

U.K. Aggarwal & Associates

Chartered Accountants

205-206, South Ex. Plaza-II,
NDSE Part-II,
New Delhi-110049
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Ref.....

Dated

AUDITORS' REPORT

TO THE MEMBERS OF M/S. SALORA COMPONENTS LIMITED

We have audited the attached Balance Sheet of SALORA COMPONENTS LIMITED ("the Company") as at 31st March 2012 and the relative statement of Profit & Loss Account of the Company for the year ended on that date attached thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

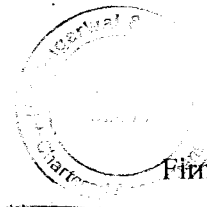
Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books
- (iii) The balance sheet and statement of profit and loss account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and statement of Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;



- (v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act, and also give a true and fair view in conformity with the accounting principles generally accepted in India:
- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - b. In the case of the statement of Profit and Loss Account, of the loss for the year ended on that date;

For U.K. Aggarwal & Associates
Chartered Accountants



Umesh Kumar Aggarwal
Proprietor
Membership No. 82011
Firm Registration No. 009464N

Place: New Delhi
Date: 28th May, 2012

ANNEXURE TO THE AUDITOR'S REPORT

RE: *SALORA COMPONENTS LIMITED*

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

- (i)
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
 - b. The fixed assets of the Company have been physically verified during the year by the management and no material discrepancies between the book records and the physical inventory have been noticed.
 - c. According to the information and explanations given to us, we are of the opinion that 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 or other parties. However company has taken unsecured loan from two companies during the year, covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount was involved during the year was Rs.3.42 crore and the year end balance is Rs. 3.41 crore.
 - c. In our opinion and according to the information and explanation given to us the terms & conditions on which loans taken from related parties covered in the register maintained under section 301 of the Companies Act, 1956 are not prima-facie, prejudicial to the interest of the Company.
 - d. The Company has taken loan on the basis of repayable on demand basis. As per information & explanation given to us the Company is regular in repaying the principal amount as stipulated.

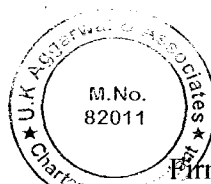


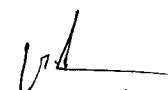
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- (v) a. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public as per the provisions of sections 58A and 58AA or any other relevant provisions of the Act. In company's case no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vii) In our opinion, the company's present internal audit system is commensurate with its size and the nature of its business.
- (viii) The Central Government of India has not prescribed the maintenance of cost records by the Company under Section 209(1)(d) of the Act, for any of its products.
- (ix) a. As per the records of the company, the company is generally regular in depositing with the appropriate authorities, undisputed statutory dues including provident fund, investor education and protection fund; employees state insurance, income tax, (except TDS on Job) sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it. There are no dues were in arrears as on 31st March 2012 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 31.03.2012.
- (x) The company having accumulated losses and incurred cash losses during the financial year covered by our audit, also 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




Umesh Kumar Aggarwal
Proprietor
Membership No. 82011
Firm Registration No. 009464N

Place: New Delhi
Date: 28th May, 2012

SALORA COMPONENTS LIMITED
BALANCE SHEET AS AT MARCH 31, 2012

Amount in Rupees

Particulars	Note No.	As at end of current reporting period		As at end of previous reporting period	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	43,200,000		43,200,000	
(b) Reserves and Surplus	2	(6,863,191)		(3,119,926)	
(c) Money received against share warrants					
			36,336,809		40,080,074
(2) Share application money pending allotment					
(3) Non - current liabilities					
(a) Long term borrowings	3	34,105,000		34,230,000	
(b) Deferred tax liabilities (Net)	4	-		-	
(c) Other long term liabilities		-		-	
(d) Long term provisions		-		-	
			34,105,000	34,230,000	
(4) Current Liabilities					
(a) Short term borrowings		-		-	
(b) Trade payables	5	4,829,073		10,302,215	
(c) Other current liabilities	6	11,215,954		10,142,388	
(d) Short term provisions	7	-		68,394	
			16,045,027	20,512,997	
TOTAL			86,486,837	94,823,071	

II. ASSETS

(1) Non - current assets					
(a) Fixed Assets					
(i) Tangible assets	8	32,720,395		35,177,106	
(ii) Intangible assets		-		-	
(iii) Capital work in progress		-		-	
(iv) Intangible assets under development		-		-	
		32,720,395		35,177,106	
(b) Non - current investments		-		-	
(c) Deferred tax assets (Net)	4	8,531,141		6,572,368	
(d) Long term loans and advances		-		-	
(e) Other non current assets	9	18,890,732		18,042,013	
			60,142,268	59,791,487	
(2) Current Assets					
(a) Current Investments		-		-	
(b) Inventories	10	5,392,286		4,085,703	
(c) Trade receivables	11	20,726,410		27,780,760	
(d) Cash and cash equivalents	12	224,665		2,738,386	
(e) Short term loans and advances		-		-	
(f) Other current assets	13	1,208		426,734	
			26,344,569	35,031,583	
TOTAL			86,486,837	94,823,071	

Significant Accounting Policies
Notes on Financial Statements

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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 number: 009464N

For and on behalf of the Board

Umesh Kumar Aggarwal
Proprietor
Membership No. 082011
New Delhi
Date: 28th May, 2012



[Signature]
Director

[Signature]
Director

SALORA COMPONENTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

Amount in Rupees

Particulars	Note No.	Current reporting period		Previous reporting period	
		Rs.	Rs.	Rs.	Rs.
I. Revenue from Operations	14		15,761,880		351,705,031
II Other Income	15		154,183		39,976
III Total revenue (I + II)			<u>15,916,063</u>		<u>351,745,007</u>
IV Expenses					
Cost of materials consumed	16	11,670,829		317,629,457	
Purchases of stock in trade					
Changes in inventories of finished goods, work in progress and stock in trade	17	<u>(1,424,861)</u>		<u>15,171,456</u>	
			10,245,968		332,800,913
Employee benefits expense	18		1,127,923		5,564,087
Finance costs	19		4,432,518		4,579,021
Depreciation and amortization expense	20		2,456,711		3,353,584
Other expenses	21		3,354,981		10,174,469
Total Expenses			<u>21,618,101</u>		<u>356,472,074</u>
V Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)			(5,702,038)		(4,727,067)
VI Exceptional Items					
VII Profit/(Loss) before extraordinary items and tax (V-VI)			(5,702,038)		(4,727,067)
VIII Extraordinary Items					
IX Profit before tax (VII-VIII)			(5,702,038)		(4,727,067)
X Tax expense:					
(1) Current tax					
(2) Deferred tax		<u>(1,958,773)</u>		<u>(1,131,625)</u>	
			(1,958,773)		(1,131,625)
XI Profit/(Loss) for the period from continuing operations (VII-VIII)			(3,743,265)		(3,595,442)
XII Profit/(loss) from discontinuing operations					
XIII Tax expense of discontinuing operations					
XIV Profit/(loss) from discontinuing operations (after tax) (XII-XIII)					
XV Profit/(Loss) for the period (XI + XIV)			(3,743,265)		(3,595,442)
XVI Earning per equity share:					
(1) Basic			(0.87)		(0.83)
(2) Diluted					

Significant Accounting Policies
Notes on Financial Statements

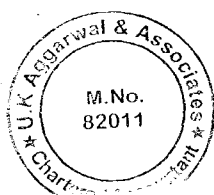
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Notes annexed hereto form an integral part of the Balance Sheet

Signed in terms of our report of even date attached

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

Umesh Kumar Aggarwal
Proprietor
Membership No. 082011
New Delhi
Date: 28th May, 2012



For and on behalf of the Board

(Signature)
Director

(Signature)
Director

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.

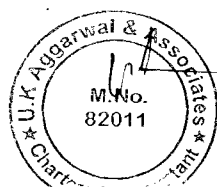
Deferred tax is recognized on the basis that there is a virtual certainty that in future sufficient taxable income will arise against which these deferred tax assets will set-off.

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

1 Share Capital:	Particulars	Amount in Rupees			
		As at end of current reporting period		As at end of previous reporting period	
		Number	Rupees	Number	Rupees
Authorized:					
5000000 Equity shares of Rs. 10 /- each					
		5000000	<u>50,000,000</u>	5,000,000	<u>50,000,000</u>
			<u>50,000,000</u>		<u>50,000,000</u>
Issued, subscribed fully paid up:					
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:

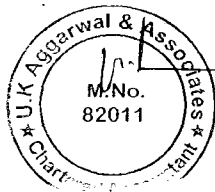
1 Equity shares include:

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

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

a. River Stone HK Ltd.	20.83%	20.83%
b. Salora International Ltd.	79.05%	79.05%



SALORA COMPONENTS LIMITED
NOTES TO FINANCIAL STATEMENTS

2 Reserves and Surplus:

Particulars	Amount in Rupees								Total
	Capital Reserve	Capital redemption reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	Share option outstanding	Other reserves	Surplus i.e. balance in Statement of Profit & Loss	
At the beginning of the reporting period	-	-	-	-	-	-	-	(3,119,926)	(3,119,926)
Transferred from/to Profit & Loss Account	-	-	-	-	-	-	-	(3,743,265)	(3,743,265)
Allocation towards allotment of bonus shares	-	-	-	-	-	-	-	-	-
Proposed Dividends	-	-	-	-	-	-	-	-	-
Provision towards dividend distribution tax	-	-	-	-	-	-	-	-	-
At the close of the reporting period	-	-	-	-	-	-	-	(6,863,191)	(6,863,191)
At the close of the previous reporting period	-	-	-	-	-	-	-	(3,119,926)	(3,119,926)

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



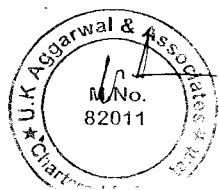
SALORA COMPONENTS LIMITED
NOTES TO FINANCIAL STATEMENTS

3 Long term Borrowings

Particulars	Amount in Rupees	
	As at end of current reporting period	As at end of previous reporting period
1) Secured Loans:	-	-
2) Unsecured Loans:		
a. Bonds & Debentures	-	-
b. Term Loans		
- from Banks	-	-
- from Others	-	-
c. Deferred Payment Liabilities	-	-
d. Deposits	-	-
e. Loans and advances from related parties (Unsecured)	34,105,000	14,230,000
f. Long term maturities of finance lease obligations	-	-
g. Other loans and advances	-	20,000,000
h. Trade payables	-	-
i. Others	-	-
	34,105,000	34,230,000
3) Total long term borrowings (1+2)	34,105,000	34,230,000

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	34,105,000	14,230,000
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
i) Deferred tax liability:		
a) On account of depreciation on fixed assets	-	-
b) On account of timing differences in recognition of expenditure	-	-
Total	-	-
ii) Deferred tax asset:		
a) On account of timing differences in recognition of expenditure	35,377	57,106
b) On account disallowance under section 40 (ia)	-	-
c) On account of Unabsorbed losses and depreciation under the Income Tax Act, 1961	8,495,764	6,515,262
	8,531,141	6,572,368
Net Deferred tax (liability)/asset	(8,531,141)	(6,572,368)



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
5 Trade Payables		
i) To Micro, Small and Medium Enterprises	-	-
ii) Others	4,829,073	10,302,215
	<u>4,829,073</u>	<u>10,302,215</u>

Additional Information:

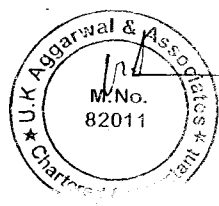
* The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, hence disclosure relating to amounts unpaid at the year end with interest paid/payable under this Act have not been given.

6 Other current liabilities:

a) Interest accrued and due on borrowings	8,403,072	5,910,931
b) Other payables	2,812,882	4,231,457
	<u>11,215,954</u>	<u>10,142,388</u>

7 Short term provisions:

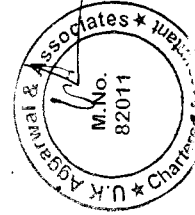
a) Provision for employee benefits	-	68,394
b) Others (Specify nature)	-	-
	<u>-</u>	<u>68,394</u>



SALORA COMPONENTS LIMITED
NOTES TO FINANCIAL STATEMENTS

8 Fixed Assets:

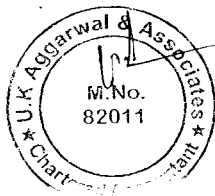
Particulars	GROSS BLOCK (AT COST)				DEPRECIATION			NET BLOCK	
	As at beginning of current reporting period	Additions for the year	Deductions during the year	As at end of current reporting period	As at beginning of current reporting period	For the year	Deductions	As at end of current reporting period	As at end of previous reporting period
Tangible Assets									
Own assets									
Land									
Buildings									
Plant & Machinery	44,798,281			44,798,281	10,211,431	2,418,626		32,168,224	34,586,850
Furniture & Fixtures	631,876			631,876	118,661	32,014		481,201	513,215
Vehicles									
Office equipment	97,779			97,779	20,738	6,071		70,970	77,041
Others (Specify nature)									
	45,527,936	-	-	45,527,936	10,350,830	2,456,711	-	32,720,395	35,177,106
TOTAL	45,527,936	-	-	45,527,936	10,350,830	2,456,711	-	32,720,395	35,177,106
PREVIOUS YEAR	45,444,366	193,870	110,300	45,527,936	7,916,465	2,454,444	20,079	35,177,106	37,527,901



SALORA COMPONENTS LIMITED
NOTES TO FINANCIAL STATEMENTS

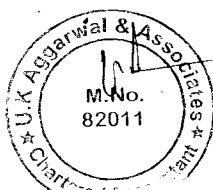
Amount in Rupees

Particulars	As at end of current reporting period	As at end of previous reporting period
9 Other non current assets		
i) Long term trade receivables	-	-
ii) Others	18,890,732	18,042,013
	<u>18,890,732</u>	<u>18,042,013</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	18,890,732	18,042,013
iii) Doubtful	-	-
	<u>18,890,732</u>	<u>18,042,013</u>
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
10 Inventories:		
i) Raw materials	3,123,836	2,672,677
ii) Work in progress	-	625,987
iii) Finished goods	2,220,444	169,595
Goods in transit:		
i) Raw materials	48,006	617,444
	<u>5,392,286</u>	<u>4,085,703</u>
11 Trade receivables:		
i) Trade receivables exceeding six months	-	-
ii) others	20,726,410	27,780,760
	<u>20,726,410</u>	<u>27,780,760</u>
Less: Provision for doubtful debts	-	-
	<u>20,726,410</u>	<u>27,780,760</u>
Additional information:		
1) Breakup of above:		
i) Secured, considered good	-	-
ii) Unsecured, considered good	20,726,410	27,780,760
iii) Doubtful	-	-
	<u>20,726,410</u>	<u>27,780,760</u>
2) a)		
Debts due by directors or other officers of the company	Nil	Nil
12 Cash and cash equivalents:		
i) Balances with banks		
- in other accounts	221,851	2,704,396
ii) Cash on hand	2,815	33,990
	<u>224,665</u>	<u>2,738,386</u>
13 Other Current Assets		
Others	1,208	426,734
	<u>1,208</u>	<u>426,734</u>



SALORA COMPONENTS LIMITED
NOTES TO FINANCIAL STATEMENTS

	Amount in Rupees	
Particulars	For the current reporting period	For the previous reporting period
14 Revenue from operations:		
i) Sale of products		
Sales	17,400,598	358,109,303
Others	-	-
Total	-	1,418,294
ii) Sale of services	17,400,598	359,527,597
Less:		
Excise duty	1,638,718	7,822,566
	15,761,880	351,705,031
15 Other Income:		
i) Interest income - long term investments	-	-
- current investments	-	860
ii) Profit on sale of fixed assets (Net)	-	20,079
iii) Liability no longer required back	79,530	14,199
iv) Exchange Flectuation	74,653	-
v) Other non operating income (net of expenses directly attributable to such income)	-	4,838
	154,183	39,976
16 Cost of materials consumed:		
a) i) Consumption of raw materials	11,670,829	317,629,457
ii) Consumption of stores and spare parts	-	-
	11,670,829	317,629,457



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	-	625,987
Total	<u>-</u>	<u>625,987</u>
ii) Trading goods		
Television	27,244	27,244
Total	<u>27,244</u>	<u>27,244</u>
iii) Finished goods		
Deflection Yoke	2,193,200	142,351
Total	<u>2,193,200</u>	<u>142,351</u>
TOTAL	<u>2,220,444</u>	<u>795,582</u>
Less:		
Stocks at the beginning of the year		
i) Work in progress		
Work in progress	625,987	1,397,959
Total	<u>625,987</u>	<u>1,397,959</u>
ii) Trading goods		
Television	27,244	11,941,786
Total	<u>27,244</u>	<u>11,941,786</u>
iii) Finished goods		
Deflection Yoke	142,351	2,627,293
Total	<u>142,351</u>	<u>2,627,293</u>
TOTAL	<u>795,582</u>	<u>15,967,038</u>
Change in Inventories	<u>1,424,861</u>	<u>(15,171,456)</u>

18 Employee Benefit Expenses:

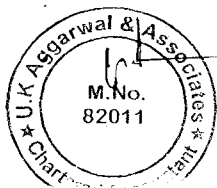
i) Salaries and wages	997,201	4,789,902
ii) Contribution to provident and other funds	91,396	454,852
v) Staff welfare expenses	39,326	319,333
	<u>1,127,923</u>	<u>5,564,087</u>

19 Finance Costs:

i) Interest expense / Bank Charges	4,432,518	4,572,050
ii) Net (gain)/loss on foreign currency transaction and translation	-	6,971
	<u>4,432,518</u>	<u>4,579,021</u>

20 Depreciation and amortization:

i) Depreciation	2,456,710	2,454,444
ii) Amortization of intangible assets	-	899,140
	<u>2,456,710</u>	<u>3,353,584</u>



21 Other expenses:

i) Power and fuel	576,218	1,286,994
ii) Rent	492,000	2,380,582
iii) Repairs to machinery	4,340	108,082
iv) Repairs others	18,267	416,450
v) Insurance	9,072	-
vi) Rates and taxes	-	6,520
vii) Payment to the auditors		
- as auditor	125,000	125,000
- for other services	-	-
- for reimbursement of expenses	12,598	20,832
viii) Legal and professional charges	129,356	-
ix) Miscellaneous expenses	1,988,130	5,830,009
	<u>3,354,981</u>	<u>10,174,469</u>

22 Additional Information:

a) Value of Imports calculated on CIF basis:

i) Raw Materials / components	8,670,945	30,964,679
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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	1	1
ii) Number of shares held by nonresident shareholders	900,000	900,000

d) Earnings in foreign exchange:

Nil	Nil
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23 Auditors Remuneration

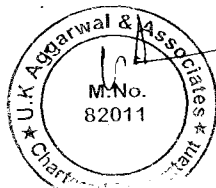
Payment to the auditors	125,000	125,000
- for other services	12,598	20,832

24 Directors Remuneration

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

On Import of raw material & finished goods	74,653	(6,971)
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26. Related Party Discloser

(A) Particulars of Holding Company

1	Salora International Limited
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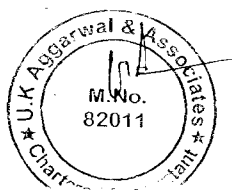
(B) Particulars of Group Company

1	Jadoonet Limited
2	Salora Audio Vedio Services Pvt. Ltd.

(C) Other related parties in which key managerial personal or their relatives has significance influence:

1	Devi Electronics Private Limited
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Particulars	Rupees in Thousand					
	Holding Company		Group Company		Other Related Party	
	Cr Year	Pre Year	Cr Year	Pre Year	Cr Year	Pre Year
	2011-2012	2010-2011	2011-2012	2010-2011	2011-2012	2010-2011
Purchase of goods	2683	77503	NIL	NIL	NIL	NIL
Loan Taken	NIL	NIL	20000	9400	NIL	NIL
Loan Repaid	NIL	NIL	125	8870	NIL	NIL
Interest Paid	NIL	285	2763	1621	NIL	NIL
Expenses Paid by SIL	787	43	NIL	NIL	NIL	NIL
Third Party Transaction	19365	NIL	NIL	NIL	NN	NIL
Advance Received and Repaid	NIL	NIL	NIL	NIL	NIL	NIL
Sale	1182	289500	NIL	NIL	NIL	NIL
Rent	NIL	NIL	NIL	NIL	480	2280
Outstanding Balance as on 31.03.2012						
Loan Payable	NIL	NIL	34105	14230	NIL	NIL
Trade Payable	NIL	4053	NIL	NIL	NIL	NIL
Trade receivable	8831	NIL	NIL	NIL	NIL	NIL
Rent Payable	NIL	NIL	NIL	NIL	1723	3591
Interest Payable	1590	1590	2487	1459	NIL	NIL

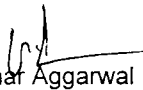


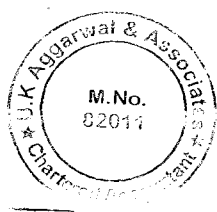
SALORA COMPONENTS LIMITED
NOTES TO FINANCIAL STATEMENTS

	Rs in	
Particulars	For the current reporting period	For the previous reporting period
27 Earnings per share:		
After extraordinary item:		
Profit for the year after tax expense	<u>(3,743,265)</u>	<u>(3,595,442)</u>
	<u>(3,743,265)</u>	<u>(3,595,442)</u>
Weighted average number of equity shares	-	-
Earning per share		
Before extraordinary item:		
Profit for the year after tax expense	(3,743,265)	(3,595,442)
Adjustment for Extraordinary item (net of tax)	-	-
	<u>(3,743,265)</u>	<u>(3,595,442)</u>
Weighted average number of equity shares	4,320,000	4,320,000
Earning per share	(0.87)	(0.83)

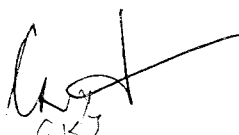
Signed in terms of our report of even date attached


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


Umesh Kumar Aggarwal
Proprietor
Membership No. 082011
New Delhi
Date: 28th May, 2012



For and on behalf of the Board


Director


Director