

# 44<sup>TH</sup> ANNUAL REPORT 2012-13



LED TV • CRT TV • MULTIMEDIA MUSIC SYSTEM • SMART PHONE • FEATURE PHONE • 3G DONGAL

**SALORA**  
Technology for Happiness

It takes years of understanding Technology before you can lead its future

T E C H N O L O G Y

**salora**  
**POWERMaxx**  
Battery  
3200mAh  
with  
longest lasting in its class



Review from the Tech World

NDTV Cell Bar: "We give you POWERMaxx 'Maxx' Points"

**MY MOBILE** "For a fast smartphone, it does exactly"

Customer Sett.	HC : 4 GB Data 1 hr for 30 days
T355 : Talk time 270 hr ; 1.3 GB Data 1 hr for 20 days	
Customer Sett.	
FRC 355 : 2 GB Data 1 hr for 30 days or 7555 ; FRC 101 : 1 GB data 1 hr for 2472 ; talk time for Pechanga is 2471 ;	

**ADDITIONAL FEATURES:**

- HD Video Recording • 16GB Internal • 16GB Micro SD • 3G • 3.5mm Headphone Jack • FaceTime, Screen Mirroring • GPS, GPRS, EDGE, Bluetooth, Wi-Fi
- 3.5mm Headphone Jack • 16GB Internal • 16GB Micro SD • 3G • 3.5mm Headphone Jack • GPS, GPRS, EDGE, Bluetooth, Wi-Fi
- 3G • 3.5mm Headphone Jack • 16GB Internal • 16GB Micro SD • 3G • 3.5mm Headphone Jack • GPS, GPRS, EDGE, Bluetooth, Wi-Fi

Executive	RELIANCE <sup>®</sup> 3G offer on prepaid in selected cities
HC	up to 22 hrs (3G)
Talk Time	up to 430 hrs
Networking Standby Time	up to 42 hrs
Play Music	up to 10 hrs
Play Video	up to 13 hrs
Wi-Fi	up to 11 hrs
3G Networking	More power
Other Delivery Features	Low energy standby
	Halftime

Executive	RELIANCE <sup>®</sup> 3G offer on prepaid in selected cities
HC	up to 22 hrs (3G)
Talk Time	up to 430 hrs
Networking Standby Time	up to 42 hrs
Play Music	up to 10 hrs
Play Video	up to 13 hrs
Wi-Fi	up to 11 hrs
3G Networking	More power
Other Delivery Features	Low energy standby
	Halftime

Executive	RELIANCE <sup>®</sup> 3G offer on prepaid in selected cities
HC	up to 22 hrs (3G)
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Play Music	up to 10 hrs
Play Video	up to 13 hrs
Wi-Fi	up to 11 hrs
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For online buying visit [www.salzsmart.com](http://www.salzsmart.com) or call 9212099666

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Technology for Happiness

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# 44<sup>TH</sup> ANNUAL REPORT 2012-13



## BOARD OF DIRECTORS

GOPAL SITARAM JIWARAJKA –Chairman & Managing Director

GAUTAM KHAITAN – Director

P. N. MEHTA – Director

SANJEEV KAUL DUGGAL – Director

PATANJALI GOVIND KESWANI – Director

TARUN JIWARAJKA – Whole Time Director

## CHIEF FINANCE OFFICER

SURINDER SOOD

## COMPANY SECRETARY

PRINCY ANAND

## AUDITORS

K. PRASAD & COMPANY, CHARTERED ACCOUNTANTS

## 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.

## MANUFACTURING PLANTS

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

## REGISTRAR & SHARE TRANSFER AGENTS

SKYLINE FINANCIAL SERVICES PVT. LTD.

D-153-A, 1<sup>st</sup> FLOOR, OKHLA INDUSTRIAL AREA,

PHASE -I, NEW DELHI-110020

Tel. No. 011-26812682, 83 & 84.

Fax No. : 011-30857562

Email: admin@skylinerta.com

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## ANNUAL GENERAL MEETING

**Day** : Wednesday

**Date** : 7<sup>th</sup> August, 2013

**Time** : 11.00 am

**Venue** : Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi -110 003

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

**NOTICE**

NOTICE is hereby given that the 44th Annual General Meeting of the Members of Salora International Limited will be held on Wednesday, the 7th day of August, 2013 at 11.00 A.M. at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi -110 003 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt Balance Sheet of the Company as at 31st March, 2013 and Statement of Profit & Loss Account for the year ended on that date and the Reports of Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Sanjeev Kaul Duggal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Patanjali Govind Keswani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS**

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force in compliance thereof) and subject to the such approvals as may be necessary Shri Gopal Sitaram Jiwarajka be and is hereby re-appointed as Managing Director of the Company for a period of 3 (three) years w.e.f. 1st July, 2013 to 30th June 2016, on the following terms of remuneration:

1. **Salary:** ₹ 2,00,000/- (Rupees Two Lac only) per month.
2. **Perquisites:**
  - a) Reimbursement of expenses incurred on Gas, Electricity and Water subject to the limit of 10% of salary.
  - b) Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
  - c) Company's contribution towards Provident Fund shall be made as per rules of the Company but to the extent these are not taxable under the Income Tax Act, 1961.
  - d) Gratuity shall be paid equal to one half month's salary for each completed year of service.
  - e) Encashment of earned leave shall be permitted at the end of tenure as per rules of the Company, which is 21 days in a year.
  - f) Provision of Company's car with driver for use on Company's business, Mobile and Telephone at residence but long distance personal calls on telephone will be charged by the Company.

RESOLVED FURTHER THAT in the event of there being loss or inadequacy of profits for any financial year, the aforesaid remuneration payable to Managing Director shall be the minimum remuneration payable in terms of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary;

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to review the remuneration payable to Shri Gopal Sitaram Jiwarajka, on an annual basis, in keeping with the profits of the Company and that no further approval of members shall be required in case of any increase/revision in the remuneration payable as aforesaid, provided that the total remuneration does not exceed ₹ 4,00,000/- p.m. (inclusive of all perquisites) as prescribed by Part B of Section II of Schedule XIII of the Companies Act, 1956;

RESOLVED FURTHER THAT Shri Tarun Jiwarajka, Whole time Director of the Company be and is hereby authorized to make, sign and file all such forms, documents, papers etc. as may be required to be filed with the Registrar of Companies or other authorities in this regard and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto;

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

None of the Directors except Shri Gopal Sitaram Jiwarajka and Shri Tarun Jiwarajka are interested or concerned in this resolution.

By Order of the Board of Directors  
Salora International Ltd.

Regd. Office:

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

Dated: 30th May, 2013

Princy Anand  
Company Secretary

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business to be transacted at the meeting is enclosed hereto.
3. The Share Transfer Register and Register of Members of the Company will remain closed from 30th July, 2013 to 6th August, 2013 (both days inclusive).
4. Members / Proxies are requested to produce the enclosed Attendance Slip duly filled in and signed as per the specimen signatures recorded with the Company / Depository Participant for attending the meeting.
5. As an economy measure, copies of Annual Report will not be distributed at Annual General Meeting. Shareholders are, therefore, requested to bring their copies of Annual Report to the Meeting.
6. Members, who hold shares in dematerialized form, are requested to write their Client ID and DP ID Nos. and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the meeting.
7. A Member desirous of getting any information on the accounts or operations of the Company, is requested to forward his / her queries to the Company at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
8. Members holding shares in physical form, are requested to notify immediately any change in their address and Bank particulars to the Company or to its Share Transfer Agent and in case their shares are held in dematerialized form, this information should be furnished directly, without any delay, to their respective Depository Participants and not to the Company or the Share Transfer Agents.
9. Members holding shares in physical form who have not yet provided the Bank details are once again requested to provide their Bank Account No., Name of the Bank and address of the Branch, quoting their Folio No. to the Company.
10. In all correspondence with the Company, members are requested to quote their folio numbers and in case their shares are held in the dematerialized form, they must quote their DP ID and Client ID Number.
11. Members wishing to claim dividend, which remains unclaimed, are requested to correspond with the Company at its Registered Office at D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110020. Shareholders may please refer to table showing last date for claiming / due date for transfer to Investors Education and Protection Fund (IEPF) in respect of dividend declared after the Financial Year ended 31st March, 2006, given in the Corporate Governance Report published in this Annual Report.
12. Pursuant to provisions of Section 205A and 205C of the Companies Act, 1956 dividend for the Financial Years ended 1998-99, 1999-2000, 2000-01, 2001-02, 2002-03, 2003-04 (Interim Dividend), 2003-04 (final dividend), 2004-05 (Interim Dividend), 2004-05 (final dividend) and 2005 –06 (Interim Dividend) has been transferred to Investors Education and Protection Fund (IEPF), set up by the Government of India and no payment there from shall be made.
13. At the ensuing Annual General Meeting, Shri Sanjeev Kaul Duggal and Shri Patanjali Govind Keswani, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment. Further the present term of Shri Gopal Sitaram Jiwarajka, Managing Director of the Company expires on 30th June, 2013, it is proposed to re-appoint him in the ensuing Annual General Meeting. In terms of Clause 49 of the Listing Agreement, the information or details relating to these Directors are furnished in the statement on Corporate Governance, which is published in this Annual Report.
14. All document referred to in the notice are open for inspection at the Registered Office of the Company on all working days between 10.00 AM to 2.00 PM up to the date of Annual General Meeting.
15. Pursuant to General Circular No. 2/2011 (No.:51/12/2007-CL-III) dated 8th February, 2011 the Company has not attached annual accounts of its subsidiary Companies with the Balance Sheet. Members who are interested in obtaining the annual accounts of subsidiary companies at any point of time may write to the Company Secretary at the Registered Office of the Company. The annual accounts of subsidiary companies shall be kept available at the head office of the Company for inspection by any member during working hours.
16. 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.

By Order of the Board of Directors  
Salora International Ltd.

Regd. Office:

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

Dated: 30th May, 2013

Princy Anand  
Company Secretary

Notice

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5**

The present tenure of Shri Gopal Sitaram Jiwarajka, Managing Director of the Company expires on 30th June, 2013 and the Board of Directors of the Company has in its meeting held on 30th May, 2013, re-appointed him subject to shareholders approval, to the office of Managing Director for a further period of 3 years, with effect from 1st July, 2013, on the terms and conditions as to remuneration as specified in the resolution as per Item No. 5 of Notice. The remuneration as proposed has also been approved by the Remuneration Committee. The re-appointment of Shri Gopal Sitaram Jiwarajka requires approval of the shareholders in terms of Schedule XIII of the Companies Act, 1956.

Shri Gopal Sitaram Jiwarajka was appointed as director of the Company on 28.08.1987 and is holding the office of Managing Director / Joint Managing Director since 01.04.1992. He is commerce graduate and possesses rich experience in Marketing, Finance, Production and Administration and has extensively traveled all over the globe. He possesses rich experience in TV and electronic industry and possesses in depth knowledge of Indian conditions in respect of this industry.

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

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

By Order of the Board of Directors  
Salora International Ltd.

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

Dated: 30th May, 2013

Princy Anand  
Company Secretary

**STATEMENT PURSUANT TO SCHEDULE XIII PART II SECTION – II**
**I GENERAL INFORMATION**

(1) Nature of Industry	:	Manufacturing of CTV and its components	
	:	Distribution of Telecom Products.	
	:	Wind Power Generation	
(2) Date or expected date of commencement of commercial production.	:	20.11.1968	
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	:	Not Applicable	
(4) Financial performance based on given indicators	:		(₹ in lacs)
			2012-13
	i.	EBITD	1147.32
	ii.	FBT	-
	iii.	PAT	248.75
			(790.63)
(5) Export performance and net foreign exchange collaborations	:	Export Net Foreign Exchange earnings	17813.42
			18648.92
(6) Foreign investment or collaborations, if any	:	No foreign collaboration or investment	13900.78
			14832.26

**II INFORMATION ABOUT THE APPOINTEE**

(1) Background details	:	As provided in explanatory statement above
(2) Past remuneration	:	Salary: ₹ 4,00,000/- (Rupees Four Lac Only) per month.  Commission: 2% of the net profits of the Company. Additional commission up to 1% of the net profits at the discretion of the Board / Remuneration Committee depending upon the performance of the Company and Shri Gopal Jiwarajka.  Executive Pay: ₹ 2,00,000/- (Rupees Two Lac Only) per month.
		<b>Perquisites:</b>
		House Rent Allowance @ 60% of the salary.
		Reimbursement of expenses incurred on Gas, Electricity and Water subject to the limit of 10% of salary.
		Reimbursement of medical expenses actually incurred for self and family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.
		Leave Travel Concession for self and family every year subject to maximum of one month salary in a year or two months' salary over a period of 2 years.
		Fees of clubs subject to maximum of two clubs shall be borne by the Company but admission fee and life membership fee shall not be paid.
		Company's contribution towards Provident Fund, Superannuation or Annuity Fund shall be made as per rules of the Company but to the extent these are not taxable under the Income Tax Act, 1961.
		Gratuity shall be paid equal to one half month's salary for each completed year of service.
		Encasement of earned leave shall be permitted at the end of tenure as per rules of the Company, which is 21 days in a year.
		Provision of Company's car with driver for use on Company's business, Mobile and Telephone at residence but long distance personal calls on telephone will be charged by the Company.
(3) Recognition or awards	:	NIL

**Notice**

(4) Job profile and his suitability : The Company is engaged in the manufacturing of CTV and its components, distribution of telecom products and Wind Power Generation.

(5) Remuneration proposed : Shri Gopal Sitaram Jiwarajka is a commerce graduate and possesses rich experience in marketing, finance, production and administration and has extensively traveled all over the globe. He possesses rich experience in TV and electronic industry and possesses in depth knowledge of Indian conditions in respect of this industry.

(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). : As provided in the Resolution above

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any. : The remuneration for the similar position in the industry, having regard to the size of the Companies and profile of persons is not less than the proposed remuneration of Shri Gopal Sitaram Jiwarajka.

Except for holding position and drawing remuneration as Managing Director and as shareholder, he has no other pecuniary relationship with the Company. He is relative of Smt. Neetu Jiwarajka, Shri Tarun Jiwarajka and Shri Ayush Jiwarajka.

**III OTHER INFORMATION**

(1) Reasons of loss or inadequate profits. : Due to discontinuation of IT products and Motorola business.

(2) Steps taken or proposed to be taken for improvement : For growth and stability of business, the Company has decided to focus majorly on Salora Brand products including range of LED TVs, Home Theaters, Tablet Computers, Smart phone and feature phones. Press and technical reviews for the new products and market response is very good.

These products will add to the turnover and profit in the year 2013-14. The Company has decided to focus on good margin 3rd party products for distribution.

The Company has tied up with M/s. TCT Mobile International Ltd. for distribution of their smart phones under brand name ALCATEL and servicing of ALCATEL range of mobile phones. ALCATEL is well known brand and large numbers / variety of smart phone sold in many countries including UK, USA, Canada and Russia.

The Company has also been marketing of thermo-ware products of world's well known brand Zojirushi, of Japan. Company has decided to expand its lifestyle division by introducing its own brand Q'bon including products tumbler, glass and melamine crockery.

(3) Expected increase in productivity and profits in measurable terms. : Leveraging on the vast experience of Shri Gopal Jiwarajka in the diverse field of management, the Company expects the revenues to grow in the coming year.

**IV DISCLOSURE**

(1) The shareholders of the Company shall be informed of the remuneration package of the managerial person. : Provided in the resolution and Corporate Governance Report.

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

(i) All elements of remuneration package such as salary benefits, bonus, stock options, pension, etc. of all the directors;

(ii) Details of fixed components and performance linked incentives along with the performance criteria;

(iii) Service contracts, notice period, severance fees;

(iv) Stock option details, if any, and whether the same has been issued at the discount as well as the period over which accrued and over which exercisable.

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

Dated: 30<sup>th</sup> May, 2013

By Order of the Board of Directors  
Salora International Ltd.

Princy Anand  
Company Secretary

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 44<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the Financial Year ended 31<sup>st</sup> March 2013.

## FINANCIAL RESULTS

The performance of the Company for the Financial Year ended 31<sup>st</sup> March, 2013 is summarized below:

	₹ in Lacs	
	Year ended 31 <sup>st</sup> March, 2013	Year Ended 31 <sup>st</sup> March, 2012
Sales	37317.44	41416.25
Less: Excise Duty	321.34	217.28
Net Sales	36996.10	41198.97
Add: Other Income	189.50	154.20
(Increase) / Decrease in Stock	604.80	814.08
Total	36580.80	40539.09
Less: Total Expenditure	35433.48	40366.52
Operating Profit	1147.32	172.57
Less: Interest	689.22	744.79
Less: Depreciation	372.13	360.25
Profit before Exceptional Item & Tax	85.97	(932.47)
Less: Exceptional Item	-	130.79
Profit before tax	85.97	(1063.26)
Less: Provision for taxes		
Current Tax	-	-
Deferred Tax	20.47	(282.97)
Earlier Year : Deferred Tax	(183.25)	-
Earlier Year : Income Tax	-	10.34
Profit / (Loss) after tax	248.75	(790.63)
Add: Balance brought forward from last year	-	446.77
	248.75	(343.86)
Less: Appropriations	-	-
Balance carried to Balance Sheet	248.75	(343.86)

## BUSINESS OPERATIONS & FUTURE OUTLOOK

During the period under review, the Company has been able to achieve net sales of ₹ 369.96 crore even after discontinuation of IT and Motorola business in the market as compared to ₹ 411.99 crore in the Financial Year 2011-12.

Profits before extra ordinary items, interest, depreciation, write-offs and provisions for the year increased to ₹11.47 crores from ₹1.72 crores during the preceding year.

For growth and stability of business, the Company has decided to

focus majorly on Salora Brand products including range of LED TVs, Home Theaters, Tablet Computers, Smart phone and feature phones. Press and technical reviews for the new products and market response is very good. These products will add to the turnover and profit in the year 2013-14. The Company has decided to focus on good margin 3rd party products for distribution.

The Company has tied up with M/s. TCT Mobile International Ltd. for distribution of their smart phones under brand name ALCATEL and servicing of ALCATEL range of mobile phones. ALCATEL is well known brand and large numbers / variety of smart phone sold in many countries including UK, USA, Canada and Russia.

The Company has also been marketing of thermo-ware products of world's well known brand Zojirushi, of Japan. Company has decided to expand its lifestyle division by introducing its own brand Q'bon including products tumbler, glass and melamine crockery.

The company has discontinued the sale of IT products, which were having low margin and high risk. The Company has also restructured its overheads resulting into optimization of expenses in line with current business.

## DIVIDEND

During the year under review, the Company has profits after tax of ₹ 2.49 crore. In the financial year 2012-13 company has focused to stabilize the business, therefore, Board of Directors has not recommended any dividend.

## FIXED DEPOSITS

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

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) in preparation of the annual accounts for the Financial Year 2012-13, the applicable accounting standards have been followed and there are no material departures.
- ii) the accounting policies selected and applied are consistent and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2013 and of the profit / (loss) of the Company for the year ended on that date;
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

## DIRECTORS

Shri Sanjeev Kaul Duggal and Shri Patanjali Govind Keswani, Directors, retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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Further the present term of Shri Gopal Sitaram Jiwarajka, Managing Director of the Company expires on 30th June, 2013. It is proposed to reappoint him in the ensuing Annual General Meeting. Brief resume of the said Directors are given in the Corporate Governance Report.

**LISTING OF SECURITIES OF COMPANY**

The Equity Shares of the Company continue to be listed at Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and listing fees for the Financial Year 2013-14 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). Your Company has achieved higher level of dematerialization with 98% of the total number of Equity Shares being held in the electronic mode with the two depositories.

**CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT**

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

**AUDITORS AND AUDITORS' REPORT**

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

**RESEARCH AND DEVELOPMENT**

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

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

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

**SUBSIDIARY COMPANIES**

The annual accounts of subsidiaries of this Company i.e. Salora Capital Ltd. and Salora Components Ltd. are not attached pursuant to General Circular No. 2/2011 (No.:51/12/2007-CL-III) dated 8th February, 2011. Members who are interested in obtaining the annual accounts of subsidiary Companies at any point of time may write to the Company Secretary at the Registered Office of the Company. The annual accounts of subsidiary Companies shall be kept available at the head office of the Company for inspection by any member during working hours. A statement pursuant to Section 212 of the Companies Act, 1956 is given in Annexure III.

**PARTICULARS OF EMPLOYEES**

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rule 1975 are NIL.

**ACKNOWLEDGEMENTS**

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

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

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

(Gopal Sitaram Jiwarajka)  
Chairman & Managing Director

Date: 30th May, 2013

## Annexure – I

### MANAGEMENT DISCUSSIONS AND ANALYSIS

#### 1. Industry Structure and Development

The business of the Company includes manufacturing and marketing of consumer electronic products including LED TVs, Home Theaters, Tablets, Smart phones, feature phones, color televisions and components for color television, house hold & lifestyle products and after sale service for wide range of leading national and international brands of consumer electronic goods and telecom products. The Company's value addition in the distribution segment includes the forecasting of demand and procurement of goods from manufacturers / suppliers, stocking at warehouses, supplying to sub-distributors / channel partners with appropriate credit facility and collection of receivables.

The overall consumer electronic market continues to be competitive and there is a pressure on profit / margin. Company's exposed to a variety of business risks including rapidly changing technology, frequent new product introductions, changes in Consumer preferences and demand for features. Consumer preferences have been shifting towards high end and technologically advance branded products. Companies in consumer electronic goods and telecom industry are focusing on customizing products to suit Indian requirements.

#### 2. Opportunities and Threats

##### Opportunities

The electronic market is expanding rapidly which is a great opportunity for SALORA to expand its business in new markets and to capture more market share. Company can also expand its target market geographically and socially both by introducing new products in existing markets and existing products in new markets and increasing the product range in consumer electronic, telecom and lifestyles verticles.

##### Threats

As the competitors of Salora are more dominant in the market and continuously improving their products so they can be a threat in Salora stronghold markets.

The condition of economy all around the world is not good and it is affecting the purchasing power and priorities of the customers, people are facing difficulties in satisfying their basic necessities. Therefore, there is constraint on purchasing power to cater to consumer durables and lifestyle products.

#### 3. Segment wise and Product wise Performance

##### a. Infocom Business

Salora has become one of the leading distribution Companies in consumer electronic goods and Telecom Sector. The Company has 27 branches spread all over the Country. The Company is connected by a VPN and the complete operation is managed by an Oracle based ERP System.

##### Infocom Division business includes:-

- Marketing of Salora Mobile Phones, smart phones, tablets
- Marketing of Q'bon Lifestyle products including tumbler, glass, melamine crockery
- Marketing of Zojirushi Thermo ware Products
- Marketing of MTS data cards
- Marketing of Alcatel Mobiles
- Service of Salora Mobile Phones, smart phones, tablets
- Service of Micromax smart phones
- Service of Alcatel Mobile
- Service of Huwae Mobile

##### B) Consumer Electronic Business

The Company has been manufacturing and marketing CTV and CTV components including Fly Back Transformer (FBT), Deflection Yoke (DY) and Speaker. During the year 2012-13 performance of this unit was satisfactory. Company has expanded Consumer electronic products by launching range of LED TVs and Home Theatres.

##### C) Wind Power Business

The Company has five wind turbines having capacity of 1.25 MW each (total 6.25 MW) at Dhule, in the State of Maharashtra. The overall performance of this segment was satisfactory during the financial year.

#### 4. Outlook

This has been dealt with in the Directors' Report.

#### 5. Risk and Concerns

The Infocom division is highly competitive where the company is directly competing with the leading global brands in the segment in which the company is operating. Rate of obsolescence is high and prices tend to fall rapidly.

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

The prevailing uncertainty in some of the legal disputes/demands etc. raised against the Company, arbitrary disallowances in certain tax proceedings and untenable disputes raised are the additional areas of concern perceived by your Company.

#### 6. Internal Control System and Their Adequacy

Your Company has a proper and adequate system of internal control. Your Company has an 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. as well as other areas requiring mandatory review as per Clause 49 of the Listing Agreement. The powers of the Audit Committee, inter-alia include seeking information from any employee, obtaining outside legal or other professional advice and investigating any activity of the company within the committee's term of reference. Your Company's Internal Audit department verifies the information concerning the reliability of the financial statements as well as the compliance with your Company policies so as to maintain accountability of all its assets and correctness of recorded transactions. The scope, coverage, control, weakness and other relevant issues and updates are shared by Internal Audit at appropriate management levels including Audit Committee for corrective action and the progress thereof is tracked.

#### **7. Discussion on financial performance with respect to operational performance**

The details of the financial performance of your Company are reflected in the Balance Sheet, Profit & Loss Account and other Financial Statements, appearing separately. Highlights are provided below:

Particulars	2012-13	2011-12
Total Sales	<b>37,317.44</b>	41,416.27
Less: Excise Duty	<b>321.34</b>	217.28
Net Sales	<b>36,996.10</b>	41,198.97
Other income	<b>189.50</b>	154.20
Net Sales & other income	<b>37,185.60</b>	41,353.17

The financial performance of your Company has been further explained in the Directors' Report of your Company for the year 2012-13, appearing separately.

#### **8. Human Resources and Industrial Relations**

The Company firmly believes that Human Resource is the key driver for the success of any organization. Teamwork is encouraged and

at the same time every individual is trained and empowered to take right decisions at right time. Training both internal and external has become a part of the lives of every employee so that innovation becomes the key for all their activities. Your Company has a team of 219 employees.

#### **9. Subsidiaries**

##### **Salora Capital Ltd.**

During the year under review Salora Capital Ltd. has made a net profit of ₹ 27.25 lacs as compared to ₹ 28.73 lacs in the previous Financial Year.

##### **Salora Components Ltd.**

The Company's business is manufacturing of TV Components i.e Deflection Yokes. During the Financial Year 2012-13 Company's sale was ₹ 4043.43 lacs as compared to ₹ 174.00 lacs in the previous Financial Year. Net loss of the Company was ₹ 26.25 lacs in the current Financial Year against loss of ₹37.43 lacs in the previous Financial Year.

#### **10. Cautionary Statement**

Investors are cautioned that statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas market in which the Company operates, risks inherent in the Company's growth strategy, change in Government regulations, tax laws and other statutes and other incidental factors.

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

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

(Gopal Sitaram Jiwarajka)  
Chairman & Managing Director

Date: 30th May, 2013

## ANNEXURE II

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

#### A. CONSERVATION OF ENERGY

(a) Energy Conservation measures taken : The Company is taking appropriate steps for conservation of energy by using energy efficient equipments and creating awareness in the employees for conservation of energy.

(b) Additional investment and proposal, if any. : NIL

(c) Impact of above measures : Will result in reduction in energy consumption and lower fuel consumption.

(d) Total energy consumption and energy consumption percentage of production : N. A.

#### B. TECHNOLOGY ABSORPTION

(e) Efforts made in technology absorption : As per 'Form-B' attached.

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(f) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans. : Directors and marketing staff visit to different countries for increasing the exports of the Company and better market penetration.

(₹ in lacs)

Total foreign exchange used and earned	:	<u>2012-13</u>	<u>2011-12</u>
Foreign Exchange used		4948.71	6449.84
Foreign Exchange earned		17646.38	19023.06

#### FORM B

#### Form for disclosure of particulars with respect to absorption

##### Research and development (R & D)

1. Specific areas in which R & D carried out by the Company : **Deflection Yoke:** Developed Low Cost 20" DY Vertical Coil with Alum. Wire, Already in mass Production  
**FBT:** (a) Developed FBT for flat TV for Samsung. Mass production already started. (b) Developed Market Model FBT in new Plastic Parts (low Cost FBT) and also started many new models for market segment  
**Speaker:** Development of LCD TV Speakers for LG, Samsung & Videocon.

2. Benefits derived as a result of the above R & D : Keep the latest trend of the industry. Technology leadership position in market.

3. Future plan of action : **Deflection Yoke:** Development of Ultra Slim Tube 21" DY (Pin free type) for JCT.  
**Speaker:** Development of LCD & LED Speakers for Samsung and Panasonic.

**FBT:** Development of FBT for Samsung (Ultra slim) and also new models for market segment.

		(₹ in lacs)
	2012-13	2011-12
4. Expenditure on R & D		
(a) Capital	-	-
(b) Recurring	0.00	0.20
(c) Total	<u>0.00</u>	<u>0.20</u>
(d) Total R & D expenditure as a percentage of total turnover	NIL	

#### Technology absorption, adaptation and innovation

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

**Deflection Yoke:** 21" Ultra Slim for different customers are being developed with the Company's trained Engineers from Matsushita.

**FBT:** New Models of FBT for different customers like Samsung, Market are being developed with the company's trained Engineers from Matsushita.

2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.

- : a) Quality improvement.
- b) Cost reduction through Value Engineering in Speakers by Changing the Parts Specification and also VE parts developed locally. Already most of the LG, Panasonic, Samsung & Videocon speakers has been approved & productionized in V.E. Structure.

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

- (a) Technology imported
- (b) Year of Import
- (c) Has technology been fully absorbed?
- (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

**ANNEXURE 'III'**
**Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies:**

1. Name of the Subsidiary Company	Salora Capital Ltd.	Salora Components Ltd.
2. Financial Year of Subsidiary Company ended on	31.03.2013	31.03.2013
3. a) No. of shares held at the end of the Financial Year	Holders of 42,49,200 Equity Shares of ₹10/- each out of the total issued & subscribed equity shares capital of 46,50,150 shares	Holders of 34,14,800 Equity Shares of ₹10/- each out of the total issued & subscribed equity shares capital of 43,20,000 shares
b) Extent of Interest at the end of the Financial Year	91.38%	79.05%
4. Net aggregate amount of Profit / (Loss) of the Subsidiary Company so far as it concerns the Members of the Holding Company.		
a) Not dealt with in the accounts of the holding Company		
- for the subsidiary's Financial Year ended 31.03.2013 (₹ in lacs)	24.90	(20.75)
- for the previous Financial Year of the subsidiary Company since it became subsidiary.		
b) Dealt with in the accounts of the holding Company		
- for the subsidiary's Financial Year ended 31.03.2013	NIL	NIL
- for the previous Financial Years of the subsidiary Company since it became subsidiary	NIL	NIL

## CORPORATE GOVERNANCE REPORT

In compliance with corporate governance requirements as specified in Clause 49 of the Listing Agreement with Stock Exchanges, the Company's policies on Corporate Governance and Compliance thereof in respect of specific areas as applicable to the Company for the Financial Year 2012-13 are as below:

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

### BOARD OF DIRECTORS

The Company has six Directors as on 31st March, 2013 with two Executive Directors cum Promoter as Chairman and whole time director. Out of the six Directors, four are Non Executive Directors and out of four, three directors are independent. The Composition of the Board is in conformity with Clause 49 of the Listing Agreement with Stock Exchanges.

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

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

Name	Category of Directorship	No. of directorship in other public Companies*		No. of Committee position in other public companies**		Whether attended last AGM held on 1 <sup>st</sup> August, 2012	No. of Board Meetings during the year 2012-13	
		Chairman	Member	Chairman	Member		Held	Attended
Shri Gopal Sitaram Jiwrajka	Executive & Promoter	-	5	1	-	Yes	4	4
Shri Tarun Jiwrajka	Executive & Promoter	-	2	-	-	Yes	4	4
Shri Gautam Khaitan	Non-Executive & Independent	-	11	2	6	No	4	2
Shri P. N. Mehta	Non-Executive & Non Independent	-	1	1	1	Yes	4	4
Shri Sanjeev Kaul Duggal	Non Executive & Independent	-	3	-	-	Yes	4	4
Shri Patanjali Govind Keshwani	Non Executive & Independent	-	1	-	-	Yes	4	3

\*Directorship in other companies does not include alternate Directorship, Directorship of Private Limited Companies, Section 25 Companies and of Companies incorporated outside India.

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

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

29th May, 2012, 1st August, 2012, 30th October, 2012 and 31st January, 2013.

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

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

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

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

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

##### **1. Shri Sanjeev Kaul Duggal**

Date of Birth	:	09.12.1961
Date of appointment	:	28.10.2005
Expertise in specific Functional Area	:	Shri Sanjeev Kaul Duggal, is the founder & CEO of Centum Learning Limited. Centum under his leadership has become the first Indian Multinational Training & Skills Company with operations in over 19 countries.
	:	Centum Learning has also figured among the Top 15 Leaders in Training Outsourcing Worldwide for three consecutive years. It was also conferred with the Excellence in Training Award at the World HRD Congress 2010 and UK India Skills Forum Award 2010. He has a proven track record in establishing and leading successful global customer centric organisations with large resource bases and managing transitions profitably. He has been a visiting faculty at the Indian School of Business, Hyderabad and was a member of the Bharti Airtel Management Board, the 5th largest Telecom Company in the world. Besides, he is a trustee of a leading international Human Rights NGO called Breakthrough. He is also the Co-chair of FICCI Skill Development Forum and the member of the Boards of several companies. Over the years, Sanjeev has received many honors and accolades including:
		<ul style="list-style-type: none"> <li>• Udyog Rattan Award by the Institute of Economic Studies</li> <li>• Award for "Creating Corporate Advantage in Global Economy" by the Delhi School of Economics</li> </ul>
Directorships held in other Public Companies	:	SAF Investment Limited Centum Learning Limited Centum Workskills India Limited
Membership / Chairmanship of Committees of other Public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	:	-
No. of Shares held in the Company	:	-

**2. Shri Patanjali Govind Keswani**

Date of Birth	:	09.02.1959
Date of appointment	:	28.10.2005
Expertise in specific Functional Area	:	Shri Keswani is Founder, Managing Director of Lemon Tree Hotels Ltd. (Krizm Hotels Private Ltd.) having chain of Hotels across India. He is a B. Tech (Electrical Engineering) from IIT Delhi and MBA (Finance & Marketing) from IIM Kolkata. Worked with Tata Group and has experience over 16 years with Taj Group of Hotels as Chief Operating Officer of the Taj Business Hotels Group and just prior to leaving, as Senior Vice President of Special Projects. He has also worked with A.T. Kearney Inc., a premier American strategic management consulting firm as Director in their India Office.
Directorships held in other Public Companies.	:	Lemon Tree Hotels Ltd.
Membership / Chairmanship of Committees of other Public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	:	-
No. of Shares held in the Company	:	-

**3. Shri Gopal Sitaram Jiwarajka**

Date of Birth	:	15.06.1960
Date of appointment	:	Shri Gopal Sitaram Jiwarajka was appointed as Director of the Company on 28.08.1987 and is holding the office of Managing Director / Jt. Managing Director since 01.04.1992
Expertise in specific Functional Area	:	He is commerce graduate and possesses rich experience in marketing, finance, production and administration and has extensively traveled all over the globe. He possesses rich experience in TV and electronic industry and possesses in depth knowledge of Indian condition in respect of this industry.
Directorships held in other Public Companies (excluding foreign Companies and Section 25 Companies)	:	1. Salora Components Ltd. 2. Salora Capital Ltd. 3. Lemon Tree Hotels Ltd. 4. PHD Chamber of Commerce & Industry
Membership / Chairmanship of Committees of other Public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	:	1. Chairman – Audit Committee (Lemon Tree Hotels Ltd.) 2. Member – Remuneration Committee (Lemon Tree Hotels Ltd.)
No. of Shares held in the Company	:	2029117

**AUDIT COMMITTEE**

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

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement reflects a true and fair position and that sufficient and credible information is disclosed
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fee.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

- Reviewing, with the management, the annual financial statements before submission to the Board for approval with particular reference to –
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
- Reviewing with the management the quarterly financial statements before submission to the board for approval.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

The Audit Committee mandatory reviews the following information:

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

## COMPOSITION OF AUDIT COMMITTEE

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

## AUDIT COMMITTEE MEETINGS

S. No.	Date of Meeting	Committee Strength	No. of Members Present
1.	29.05.2012	4	4
2.	01.08.2012	4	3
3.	30.10.2012	4	4
4.	31.01.2013	4	3

## AUDIT COMMITTEE ATTENDANCE

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

**SALORA INTERNATIONAL LIMITED**

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

The previous Annual General Meeting of the Company was held on 1st August, 2012 and was not attended by Shri Gautam Khaitan, Chairman of the Audit Committee.

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

**REMUNERATION COMMITTEE**

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

**COMPOSITION OF THE COMMITTEE**

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

Shri Gautam Khaitan is Chairman of the Committee.

**REMUNERATION POLICY**

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

**DETAILS OF REMUNERATION PAID / PAYABLE TO THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2013.**

(Amount in ₹)

Name of Director	Salary	Perquisites & Other Benefits	Commission	Sitting Fee paid	Total
Shri Gopal Sitaram Jiwarajka	32,00,000	3,68,600	-	-	35,68,600
Shri Tarun Jiwarajka	9,60,000	14,40,000	-	-	24,00,000
Shri Gautam Khaitan	-	-	-	40,000	40,000
Shri P. N. Mehta	-	-	-	80,000	80,000
Shri Sanjeev Kaul Duggal	-	-	-	80,000	80,000
Shri Patanjali Govind Keswani	-	-	-	70,000	70,000

The services of Shri Gopal Sitaram Jiwarajka are contractual in nature, for a period of 3 years from 1st July, 2010. The above figures do not include provisions for encashable leave and gratuities as separate actuarial valuation are not available for the Managing Director / Director.

Apart from above remuneration, no Director is entitled for any other benefit, bonus, severance fee or performance linked incentives for the Financial Year 2012-13. The Company has not issued any stock options to its employees or Directors.

Details of shares of the Company held by the Directors as on 31st March, 2013 are as under:

Name	No. of Shares
Shri Gopal Sitaram Jiwarajka	20,29,117
Shri Tarun Jiwarajka	3,72,741
Shri Gautam Khaitan	-
Shri P. N. Mehta	100
Shri Sanjeev Kaul Duggal	-
Shri Patanjali Govind Keswani	-

## INVESTORS GRIEVANCE COMMITTEE

The Company has an Investor Grievance Committee of Directors to look into the redressal of complaints of investors such as non-receipt of dividend / notices / annual reports etc. Investors Grievance Committee comprises of 2 Directors, namely, Shri Gopal Jiwarajka (Chairman & Managing Directors) as Chairman and Shri Tarun Jiwarajka, Executive Director. The Company attends the Investor Grievances / correspondence expeditiously and usually reply is sent within 10 days of receipt except in the cases that are constrained by dispute or legal impediment.

During the year, four meetings of Investors Grievance Committee were held on 29.05.2012, 01.08.2012, 30.10.2012 and 31.01.2013.

As on 31.03.2013 there was one complaint pending.

Quarter ended	Outstanding	Complaints Received	Replied	Pending
30.06.2012	-	1	-	1
30.09.2012	1	-	1	-
31.12.2012	-	1	1	-
31.03.2013	-	1	-	1

Smt. Princy Anand, Company Secretary is Compliance Officer of the Company.

## GENERAL BODY MEETINGS

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

AGM	Year Ended	Location	Date & Time	Details of Special Resolutions Passed
41st	31.03.2010	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi - 110003	21.07.2010 11.00 AM	(i) Shareholders' approval for reappointment of Shri Gopal Sitaram Jiwarajka as Managing Director for the period from 1 <sup>st</sup> July, 2010 to 30 <sup>th</sup> June, 2013 (ii) Shareholders' approval for appointment of Shri Ayush Jiwarajka (Director's relative) as an executive.
42nd	31.03.2011	India Islamic Cultural Centre, 87-88, Lodhi Road, New Delhi - 110003	01.08.2011 11.00 AM	Shareholders' approval for payment of remuneration to Shri Gopal Sitaram Jiwarajka, Managing Director of the Company.
43rd	31.03.2012	Sri Sathya Sai International Centre, Pragati Vihar, Institutional Area, Lodhi Road, New Delhi - 110 003	01.08.2012 12.00 Noon	Shareholder's approval for appointment of Shri Tarun Jiwarajka, as whole time director

No Extraordinary General Meeting of the members was held during the Financial Year 2012-13.

## DISCLOSURE

The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 are mentioned in Note "41" of the Balance Sheet. However, these transactions are not likely to have any conflict with the Company's interest. The Company has complied with all applicable laws and regulations and no strictures/ penalties have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority.

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

A qualified Practicing Company Secretary carried out 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 dematerialized shares held with NSDL and CDSL.

## MEANS OF COMMUNICATION:

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

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**GENERAL SHAREHOLDER INFORMATION****Annual General Meeting to be held:**

Day /Date	:	Wednesday, August 07, 2013
Time	:	11.00 AM
Venue	:	Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi -110 003
Financial Year	:	April, 1 to March, 31
Book Closure date	:	30th July, 2013 to 6th August, 2013 (both days inclusive)
Dividend	:	Board of Directors has not recommended any dividend for the Financial Year 2012-13.
Outstanding warrants	:	NIL
Convertible instruments	:	NIL

**FINANCIAL CALENDAR (TENTATIVE)**

Result for the quarter ending 30th June, 2013	On or before 14th August, 2013
Result for the quarter ending 30th September, 2013	On or before 14th November, 2013
Result for the quarter ending 31st December, 2013	On or before 14th February, 2014
Result for the quarter ending 31st March, 2014	On or before 30th May, 2014

**REGISTRAR AND SHARE TRANSFER AGENTS**

Annual General Meeting to be held:

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 &amp; 84 Fax No. : 011 – 30857562

Website: [www.skylinerta.com](http://www.skylinerta.com)Email: [admin@skylinerta.com](mailto:admin@skylinerta.com)**INVESTORS CORRESPONDENCE**

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

Smt. Princy Anand, Company Secretary

**Registered Office****Salora International Limited**

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

Web site: [www.salora.com](http://www.salora.com)

Tel. No. 011- 49207100 &amp; 101, Fax No. 011-26388581

Email – [princy.anand@salora.com](mailto:princy.anand@salora.com), [sect@salora.com](mailto:sect@salora.com)**LISTING ON STOCK EXCHANGES**

Name of Stock Exchange	Stock Code
National Stock Exchange of India Ltd.	SALORAINTL
Bombay Stock Exchange Ltd.	500370
CIN No.	L74899DL1968PLC004962

**LISTING FEES**

Listing fees have been paid for both the above Stock Exchanges for the Financial Year 2013-14.

**SHAREHOLDING PATTERN OF THE COMPANY AS ON 31<sup>st</sup> MARCH, 2013.**

Category of Shareholders	No. of Folios	No. of Shares	Percentage
Individuals	5067	1915323	21.75
Companies	201	874069	9.92
Promoters	8	5317337	60.37
Group Companies	1	558929	6.35
FIIs, NRIs, OCBs	47	51808	0.58
Mutual Fund, Banks, Fls	2	500	0.01
Others – Trust	139	89334	1.02
<b>Total</b>	<b>5465</b>	<b>88,07,300</b>	<b>100.00</b>

## DISTRIBUTION OF SHAREHOLDING AS AT 31st MARCH, 2013

No. of Equity Shares held	No. of folios	%age of Total Folio Nos.	No of Shares	% of Total Shares
Up to 500	4876	89.22	588488	6.69
501 – 1000	253	4.63	205115	2.33
1001 – 2000	140	2.56	217048	2.46
2001 – 3000	67	1.23	170930	1.94
3001 – 4000	36	0.66	126042	1.43
4001 – 5000	20	0.37	93738	1.06
5001 – 10000	40	0.73	289954	3.29
10001 – above	33	0.60	7115985	80.80
<b>Total</b>	<b>5465</b>	<b>100.00</b>	<b>8807300</b>	<b>100.00</b>

### SHARE TRANSFER SYSTEM

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

### DEMATERIALISATION OF SHARES

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

### SHARE DEMATERIALISED RECORD

The following data indicates the extent of dematerialization of the Company's shares as on 31st March, 2013.

No. of Shares Dematerialized	86,34,818	98% of the total share capital
No. of Shareholders holding shares in Demat form	4,065	74.38% of total number of shareholders

### STOCK MARKET DATA\*

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

MONTH	National Stock Exchange of India Ltd.			Bombay Stock Exchange Ltd.		
	High	Low	No. of Shares traded	High	Low	No. of Shares traded
April, 2012	22.75	16.40	47913	23.55	14.25	82488
May, 2012	17.85	13.05	125418	18.95	12.00	165614
June, 2012	20.25	15.90	25036	20.45	16.00	24548
July, 2012	25.55	18.60	32390	26.00	18.80	32596
August, 2012	27.80	18.60	29739	25.55	18.65	58949
September, 2012	25.40	20.15	7097	25.70	20.20	26470
October, 2012	23.80	19.90	3526	25.50	20.00	9834
November, 2012	22.50	19.50	5649	23.25	18.00	19035
December, 2012	22.25	17.60	14695	22.80	16.55	61238
January, 2013	20.45	16.30	28065	20.65	16.60	27296
February, 2013	20.30	15.10	16666	20.80	14.70	39273
March, 2013	20.50	12.05	78188	18.00	11.52	25872

\*As per website of Bombay Stock Exchange Ltd. i.e. [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Ltd. i.e. [www.nseindia.com](http://www.nseindia.com)

**UNCLAIMED DIVIDEND**

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

Financial year	Date of declaration of Dividend/ Interim Dividend	Last date for claiming unpaid dividend	Due date for transfer to IEPF
2005 - 06	10.07.2006	09.07.2013	08.08.2013
2006 – 07	12.06.2007	11.06.2014	10.07.2014
2007 – 08	04.07.2008	03.07.2015	02.08.2015
2008 – 09	21.07.2009	20.07.2016	19.08.2016

No dividend was declared by the Company for the Financial Year 2009–10, 2010–11, 2011–12 and 2012–13. Members who have so far not encased their dividend warrants are requested to have the same revalidated to avoid transfer to IEPF.

**NOMINATION FACILITY**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be 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 forms can be obtained from the Company's Registrar and Share Transfer Agent.

**ELECTRONIC CLEARING SERVICE**

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

**DIVISIONS OF THE COMPANY:**

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

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

(Gopal Sitaram Jiwrajka)  
Chairman & Managing Director

Date: 30th May, 2013

## AUDITORS' CERTIFICATE

To

The Members of Salora International Ltd.

We have examined the compliance of conditions of Corporate Governance by Salora International Ltd. for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement

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

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

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

**R. S. Gupta**  
Partner  
Membership No. 072666

Place: New Delhi  
Date: 30th May, 2013

Auditors' Certificate

**CEO / CFO CERTIFICATION**

The Board of Directors  
Salora International Ltd.

**Re: Financial Statements for the year 2012-13 - Certification by CEO / CFO**

We, Gopal Sitaram Jiwrajka, CMD & CEO and Surinder Sood, CFO of the Company on the basis of the review of the financial statements and the cash flow statement for the financial year ending 31st March, 2013 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year ended 31st March, 2013 which are fraudulent, illegal or violative of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls for financial reporting, we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
  - (a) there have been no significant changes in the internal control over financial reporting during this year.
  - (b) there have been no significant changes in accounting policies during this year and that the same have been disclosed in the notes to the financial statements.
  - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

**(GOPAL SITARAM JIWARAJKA)**  
CMD & CEO

**(SURINDER SOOD)**  
CHIEF FINANCE OFFICER

Place: New Delhi  
Date: 25.05.2013

**DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT**

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I, Gopal Sitaram Jiwrajka, CMD & CEO of the Company, hereby declare that the Board Members and Senior Management Personnel have affirmed compliance with the said Code of Conduct for the year ended 31st March, 2013.

**For SALORA INTERNATIONAL LTD.,**

**(GOPAL SITARAM JIWARAJKA)**  
CMD & CEO

New Delhi  
Date: 25.05.2013

## INDEPENDENT AUDITOR'S REPORT

To the Members of Salora International Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Salora International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

for **K.Prasad & Company**.

Chartered Accountants

Firm's Registration No : 02755N

**R.S. Gupta**

(Partner)

Membership No : 072666

New Delhi

Date : 30<sup>th</sup> May 2013

### Annexure to the Auditors' Report of even date (Refer to in paragraph 1 thereof)

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Major Fixed assets have been physically verified by the management during the year. As explained to us no material discrepancies were noticed on such verification.
- (c) The company has not made substantial disposals of fixed assets during the year.
- (ii) (a) Inventories have been physically verified by the management during the year except goods / material in bond, transit and with third parties. In our opinion, the frequency of physical verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company has maintained proper records of inventories and no material discrepancies were noticed on physical verification.

(iii) (a) The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.

(b),(c) Since the company has not granted loan, hence the & (d) sub clauses (b),(c) and (d) are not applicable.

(e) The company has taken unsecured loans repayable on demand amounting to ₹ 703 lacs in last years and ₹ 654 lacs during the year from two companies covered in the register maintained u/s 301 of the Act.

(f) The rate of interest and other terms and conditions of unsecured loans taken by the company are not prima facie prejudicial to the interest of the company.

(g) There is no comment on the payment of the principal and the interest since the same are repayable on demand and there is repayment of principal of ₹ 508 Lacs to two companies and interest of ₹ 49.02 Lacs for the last year to one company during the year.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the

(v) (a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) As explained to us, transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The company has not accepted any deposits from the public.

(vii) The company has an internal audit system commensurate with its size and the nature of its business.

(viii) It has been explained that the cost records and accounts prescribed by the Central Government of India under Section 209 (1) (d) of the Act, are being made up and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been regular in depositing

Nature of the Statute	Nature of the dues	Disputed Amount (₹/Lacs)	Amount Deposited (₹/Lacs)	Amount not Deposited (₹/Lacs)	Period to which the amount relates to various years covering the period	Forum where pending
Income Tax Act, 1961	Income Tax	88.51	88.51	NIL	2002 – 2003	Appellate Authority - High court
	Income Tax	12.57	12.57	NIL	2008 – 2009	Appellate Authority – CIT (A)
	Income Tax	7.12	2.55	4.57	2009 – 2010	Appellate Authority – CIT (A)
Sales Tax Laws	Sales Tax	16.59	16.18	0.41	2000 – 2004	Appellate Authority -Supreme Court
	Sales Tax	38.21	8.32	29.89	1995 – 2002	Appellate Authority -High Court
	Sales Tax	58.82	44.91	13.91	1999 – 2007	Appellate Authority - Sales Tax Tribunal
	Sales Tax	523.02	175.06	347.96	2000 – 2012	Appellate Authority - Sales Tax Commissioner
Service Tax Act, 1994	Service Tax on Royalty	3.74	2.00	1.74	1995 – 2003	Appellate Authority - Excise Commissioner
Customs Act, 1962	Custom Duty	Not ascertained	20.00	-	1994-1995	Appellate Authority – Tribunal
Central Excise Act, 1944	Excise Duty	2435.21	300.00	2135.21	1993 -1994 to 2003-2004	Appellate Authority - Tribunal
	Excise Duty	67.37	19.79	48.28	1997 -1998 to 2006-2007	Appellate Authority Tribunal
	Penalty	1142.77	NIL	1142.77	1993 -1994 to 2003 – 2004	Appellate Authority - Tribunal

	undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and any other statutory dues with the appropriate authorities during the year except professional tax. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable except professional tax of ₹ 1.02 lacs due to registration number not obtained.	(xiv)	According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.
		(xv)	The company has not given any Guarantee for loans taken by others from bank or financial institution.
		(xvi)	The Company has not raised new term loans during the year.
		(xvii)	To the best of our knowledge and belief and according to the information and explanations given to us, funds raised on short-term basis have not been used for long term investment.
(b)	According to the information and explanations given to us, the following are the particulars of dues on account of Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Cess, that have not been deposited on account of any dispute as on 31st March, 2013.	(xviii)	The company has not made any preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Act.
(x)	The company does not have any accumulated losses at the end of the financial year and has not incurred cash loss in such financial year but has incurred cash loss in the immediately preceding financial year.	(xix)	The company has not issued any debentures, so no security or charge has been created.
(xi)	According to the information and explanations given to us, the company has not defaulted in repayment of dues to Banks. The Company does not have any debenture holders.	(xx)	The company has not raised any money by Public Issue during the year.
(xii)	According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.	(xxi)	To the best of our knowledge & belief and according to the information & explanations given to us, no material fraud on or by the company was noticed or reported during the year.
(xiii)	The company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4 (xiii) of the order is not applicable.	Place : New Delhi. Date : 30 <sup>th</sup> May, 2013.	<b>(R. S. GUPTA)</b> PARTNER. Membership No.: 072666

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	₹ In lacs)		
		As at 31.03.2013	As at 31.03.2012	
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	881.45	881.45	
Reserves and Surplus	2	10,385.71	10,136.96	
<b>Sub Total</b>		<b>11,267.16</b>	<b>11,018.41</b>	
<b>Non - Current Liabilities</b>				
Long Term Borrowings	3	869.24	712.10	
Deferred Tax Liability (Net)	4	(69.54)	93.24	
Other Long Term liabilities	5	195.60	139.51	
Long Term Provisions	6	17.11	20.77	
<b>Sub Total</b>		<b>1,012.41</b>	<b>965.62</b>	
<b>Current Liabilities</b>				
Short Term Borrowings	7	3,267.86	4,655.70	
Trade Payables	8	3,722.09	6,122.72	
Other Current Liabilities	9	652.29	497.15	
Short Term Provisions	10	92.56	128.79	
<b>Sub Total</b>		<b>7,734.80</b>	<b>11,404.36</b>	
<b>TOTAL</b>		<b>20,014.37</b>	<b>23,388.39</b>	
<b>ASSETS</b>				
<b>Non - Current Assets</b>				
<b>Fixed Assets</b>				
Tangible Assets	11	3,456.76	3,726.41	
Intangible Assets	11	49.09	59.25	
Capital Work in Progress	12	-	-	
<b>Sub Total</b>		<b>3,505.85</b>	<b>3,785.66</b>	
Non - Current Investments	13	776.81	817.42	
Long term loans and advances	14	973.26	1,177.95	
<b>Sub Total</b>		<b>5,255.92</b>	<b>5,781.03</b>	
<b>Current Assets</b>				
Inventories	15	3,798.06	4,507.53	
Trade Receivables	16	7,673.75	9,805.60	
Cash and Bank Balances	17	167.80	595.24	
Short Term Loans and Advances	18	2,930.94	2,490.38	
Other Current Assets	19	187.90	208.61	
<b>Sub Total</b>		<b>14,758.45</b>	<b>17,607.36</b>	
<b>TOTAL</b>		<b>20,014.37</b>	<b>23,388.39</b>	

SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES ON FINANCIAL STATEMENTS  
As per our report of even date annexed.

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For and on behalf of the Board

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

Tarun Jiwarajka  
Whole Time Director

Gopal Sitaram Jiwarajka  
Chairman & Managing Director

R.S.Gupta  
Partner  
M.No: 072666

Princy Anand  
Company Secretary

Surinder Sood  
Chief Finance Officer

Place: New Delhi  
Date: 30<sup>th</sup> May 2013

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(₹ In lacs)

Particulars	Note No.	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>INCOME</b>			
Revenue from Operations	20	36,996.10	41,198.97
Other Income	21	189.50	154.20
<b>Total Revenue</b>		<b><u>37,185.60</u></b>	<b><u>41,353.17</u></b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	1,799.52	1,567.73
Purchases of Stock in Trade	23	30,730.31	35,589.67
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	604.80	814.08
Employee Benefits Expense	25	1,049.54	1,350.57
Finance Costs	26	789.86	964.49
Depreciation and Amortization Expense	27	372.14	360.25
Other Expenses	28	1,753.46	1,638.85
<b>Total Expenses</b>		<b><u>37,099.63</u></b>	<b><u>42,285.64</u></b>
<b>Profit/(Loss) before Exceptional and Extraordinary items and Tax</b>		<b><u>85.97</u></b>	<b><u>(932.47)</u></b>
<b>Exceptional Items</b>	29	<u>-</u>	<u>130.79</u>
<b>Profit/(Loss) before Extraordinary items and Tax</b>		<b><u>85.97</u></b>	<b><u>(1,063.26)</u></b>
<b>Extraordinary Items</b>		<u>-</u>	<u>-</u>
<b>Profit/(Loss) before Tax</b>		<b><u>85.97</u></b>	<b><u>(1,063.26)</u></b>
<b>Tax expense:</b>			
Current tax		<u>-</u>	<u>-</u>
Deferred tax		<b><u>20.47</u></b>	<b><u>(282.97)</u></b>
Earlier year Deferred Tax		<b><u>(183.25)</u></b>	<u>-</u>
Earlier year Income Tax		<u>-</u>	<u>10.34</u>
<b>Total Tax Expenses</b>		<b><u>(162.78)</u></b>	<b><u>(272.63)</u></b>
<b>Profit/(Loss) for the year</b>		<b><u>248.75</u></b>	<b><u>(790.63)</u></b>
<b>Earning per Equity Share</b>			
Basic and Diluted	42	<b><u>2.82</u></b>	<b><u>(8.98)</u></b>

### SIGNIFICANT ACCOUNTING POLICIES AND

### NOTES ON FINANCIAL STATEMENTS

As per our report of even date annexed.

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For and on behalf of the Board

For K.Prasad & Company

Chartered Accountants

FRN: 002755N

Tarun Jiwarajka

Whole Time Director

Gopal Sitaram Jiwarajka

Chairman & Managing Director

R.S.Gupta

Partner

M.No: 072666

Place: New Delhi

Date: 30<sup>th</sup> May 2013

Princy Anand

Company Secretary

Surinder Sood

Chief Finance Officer

## NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number	₹	Number	₹
<b>1 Share Capital:</b>				
<b>Authorised:</b>				
Equity Shares of ₹ 10 /- each	20,000,000	<b>2,000.00</b>	20,000,000	2,000.00
<b>Issued and Subscribed :</b>				
Equity Shares of ₹ 10/- each	8,820,000	<b>882.00</b>	8,820,000	882.00
<b>Issued, Subscribed and Paid-up :</b>				
Equity Shares of ₹10/- each	8,807,300	<b>880.73</b>	8,807,300	880.73
Add: Share Capital forfeited Equity Shares @ 5.65/- each	12,700	<b>0.72</b>	12,700	0.72
<b>Total</b>		<b>881.45</b>		<b>881.45</b>
<b>Note :</b> Number of Shares at the beginning and close of the year are same.				
<b>Details of Shareholders holding more than 5% Shares</b>		<b>No.of Shares</b>	<b>%</b>	<b>No.of Shares</b>
Gopal Sitaram Jiwarajka	2029117	<b>23.04</b>	2029117	23.04
Gopal Sitaram Jiwarajka HUF	1498988	<b>17.02</b>	1498988	17.02
Neetu Jiwarajka	731410	<b>8.30</b>	731410	8.30
Manori Properties Pvt Ltd.	558929	<b>6.35</b>	558929	6.35
<b>2 Reserves and Surplus:</b>				
<b>Securities Premium Reserve</b>				
As per last balance sheet				
Share Premium Account		<b>3,244.42</b>		3,244.42
Add : Share Premium Forfeited		<b>2.87</b>		2.87
<b>Sub Total</b>		<b>3,247.29</b>		<b>3,247.29</b>
<b>General Reserve</b>				
As per last Balance sheet		<b>6,889.67</b>		7,233.53
Less : Debit Balance of Profit & Loss Account Adjusted		-		343.86
<b>Sub Total</b>		<b>6,889.67</b>		<b>6,889.67</b>
<b>Profit &amp; Loss Account Balance</b>				
As per last Balance sheet		-		446.77
Add : Profit/(Loss) Transferred from Profit & Loss Statement		<b>248.75</b>		(790.63)
Profit & Loss Account Balance		<b>248.75</b>		(343.86)
Less : Debit Balance of Profit & Loss Account Adjusted to General Reserve		-		343.86
Profit & Loss Account Balance		<b>248.75</b>		-
<b>Grand Total</b>		<b>10,385.71</b>		<b>10,136.96</b>

## NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>3 Long term Borrowings</b>		
<b>Secured Loans:</b>		
Vechile Loans from Banks and Others	20.24	9.10
<b>Sub Total</b>	<u>20.24</u>	<u>9.10</u>
<b>Unsecured Loans:</b>		
Loans and advances from related parties		
From Subsidiary Company	54.00	47.00
From Related Company	795.00	656.00
<b>Sub Total</b>	<u>849.00</u>	<u>703.00</u>
<b>Total</b>	<u>869.24</u>	<u>712.10</u>
<b>Additional Information:</b>		
<b>a Details of security for secured loans</b>		
Vehicle Loans are secured against hypothecation of cars.		
<b>b Terms of repayment of term loans and others</b>		
i) Vechile Loans from Banks and Others on monthly instalment basis.		
ii) Unsecured Loans from related parties repayable on demand.		
c There is no continuing default as on the balance sheet date in respect of loans and interest.		
<b>4 Net Deferred Tax Liability</b>		
<b>Deferred tax liability:</b>		
a) On account of depreciation on fixed assets other than of Wind Mills	-	180.23
b) On account of depreciation on fixed assets and business loss of Wind Mills.	-	847.73
c) On account of depreciation on fixed assets combined	763.31	-
<b>Sub Total</b>	<u>763.31</u>	<u>1,027.96</u>
<b>Deferred tax asset:</b>		
a) On account of timing differences in recognition of expenditure	79.21	74.41
b) On account of Unabsorbed loss and depreciation under the Income Tax Act, 1961	753.64	860.31
<b>Sub Total</b>	<u>832.85</u>	<u>934.72</u>
<b>Net Deferred Tax Liability</b>	<u>(69.54)</u>	<u>93.24</u>
<b>5 Other Long term liabilities</b>		
Trade Deposit	195.60	139.51
<b>Total</b>	<u>195.60</u>	<u>139.51</u>
<b>6 Long term Provisions</b>		
Provisions for employee benefits		
For Leave Pay	17.11	20.77
<b>Total</b>	<u>17.11</u>	<u>20.77</u>

## NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>7 Short Term Borrowings</b>		
<b>Secured Loans:</b>		
<b>Working Capital Loans</b>		
From Banks	3,267.86	4,286.08
Buyers Credit from Banks	-	369.62
<b>Total</b>	<b>3,267.86</b>	<b>4,655.70</b>

**Additional Information:**

1. Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge with PICUP on immovable properties of Noida units as collateral security.
2. Buyers Credit loan from bank are secured against FDRS.

**8 Trade Payables**

i) To Micro, Small and Medium Enterprises	-	-
ii) Others	3,722.09	6,122.72
<b>Total</b>	<b>3,722.09</b>	<b>6,122.72</b>

**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.

**9 Other Current Liabilities:**

a) Current maturities of long term debt		
Vehicle Loans	7.31	10.45
Interest Free Loan from PICUP (Under Sales Tax Deferred Scheme)	-	43.20
b) Interest accrued but not due on borrowings	88.41	61.66
c) Unpaid dividends	8.31	11.88
d) Statutory Liabilities	73.74	111.55
e) Others	474.52	258.41
<b>Total</b>	<b>652.29</b>	<b>497.15</b>

**Additional Information:**

- i) Vehicle Loans are secured against hypothecation of cars.
- ii) Interest free Loan from PICUP under sales tax deferred scheme is secured by first charge on all movable fixed assets (present & future) of Noida units and first pari-passu charge with bank(s) on immovable properties of Noida units.

**10 Short Term Provisions:**

a) Provision for employee benefits		
For Salary and Bonus etc.	88.26	123.52
For Leave Pay	4.14	5.19
b) Others		
Provision for Wealth Tax	0.16	0.08
<b>Total</b>	<b>92.56</b>	<b>128.79</b>

## NOTES TO FINANCIAL STATEMENTS

### 11 Fixed Assets :

(₹ In lacs)

PARTICULARS	<-----GROSS BLOCK----->			<-----DEPRECIATION----->			<----NET BLOCK---->			
	Balance as at 01.04.2012	Additions	Deductions/ Adjustments	Balance as at 31.03.2013	Upto 31.03.2012	For The Year	Deductions/ Adjustments	Upto 31.03.2013	Balance as at 31.03.2013	Balance as at 31.03.2012
<b>TANGIBLE ASSETS :</b>										
Lease Hold Land	390.29	-	-	390.29	67.46	6.00	-	73.46	316.83	322.83
Building	563.49	-	-	563.49	232.16	16.01	-	248.17	315.32	331.33
Furniture & Fixtures	444.55	0.12	3.57	441.10	322.48	14.84	1.07	336.25	104.85	122.07
Plant & Machinery	6,925.57	102.30	655.10	6,372.77	4,125.55	297.40	620.57	3,802.38	2,570.39	2,800.02
Dies & Moulds	1,001.68	-	-	1,001.68	927.72	11.25	-	938.97	62.71	73.96
Motor Vehicles	114.75	25.97	-	140.72	63.92	14.76	-	78.68	62.04	50.83
Office Equipment	53.74	1.13	0.45	54.42	28.37	1.72	0.29	29.80	24.62	25.37
<b>Sub Total</b>	<b>9,494.07</b>	<b>129.52</b>	<b>659.12</b>	<b>8,964.47</b>	<b>5,767.66</b>	<b>361.98</b>	<b>621.93</b>	<b>5,507.71</b>	<b>3,456.76</b>	<b>3726.41</b>
<b>INTANGIBLE ASSETS :</b>										
Trade Mark	106.21	-	-	106.21	46.96	10.16	-	57.12	49.09	59.25
<b>Total</b>	<b>9,600.28</b>	<b>129.52</b>	<b>659.12</b>	<b>9,070.68</b>	<b>5,814.62</b>	<b>372.14</b>	<b>621.93</b>	<b>5,564.83</b>	<b>3,505.85</b>	<b>3,785.66</b>
<b>PREVIOUS YEAR</b>	<b>9,640.57</b>	<b>24.05</b>	<b>64.34</b>	<b>9,600.28</b>	<b>5,496.19</b>	<b>360.25</b>	<b>41.82</b>	<b>5,814.62</b>	<b>3,785.66</b>	<b>4,144.38</b>

### 12 Capital Work in Progress :

Nil      Nil

## NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>13 Non Current Investments:</b>		
<b>Investments in Equity Instruments:</b>		
<b>INVESTMENTS (AT COST):</b>		
Long Term(Unquoted,unless otherwise stated)		
<b>a) Trade Investments in Equity Shares (Fully paid up)</b>		
<b>In Subsidiary Companies :</b>		
i) 4249200 Equity Shares of Salora Capital Ltd. of ₹10/-each.	326.60	326.60
ii) 3414800 Equity Shares of Salora Component Ltd. of ₹10/-each.	341.48	341.48
<b>In Associate Companies :</b>		
i) 978040 Equity Shares of Salora Retail Ventures Ltd. of ₹10/- each.	97.80	97.80
ii) 855000 Equity Shares of Encompass Software & Systems Pvt. Ltd. of ₹10/- each.	85.50	85.50
Less: Provision for diminution in value of Investments	(75.09)	(75.09)
iii) 780000 Equity Shares of H.K. Shinsei of Hong Kong \$ 1/-each.	-	40.61
iv) 5000 Equity Shares of Terminal Power Pvt. Ltd. of ₹10/-each.	0.50	0.50
<b>In Other Companies</b>		
<b>b) Other Investments in Shares &amp; Bond (Fully paidup)</b>		
2 Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of ₹1000/-each	0.02	0.02
Aggregate value of unquoted investments	851.90	892.51
Less : Provision for diminution in value of investments	75.09	75.09
<b>Total</b>	<b>776.81</b>	<b>817.42</b>
<b>14 Long Term Loans and Advances (Unsecured, considered good) :</b>		
Inter Corporate Loan Given	255.00	255.00
Security Deposits	70.16	102.36
Payment against disputed Sales Tax Demand	244.47	400.09
Payment against disputed Income Tax Demand	103.63	120.50
Payment against disputed Excise Demand	300.00	300.00
<b>Total</b>	<b>973.26</b>	<b>1,177.95</b>

## NOTES TO FINANCIAL STATEMENT

(₹ In lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>15 Inventories</b>		
Raw materials	489.07	579.33
Work in progress	31.52	28.16
Finished goods	212.78	139.06
Stock in trade	3,040.00	3,721.88
Stores and spares etc.	3.41	4.90
<b>Goods in transit:</b>		
Raw materials	21.08	2.57
Stock in trade	0.20	31.63
<b>Total</b>	<u>3,798.06</u>	<u>4,507.53</u>
<b>16 Trade Receivables (Unsecured)</b>		
i) Trade receivables exceeding six months		
Considered Good	3,936.05	3,609.46
Considered Doubtful	162.21	147.87
Less : Provision for Doubtful Debts	162.21	147.87
ii) Others, Considered Good	3,737.70	6,196.14
<b>Total</b>	<u>7,673.75</u>	<u>9,805.60</u>
<b>17 Cash and Bank Balances</b>		
i) Balances with banks		
- in unpaid dividend accounts	8.31	11.88
- in margin money, security for borrowings, guarantees and other commitments	143.41	565.80
- in other accounts	0.69	7.49
ii) Cash in hand	15.39	10.07
<b>Total</b>	<u>167.80</u>	<u>595.24</u>
<b>18 Short Term Loans and Advances (Unsecured and Considered Good) :</b>		
Advances recoverable in cash or in kind or for value to be received	1,935.47	1,696.40
Income Tax Refund Receivable	107.01	83.92
Balance With / Recoverable from Government Authorities	888.46	710.06
<b>Total</b>	<u>2,930.94</u>	<u>2,490.38</u>
<b>19 Other Current Assets</b>		
Insurance Claim Receivable	20.65	72.95
Interest Receivable	115.47	102.77
Gratuity Recoverable	2.88	31.47
Super Annuation Recoverable	48.90	1.42
<b>Total</b>	<u>187.90</u>	<u>208.61</u>

**NOTES TO FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>20 Revenue From Operations:</b>		
<b>Sales of Goods/Components</b>		
Domestic	18,650.26	22,141.54
Export	17,813.42	18,648.92
<b>Total</b>	<b>36,463.68</b>	<b>40,790.46</b>
<b>Sale of Services</b>		
Infocom Products	423.99	250.81
Sale of Wind Energy	429.77	374.98
<b>Gross Sales</b>	<b>37,317.44</b>	<b>41,416.25</b>
Less : Excise duty	321.34	217.28
<b>Net Sales</b>	<b>36,996.10</b>	<b>41,198.97</b>
<b>20-A Particulars of Sales of Products</b>		
Mobile Phones and Accessories	28,211.62	22,665.13
Computers, Printers and Accessories	2,177.76	9,790.37
Others	6,074.30	8,334.96
<b>Total</b>	<b>36,463.68</b>	<b>40,790.46</b>
<b>21 Other Income:</b>		
Interest on FDRS etc.	52.04	142.94
Cash Discount	1.26	0.62
Bad Debts Recovered	26.27	3.24
Miscellaneous Income	109.93	7.40
<b>Total</b>	<b>189.50</b>	<b>154.20</b>
<b>22 Cost of Materials Consumed:</b>		
<b>Consumption of raw materials :</b>		
Electronic Components and Others	1,799.52	1,567.73
<b>Total</b>	<b>1,799.52</b>	<b>1,567.73</b>
<b>23 Purchases of Stock in Trade</b>		
Mobile Phones and Accessories	26,413.92	21,067.99
Computers, Printers and Accessories	1,620.00	9,839.84
Others	2,696.39	4,681.84
<b>Total</b>	<b>30,730.31</b>	<b>35,589.67</b>
<b>24 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade Stocks at the end of the year</b>		
Work in Progress	31.52	28.16
Trading Goods	3,040.00	3,721.88
Finished Goods	212.78	139.06
<b>Sub Total :</b>	<b>3,284.30</b>	<b>3,889.10</b>
<b>Less : Stocks at the beginning of the year</b>		
Work in Progress	28.16	57.96
Trading Goods	3,721.88	4,453.60
Finished Goods	139.06	191.62
<b>Sub Total :</b>	<b>3,889.10</b>	<b>4,703.18</b>
<b>(Increase) / Decrease in Stock :</b>	<b>604.80</b>	<b>814.08</b>
<b>25 Employee Benefit Expenses</b>		
Salaries and Wages	982.39	1,239.00
Contribution to Provident and Other Funds	69.71	52.97
Super Annuation Received Back	(47.47)	-
Staff Welfare & Other Benefits	44.91	58.60
<b>Total</b>	<b>1,049.54</b>	<b>1,350.57</b>

## NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>26 Finance Costs:</b>		
i) Interest	689.22	744.79
ii) Net (gain)/loss on foreign currency transaction	43.55	161.53
iii) Others	57.09	58.17
<b>Total</b>	<b>789.86</b>	<b>964.49</b>
<b>27 Depreciation and Amortization:</b>		
i) Depreciation	366.15	354.26
ii) Amortization of Land	5.99	5.99
<b>Total</b>	<b>372.14</b>	<b>360.25</b>
<b>28 Other Expenses</b>		
Assembly Charges	18.86	34.91
Stores & Spares Consumed	15.12	22.46
Power and fuel	81.75	81.21
Rent	87.16	126.24
Repair & Maintenance :-		
Building	0.19	3.40
Plant & Machinery	78.20	76.55
Others	29.31	34.45
Insurance	36.16	41.75
Rates and taxes	4.83	8.41
Legal and professional charges	86.00	85.47
Payment to the auditors		
Statutory Audit Fee (including Limited review)	11.00	11.00
Tax Audit Fee	1.50	1.50
Certification	0.70	0.81
Expense / Service Tax reimbursed	2.06	2.08
Travelling & Conveyance	129.38	167.91
Freight and Forwarding	367.59	298.52
Discount,Commission & Incentives	228.99	147.03
Advertisement & Publicity	20.69	17.10
After Sale Service Charges	197.13	151.40
Sales Tax,Entry Tax and Service Tax	53.90	15.29
Bad trade receivables written off	88.81	-
Provision for doubtful trade receivables	14.85	32.27
Irrecoverable loans and advances written off	3.33	1.87
Loss on sale of fixed asset (net)	29.45	3.16
Loss on sale of Investments	8.41	-
Short / Excess Claims	(0.33)	(52.10)
Miscellaneous expenses	166.94	198.19
Net (gain)/loss on foreign currency transaction	(8.52)	127.97
<b>Total</b>	<b>1,753.46</b>	<b>1,638.85</b>
<b>29 Exceptional items</b>		
Insurance Claim Receivable w/off	-	130.79
<b>Total</b>	<b>-</b>	<b>130.79</b>

## NOTES TO FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2013		Year Ended 31.03.2012	
	%	%	%	%
<b>Other Additional Information:</b>				
<b>30 Break-up of Material and Component Consumed :</b>				
i) Imported	608.18	33.80	850.02	54.22
ii) Indigenous	1,191.34	66.20	717.71	45.78
<b>Total</b>	<b>1,799.52</b>	<b>100.00</b>	<b>1,567.73</b>	<b>100.00</b>
<b>31 Break-up of Store &amp; Spares Consumed :</b>				
i) Imported	-	-	-	-
ii) Indigenous	15.12	100.00	22.46	100.00
<b>Total Consumption</b>	<b>15.12</b>	<b>100.00</b>	<b>22.46</b>	<b>100.00</b>
<b>32 Value of Imports Calculated on CIF basis:</b>				
i) Raw Material & Components	497.47		697.71	
ii) Trading Goods- Direct Purchase	632.31		1,525.31	
iii) Trading Goods- High Sea Purchase	3,813.81		4,199.39	
iv) Stores & Spares	-		1.68	
<b>Total</b>	<b>4,943.59</b>		<b>6,424.09</b>	
<b>33 Expenditure in foreign currency (Gross of TDS)</b>				
i) Interest	0.91		22.16	
ii) Others	4.21		3.61	
<b>Total</b>	<b>5.12</b>		<b>25.77</b>	
<b>34 Earning in Foreign Exchange :</b>				
i) Export of Goods calculated on FOB basis	13,740.21		14,358.22	
ii) High Sea Export on FOB basis	3,745.60		4,190.80	
iii) Service Charges including Service Tax	160.57		233.25	
iv) Reimbursement of component under warranty service	-		240.79	
<b>Total</b>	<b>17,646.38</b>		<b>19,023.06</b>	

## NOTES TO FINANCIAL STATEMENTS

### 35 Significant Accounting Policies :

#### i) Basis of Accounting :

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

#### ii) Revenue Recognition :

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

#### iii) Fixed Assets and Depreciation:

##### a. Fixed Assets :

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

##### b. Depreciation on Fixed Assets :

Depreciation is provided on straight-line method, except for Vehicles on which it is provided on written down value method, at the rate and in the manner as prescribed in Schedule XIV of the Companies Act, 1956. Depreciation is charged on pro-rata basis on additions/sales during the year. Cost of leasehold land and furnishing expenses in leasehold property are amortised over the lease period. Assets purchased after 15.12.1993 the actual cost of which does not exceed ₹ 5000/- are written off in the year of acquisition. Intangible assets are amortised over the useful life of such assets. The useful life thereof is estimated to be ten years.

#### iv) Lease Assets:

Lease rental in respect of assets taken on operating lease are charged to the statement of Profit and Loss on a straight-line basis over the lease term. Lease under which the Company assumes substantially all the risk and rewards of ownership are classified as operating lease. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever lower.

#### v) Investments :

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

#### vi) Inventory Valuation :

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

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

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

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

#### vii) Excise Duty, Custom Duty & Cenvat:

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

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

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

#### viii) Employee Benefits :

a. Short term employee benefits are recognised as an expense at the undiscounted amount in the 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 and Superannuation benefits are charged to statement of Profit & Loss on the basis of payments made to the trust as per actuarial valuation at the end of the year.
- f. Liability in respect of leave pay is provided on the basis of actuarial valuation at the end of the year.
- g. Differential / extra / temporary employees Gratuity & Leave Pay paid is charged to statement of Profit & Loss.

**ix) Foreign Currency Transactions :**

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

**x) Taxation :**

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

**xi) Contingent Liabilities and Assets :**

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

**36 Contingent Liabilities not provided for in respect of :**

- i) Bank Guarantees issued by Bankers ₹ 129.71 lacs (Previous year ₹ 291.82 lacs) including for Sales Tax and Excise demand ₹ 24.71 lacs (Previous Year ₹ 73.61 lacs), against which margin kept by bank ₹ 4.47 lacs (Previous year ₹ 20.76 lacs).
- ii) Letter of Credits pending for shipment ₹ Nil lacs (Previous year ₹ 32.09 lacs.).
- iii) Claim by employee of ₹ 5.79 lacs against the company against which amount paid ₹ 2.13 lacs is pending in High Court.
- iv) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.
- v) Disputed Sales Tax demands of ₹ 636.64 lacs (Previous year ₹ 668.18 lacs), against which amount deposited ₹ 244.47 lacs (Previous year ₹ 400.09 lacs) has not been provided for as the cases are pending in appeals with higher authorities.
- vi) Advance Licence utilised for Import of CPT worth ₹ 87.50 lacs during the period from January, 1995 to May 1995, DGFT issued Show Cause Notice to pay duty and penalty thereof on all above imports and included the company's name in the defaulters list. Company challenged the said Notice in Delhi High Court and after admitting the petition and taking into consideration all the facts, the Delhi High Court directed the Company to deposit a sum of ₹ 20.00 lacs with the Collector of Customs and ordered DGFT to remove Company's name from the defaulters list. Accordingly Company has deposited the sum of ₹ 20.00 lacs within the time stipulated by the Court. Duty and penalty amount is not ascertainable at this stage. Petition has been refiled against appeal order by DGFT.
- vii) Demand raised by Excise Authorities amounting to ₹ 3649.10 lacs (Previous year ₹ 3700.60 lacs), against which amount deposited ₹ 321.79 lacs (Previous year ₹ 321.79 lacs) has not been provided for as the matters are pending in appeals with higher authorities. The demand amounting to ₹ 1142.77 lacs and penalty ₹ 1142.77 lacs for the period April 2002 to April 2003 and demand of ₹ 28.99 lacs and penalty of ₹ 28.99 lacs for the period July 1993 to February 1994 are on the basis of differential duty on Chassis, Sub assembly parts of T.V. considered as T.V. The Honorable Supreme Court has decided on the classification issue for the period 1989-90 and the facts of these cases are different from the case decided by the Supreme Court. Appeals are pending before CESTAT. The demand for ₹ 1292.45 lacs for the period 1998 to 2002 raised on the same basis by the department is time barred for which case decided in favour of the company. The department has gone in appeal before CESTAT.
- viii) Income Tax Assessments of the Company have been completed upto Assessment Year 2009-2010 (in previous year upto 2008-09). Demand has been raised of ₹ 108.20 lacs (previous year ₹ 129.38 lacs) for earlier assessment years against which company has filed appeal before Appellate Authorities and amount ₹ 103.63 lacs (previous year ₹ 120.50 lacs) has been deposited against demands. Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Delhi High Court against which refund of ₹ 1151.57 lacs received by the Company in the Financial Year 2002-2003.

**37 Sundry Debtors, considered good includes :**

- i) ₹ 2461.11 lacs (previous year ₹ 1732.42 lacs) due more than six months and ₹ 2.17 lacs due less than six months (previous year ₹ 285.63 lacs) from parties on whom legal action initiated for recovery.
- ii) ₹ 794.96 Lacs (previous year ₹ 1232.26 lacs) due more than six months are under follow-up, negotiation, reconciliation, settlement and realisation. Out of which ₹ 162.21 lacs (previous year ₹ 147.87 lacs) has been considered doubtful and provided for.
- iii) ₹ 884.25 lacs (previous year ₹ 792.64 lacs) due more than six months and ₹ 205.81 lacs (Previous year ₹ 278.10 lacs) less than six months from Salora Retail Venture Limited, a company under the same management.

## NOTES TO FINANCIAL STATEMENTS

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

	Year Ended 31.03.2013 (₹ in Lacs)	Year Ended 31.03.2012 (₹ in Lacs)	Year Ended 31.03.2013 (₹ in Lacs)	Year Ended 31.03.2012 (₹ in Lacs)
	Leave Encashment	Unfunded	Gratuity Funded	
i. The Principal assumptions in actuarial valuation are as below				
a. Discount Rate	8.60%	8.60%	8.00%	8.60%
b. Expected rate of return on assets	NA	NA	LIC 8.15%	8.15%
			HDFC 8.48%	3.78%
c. Expected rate of future salary increase	3%	Nil	3%	Nil
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	25.97	32.19	91.97	120.59
Interest Cost	2.23	2.57	7.91	9.65
Past Service Cost	-	-	-	-
Current Service Cost	3.19	6.02	8.16	9.07
Curtailment / Settlement Cost				
Benefits Paid	(21.94)	(18.40)	(16.40)	(50.29)
Actuarial (gain) / loss on obligations	11.80	3.59	5.48	2.95
<b>Present value of obligations at the end of the period</b>	<b>21.25</b>	<b>25.97</b>	<b>97.12</b>	<b>91.97</b>
iii. Change in fair value of plan assets				
Fair value of plan assets at the beginning of the period	-	-	123.44	164.57
Expected Return on plan assets -	-	-	7.84	11.65
Contributions	-	-	-	-
Withdrawals	-	-	(31.47)	(50.29)
Actuarial gain / (loss ) on plan assets	-	-	0.19	(2.49)
<b>Fair value of plan assets at the end of the period</b>	<b>-</b>	<b>-</b>	<b>100.00</b>	<b>123.44</b>
<b>Total Actuarial gain / ( loss ) to be recognised</b>	<b>11.80</b>	<b>3.59</b>	<b>5.29</b>	<b>5.44</b>
iv. Actual return on plan assets				
Expected return on plan assets	NA	NA	NA	NA
Actuarial gain / (loss ) on plan assets	-	-	7.84	11.65
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>	<b>0.19</b>	<b>2.49</b>
v. Liability recognised in the Balance Sheet				
Present value of obligations at the end of the period	21.25	25.97	97.12	91.97
Fair value of plan assets as at the end of the period	-	-	100.00	123.44
Unfunded / ( funded ) status	21.25	25.97	(100.00)	(123.44)
<b>Net ( Assets ) / Liability recognised in Balance Sheet</b>	<b>21.25</b>	<b>25.97</b>	<b>(2.88)</b>	<b>(31.47)</b>
vi. Expenses recognised in statement of Profit and Loss				
Current Service Cost	3.19	6.02	8.16	9.07
Past Service Cost	-	-	-	-
Interest Cost	2.23	2.57	7.91	9.65
Expected return on plan assets	-	-	(7.84)	(11.65)
Net Actuarial (Gain) / Loss recognised during the year	11.80	3.59	5.29	5.44
<b>Expense recognised in statement of Profit and Loss</b>	<b>17.22</b>	<b>12.18</b>	<b>13.52</b>	<b>12.51</b>
Differential/casuals paid debited to P&L	-	-	-	-
<b>Total Expense recognised in statement of Profit and Loss</b>	<b>17.22</b>	<b>12.18</b>	<b>13.52</b>	<b>12.51</b>
vii. Breakup of Plan Assets as a percentage of total plan assets				
Funds managed by Insurer	NA	NA	100%	100%
viii. Balance Sheet Reconciliation				
Opening Net Liability	25.97	32.19	(31.47)	(43.99)
Expenses as above	17.22	12.18	13.52	12.51
Withdrawals	-	-	31.47	50.29
Benefits Paid	-	-	(16.40)	(50.29)
Employers Contribution Paid	(21.94)	(18.40)	-	-
<b>Closing Net Liability</b>	<b>21.25</b>	<b>25.97</b>	<b>(2.88)</b>	<b>(31.47)</b>
<b>Current</b>	<b>4.14</b>	<b>5.19</b>	<b>(2.88)</b>	<b>(31.47)</b>
<b>Non Current</b>	<b>17.11</b>	<b>20.78</b>	<b>-</b>	<b>-</b>

Particulars	Year Ended 31.03.2013 (₹ in Lacs)	Year Ended 31.03.2012 (₹ in Lacs)
<b>39 Exchange difference has been charged/ (credited) to revenue accounts as follows:</b>		
On Import of raw material & finished goods including forward contracts	216.67	142.16
On Export sales	(225.19)	(14.20)
On Buyers Credit	43.55	150.84
On Term loan	0.00	10.69
<b>Total</b>	<b>35.03</b>	<b>289.49</b>

**40 FINANCE LEASE OBLIGATIONS:**

Future obligations towards lease rentals for Fixed assets( Leasehold land ) taken on lease as on 31.03.2013 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	456.96	463.68
<b>Total</b>	<b>497.28</b>	<b>504.00</b>

**41 RELATED PARTIES DISCLOSURES :****1. Relationship :****(a) Subsidiary :**

Salora Capital Limited

Salora Components Ltd

**(c) Other related parties in which key managerial personnel are able to exercise significant influence :**

Associated Electronics Research Foundation

Encompass Software &amp; Systems Pvt. Ltd.

Essjay Ericsson Pvt. Ltd.

Manori Properties P. Ltd.

Dukan Resources Pvt. Ltd.

Devi Electronics P. Ltd.

Terminal Power Pvt. Ltd.

**(b) Associates & Joint Ventures :**

Salora Retail Ventures Ltd.

H.K.Shinsei Ltd (Till Oct 2012)

**(d) Key Managerial Personnel:**

Shri Gopal Sitaram Jiwarajka

Shri Tarun Jiwarajka

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

Smt. Neetu Jiwarajka

Shri Ayush 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) above		Referred in 1 (d) & (e) above	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
<b>Purchases</b>								
Goods and Materials	<b>138.19</b>	11.82	<b>18.73</b>	186.23	<b>225.66</b>	1,305.74	-	-
<b>Sales</b>								
Goods and Materials	<b>1,600.76</b>	26.83	<b>1,019.96</b>	219.38	<b>1,432.42</b>	-	-	-
<b>Expenses</b>								
Rent	-	-	-	-	<b>7.29</b>	7.20	-	-
Technical Charges	-	-	-	-	-	0.32	-	-
Other Charges/ Reimbursements	-	3.43	-	-	<b>1.48</b>	1.50	-	-
Interest	<b>6.76</b>	5.75	-	-	<b>96.68</b>	62.40	-	-
Salary	-	-	-	-	-	-	<b>13.22</b>	16.65
Directors Remuneration	-	-	-	-	-	-	<b>64.68</b>	74.97
Directors Fees	-	-	-	-	-	-	-	0.10
<b>Income</b>								
Other Recoveries	-	3.24	-	-	-	-	-	-
<b>Investment</b>								
Sale of Investment	-	-	<b>32.20</b>	-	-	-	-	-
<b>Finance</b>								
Loans received	<b>20.00</b>	70.00	-	-	<b>644.00</b>	495.00	-	-
Loans repaid	<b>13.00</b>	67.70	-	-	<b>505.00</b>	48.00	-	-
<b>Others</b>								
Payment to Third Party	<b>1,339.70</b>	132.55	-	-	-	-	-	-
Payment from Third Party	<b>1,375.50</b>	195.33	-	-	-	-	-	-
Expenses incurred & received back	<b>(0.14)</b>	-	<b>5.85</b>	5.91	<b>16.34</b>	-	-	-
<b>Outstandings</b>								
Payables	<b>94.86</b>	72.55	-	32.20	<b>86.30</b>	56.21	<b>4.81</b>	6.68
Receivables	-	-	<b>1,090.16</b>	1,048.73	<b>134.09</b>	-	-	-
Loan Received	<b>54.00</b>	47.00	-	-	<b>795.00</b>	656.00	-	-
Advance Received	-	-	-	32.20	-	-	-	-

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>42 PARTICULARS OF EARNING PER SHARE :</b>		
Net Profit/(Loss) after tax as per profit and loss account (₹ in Lacs) attributable to equity shareholders	<b>248.75</b>	(790.63)
Net Profit /(Loss) before extraordinary item net of tax expense (₹ in Lacs)	<b>248.75</b>	(790.63)
Weighted Average number of equity shares used as denominator for calculating EPS	<b>8807300</b>	8807300
Basic and Diluted Earnings per share (in ₹)	<b>2.82</b>	(8.98)
Basic and Diluted Earnings ( before extraordinary item) per share (in ₹)	<b>2.82</b>	(8.98)
Face Value per equity share (in ₹)	<b>10.00</b>	<b>10.00</b>
<b>43 SEGMENT REPORTING :</b>		
<b>A. Information about Primary Business Segments :</b>		
<b>(I) Segment Revenue (₹ in Lacs) :</b>		
a) Infocom Division	<b>32,974.97</b>	36,720.68
b) Consumer Electronics Division	<b>3,591.36</b>	4,103.31
c) Wind Energy	<b>429.77</b>	374.98
<b>Total Segment Revenue as per Financial Statements</b>	<b>36,996.10</b>	<b>41,198.97</b>
<b>(II) Segment Results (₹ in Lacs) :</b>		
a) Infocom Division	<b>964.46</b>	71.06
b) Consumer Electronics Division	(4.73)	(189.32)
c) Wind Energy	<b>196.73</b>	131.64
<b>Total Segment Results</b>	<b>1,156.46</b>	13.38
Less:i) Interest	<b>696.03</b>	744.79
ii) Other un-allocable expenditure net off un-allocable income	<b>374.46</b>	331.85
iii) Provision for Taxes	(162.78)	(272.63)
<b>Net Profit/(Loss) as per Financial Statements</b>	<b>248.75</b>	<b>(790.63)</b>
<b>(III) Other Informations (₹ in Lacs) :</b>		

Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
<b>a) Infocom Division</b>				
Current year	12,236.13	3,974.46	5.75	21.62
(Previous year)	(14,391.63)	(5,852.75)	(5.10)	(24.23)
<b>b) Consumer Electronics Division</b>				
Current year	3,890.14	572.33	1.42	120.72
(Previous year)	(4,444.54)	(878.29)	(2.84)	(135.79)
<b>c) Wind Energy</b>				
Current year	2,055.95	(48.78)	93.75	189.85
(Previous year)	(2,330.47)	(10.52)	-	(156.84)
<b>d) Unallocated Amounts</b>				
Current year	1,832.15	4,249.20	28.60	39.94
(Previous year)	(2,221.75)	(5,628.42)	(16.11)	(43.39)
<b>Total as per Financial Statements (C.Y.)</b>	<b>20,014.37</b>	<b>8,747.21</b>	<b>129.52</b>	<b>372.13</b>
<b>(Previous year)</b>	<b>(23,388.39)</b>	<b>(12,369.98)</b>	<b>(24.05)</b>	<b>(360.25)</b>

B. GEOGRAPHICAL SEGMENTS	Year Ended 31.03.2013 (₹ in Lacs)	Year Ended 31.03.2012 (₹ in Lacs)
<b>Segment Revenue - Turnover</b>		
Domestic	19182.68	22550.05
Export	17813.42	18648.92
<b>Total</b>	<b>36996.10</b>	<b>41198.97</b>

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 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 :

<b>Business Segment</b>	<b>Type of Products</b>
a) Infocom Division	Mobile Phones, IT Products and Accessories thereof and other items.
b) Consumer Electronics Division	Fly Back Transformer(EHT), Loudspeaker, Deflection Yoke and TV sets, etc. and sub-assemblies thereof
c) Wind Energy	Wind Energy Generation

- iv) The Segment Revenues, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and allocated on a reasonable basis.
- 44) Income Tax / Minimum Alternative Tax has not been provided for in view of brought forward unabsorbed business losses and unabsorbed depreciation.
- 45) Deferred Tax assets for earlier years has arised due to loss carried forward of Wind Mills consolidated which was in earlier years separately.
- 46) Any of the assets other than fixed assets and non current investments have the value on realisation in the ordinary course of business equal to the amount at which they are stated, subject to amounts not realised on full and final settlement / disposal.
- 47) 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 '47'.

For and on behalf of the Board

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

Tarun Jiwarajka  
Whole Time Director

Gopal Sitaram Jiwarajka  
Chairman & Managing Director

R.S.Gupta  
Partner  
M.No: 072666

Place: New Delhi  
Date: 30<sup>th</sup> May 2013

Princy Anand  
Company Secretary

Surinder Sood  
Chief Finance Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	(₹ In lacs)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit/(Loss) before tax	85.97	(1,063.26)
Adjustment for :		
Depreciation	372.14	360.25
Interest	689.22	744.79
Interest Income	(52.04)	(142.94)
Profit/(Loss) on Sale of Long Term Investments	8.41	-
Wealth Tax	0.16	0.08
Loss/(Profit) on sale of Fixed Assets	29.45	3.16
<b>Operating Profit before Working Capital changes</b>	1,133.31	(97.92)
Adjustment for :		
Inventories	709.47	981.65
Trade and other receivables	1,935.61	(2,951.88)
Trade and other payables	(2,206.21)	2,201.42
<b>Cash Generated from Operating Activities</b>	1,572.18	133.27
Adjustment for :		
Direct taxes (paid) / Refund Received	(6.30)	127.21
<b>Net cash from Operating Activities</b>	1,565.88	260.48
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(129.52)	(24.05)
Sale / adjustment of fixed assets	7.74	19.36
Sale of Investment in shares	32.20	-
<b>Net cash from / ( used in ) Investing Activities</b>	(89.58)	(4.69)
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayments) of Secured term Loans (Net)	(35.20)	(727.74)
Proceeds/ (Repayments) of Working Capital Loan (Net)	(1,387.84)	601.46
Interest Paid	(662.47)	(689.76)
Loan Received (Unsecured)	654.00	565.00
Loan Repaid (Unsecured)	(508.00)	(115.70)
Loans Given	-	(255.00)
Loans Received Back	-	255.00
Margin Money	422.39	(24.67)
Interest received	39.34	90.95
Dividend paid	(3.57)	(6.08)
<b>Net cash from/(used in) Financing Activities</b>	(1,481.35)	(306.54)
<b>Net Increase/ (Decrease) in cash and cash equivalents :</b>	(5.05)	(50.75)
<b>Cash and cash equivalents at beginning of the year</b>	29.44	80.19
<b>Cash and cash equivalents at end of the year</b>	24.39	29.44

As per our report of even date annexed.

For and on behalf of the Board

For K. Prasad &amp; Company

Chartered Accountants

FRN: 002755N

Tarun Jiwrajka

Whole Time Director

Gopal Sitaram Jiwrajka

Chairman &amp; Managing Director

R.S.Gupta

Partner

M.No: 072666

Place: New Delhi

Date: 30<sup>th</sup> May 2013

Princy Anand

Company Secretary

Surinder Sood

Chief Finance Officer

## INDEPENDENT AUDITORS' REPORT

### To the Board of Directors of Salora International Limited

We have audited the accompanying consolidated financial statements of Salora International Limited ('the Company') and its subsidiaries, which comprise the consolidated balance sheet as at 31<sup>st</sup> March 2013, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Salora Group as at 31<sup>st</sup> March 2013;
- (ii) in the case of the consolidated statement of profit and loss account, of the profit for the year ended on that date; and
- (iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

### Other Matters

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

(₹ In Lacs)		
Name of Subsidiary	Total Assets	Total Revenue
Salora Capital Limited	701.48	63.92
Salora Component Limited	835.49	3998.82

for K.Prasad & Company

Chartered Accountants

Firm's registration number: 002755N

R.S.Gupta

Partner

Membership No. 072666

New Delhi

30<sup>th</sup> May, 2013

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013**

(₹ In lacs)

Particulars	Note No.	As at 31.03.2013	As at 31.03.2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	881.45	881.45
Reserves and Surplus	2	10,616.12	10,363.22
<b>Sub Total</b>		<b>11,497.57</b>	<b>11,244.67</b>
<b>Minority Interest</b>		<b>130.27</b>	<b>133.42</b>
<b>Non - Current Liabilities</b>			
Long Term Borrowings	3	1,015.24	865.10
Deferred Tax Liability (Net)	4	(174.09)	7.93
Other Long Term liabilities	5	195.60	139.51
Long Term Provisions	6	18.75	22.34
<b>Sub Total</b>		<b>1,055.50</b>	<b>1,034.88</b>
<b>Current Liabilities</b>			
Short Term Borrowings	7	3,267.86	4,655.70
Trade Payables	8	3,855.10	6,107.02
Other Current Liabilities	9	787.81	596.74
Short Term Provisions	10	94.21	129.85
<b>Sub Total</b>		<b>8,004.98</b>	<b>11,489.31</b>
<b>TOTAL</b>		<b>20,688.32</b>	<b>23,902.28</b>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	11	3,763.24	4,058.99
Intangible Assets	11	49.25	59.25
Capital Work in Progress	12	-	-
<b>Sub Total</b>		<b>3,812.49</b>	<b>4,118.24</b>
Non - Current Investments	13	131.78	172.39
Long term loans and advances	14	1,321.96	1,717.58
<b>Sub Total</b>		<b>5,266.23</b>	<b>6,008.21</b>
<b>Current Assets</b>			
Inventories	15	3,850.34	4,561.45
Trade Receivables	16	7,956.24	9,940.45
Cash and Bank Balances	17	174.89	601.86
Short Term Loans and Advances	18	3,123.38	2,490.37
Other Current Assets	19	317.24	299.94
<b>Sub Total</b>		<b>15,422.09</b>	<b>17,894.07</b>
<b>TOTAL</b>		<b>20,688.32</b>	<b>23,902.28</b>

SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES ON FINANCIAL STATEMENTS  
As per our report of even date annexed.

1 - 43

For and on behalf of the Board

For K.Prasad &amp; Company

Chartered Accountants  
FRN: 002755N

R.S.Gupta

Partner  
M.No: 072666

Place: New Delhi  
Date: 30<sup>th</sup> May 2013

Tarun Jiwarajka  
Whole Time Director

Gopal Sitaram Jiwarajka  
Chairman & Managing Director

Princy Anand  
Company Secretary

Surinder Sood  
Chief Finance Officer

**COSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ In lacs)

Particulars	Note No.	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>INCOME</b>			
Revenue from Operations	20	39,255.85	41,317.94
Other Income	21	229.49	196.68
<b>Total Revenue</b>		<b>39,485.34</b>	<b>41,514.62</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	22	1,910.61	1,672.62
Purchases of Stock in Trade	23	32,752.26	35,562.84
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	24	626.39	799.83
Employee Benefits Expense	25	1,100.34	1,369.68
Finance Costs	26	810.28	986.11
Depreciation and Amortization Expense	27	398.08	386.68
Other Expenses	28	1,806.19	1,684.39
<b>Total Expenses</b>		<b>39,404.15</b>	<b>42,462.15</b>
<b>Profit/(Loss) before Exceptional items and Tax</b>		<b>81.19</b>	<b>(947.53)</b>
Exceptional Items	29	-	130.79
<b>Profit/(Loss) before Tax</b>		<b>81.19</b>	<b>(1,078.32)</b>
<b>Tax expense:</b>			
Current tax		12.81	13.23
Deferred tax		1.23	(302.56)
Earlier year Income Tax		0.66	10.34
Earlier year Deferred Tax		(183.25)	-
<b>Total Tax Expenses</b>		<b>(168.56)</b>	<b>(278.99)</b>
<b>Profit/(Loss) for the year</b>		<b>249.75</b>	<b>(799.33)</b>
Less: Share of Profit/ (Loss) transferred to Minority Interest		(3.15)	(5.36)
<b>Profit/(Loss) for the year</b>		<b>252.90</b>	<b>(793.97)</b>
<b>Earning per Equity Share</b>			
Basic and Diluted	37	<b>2.87</b>	<b>(9.01)</b>

SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES ON FINANCIAL STATEMENTS  
As per our report of even date annexed.

1 - 43

For and on behalf of the Board

For K.Prasad &amp; Company

Chartered Accountants  
FRN: 002755N

Tarun Jiwarajka  
Whole Time Director

Gopal Sitaram Jiwarajka  
Chairman & Managing Director

R.S.Gupta

Partner  
M.No: 072666

Place: New Delhi  
Date: 30<sup>th</sup> May 2013

Princy Anand  
Company Secretary

Surinder Sood  
Chief Finance Officer

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2013		As at 31.03.2012	
	Number	₹	Number	₹
<b>1 Share Capital:</b>				
<b>Authorised:</b>				
Equity Shares of ₹ 10 /- each	20,000,000	2,000.00	20,000,000	2,000.00
<b>Issued and Subscribed :</b>				
Equity Shares of ₹ 10/- each	8,820,000	882.00	8,820,000	882.00
<b>Issued, Subscribed and Paid-up :</b>				
Equity Shares of ₹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
<b>Total</b>		<b>881.45</b>		<b>881.45</b>
<b>Note :</b> Number of Shares at the beginning and close of the year are same.				
<b>Details of Shareholders holding more than 5% Shares</b>		<b>No.of Shares</b>	<b>%</b>	<b>No.of Shares</b>
Gopal Sitaram Jiwrajka	2029117	23.04	2029117	23.04
Gopal Sitaram Jiwrajka HUF	1498988	17.02	1498988	17.02
Neetu Jiwrajka	731410	8.30	731410	8.30
Manori Properties Pvt Ltd.	558929	6.35	558929	6.35
<b>2 Reserves and Surplus:</b>				
<b>Securities Premium Reserve</b>				
As per last balance sheet				
Share Premium Account	3,244.42		3,244.42	
Add : Share Premium Forfeited	2.87		2.87	
<b>Sub Total</b>	<b>3,247.29</b>		<b>3,247.29</b>	
<b>General Reserve</b>				
As per last Balance sheet	6,927.61		7,264.67	
Add : Amount transferred from surplus balance in the statement of Profit & Loss Account Adjusted	-		6.78	
Less : Debit Balance of Profit & Loss Account Adjusted	-		343.84	
<b>Sub Total</b>	<b>6,927.61</b>		<b>6,927.61</b>	
<b>Profit &amp; Loss Account Balance</b>				
As per last Balance sheet	188.32		645.22	
Add : Profit / (Loss) for the Year	252.90		(793.97)	
Profit & Loss Account Balance	441.22		(148.75)	
Less : Debit Balance of Profit & Loss Account Adjusted to General Reserve	-		(337.07)	
Profit & Loss Account Balance	441.22		188.32	
<b>Grand Total</b>	<b>10,616.12</b>		<b>10,363.22</b>	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>3 Long term Borrowings</b>		
Secured Loans:		
Vechile Loans from Banks and Others	20.24	9.10
<b>Sub Total</b>	<u>20.24</u>	<u>9.10</u>
Unsecured Loans:		
Loans and advances from related parties		
From Related Company	995.00	856.00
<b>Sub Total</b>	<u>995.00</u>	<u>856.00</u>
<b>Total</b>	<b>1,015.24</b>	<b>865.10</b>
Additional Information:		
a. Details of security for secured loans		
i) Vehicle Loans are secured against hypothecation of cars.		
b. Terms of repayment of term loans and others		
i) Vechile Loans from Banks and Others on monthly instalment basis.		
ii) Unsecured Loans from related parties repayable on demand.		
c. There is no continuing default as on the balance sheet date in respect of loans and interest.		
<b>4 Net Deferred Tax Liability</b>		
Deferred tax liability:		
a) On account of depreciation on fixed assets other than of Wind Mills	-	180.23
b) On account of depreciation on fixed assets and business loss of Wind Mills	-	847.73
c) On account of depreciation on fixed assets combined	763.31	-
<b>Sub Total</b>	<u>763.31</u>	<u>1,027.96</u>
Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	79.21	74.76
b) On account of Unabsorbed loss and depreciation under the Income Tax Act, 1961	858.19	945.27
<b>Sub Total</b>	<u>937.40</u>	<u>1,020.03</u>
<b>Net Deferred Tax Liability</b>	<b>(174.09)</b>	<b>7.93</b>
<b>5 Other Long term liabilities</b>		
Trade Deposit	195.60	139.51
<b>Total</b>	<b><u>195.60</u></b>	<b><u>139.51</u></b>
<b>6 Long term Provisions</b>		
Provisions for employee benefits	-	-
For Leave Pay	18.75	22.34
<b>Total</b>	<b><u>18.75</u></b>	<b><u>22.34</u></b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>7 Short Term Borrowings</b>		
Secured Loans:		
Working Capital Loans		
From Banks	3,267.86	4,286.08
Buyers Credit from Banks	-	369.62
<b>Total</b>	<b>3,267.86</b>	<b>4,655.70</b>

**Additional Information:**

1. Working Capital Loans are secured by hypothecation of inventories & receivables and first pari-passu charge with PICUP on immovable properties of Noida units as collateral security.
2. Buyers Credit loan from bank are secured against FDRS.

**8 Trade Payables**

i) To Micro, Small and Medium Enterprises	-	-
ii) Others	3,855.10	6,107.02
<b>Total</b>	<b>3,855.10</b>	<b>6,107.02</b>

**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.

**9 Other Current Liabilities:**

a) Current maturities of long term debt		
Vehicle Loans	7.31	13.33
Interest Free Loan from PICUP (Under Sales Tax Deferred Scheme)	-	43.20
b) Interest accrued but not due on borrowings	104.31	61.66
c) Interest accrued and due on borrowings	107.81	68.41
d) Unpaid dividends	8.32	11.88
e) Statutory Liabilities	73.90	111.72
f) Others	486.16	286.54
<b>Total</b>	<b>787.81</b>	<b>596.74</b>

**Additional Information:**

- i) Vehicle Loans are secured against hypothecation of cars.
- ii) Interest free Loan from PICUP under sales tax deferred scheme is secured by first charge on all movable fixed assets (present & future) of Noida units and first pari-passu charge with bank(s) on immovable properties of Noida units.

**10 Short Term Provisions:**

a) Provision for employee benefits		
For Salary and Bonus etc.	88.26	123.52
For Leave Pay	4.14	5.19
b) Others		
Provision for Income Tax	1.65	1.06
Provision for Wealth Tax	0.16	0.08
<b>Total</b>	<b>94.21</b>	<b>129.85</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 11 Fixed Assets :

(₹ In lacs)

PARTICULARS	<-----GROSS BLOCK----->			<-----DEPRECIATION----->			<----NET BLOCK---->			
	Balance as at 01.04.2012	Additions	Deductions/ Adjustments	Balance as at 31.03.2013	Upto 31.03.2012	For The Year	Deductions/ Adjustments	Upto 31.03.2013	Balance as at 31.03.2013	Balance as at 31.03.2012
<b>TANGIBLE ASSETS :</b>										
Free Hold Land	-	-	-	-	-	-	-	-	-	
Lease Hold Land	390.29	-	-	390.29	67.46	6.00	-	73.46	316.83	322.83
Building	563.49	-	-	563.49	232.16	16.01	-	248.17	315.32	331.33
Furniture & Fixtures	450.86	0.12	3.57	447.41	323.98	15.17	1.07	338.08	109.34	126.88
Plant & Machinery	7,373.95	102.30	655.10	6,821.15	4,250.58	321.59	620.57	3,951.60	2,869.55	3,123.37
Dies & Moulds	1,001.69	-	-	1,001.69	927.73	11.25	-	938.98	62.72	73.96
Motor Vehicles	124.30	25.97	-	150.27	68.16	16.14	-	84.30	65.98	56.14
Office Equipment	54.60	1.13	0.45	55.28	30.12	1.78	0.29	31.61	23.68	24.48
Sub Total	9,959.18	129.52	659.12	9,429.58	5,900.19	387.92	621.93	5,666.18	3,763.40	4,058.99
<b>INTANGIBLE ASSETS :</b>										
Trade Mark	106.21	-	-	106.21	46.96	10.16	-	57.12	49.09	59.25
<b>Total</b>	<b>10,065.39</b>	<b>129.52</b>	<b>659.12</b>	<b>9,535.79</b>	<b>5,947.15</b>	<b>398.08</b>	<b>621.93</b>	<b>5,723.30</b>	<b>3,812.49</b>	<b>4,118.24</b>
<b>PREVIOUS YEAR</b>	<b>10,105.68</b>	<b>24.05</b>	<b>64.34</b>	<b>10,065.39</b>	<b>5,602.29</b>	<b>386.68</b>	<b>41.82</b>	<b>5,947.15</b>	<b>4,118.24</b>	<b>4,503.39</b>

### 12 CAPITAL WORK IN PROGRESS :

Nil      Nil

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>13 Non Current Investments:</b>		
Investments in Equity Instruments:		
INVESTMENTS (AT COST):		
Long Term (Unquoted,unless otherwise stated)		
a) Trade Investments in Equity Shares (Fully paid up)		
In Associate Companies :		
i) 855000 Equity Shares of Encompass Software & Systems Pvt. Ltd. of ₹ 10/- each.	85.50	85.50
Less: Provision for diminution in value of Investments	(75.09)	(75.09)
ii) 978040 Equity Shares of Salora Retail Venture Ltd.of ₹ 10/- each.	97.80	97.80
iii) 780000 Equity Shares of H.K.Shinsei.of Hong Kong \$ 1/-each.	-	40.61
iv) 5000 Equity Shares of Terminal Power Pvt. Ltd. of ₹ 10/-each.	0.50	0.50
In Other Companies		
i) 1000000 Equity Shares of Nanda Netcom Private Limited (FV ₹ 1/-each)	16.80	16.80
Less: Provision for diminution in value of Investments	(16.80)	(16.80)
ii) 13520 Equity Shares of Devi Electronics Pvt. Ltd of ₹ 170/- each.	22.98	22.98
b) Other Investments in Shares & Bond (Fully paid)		
i) In National Saving Certificates	0.06	0.06
ii) 2 Unsecured Redeemable Money Multiplier Bond of ICICI Ltd of ₹ 1000/-each	0.02	0.02
Aggregate value of unquoted investments		
Less : Provision for diminution in value of investments	91.89	91.89
<b>Total</b>	<b>131.78</b>	<b>172.39</b>
<b>14 Long Term Loans and Advances (Unsecured considered good) :</b>		
Inter Corporate Loan Given	586.85	586.85
Security Deposits	70.65	102.36
Payment against disputed Sales Tax Demand	244.47	586.75
Payment against disputed Income Tax Demand	117.74	139.38
Payment against disputed Excise Demand	300.00	300.00
Claim Receivable from Parties	2.25	2.25
<b>Total</b>	<b>1,321.96</b>	<b>1,717.58</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	As at 31.03.2013	As at 31.03.2012
<b>15 Inventories</b>		
Raw materials	520.98	610.58
Work in progress	31.52	28.16
Finished goods	213.12	160.98
Stock in trade	3,040.27	3,722.15
Stores and spares etc.	3.41	4.90
<b>Goods in transit:</b>		
Raw materials	40.85	3.05
Stock in trade	0.19	31.63
<b>Total</b>	<b><u>3,850.34</u></b>	<b><u>4,561.45</u></b>
<b>16 Trade Receivables (Unsecured)</b>		
i) Trade receivables exceeding six months		
Considered Good	3,962.71	3,609.46
Considered Doubtful	162.21	147.87
Less : Provision for Doubtful Debts	162.21	147.87
ii) Others, Considered Good	3,993.53	6,330.99
<b>Total</b>	<b><u>7,956.24</u></b>	<b><u>9,940.45</u></b>
<b>17 Cash and Bank Balances</b>		
i) Balances with banks		
- in unpaid dividend accounts	8.32	11.88
- in margin money, security for borrowings, guarantees and other commitments	143.41	565.81
- in other accounts	7.32	13.95
ii) Cash in hand	15.84	10.22
<b>Total</b>	<b><u>174.89</u></b>	<b><u>601.86</u></b>
<b>18 Short Term Loans and Advances (Unsecured and Considered Good) :</b>		
Advances recoverable in cash or in kind or for value to be received	1,935.63	1,696.38
Income Tax Refund Receivable	107.31	83.92
Balance With / Recoverable from Government Authorities	1,080.44	710.07
<b>Total</b>	<b><u>3,123.38</u></b>	<b><u>2,490.37</u></b>
<b>19 Other Current Assets</b>		
Insurance Claim Receivable	20.65	72.95
Interest Receivable	244.80	194.09
Gratuity etc Recoverable	2.89	31.48
Superannuation Recoverable	48.90	1.42
<b>Total</b>	<b><u>317.24</u></b>	<b><u>299.94</u></b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

(₹ In lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>20 Revenue From Operations:</b>		
<b>Sales of Goods/Components</b>		
Domestic	20,954.72	22,276.90
Export	17,813.42	18,648.92
<b>Total</b>	<b>38,768.14</b>	<b>40,925.82</b>
<b>Sale of Services</b>		
Infocom Products	423.99	250.81
Sale of Wind Energy	429.77	374.98
<b>Gross Sales</b>	<b>39,621.90</b>	<b>41,551.61</b>
Less : Excise duty	366.05	233.67
<b>Net Sales</b>	<b>39,255.85</b>	<b>41,317.94</b>
<b>20-A Particulars of Sales of Products</b>		
Mobile Phones and Accessories	28,211.62	22,665.13
Computers, Printers and Accessories	2,177.76	9,790.37
Others	8,866.47	8,862.44
<b>Total</b>	<b>39,255.85</b>	<b>41,317.94</b>
<b>21 Other Income:</b>		
Interest on FDRS etc.	91.91	184.63
Cash Discount	1.26	0.62
Bad Debts Recovered	26.27	3.24
Liability no longer required written back	-	0.79
Miscellaneous Income	110.05	7.40
<b>Total</b>	<b>229.49</b>	<b>196.68</b>
<b>22 Cost of Materials Consumed:</b>		
<b>Consumption of raw materials :</b>		
Electronic Components and Others	1,910.61	1,672.62
<b>Total</b>	<b>1,910.61</b>	<b>1,672.62</b>
<b>23 Purchases of Stock in Trade</b>		
Mobile Phones and Accessories	26,413.92	21,067.99
Computers, Printers and Accessories	1,620.00	9,839.84
Others	4,718.34	4,655.01
<b>Total</b>	<b>32,752.26</b>	<b>35,562.84</b>
<b>24 Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade</b>		
<b>Stocks at the end of the year</b>		
Work in Progress	31.52	28.17
Trading Goods	3,040.27	3,722.15
Finished Goods	213.12	160.98
<b>Sub Total :</b>	<b>3,284.91</b>	<b>3,911.30</b>
<b>Less : Stocks at the beginning of the year</b>		
Work in Progress	28.17	64.22
Trading Goods	3,722.15	4,453.87
Finished Goods	160.98	193.04
<b>Sub Total :</b>	<b>3,911.30</b>	<b>4,711.13</b>
<b>(Increase)/ Decrease in Stock :</b>	<b>626.39</b>	<b>799.83</b>
<b>25 Employee Benefit Expenses</b>		
Salaries and Wages	1,030.19	1,256.42
Contribution to Provident and Other Funds	70.50	53.88
Super Annuation Received Back	(47.47)	-
Staff Welfare & Other Benefits	47.11	59.38
<b>Total</b>	<b>1,100.34</b>	<b>1,369.68</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>26 Finance Costs:</b>		
i) Interest	709.45	766.42
ii) Net (gain)/loss on foreign currency transaction	43.55	161.52
iii) Others	57.28	58.17
<b>Total</b>	<b>810.28</b>	<b>986.11</b>
<b>27 Depreciation and Amortization:</b>		
i) Depreciation	392.09	380.69
ii) Amortization of Land	5.99	5.99
<b>Total</b>	<b>398.08</b>	<b>386.68</b>
<b>28 Other Expenses</b>		
Assembly Charges	18.86	34.91
Stores & Spares Consumed	15.81	23.21
Power and fuel	89.98	86.97
Rent	91.97	131.16
Repair & Maintenance :-		
Building	0.19	3.40
Plant & Machinery	78.20	76.60
Others	33.11	38.83
Insurance	36.31	42.06
Rates and taxes	6.44	8.47
Legal and professional charges	105.39	90.03
Payment to the auditors		
Statutory Audit Fee (including Limited review)	12.34	12.33
Tax Audit Fee	1.86	1.86
Certification	1.13	0.81
Expense / Service Tax reimbursed	2.26	2.21
Travelling & Conveyance	136.75	174.87
Freight and Forwarding	367.59	298.68
Discount, Commission & Incentives	228.99	147.03
Advertisement & Publicity	20.69	17.10
After Sale Service Charges	197.13	151.40
Sales Tax, Entry Tax and Service Tax	53.90	15.29
Bad trade receivables written off	88.81	-
Provision for doubtful trade receivables	14.85	32.27
Irrecoverable loans and advances written off	3.33	1.87
Loss on sale of fixed asset (net)	29.45	3.16
Loss on sale of Investments	8.41	
Short / Excess Claims	(0.33)	(52.10)
Miscellaneous expenses	171.29	214.75
Net (gain)/loss on foreign currency transaction	(8.52)	127.22
<b>Total</b>	<b>1,806.19</b>	<b>1,684.39</b>
<b>29 Exceptional items</b>		
Insurance Claim Receivable written off	-	130.79
<b>Total</b>	<b>-</b>	<b>130.79</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****30 Significant Accounting Policies :****Principles of consolidation :**

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

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

- i) The financial statements of the Company and its subsidiary Companies has been combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard (AS) 21 -

"Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

- ii) In case of associates where the Company directly holds more than 20% of equity, Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- iii) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements except in case of following :

a. Depreciation on Fixed Assets :

In case of one subsidiary depreciation is provided as per written down value method as per rates prescribed in Schedule XIV of the Companies Act, 1956.

b. Retirement & Other Benefits :

In case of one subsidiary provision for liability of gratuity and leave pay if due is made on accrual basis instead of actuarial valuation basis.

c. Investments other than in subsidiary and associate have been accounted as per Accounting Standard 13 of "Accounting for Investments".

d. Other significant accounting policies :

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

**31 The subsidiary Company considered in the consolidated financial statements is :**

<b>Name of the subsidiary</b>	<b>Country of Incorporation</b>	<b>Proportion of ownership interest</b>
Salora Capital Limited.	India	91.38%
Salora Components Limited	India	79.05%

**32 The associates Company considered in the consolidated financial statements is :**

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

Based on unaudited financial results.

**33** As required by Accounting Standard (AS-23) on Accounting for investments in Associates in Consolidated Financial Statements issued by the Institute of Chartered Accountants of India, the carrying amount of investments in Associates at the beginning of the year have been restated by applying "Equity Method" of accounting from the date of acquisition of the associates and corresponding adjustment has been made to the retained earnings at the beginning of the year after eliminating unrealised profit, if any.

**34 Contingent Liabilities not provided for in respect of :**

- i) Bank Guarantees issued by Bankers ₹ 129.71 lacs (Previous year ₹ 291.82 lacs) including for Sales Tax and Excise demand ₹ 24.71 lacs (Previous Year ₹ 73.61 lacs), against which margin kept by bank ₹ 4.47 lacs ( Previous year ₹ 20.76 lacs).

- ii) Letter of Credits pending for shipment ₹ Nil lacs (Previous year ₹ 32.09 lacs).
- iii) Claim by employee of ₹ 5.79 lacs against the company against which amount paid ₹ 2.13 lacs is pending in High Court.
- iv) TV sets, VCD's and Office Automation products still under warranty for which amount is not ascertainable.
- v) Disputed Sales Tax demands of ₹ 636.64 lacs (Previous year ₹ 668.18 lacs), against which amount deposited ₹ 244.47 lacs (Previous year ₹ 400.09 lacs) has not been provided for as the cases are pending in appeals with higher authorities.
- vi) Advance Licence utilised for Import of CPT worth ₹ 87.50 lacs during the period from January, 1995 to May 1995, DGFT issued Show Cause Notice to pay duty and penalty thereof on all above imports and included the company's name in the defaulters list. Company challenged the said Notice in Delhi High Court and after admitting the petition and taking into consideration all the facts, the Delhi High Court directed the Company to deposit a sum of ₹ 20.00 lacs with the Collector of Customs and ordered DGFT to remove Company's name from the defaulters list. Accordingly Company has deposited the sum of ₹ 20.00 lacs within the time stipulated by the Court. Duty and penalty amount is not ascertainable at this stage. Petition has been refiled against appeal order by DGFT.
- vii) Demand raised by Excise Authorities amounting to ₹ 3649.10 lacs (Previous year ₹ 3700.60 lacs), against which amount deposited ₹ 321.79 lacs (Previous year ₹ 321.79 lacs) has not been provided for as the matters are pending in appeals with higher authorities. The demand amounting to ₹ 1142.77 lacs and penalty ₹ 1142.77 lacs for the period from April 2002 to April 2003 and demand of ₹ 28.99 lacs and penalty of ₹ 28.99 lacs for the period July 1993 to February 1994 are on the basis of differential duty on Chassis, Sub assembly parts of T.V. considered as T.V. The Hon'ble Supreme Court has decided on the classification issue for the period 1989-90 and the facts of these cases are different from the case decided by the Supreme Court. Appeals are pending before CESTAT. The demand for ₹ 1292.45 lacs for the period 1998 to 2002 raised on the same basis by the department is time barred for which case decided in favour of the company. The department has gone in appeal before CESTAT.
- viii) Income Tax Assessments of the Company have been completed upto Assessment Year 2009-2010 (in previous year upto 2008-09). Demand has been raised of ₹ 108.20 lacs (previous year ₹ 129.38 lacs) for earlier assessment years against which company has filed appeal before appellate authorities and amount ₹ 103.63 lacs (previous year ₹ 120.50 lacs) has been deposited against demands. Appeal of Income Tax department against the ITAT order for the Assessment Year 1997-98 is lying pending before Hon'ble Delhi High Court against which refund of ₹ 1151.57 lacs received by the Company in the Financial Year 2002-2003.

Particulars	Year Ended 31.03.2013 (₹ in Lacs)	Year Ended 31.03.2012 (₹ in Lacs)
<b>35 Exchange difference has been charged/ (credited) to revenue accounts as follows:</b>		
On Import of raw material & finished goods including forward contracts	216.67	141.41
On Export sales	(225.19)	(14.20)
On Buyers Credit	43.55	150.84
On Term loan	0.00	10.69
<b>Total</b>	<b>35.03</b>	<b>288.74</b>

## 36 RELATED PARTIES DISCLOSURES :

### 1. Relationship :

#### (a) Associates & Joint Ventures :

Salora Retail Ventures Ltd.

H.K.Shinsei Ltd. (Till Oct 2012)

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

Associated Electronics Research Foundation

Encompass Software & Systems Pvt. Ltd.

Manori Properties Pvt. Ltd.

Essjay Ericsson Pvt. Ltd.

Dukan Resources Pvt. Ltd.

Devi Electronics Pvt. Ltd.

Terminal Power Pvt. Ltd.

#### (c) Key Managerial Personnel:

Shri Gopal Sitaram Jiwarajka

Shri Tarun Jiwarajka

Shri Toshio Ohigashi

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

Smt. Neetu Jiwarajka

Shri Ayush Jiwarajka

**Note: Related party relationship is as identified by the management 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	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
<b>Purchases</b>						
Goods and Materials	18.73	186.23	225.66	1,305.74	-	-
<b>Sales</b>						
Goods and Materials	1,019.96	219.38	1,432.42	-	-	-
<b>Expenses</b>						
Rent	-	-	12.08	12.00	-	-
Technical Charges	-	-	-	0.32	-	-
Other Charges/ Reimbursements	-	-	1.48	1.50	-	-
Interest	-	-	96.68	62.40	-	-
Salary	-	-	-	-	13.22	16.65
Directors Remuneration	-	-	-	-	64.68	74.97
Directors Fees	-	-	-	-	-	0.10
<b>Income</b>						
Interest	2.68	2.69	13.20	13.20	-	-
<b>Investment</b>						
Sale of Investment	32.20	-	-	-	-	-
<b>Finance</b>						
Loans given	-	56.25	-	-	-	-
Loans received back	-	55.00	-	-	-	-
Loans received	-	-	644.00	495.00	-	-
Loans repaid	-	-	505.00	48.00	-	-
<b>Others</b>						
Expenses incurred & received back(Net)	5.85	5.91	16.34	-	-	-
<b>Outstandings</b>						
Payables	-	32.20	4.21	73.44	4.81	6.68
Receivables	1,090.16	1,048.73	216.18	-	-	-
Loan Received	-	-	795.00	656.00	-	-
Interest Recoverable	4.83	2.42	30.00	37.62	-	-
Loan Given	21.85	21.85	110.00	110.00	-	-
Advance Given	-	32.20	-	-	-	-

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012		
<b>37 PARTICULARS OF EARNING PER SHARE :</b>				
Net Profit/(Loss) after tax as per profit and loss account (₹ in Lacs) attributable to equity shareholders	<b>252.90</b>	(793.97)		
Net Profit /(Loss) before extraordinary item net of tax expense (₹ in Lacs)	<b>252.90</b>	(793.97)		
Weighted Average number of equity shares used as denominator for calculating EPS	<b>8807300</b>	8807300		
Basic and Diluted Earnings per share (in ₹)	<b>2.87</b>	(9.01)		
Basic and Diluted Earnings (before extraordinary item) per share (in ₹)	<b>2.87</b>	(9.01)		
Face Value per equity share (in ₹)	<b>10.00</b>	10.00		
<b>38 SEGMENT REPORTING :</b>	<b>Year ended</b>	<b>Year ended</b>		
<b>A. Information about Primary Business Segments (₹ in Lacs) :</b>	<b>31.03.2013</b>	<b>31.03.2012</b>		
<b>(I) Segment Revenue :</b>				
a) Infocom Division	<b>32,974.97</b>	36,720.68		
b) Consumer Electronics Division (including subsidiaries)	<b>5,851.11</b>	4,222.28		
c) Wind Energy	<b>429.77</b>	374.98		
<b>Total Segment Revenue as per Financial Statements</b>	<b>39,255.85</b>	41,317.94		
<b>(II) Segment Results :</b>				
a) Infocom Division	<b>964.46</b>	71.06		
b) Consumer Electronics Division	<b>(9.51)</b>	(182.75)		
c) Wind Energy	<b>196.73</b>	131.64		
<b>Total Segment Results</b>	<b>1,151.68</b>	19.95		
Less : i) Interest	<b>696.03</b>	766.42		
ii) Other un-allocable expenditure net off un-allocable income	<b>374.46</b>	331.85		
iii) Provision for Taxes	<b>(168.56)</b>	(278.99)		
<b>Net Profit/(Loss) as per Financial Statements</b>	<b>249.75</b>	(799.33)		
<b>(III) Other Informations (₹ in Lacs) :</b>				
Particulars	Segment Assets	Segment Liabilities	Capital Expenditure	Depreciation & Amortisation
<b>a) Infocom Division</b>				
Current year	12,236.13	3,974.46	<b>5.75</b>	21.62
(Previous year)	(14,391.63)	(5,852.76)	<b>(5.10)</b>	(24.23)
<b>b) Consumer Electronics Division</b>				
Current year	4,324.63	599.25	<b>1.42</b>	145.29
(Previous year)	(5,132.82)	(1,065.40)	<b>(2.84)</b>	(160.36)
<b>c) Wind Energy</b>				
Current year	2,055.95	(48.78)	<b>93.75</b>	189.85
(Previous year)	(2,330.47)	(10.52)	-	(156.84)
<b>d) Unallocated Amounts</b>				
Current year	2,071.61	4,535.55	<b>28.60</b>	41.32
(Previous year)	(2,047.37)	(5,595.52)	<b>(16.11)</b>	(45.25)
<b>Total as per Financial Statements (C.Y.)</b>	<b>20,688.32</b>	<b>9,060.48</b>	<b>129.52</b>	<b>398.08</b>
<b>(Previous year)</b>	<b>(23,902.29)</b>	<b>(12,524.20)</b>	<b>(24.05)</b>	<b>(386.68)</b>

**39 GEOGRAPHICAL SEGMENTS**

	Year Ended 31.03.2013 (₹ in Lacs)	Year Ended 31.03.2012 (₹ in Lacs)
Segment Revenue - Turnover		
Domestic	21442.43	22669.02
Export	17813.42	18648.92
<b>Total</b>	<b>39255.85</b>	<b>41317.94</b>

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

**40 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 :

<b>Business Segment</b>	<b>Type of Products</b>
a) Infocom Division	Mobile Phones, IT Products and Accessories thereof and other items.
b) Consumer Electronics Division	Fly Back Transformer (EHT), Loudspeaker, Deflection Yoke and TV sets, etc. and sub-assemblies thereof.
c) Wind Energy	Wind Energy Generation.

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

**41** Deferred Tax assets for earlier years has arised due to loss carried forward of Wind Mills consolidated which was in earlier years separately.

**42** Any of the assets other than fixed assets and non current investments have the value on realisation in the ordinary course of business equal to the amount at which they are stated, subject to amounts not realised on full and final settlement / disposal.

**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 and on behalf of the Board

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

Tarun Jiwarajka  
Whole Time Director

Gopal Sitaram Jiwarajka  
Chairman & Managing Director

R.S.Gupta  
Partner  
M.No: 072666

Princy Anand  
Company Secretary

Surinder Sood  
Chief Finance Officer

Place: New Delhi  
Date: 30<sup>th</sup> May 2013

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

(₹ In lacs)

Particulars	Year Ended 31.03.2013	Year Ended 31.03.2012
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit/(Loss) before tax	81.19	(1,078.32)
Adjustment for :		
Depreciation	398.08	386.68
Interest	709.45	766.42
Interest Income	(91.91)	(184.63)
Profit/(Loss) on Sale of Long Term Investments	8.41	-
Wealth Tax	0.16	0.08
Deficit/(Surplus) on sale of Fixed Assets	29.45	3.16
<b>Operating Profit before Working Capital changes</b>	<b>1,134.83</b>	<b>(106.61)</b>
Adjustment for :		
Inventories	711.11	968.58
Trade and other receivables	1,781.98	(2,830.59)
Trade and other payables	(2,034.53)	2,102.21
<b>Cash Generated from Operating Activities</b>	<b>1,593.39</b>	<b>133.59</b>
Adjustment for :		
Direct taxes (paid) / Refund Received	(14.71)	123.75
<b>Net cash from Operating Activities</b>	<b>1,578.68</b>	<b>257.34</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of fixed assets	(129.52)	(24.05)
Sale / adjustment of fixed assets	7.74	19.36
Purchase of Investment in shares	-	-
Sale of Investment	32.20	-
<b>Net cash from / (used in) Investing Activities</b>	<b>(89.58)</b>	<b>(4.69)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayments) of Secured term Loans (Net)	(38.08)	(730.39)
Proceeds/ (Repayments) of Working Capital Loan (Net)	(1,387.83)	601.46
Interest Paid	(666.80)	(711.39)
Loan Received (Unsecured)	654.00	765.00
Loan Repaid (Unsecured)	(508.00)	(318.00)
Loans Given	(20.00)	(582.50)
Loans Received Back	13.00	581.25
Margin Money	422.40	(24.67)
Interest received	41.20	99.86
Dividend paid	(3.56)	(6.08)
<b>Net cash from/(used in) Financing Activities</b>	<b>(1,493.67)</b>	<b>(325.46)</b>
<b>Net Increase/ (Decrease) in cash and cash equivalents :</b>	<b>(4.57)</b>	<b>(72.81)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>36.05</b>	<b>108.86</b>
<b>Cash and cash equivalents at end of the year</b>	<b>31.48</b>	<b>36.05</b>

As per our report of even date annexed.

For and on behalf of the Board

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

Tarun Jiwarajka  
Whole Time Director

Gopal Sitaram Jiwarajka  
Chairman & Managing Director

R.S.Gupta  
Partner  
M.No: 072666

Princy Anand  
Company Secretary

Surinder Sood  
Chief Finance Officer

Place: New Delhi  
Date: 30<sup>th</sup> May 2013



**SALORA INTERNATIONAL LTD.**

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

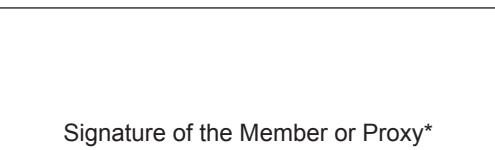
**ATTENDANCE SLIP**

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

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

Name in full .....

I certify that I am a Shareholder of the Company and hold \_\_\_\_\_ shares. I hereby record my presence at the 44<sup>th</sup> Annual General Meeting of the Company held at Lok Kala Manch, 20, Lodhi Institutional Area, Lodhi Road, New Delhi -110 003 on Wednesday, the 7<sup>th</sup> August, 2013 at 11.00 A.M.



Signature of the Member or Proxy\*

\*Please indicate whether Member or Proxy.

**SALORA INTERNATIONAL LTD.**

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

**PROXY FORM**

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

I / We..... of .....  
.....in the district of ..... being  
member(s) of Salora International Limited, holding ..... shares, hereby appoint Mr./Ms. ....  
.....of ..... in the district  
of ..... or failing him Mr./Ms. ....  
.....of ..... in the district of .....  
..... as my / our proxy to attend and vote for me / us on my / our  
behalf at 44<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, the 7<sup>th</sup> August, 2013 at 11.00 A. M. and at every  
adjournment thereof.

Signed this ..... day of ..... 2013.

Affix  
Revenue  
stamp

**NOTE:** ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER. THE FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.



**Dear Shareholder,**

We wish to inform you that the Ministry of Corporate Affairs, New Delhi ("MCA") has taken a "Green Initiative" in the Corporate Governance by permitting paperless compliances by companies vide its Circular No. 17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011, after considering certain provisions of the Information Technology Act, 2000, which provides the validity to sending the documents through electronic mode and clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s).

Appreciating this initiative of MCA, we at 43rd Annual General Meeting feel happy to state that in terms of the enabling provisions of these circulars, the company will effect electronic delivery of documents, including the notice and explanatory statement of General Meetings including Annual General Meeting (AGM), Audited Financial Statements, Directors' Report, Auditors' Report etc., for the year ended March 31st, 2012 and subsequent years, in electronic form, to the email address which you have previously registered with your Depository Participant (DP) and available in the Register of Members of the Company.

Investors, holding shares in Demat form/Physical form, desirous of registering/refreshing/updating their email addresses, are requested to send us a request by post/ an e-mail to contact@skylinerta.com & sect@salora.com with respect to their respective DP accounts.

Please note that you can also see the annual report electronically, on our website [www.salora.com](http://www.salora.com) in the "investor area", for your ready reference. As your contribution to "Green Initiative" we request you to register your e-mail id so that annual report can be sent to you by mail. You can register your e-mail id at [http://salora.com/investor\\_area.php](http://salora.com/investor_area.php).

Looking forward to your valuable support in this 'Go Green' Initiative.

Thanking you,  
Yours faithfully,  
For Salora International Limited  
Company Secretary

Note: Investors are also requested to get their email address, provided to the Company/ D.P., updated/ refreshed, from time to time, if there is any change.

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#### **STANDARD REQUEST FORMAT FOR REGISTRATION/UPDATION E-MAIL ADDRESSES**

To  
**Skyline Financial Services Pvt. Ltd.,**  
D-153-A, 1st Floor, Okhla Industrial Area,  
Phase-I, New Delhi-110020

Dear Sir,

I/We, ..... (name of the shareholder), holding .....

(mention no. of shares) Equity Shares vide Folio No. ..... DP ID No. ..... and

Client id No. ..... in ....., request you to register/update my e-mail address

..... for delivery of documents i.e. Annual General Meeting Notice, Audited

Financial Statements, Directors' Report, Auditors' Report etc. for the coming financial years.

Thanking you,  
Yours faithfully,

.....  
(Signature & Name of the Shareholder)





# LIVE ALLOUD

MULTIMÉDIA SPEAKER SYSTEM





**SILCARE**  
Reasons to Smile

“Salora has got a wide service network of 170 service centers in 127 cities across the country”

**Salora International Limited:** D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110020  
Tel: 011-49207100/101, email: [info@salora.com](mailto:info@salora.com), Website: [www.salora.com](http://www.salora.com)