	**(130.91)**	**(284.56)**

B Geographical Segments:	Year Ended 31.03.2017	Year Ended 31.03.2016
Segment Revenue - Turnover	**(₹ in Lacs)**	(₹ in Lacs)
Domestic	**31,768.65**	26,343.06
Export	**191.79**	4,155.55
Total	**31,960.44**	30,498.61

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

C. Other Disclosures :

i) Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organisation structure as well as the differential risks and return of these segments.

ii) The Company has disclosed Business Segment as the primary segment.

iii) Type of products and services in each business segment :

Business Segment	Type of Products
a) Consumer Electronics Division	Mobile Phones, IT Products and Accessories thereof. Fly Back Transformer(EHT), Loudspeaker,Deflection Yoke. TV sets and sub-asseblies thereof. Other consumer items.
b) Wind Energy	Wind Energy Generation.

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

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

As per our report of even date annexed.

For **K.Prasad & Company**
Chartered Accountants
FRN: 002755N

R.S.Gupta
Partner
M.No: 072666

Place :New Delhi
Date: 29th May 2017

Tarun Jiwarajka
Whole Time Director
DIN No. 00386240

Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Vinay Kishore
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	**(213.50)**	**(127.22)**
Adjustment for :		
Depreciation	**255.63**	284.56
Interest	**649.30**	585.75
Interest Income	**(1.79)**	(16.70)
Deficit / (Surplus) on sale of Fixed Assets	**3.06**	(0.48)
Operating Profit before Working Capital changes	**692.70**	725.92
Adjustment for :		
Inventories	**(210.32)**	(821.97)
Trade and other receivables	**164.16**	(885.04)
Trade and other payables	**(1,761.79)**	2,209.95
Cash Generated from Operating Activities	**(1,115.25)**	**1,228.86**
Adjustment for :		
Direct taxes (paid) / Refund Received	**(13.36)**	(15.05)
Net cash from Operating Activities	**(1,128.61)**	**1,213.81**
CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	**(44.29)**	(130.91)
Sale / adjustment of fixed assets	**12.56**	11.59
Net cash from / (used in) Investing Activities	**(31.73)**	**(119.31)**
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of long term borrowings (Net)	**(28.93)**	13.67
Proceeds/ (Repayments) of short term borrowings (Net)	**1,543.03**	(561.02)
Interest Paid	**(654.29)**	(560.55)
Loan Received	**515.00**	-
Loan Repaid	**(380.00)**	-
Margin Money	**142.04**	27.35
Interest received	**10.01**	18.14
Dividend paid	**(1.17)**	(2.58)
Dividend tax paid		
Adjustment in Return & Minority Interest	**-**	-
Net cash from/(used in) Financing Activities	**1,145.69**	**(1,064.98)**
Net Increase/ (Decrease) in cash and cash equivalents :	**(14.65)**	**29.52**
Cash and cash equivalents at beginning of the year	**42.59**	13.08
Cash and cash equivalents at end of the year	**27.94**	**42.59**

Note: 1. The above cash flow has been prepared under the ""Indirect Method"" as set out in AS-3 notified under Section 133 of the Companies Act 2013.
2. Figures in bracket indicate cash outflows.

As per our report of even date annexed.

For **K.Prasad & Company**
Chartered Accountants
FRN: 002755N

R.S.Gupta
Partner
M.No: 072666

Place :New Delhi
Date: 29th May 2017

Tarun Jiwarajka
Whole Time Director
DIN No. 00386240

Mohd Faisal Farooq
Company Secretary

Gopal Sitaram Jiwarajka
Chairman & Managing Director
DIN No. 00024325

Vinay Kishore
Chief Financial Officer

SALORA INTERNATIONAL LTD.

CIN L74899DL1968PLC004962

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

Phone: 91-11-49207100 / 101; E-mail: sect@salora.com, website: www.salora.com

ATTENDANCE SLIP

{Please complete Attendance Slip and hand it overat the entrance of the Meeting Hall}

Folio No. ..... D. P. ID No. ..... Client ID No. .....

Name of Member ..... Signature .....

Name of Proxyholder ..... Signature .....

1. Only Member/Proxy holder can attend the meeting.

2. Member/Proxy holder should bring his/her copy of the Annual Report for reference at the meeting.

Signature of the Member or Proxy*

*Please indicate whether Member or Proxy.

SALORA INTERNATIONAL LTD.

CIN L74899DL1968PLC004962

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Phone : 91 11 4920 7100; E-mail: sect@salora.com , website: www.salora.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) ……

Registered Address ……

E-mail Id ……

Folio No./ Client ID No ……DP ID No.……

I/We, being the member (s) of .....……..shares of the Salora International Limited, hereby appoint

1. Name: ……
Address:
E-mail Id:
Signature:……,
or failing him

2. Name: ……
Address:
E-mail Id:
Signature:……,
or failing him

3. Name: ……

Address:

E-mail Id:

Signature:……,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 48th Annual general meeting of the company,

to be held on the Wednesday, 13th September, 2017 at 11 A.M. at LOK KALA MANCH, 20, LODHI INSTITUTIONAL AREA, LODHI ROAD, NEW DELHI -110 003 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Adoption of Audited Financial Statements (including the consolidated financial statements) of the Company as at 31st March, 2017 and the Reports of Board of Directors and Auditors' thereon.
2. Appointment of director in place of Smt. Neetu Jiwarajka (holding DIN 00386240), who retires by rotation and being eligible offers herself for re-appointment.
3. Appointment of M/s. R. Gopal & Associates, Chartered Accountants (ICAI Registration No.000846C) to hold office of Auditors of the Company in place of M/s. K. Prasad & Company, Chartered Accountants (ICAI Registration No. FRN002755N).
4. Ratification of remuneration to be paid to Gurvinder Chopra and Co. Cost Auditors.
5. Appointment of Shri K. S. Mehta (DIN 00128166) as Non Executive & Independent Director of the Company for a period of 5 years w.e.f.12.11.2016 till 11.11.2021
6. Appointment of Smt. Savitri Devi Jiwarajka (DIN 07086988) as Non Executive Director of the Company for a period of 3 years w.e.f.15.03.2017 till 14.03.2020

Affix Revenue stamp

Signed this…..… day of.....…….2017

Signature of shareholder
Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. Those members who have multiple folios with different joint holders may use copies of this attendance slip/Proxy.

ROUTE MAP FOR THE AGM PLACE

Lok Kala Manch, Lodhi Road is situated just behind to the office building of "Institute of Company Secretaries of India-Lodhi Road" and very near to "Sai Baba Mandir-Lodhi Road".



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