

July 08, 2020

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI - 400 001.

Company Scrip Code: 500370

Sub: Outcome of Board Meeting held on 8th July, 2020
Ref: Regulation 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

The outcome of meeting of Board of Directors held on 8th July, 2020 is given as under:

1. **Audited Financial Results**

The Board has approved Audited Financial Results of the Company for the Quarter and year ended 31st March, 2020. The copy of the Financial Results and Auditor's Report are enclosed herewith.

2. **Audit Report Declaration**

Pursuant to Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015 as amended by Circular No.CIR/CFD/CMD/56/2016 dated 27th May, 2016; we do hereby confirm that the Statutory Auditors of the Company have issued an Audit Report with un-modified opinion on the Audited Financial Results of the company for the Financial Year ended 31st March, 2020

3. **Appointment of Company Secretary**

The Board has approved the appointment of Shri Mahak Agarwal (Membership No.ACS 41350) as Company Secretary of the Company. He will act as Compliance Officer of the Company.

Please note that the meeting of the Board of Directors commenced at 11.05 A.M. and concluded at 6.35 P.M.

Thanking you,

Yours faithfully,
for Salora International Ltd.


(Gopal Sitaram Jiwrajka)
Chairman & Managing Director

Encl.: As above

SALORA INTERNATIONAL LIMITED



CINL74899DL1968PLC004962

Regd. office : D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110020.

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STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2020

S.No.	Particulars	Quarter Ended				Year Ended	Year Ended
		31.03.2020	31.12.2019	31.03.2019	31.03.2020		
		Audited Refer note no. 5	Unaudited	Audited Refer note no. 5	Audited		
						(Rs. In lacs)	
1	INCOME						
(a)	Revenue from Operations	4,379.99	3,884.10	5,410.02	16,789.70	17,516.34	
(b)	Other Operating Income	37.66	0.07	27.47	89.12	67.02	
(c)	Other Income	4.75	3.57	4.37	15.98	18.46	
	Total Income	4,422.40	3,887.74	5,441.86	16,894.80	17,601.82	
2	EXPENSES						
a)	Cost of Materials Consumed	56.70	133.87	164.49	422.20	935.52	
b)	Purchases of Stock in Trade	4,056.12	3,271.39	5,161.14	15,094.72	15,353.77	
c)	Changes in inventories of finished goods, Stock-In-Trade and work-in-progress	262.54	331.63	(91.13)	689.37	(67.03)	
d)	Employee Benefits Expense	93.17	110.96	84.15	421.58	501.37	
e)	Finance Cost	133.99	206.69	191.42	745.23	743.01	
f)	Depreciation and Amortisation Expense	51.61	50.34	47.78	200.02	194.93	
g)	Other Expenses	213.72	194.25	(97.22)	612.81	265.36	
	Total expenses	4,867.85	4,299.13	5,460.63	18,185.93	17,926.93	
3	Profit / (loss) before exceptional items and tax	(445.45)	(411.39)	(18.77)	(1,291.13)	(325.11)	
4	Exceptional Items	-	-	-	-	-	
5	Profit / (loss) before tax	(445.45)	(411.39)	(18.77)	(1,291.13)	(325.11)	
6	Tax Expense :						
a)	Current Tax	(106.14)	73.56	281.60	62.84	162.74	
b)	Deferred Tax	(106.14)	73.56	281.60	62.84	162.74	
7	Profit/(Loss) after Tax	(339.31)	(484.95)	(300.37)	(1,353.97)	(487.85)	
8	Other comprehensive income						
a)	Items that will not be reclassified to profit and loss						
i)	Actuarial gain / (loss) on remeasurement of defined benefit plans	12.47	(2.50)	(10.61)	4.97	(10.01)	
ii)	Income tax relating to the above	3.13	0.62	3.31	1.25	3.12	
	Other comprehensive income (net of tax)	9.34	(1.88)	(7.30)	3.72	(6.89)	
9	Total comprehensive income (net of tax)	(329.97)	(486.83)	(307.67)	(1,350.25)	(494.74)	
10	Paid-up Equity Share Capital (face value Rs.10/-each)	880.73	880.73	880.73	880.73	880.73	
11	Total Reserves as shown in previous year	-	-	-	4,613.40	5,963.65	
12	Earning Per Share (EPS)(not annualised)						
(a)	Basic	(3.85)	(5.51)	(3.41)	(15.37)	(5.54)	
(b)	Diluted	(3.85)	(5.51)	(3.41)	(15.37)	(5.54)	



 Salora International Limited

STATEMENT OF ASSETS AND LIABILITIES

	As At		As At	
	31.03.2020	Audited	31.03.2019	Audited
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	1,694.87		2,152.78	
(b) Intangible Assets	5.08		5.08	
(c) Right to use - Lease	336.40			
(d) Financial Assets				
(i) Investments	4.34		345.82	
(ii) Trade Receivables	2,071.46		1,838.46	
(iii) Other Financial Assets	30.52		24.42	
(e) Deferred Tax Assets (Net)	1,770.55		1,834.64	
(f) Other Non-Current Assets	868.70		905.73	
Total Non-current assets	6,781.92		7,106.93	
Current assets				
(a) Inventories	4,912.00		5,445.51	
(b) Financial Assets				
(i) Trade receivables	2,204.86		4,370.08	
(ii) Cash and cash equivalents	8.44		8.85	
(iii) Other Bank Balances	41.39		11.64	
(iv) Other Financial Assets	252.41		144.86	
(c) Current Tax Assets (Net)	114.73		112.81	
(d) Other Current Assets	412.01		543.69	
Total current assets	7,945.84		10,637.44	
TOTAL ASSETS	14,727.76		17,744.37	
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	881.45		881.45	
(b) Other Equity	4,613.40		5,963.65	
Total Equity	5,494.85		6,845.10	
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,281.72		1,393.86	
(ii) Other Financial Liabilities	52.61		118.31	
(iii) Lease Liabilities	62.44			
(b) Provisions	16.94		18.09	
Total non-current liabilities	1,413.71		1,530.26	
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	5,221.29		5,147.23	
(ii) Trade payables				
Micro, Small and Medium Enterprises				
Others	83.37		24.54	
(iii) Others Financial Liabilities	1,995.48		3,888.43	
(b) Other current liabilities	235.50		193.47	
(c) Provisions	236.00		62.90	
(i) Provisions	47.56		52.44	
Total Current liabilities	7,819.20		9,369.01	
TOTAL EQUITY AND LIABILITIES	14,727.76		17,744.37	



Salda International Limited

SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

S.No.	Particulars	Quarter Ended			Year Ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Audited Refer note no. 5	Unaudited	Audited Refer note no. 5	Audited	Audited
1	Segment Revenue (net sales/income from operations) a) Consumer Electronics Division b) Wind Energy Net Sales / Income from Operations	4,401.68 15.97 4,417.65	3,866.85 17.32 3,884.17	5,392.61 44.88 5,437.49	16,534.35 344.47 16,878.82	17,108.41 474.95 17,583.36
2	Segment Results - (Profit / (Loss) before tax and interest from segment) a) Consumer Electronics Division b) Wind Energy Total Less: i. Interest ii. Other un-allocable expenditure net of un-allocable income Profit from ordinary activities	(199.49) (40.61) (240.10) 123.85 81.50 (445.45)	(94.78) (46.28) (141.06) 197.80 72.53 (411.39)	222.67 (5.11) 217.56 180.42 55.91 (18.77)	(402.40) 119.52 (282.88) 702.98 305.27 (1,291.13)	387.68 272.88 660.56 702.67 283.00 (325.11)
3	Segment Assets a) Consumer Electronics Division b) Wind Energy c) Un-allocable Segment Assets Total	11,086.96 1,399.78 2,241.02 14,727.76	11,964.27 1,398.81 2,134.28 15,497.36	13,721.25 1,500.75 2,522.37 17,744.37	11,086.96 1,399.78 2,241.02 14,727.76	13,721.25 1,500.75 2,522.37 17,744.37
4	Segment Liabilities a) Consumer Electronics Division b) Wind Energy c) Un-allocable Segment Liabilities Total	2,277.24 101.94 6,853.73 9,232.91	2,894.74 68.79 6,709.00 9,672.53	4,016.41 78.02 6,804.84 10,899.27	2,277.24 101.94 6,853.73 9,232.91	4,016.41 78.02 6,804.84 10,899.27

Notes
1. The above financial results have been reviewed by the Audit Committee and approved thereafter by the Board of Directors in the meeting held on 08th July 2020 & these results have been audited by the Statutory Auditors of the company.

2. In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March, 2020, the Government of India declared this pandemic a health emergency, ordered temporary closure of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Company majorly fell under non-essential category, these restrictions had substantially reduced its operations till date. The Company has since, after receiving applicable permissions, partially commenced operations including despatch of goods to its customers and scaling up the same gradually. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

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

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

5. The Power Purchase Agreement with MSEDCIL for supply of power of wind energy has expired on 31st July 2019 and now company selling power in open market at reduced rate which has effected the revenue of current quarter / year. There is Loss in Wind Energy business in 3rd and 4th quarter due to seasonal nature.

6. The figures of the last quarter and corresponding quarter of the previous year are the balancing figures between audited figures for the full financial year and unaudited published year to date figures up to the third quarter of the current financial year and previous financial year

7. Previous quarters/year figures have been regrouped/reclassified wherever necessary to correspond with the current quarter/year classification and disclosures.



GOPAL SITARAM JIWARAJKA
CHAIRMAN & MANAGING DIRECTOR

Place : New Delhi.
Date : 08th July, 2020



R. GOPAL & ASSOCIATES

CHARTERED ACCOUNTANTS

G-1, Ground Floor, South Extension-II, New Delhi-110049
Ph. : 011-41649623, 41649624, 41649625, 41649626

Independent Auditor's Report

To the Members of Salora International Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matters

We draw attention to the following matters

- i) In assessing the recoverability of assets such as inventories, trade receivables, property, plant & equipments and other financial assets based on current indicators of future economic conditions, the Company expects to recover the carrying amounts of its assets. The impact of the global health pandemic COVID-19, may be different from the presently estimated and would be recognized in the financial statements when material changes to economic conditions arise as stated in note no 45 of the financial statements.



- ii) In view of the Covid-19 pandemic, the Government of India had imposed a nationwide lockdown from March 24, 2020 onwards resulting in disruption of the Company's operations. Due to the continuing lockdown, physical verification of inventories could not be done at the year end. However as explained by the management, Physical verification of inventories has been done internally on selected items during the year and no material discrepancies were observed. Management has considered the inventories as per the stock records maintained for the purpose of valuation of stock as stated in note no 46 of the financial statements.
- iii) The Company's has inventories as at 31st March, 2020 of Rs. 4912.00 lacs at cost. This includes old inventories under the process of identification of slow moving and non moving by the management against which provision of Rs.262.48 lacs has been considered on estimation basis and we have relied upon thereon. The company has prepared a road map going forward to reduce the old inventory level on priority. The company has also been able to sell old inventory subsequent to the balance sheet date. The additional provision if any on inventories shall be accounted for at the time of disposal / realization as stated in note no 47 of the financial statements.
- iv) Contingent liabilities of Rs. 5891.57 lacs related to Sales tax, Excise duty, Service tax and Income tax etc. against which amount deposited Rs 868.69 lacs which are contested by the company and pending before various forums. However management believes that based on legal advice, the outcome of these contingencies will be favorable and that outflow of economic resources is not probable as stated in note no 48 of the financial statements.
- v) The Company has material statutory dues recoverable of Sales tax of Rs 302.98 lacs, Income tax Rs. 114.73 lacs and Modvat Rs.7.82 lacs have been considered good stated in note no 49 of the financial statements.
- vi) Deferred tax assets (net) Rs 1770.40 lacs as at 31st March, 2020, as the management is confident for realization of the same on the basis of future taxable income will be available against which deferred tax assets shall be realized as stated in note no 50 of the financial statements.
- vii) Pending confirmations / statement of accounts / follow up documents of old debit balances of certain trade payables and advances amounting to Rs. 58.30 lacs have been considered good, as the management is hopeful of recovery/adjustment of the same as stated in note no 51 of the financial statements

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

Key Audit Matter

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



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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be



communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in the paragraph 3 and 4 of the order.
- 2 As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Sec 197(16) of the Act, as amended:

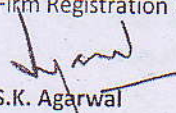
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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



- I. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note no 38 to the financial statements.
- II. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses, and
- III. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

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


S.K. Agarwal
Partner

Membership No.: 093209
UDIN: 20093209AAAAAN6574



Place: New Delhi
Date:- 08th July 2020

Annexure A to the Independent Auditors' Report

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

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



(vii)

- a) According to the records of the Company and information and explanations given to us, Provident Fund, Employees State Insurance, Income Tax, Duty of Customs, Goods & Service Tax, Cess, and other material statutory dues have been deposited regularly during the year with the appropriate authorities except some delays which are not material in nature. According to the records of the Company and information and explanations given to us there were no arrears of outstanding statutory dues as at 31st March, 2020 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess which have been not deposited on account of any dispute except the following:

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

* Amount is not ascertained

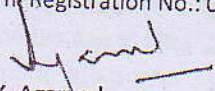
(viii)

According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayments of dues to any banks and financial institution. The Company does not have any loan and borrowings from government or dues to debenture holders during the year.



- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan and hence clause (ix) is not applicable to the company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanation given to us and to best of our knowledge, we are of the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
- (xiii) According to the information and explanation given to us and based on our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and all the details have been disclosed in the financial statements as per applicable Indian Accounting Standard.
- (xiv) According to the information and explanation given to us and to the best of our knowledge, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the company.
- (xv) According to the information and explanation given to us and to the best of our knowledge, the Company has not entered into any non-cash transactions during the year with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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


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



Place: New Delhi
Date: 08th July 2020

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls with reference to financial statements

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

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



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

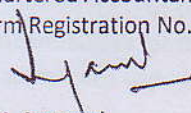
Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

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


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



Place: New Delhi
Date: 08th July 2020