

# U.K. Aggarwal & Associates

Chartered Accountants

205-206, South Ex. Plaza-II,  
NDSE Part-II,  
New Delhi-110049  
Phone: 26251921, 26254045  
Tele Fax: 91+26251921

Ref.....

Dated .....

## INDEPENDENT AUDITORS' REPORT

### To The Members of SALORA COMPONENTS LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of M/s. SALORA COMPONENTS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the 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 aforesaid 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, 2014; and
- (b) in the case of the Statement of Profit and Loss, of the Profit of the Company 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 Section 227(4A) 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 it appears from our examination of those books;
  - c. The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with the Accounting Standards referred to in Section 211(3C) of the Act ;
  - e. On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For U.K. Aggarwal & Associates  
Chartered Accountants  
Firm Registration No. 009464N



  
Umesh Kumar Aggarwal  
Proprietor  
Membership No. 82011

Place: New Delhi

Date: 23<sup>rd</sup> May 2014

## ANNEXURE TO THE AUDITOR'S REPORT

RE: *SALORA COMPONENTS LIMITED*

Referred to in paragraph 1 of our report of even date,

- (i)
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
  - b. The fixed assets of the Company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
  - c. According to the information and explanations given to us, we are of the opinion that company has not disposed off any part of fixed assets during the year.
- (ii)
  - a. Physical verification of inventories has been conducted at reasonable intervals by the management.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- (iii)
  - a. The company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, and hence matters regarding rate of interest, terms and conditions of loans, repayments and overdue amounts more than Rupees One lakh are not applicable.
  - b. The company has not taken loan secured or unsecured from firms. However company has taken unsecured loan from two company and one other party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount was involved during the year was Rs.5.61 crore and the year end balance is also Rs. 4.20 crore.
  - c. In our opinion and according to the information and explanation given to us the terms & conditions on which loans taken from related parties covered in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie, prejudicial to the interest of the Company.
  - d. The Company has taken loan on the basis of repayable on demand basis. As per information & explanation given to us the Company is regular in repaying the principal amount as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.




- (v) a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public as per the provisions of sections 58A and 58AA or any other relevant provisions of the Act. In company's case no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) In our opinion, the company's present internal audit system is commensurate with its size and the nature of its business.
- (viii) It has been explained by the management 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 for its products.
- (ix) a. As per the records of the company, the company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, investor education and protection fund; employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. There are no dues were in arrears as on 31<sup>st</sup> March 2014 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there was no disputed amount payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess, as on 31.03.2014.
- (x) The company having accumulated losses at the end of the financial year, but not incurred cash losses during the financial year covered by our audit, although there was cash losses in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company does not have any loan from any financial institution or bank. Also does not have any debenture holders.



- (xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities of a similar nature and hence maintenance of documents and records relating to such items are not applicable.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, are not applicable to the Company.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The company has not taken any term loan during our audit period.
- (xvii) According to the information and explanations given to us on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments. During the year, the company has not raised funds on long-term basis.
- (xviii) The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) The company has not issued any debentures during the year.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit

For U.K. Aggarwal & Associates  
Chartered Accountants  
Firm Registration No. 009464N



  
Umesh Kumar Aggarwal  
Proprietor  
Membership No. 82011

Place: New Delhi

Date: 23rd May 2014

**SALORA COMPONENTS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2014**

Amount in Rupees

Particulars	Note No.	Amount in Rupees			
		As at end of current reporting period		As at end of previous reporting period	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	1	43,200,000		43,200,000	
(b) Reserves and Surplus	2	<u>(9,162,061)</u>		<u>(9,487,841)</u>	
			34,037,939		33,712,159
<b>(2) Share application money pending allotment</b>					
		-	-	-	-
<b>(3) Non - current liabilities</b>					
(a) Long term borrowings	3	42,000,000		34,105,000	
(b) Deferred tax liabilities (Net)	4	-		-	
(c) Other long term liabilities		-		-	
(d) Long term provisions		-		-	
			42,000,000		34,105,000
<b>(4) Current Liabilities</b>					
(a) Short term borrowings		-		-	
(b) Trade payables	5	5,262,238		3,786,406	
(c) Other current liabilities	6	6,596,292		11,945,584	
(d) Short term provisions		-		-	
			11,858,530		15,731,990
<b>TOTAL</b>			<u>87,896,469</u>		<u>83,549,149</u>

**II. ASSETS**

**(1) Non - current assets**

<b>(a) Fixed Assets</b>					
(i) Tangible assets	7	27,851,597		30,263,684	
(ii) Intangible assets		-		-	
<b>(b) Non - current investments</b>					
		-		-	
<b>(c) Deferred tax assets (Net)</b>					
	4	10,160,814		10,455,573	
<b>(d) Long term loans and advances</b>					
		-		-	
<b>(e) Other non current assets</b>					
	8	<u>19,211,266</u>		<u>18,229,718</u>	
			57,223,677		58,948,975

**(2) Current Assets**

<b>(a) Current Investments</b>					
		-		-	
<b>(b) Inventories</b>					
	9	9,115,701		5,228,068	
<b>(c) Trade receivables</b>					
	10	17,994,794		17,782,121	
<b>(d) Cash and cash equivalents</b>					
	11	61,046		300,162	
<b>(e) Short term loans and advances</b>					
		-		-	
<b>(f) Other current assets</b>					
	12	<u>3,501,251</u>		<u>1,289,821</u>	
			30,672,792		24,600,172
<b>TOTAL</b>			<u>87,896,469</u>		<u>83,549,149</u>

Significant Accounting Policies

Notes on Financial Statements

22 - 27

Notes annexed hereto form an integral part of the Balance Sheet

Signed in terms of our report of even date attached

For U.K. Aggarwal & Associates

Chartered Accountants

Firm Registration No.: 009464N

Umesh Kumar Aggarwal  
Proprietor

Membership No. 082011

Place: New Delhi

Date: 23<sup>rd</sup> May 2014



For and on behalf of the Board

*[Signature]*  
Director  
DIN \_\_\_\_\_

*[Signature]*  
Director  
DIN \_\_\_\_\_

**SALORA COMPONENTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

Particulars	Note No.	Amount in Rupees			
		Current reporting period		Previous reporting period	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	13		257,604,594		372,291,480
II Other Income	14		4,187,288		10,954
III <b>Total revenue (I + II)</b>			<u>261,791,882</u>		<u>372,302,434</u>
IV Expenses					
Cost of materials consumed	15		59,712,216		24,997,198
Purchases of stock in trade	16		182,955,787		334,690,772
Changes in inventories of finished goods, work in progress and stock in trade	17		(281,520)		2,159,600
Employee benefits expense	18		7,644,119		4,268,317
Finance costs	19		4,297,524		4,431,461
Depreciation and amortization expense	20		2,447,288		2,456,711
Other expenses	21		4,395,927		3,847,457
<b>Total Expenses</b>			<u>261,171,342</u>		<u>376,851,516</u>
IX Profit (loss) before tax			620,540		(4,549,082)
X Tax expense:					
(1) Current tax					
(2) Deferred tax			(294,760)		1,924,432
			(294,760)		1,924,432
XI Profit/(Loss) for the period from continuing operations			<u>325,780</u>		<u>(2,624,651)</u>
XII Earning per equity share:					
(1) Basic			0.08		(0.61)
(2) Diluted			0.08		(0.61)

Significant Accounting Policies

Notes on Financial Statements

22 - 27

Notes annexed hereto form an integral part of the Statement of profit and loss account

Signed in terms of our report of even date attached

For U.K. Aggarwal & Associates  
Chartered Accountants  
Firm Registration No.: 009464N

Umesh Kumar Aggarwal  
Proprietor  
Membership No. 082011  
Place: New Delhi

Date: 23<sup>rd</sup> May 2014



For and on behalf of the Board

*[Signature]*  
Director  
DIN \_\_\_\_\_

*[Signature]*  
Director  
DIN \_\_\_\_\_

SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PREPARATION OF FINANCIAL STATEMENT

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

B) METHOD OF VALUATION OF FIXED ASSETS

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

C) DEPRECIATION

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

D) INVESTMENT

Company has no Investment during the year

E) INVENTORY VALUATION

Raw material / components, valued at cost

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

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

F) EXCISE DUTY, CUSTOM DUTY & CENVAT

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

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

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

G) RETIREMENT BENEFITS

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

Defined Benefit Plans

Leave encashment:

Leave salary of employees are not certified by actuarial valuation as per AS 15 (revised).

Gratuity:

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

Defined Contribution Plans

Superannuation Fund:

Liability for superannuation fund not provided during the year.

Provident Fund and ESI:

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

H) SALES

Sales are accounted for net of returns, claims etc.

I) TAXATION

No provision on account of Income Tax has been made due to losses in the current year under Income Tax Act.

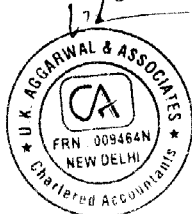
Deferred tax is recognized on the basis that there is a virtual certainty that in future sufficient taxable income will arise against which these deferred tax assets will set-off.

J) FOREIGN CURRENCY TRANSACTIONS

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

K) CONTINGENT LIABILITIES

Contingent Liabilities are not recognized until the realizations of Liabilities are virtually certain.





**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR 2013-2014**

**1 Share Capital:**

Amount in Rupees

Particulars	As at end of current reporting period		As at end of previous reporting period	
	Number	Rupees	Number	Rupees
<b>Authorized:</b>				
5,000,000 Equity shares of Rs. 10 /- each	5,000,000	50,000,000	5,000,000	50,000,000
		<u>50,000,000</u>		<u>50,000,000</u>
<b>Issued, subscribed fully paid up:</b>				
At the beginning of the reporting period	4,320,000	43,200,000	4,320,000	43,200,000
Issued during the reporting period	-	-	-	-
Bought back during the reporting period	-	-	-	-
At the close of the reporting period	4,320,000	<u>43,200,000</u>	4,320,000	<u>43,200,000</u>

**Other Information:**

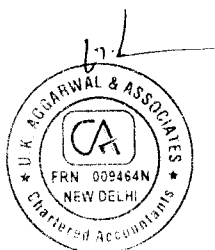
1 Equity shares include:

a. Shares allotted pursuant to a contract without consideration being received in cash.	-	-
b. Shares allotted by way of bonus shares	-	-
c. Shares held by the holding company/ultimate holding company/subsidiaries or associates of the holding company/ultimate holding company, in aggregate	3414800	3414800

Equity shares bought back during the five years immediately preceding the date of the balance sheet	Nil	Nil
---	-----	-----

1 Particulars of equity share holders holding more than 5% of the total number of equity share capital:

a. River Stone HK Ltd.	Nil	20.83%
b. Salora International Ltd.	79.05%	79.05%
c. Jagdip Kaur	20.83%	Nil



**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**2 Reserves and Surplus:**

Particulars	Capital Reserve	Capital redemption reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	Share option outstanding	Other reserves	Amount in Rupees	
								Surplus i.e. balance in Statement of Profit & Loss	Total
At the beginning of the reporting period	-	-	-	-	-	-	-	(9,487,841)	(9,487,841)
Transferred from/to Profit & Loss Account	-	-	-	-	-	-	-	325,780	325,780
Allocation towards allotment of bonus shares	-	-	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-	-	-	-
Provision towards dividend distribution tax	-	-	-	-	-	-	-	-	-
At the close of the reporting period	-	-	-	-	-	-	-	(9,162,061)	(9,162,061)
At the close of the previous reporting period	-	-	-	-	-	-	-	(9,487,841)	(9,487,841)

Debit balance in Profit and Loss Account shall be shown as a negative figure under the head ' Surplus'



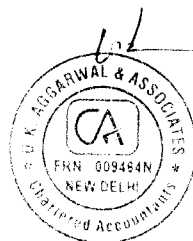
**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

**3 Long term Borrowings**

Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
<b>1) Secured Loans:</b>	-	-
<b>2) Unsecured Loans:</b>		
a. Bonds & Debentures	-	-
b. Term Loans		
- from Banks	-	-
- from Others	-	-
c. Deferred Payment Liabilities	-	-
d. Deposits	-	-
e. Loans and advances from related parties (Unsecured)	42,000,000	14,105,000
f. Long term maturities of finance lease obligations	-	-
g. Other loans and advances	-	20,000,000
h. Trade payables	-	-
i. Others	-	-
	42,000,000	34,105,000
<b>3) Total long term borrowings (1+2)</b>	42,000,000	34,105,000

**Additional Information:**

a Details of security for unsecured loans	Nil	Nil
b Loans have been guaranteed by directors or others	Nil	Nil
Bonds & Debentures		
Term Loans		
- from Banks		
- from Others		
Deferred Payment Liabilities		
Deposits		
Loans and advances from related parties	42,000,000	14,105,000
Long term maturities of finance lease obligations		
Other loans and advances	-	20,000,000
Unsecured Loans from related parties repayable on demand		



**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Note - 4

Amount in Rupees

Particulars	As at end of current reporting period	As at end of previous reporting period
<b>i) Deferred tax liability:</b>		
a) On account of depreciation on fixed assets	-	-
b) On account of timing differences in recognition of expenditure	-	-
Total	-	-
<b>ii) Deferred tax asset:</b>		
a) On account of timing differences in recognition of expenditure	-	-
b) On account disallowance under section 40 (ia)	-	-
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	10,160,814	10,455,573
	10,160,814	10,455,573
<b>Net Deferred tax (liability)/asset</b>	<b>(10,160,814)</b>	<b>(10,455,573)</b>



**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

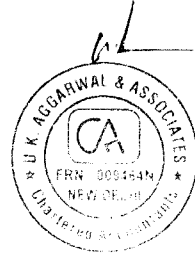
Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
<b>5 Trade Payables</b>		
i) To Micro, Small and Medium Enterprises	-	-
ii) Others	5,262,238	3,786,406
	<u>5,262,238</u>	<u>3,786,406</u>

Additional Information:

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

**6 Other current liabilities:**

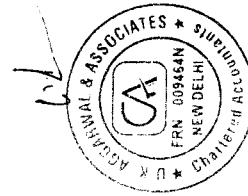
a) Interest accrued and due on borrowings	2,326,322	10,781,371
b) Other payables	4,269,970	1,164,213
	<u>6,596,292</u>	<u>11,945,584</u>



**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

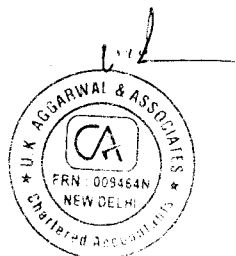
**7 Fixed Assets:**

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
	As at beginning of current reporting period	Additions for the year	Deductions during the year	As at end of current reporting period	As at beginning of current reporting period	For the year	Deductions	As at end of current reporting period	As at end of previous reporting period
<b>Tangible Assets</b>									
<b>Own assets</b>									
Land	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Plant & Machinery	44,798,281	-	-	44,798,281	15,048,683	2,407,310	-	27,342,288	29,749,598
Furniture & Fixtures	631,876	-	-	631,876	182,689	32,014	-	417,173	449,187
Vehicles	-	-	-	-	-	-	-	-	-
Office equipment	97,779	35,200	-	132,979	32,880	7,964	-	92,135	64,899
Others (Specify nature)	-	-	-	-	-	-	-	-	-
	45,527,936	35,200	-	45,563,136	15,264,252	2,447,288	-	27,851,596	30,263,684
<b>TOTAL</b>	<b>45,527,936</b>	<b>35,200</b>	<b>-</b>	<b>45,563,136</b>	<b>15,264,252</b>	<b>2,447,288</b>	<b>-</b>	<b>27,851,596</b>	<b>30,263,684</b>
<b>PREVIOUS YEAR</b>	<b>45,527,936</b>	<b>-</b>	<b>-</b>	<b>45,527,936</b>	<b>12,807,541</b>	<b>2,456,711</b>	<b>-</b>	<b>30,263,684</b>	<b>32,720,395</b>



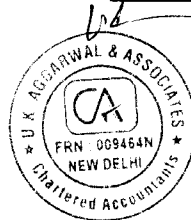
**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
<b>8 Other non current assets</b>		
i) Long term trade receivables	-	-
ii) Others	19,211,266	18,229,718
	19,211,266	18,229,718
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	19,211,266	18,229,718
iii) Doubtful	-	-
	19,211,266	18,229,718
2) a)		
Debts due by directors or other officers of the company	Nil	Nil



**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
<b>9 Inventories:</b>		
i) Components	8,773,337	3,190,662
ii) Work in progress	-	-
iii) Finished goods	342,364	60,844
Goods in transit:		
i) Components	-	1,976,562
	<u>9,115,701</u>	<u>5,228,068</u>
<b>10 Trade receivables:</b>		
i) Trade receivables exceeding six months	6,882,551	2,666,110
ii) others	11,112,243	15,116,011
	<u>17,994,794</u>	<u>17,782,121</u>
Less: Provision for doubtful debts	-	-
	<u>17,994,794</u>	<u>17,782,121</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	17,994,794	17,782,121
iii) Doubtful	-	-
	<u>17,994,794</u>	<u>17,782,121</u>
2) a) Debts due by directors or other officers of the company	Nil	Nil
<b>11 Cash and cash equivalents:</b>		
i) Balances with banks		
- in other accounts	-	261,912
ii) Cash in hand	61,046	38,250
	<u>61,046</u>	<u>300,162</u>
<b>12 Other Current Assets</b>		
i) Others	3,501,251	1,289,821
	<u>3,501,251</u>	<u>1,289,821</u>





**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

Amount in Rupees

Particulars	For the current reporting period	For the previous reporting period
<b>13 Revenue from operations:</b>		
<u>Sales</u>		
<u>Manufacturing</u>		
Deflection yoke	81,597,089	38,519,911
Misc. Sales	1,427,157	1,989,674
	83,024,246	40,509,585
Less: Excise duty	8,910,181	4,471,126
	74,114,065	36,038,459
<u>Trading</u>		
Mobile Phone (Trading)	201,443,951	362,273,908
Less: Trade Discount	17,953,423	26,020,887
Total Sale Net of Discount	183,490,529	336,253,021
Grand Total	257,604,594	372,291,480
<b>14 Other Income:</b>		
i) Liability no longer required back	4,101,410	-
ii) Exchange Fluctuation	-	-
iii) Misc. Balance W/o	85,878	10,954
	4,187,288	10,954
<b>15 Cost of materials consumed:</b>		
i) Consumption of raw materials		
Opening Stock	3,190,662	3,123,836
Add: Purchases	65,267,342	24,995,446
Total	68,458,004	28,119,282
Less: Closing Stock	8,773,337	3,190,662
Sub Total	59,684,667	24,928,620
ii) Consumption of stores and spare parts	27,549	68,578
	59,712,216	24,997,198
<b>16 Purchase of Stock in trade</b>		
i) Mobile phones	201,444,944	362,270,943
Less: Trade Discount	18,489,157	27,580,171
	182,955,787	334,690,772



**17 Changes in inventories of finished goods, work in progress and stock in trade:**

Stocks at the end of the year		
i) Work in progress		
Work in progress	-	-
Total	<u>-</u>	<u>-</u>
ii) Trading goods		
Television	27,244	27,244
Total	<u>27,244</u>	<u>27,244</u>
iii) Finished goods		
Deflection Yoke	315,120	33,600
Total	<u>315,120</u>	<u>33,600</u>
TOTAL	<u>342,364</u>	<u>60,844</u>
Less:		
Stocks at the beginning of the year		
i) Work in progress		
Work in progress	-	-
Total	<u>-</u>	<u>-</u>
ii) Trading goods		
Television	27,244	27,244
Total	<u>27,244</u>	<u>27,244</u>
iii) Finished goods		
Deflection Yoke	33,600	2,193,200
Total	<u>33,600</u>	<u>2,193,200</u>
TOTAL	<u>60,844</u>	<u>2,220,444</u>
Change in Inventories	<u>281,520</u>	<u>(2,159,600)</u>

**18 Employee Benefit Expenses:**

i) Salaries and wages	3,204,409	1,535,587
ii) Contribution to provident and other funds	87,096	78,180
iii) Out source wages	4,157,859	2,495,005
iv) Payment for Gratuity	10,000	1,109
v) Staff welfare expenses	184,755	158,436
	<u>7,644,119</u>	<u>4,268,317</u>

**19 Finance Costs:**

i) Interest expenses	4,294,971	4,377,863
ii) Bank Charges	890	19,297
iii) Interest on late payment of Taxes	1,663	34,301
	<u>4,297,524</u>	<u>4,431,461</u>

**20 Depreciation and amortization:**

i) Depreciation	<u>2,447,288</u>	<u>2,456,711</u>
	<u>2,447,288</u>	<u>2,456,711</u>



**21 Other expenses:**

i) Power and fuel	1,457,028	823,292
ii) Rent	960,000	480,000
iii) Rates and taxes	44,480	159,509
iv) Legal and professional charges	293,706	1,546,261
v) Conveyance Expenses	444,548	324,941
vi) Miscellaneous expenses	1,051,080	369,409
vii) Payment to the auditors		
- as auditor	125,000	125,000
- for reimbursement of expenses	20,085	19,045
	<u>4,395,927</u>	<u>3,847,457</u>

**22 Additional Information:**

## a) Value of Imports calculated on CIF basis:

i) Raw Materials / components	44,146,392	13,386,723
-------------------------------	------------	------------

## b) Expenditure in foreign currency: (net of withholding tax)

i) Royalty	Nil	Nil
ii) Know how	Nil	Nil
iii) Professional and consultancy fees	Nil	Nil
iv) Interest	Nil	Nil
v) Other matters	Nil	Nil

## c) Details of non-resident shareholdings

i) Number of nonresident share holders	Nil	1
ii) Number of shares held by nonresident shareholders	Nil	900,000

## d) Earnings in foreign exchange:

Nil	Nil
-----	-----

**23 Auditors Remuneration**

Payment to the auditors	125,000	125,000
- for reimbursement of expenses	20,085	19,045

**24 Directors Remuneration**

Nil	Nil
-----	-----

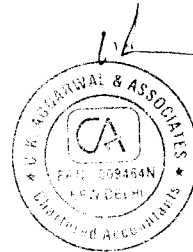
**25 Exchange difference has been charged / (credited) to revenue accounts as follows:**

On Import of raw material &amp; finished goods

NIL	134,549
-----	---------



<b>26</b>									
(A) Particulars of Holding Company									
1	Salora International Limited								
(B) Particulars of Group Company									
2	Salora Capital Limited & Manori Proparties								
(C) Key person									
1	Sh GK Jwarajka								
(D) Other related parties in which key managerial personal or their relatives has significance influence:									
1	Devi Electronics Private Limited								
Related Party Transaction	Rupees in Thousand								
Particulars	Holding Company		Group Company		Key person		Other Related Party		
	Cr Year 2013-2014	Pre Year 2012-2013	Cr Year 2013-2014	Pre Year 2012-2013	Cr Year 2013-2014	Pre Year 2012-2013	Cr Year 2013-2014	Pre Year 2012-2013	
Purchase of goods	249765	160076	NIL	NIL	NIL	NIL	NIL	NIL	
Loan Taken	NIL	1000	17000	NIL	25000	NIL	NIL	NIL	
Loan Repaid	NIL	1000	14105	NIL	NIL	NIL	NIL	NIL	
Interest Paid	NIL	NIL	1720	1728	500	NIL	NIL	NIL	
Expenses Paid by SIL	460	9	NIL	NIL	NIL	NIL	NIL	NIL	
Expenses Recoverd by SIL	460	9	NIL	NIL	NIL	NIL	NIL	NIL	
Third Party Transaction	11996 Cr 1978 Dr	137550 Cr. 133970 Dr.	NIL	NIL	NIL	NIL	NIL	NIL	
Advance Received and Repaid	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Sale	58587	13820	NIL	NIL	NIL	NIL	NIL	NIL	
Rent	NIL	NIL	NIL	NIL	NIL	NIL	960	480	
Outstanding balance at the end of the year									
Loan Payable	NIL	NIL	17000	14105	NIL	NIL	NIL	NIL	
Trade Payable	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	
Trade receivable	9910	8877	NIL	NIL	NIL	NIL	NIL	NIL	
Rent Payable	NIL	NIL	NIL	NIL	NIL	NIL	432	NIL	
Interest Payable	1590	1590	287	1555	450	NIL	NIL	NIL	

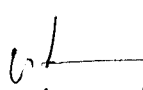


**SALORA COMPONENTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

	Rs in	
Particulars	For the current reporting period	For the previous reporting period
<b>27 Earnings per share:</b>		
After extraordinary item:		
Profit(Loss) for the year after tax expense	325,780	(2,624,651)
	325,780	(2,624,651)
Weighted average number of equity shares	-	-
Earning per share		
Before extraordinary item:		
Profit / (Loss) for the year after tax expense	325,780	(2,624,651)
Adjustment for		
Extraordinary item (net of tax)	-	-
	325,780	(2,624,651)
Weighted average number of equity shares	4,320,000	4,320,000
Earning per share	0.08	(0.61)

Signed in terms of our report of even date attached


For U.K. Aggarwal & Associates  
Chartered Accountants  
Firm number: 009464N

  
Umesh Kumar Aggarwal  
Proprietor  
Membership No. 082011  
Place: New Delhi  
Date: 23rd May 2014



For and on behalf of the Board

  
Director

  
Director