



Salora International Ltd.

Date : May 31, 2022

To,

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

Company Scrip Code: 500370

SUB : CORRIGENDUM LETTER WITH RESPECT TO AUDITED FINANCIAL RESULTS OF THE COMPANY FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2022

REF : REGULATION 30 & 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir / Madam,

This with reference to our letter dated 30th May, 2022, wherein the company had submitted outcome of the Board Meeting along with Audited Financial Results of the Company for the Quarter and year ended 31st March, 2022.

We have noticed that due to some inadvertent error, the cash flow statement for the year ended 31st March, 2022 was skipped while uploading the outcome of the Board Meeting along with Audited Financial Results of the Company for the Quarter and year ended 31st March, 2022.

We are enclosing herewith the outcome of the Board Meeting along with Audited Financial Results of the Company for the Quarter and year ended 31st March, 2022 including the cash flow statement for the year ended 31st March, 2022.

The same will also available on the website of the Company i.e. www.salora.com

We sincerely regret the inconvenience caused and request you to kindly take the same on record.

Thanking you,

Yours faithfully,

FOR SALORA INTERNATIONAL LTD.


(GOPAL SITARAM JIWARAJKA)
CHAIRMAN & MANAGING DIRECTOR



Encl: As above

Date : May 30, 2022

To,

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

Company Scrip Code: 500370

SUB : OUTCOME OF BOARD MEETING HELD ON 30th MAY, 2022

Ref : REGULATION 30 & 33 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the Board in its meeting held today i.e. May 30, 2022 has approved inter-alia the following items:

1. Audited Financial Results

The Board has approved Audited Financial Results of the Company for the Quarter and year ended 31st March, 2022. The copy of the Financial Results and Auditor's Report are enclosed herewith..

2. Audit Report Declaration

Pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015 as amended from time to time; 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, 2022.

3. Re-Appointment of Shri Gopal Sitaram Jiwrajka as managing Director

The Board of Directors has approved re-appointment of Shri Gopal Sitaram Jiwrajka, (DIN 00024325) as Managing Director of the Company for a further period of three (3) years w.e.f. 1st July, 2022 subject to approval of members of the Company at the ensuing Annual General Meeting.

4. Re-Appointment of Statutory Auditors of the Company

The Board has approved re-appointment of M/s. R. Gopal & Associates (FRN 000846C) as Statutory Auditors of the Company for their second terms for a period of five (5) consecutive years subject to approval of members of the Company at the ensuing Annual General Meeting.

5. Re-Appointment of Internal Auditors of the Company

The Board has approved re-appointment of M/s. SCV & Co. LLP, Chartered Accountants, as Internal Auditors of the Company for F.Y. 2022-23.



Corporate Office : B-50, Sector-80, Phase-II, Noida-201305, Uttar Pradesh, Phone : 0120-4885503

Regd. Office : D-13/4, Okhla Industrial Area, Ph-II, New Delhi-110 020, Ph. : 011-40552341, Website : www.salora.com

CIN : L74899 DL 1968 PLC004962, Email : info@salora.com

6. Re-Appointment of Secretarial Auditors of the Company

The Board has approved re-appointment of M/s. SVR & Co., Company Secretaries, as Secretarial Auditors of the Company for F.Y. 2022-23.

7. Re-Appointment of Cost Auditors of the Company

The Board has approved re-appointment of M/s. Gurvinder Chopra & Co., Cost Accountants, as Cost Auditors of the Company to conduct audit of the Company's cost records for F.Y. 2022-23.

We further wish to inform you that the Board Meeting held today commenced at 11:30 AM and concluded at 05:46 PM.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,

FOR SALORA INTERNATIONAL LTD.



(GOPAL SITARAM JIWARAJKA)
CHAIRMAN & MANAGING DIRECTOR



Encl: As above

SALORA INTERNATIONAL LIMITED

CINL74899DL1968PLC004962

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

Visit us at www.salora.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2022

S.No.	Particulars	(Rs. in lacs)					
		Quarter Ended		Year Ended		Year Ended	
		31.03.2022 Audited	31.12.2021 Unaudited	31.03.2021 Audited	31.03.2022 Audited	31.03.2021 Audited	31.03.2021 Audited
1	INCOME						
(a)	Revenue from Operations	806.40	2,925.00	2,861.28	6,963.75	8,736.43	
(b)	Other Operating Income	2.95	39.75	41.33	43.26	41.38	
(c)	Other Income	6.83	123.70	21.46	257.46	83.03	
	Total Income	816.18	3,088.45	2,924.07	7,264.47	8,860.84	
2	EXPENSES						
a)	Cost of Materials Consumed	144.43	246.41	245.40	534.89	945.03	
b)	Purchases of Stock in Trade	603.60	2,622.15	2,532.46	5,966.78	7,420.60	
c)	Changes in inventories of finished goods, Stock-In-Trade and work-in-progress	446.47	(27.65)	97.11	632.15	111.32	
d)	Employee Benefits Expense	111.03	73.03	89.12	340.93	315.79	
e)	Finance Cost	32.08	36.42	112.88	314.82	612.73	
f)	Depreciation and Amortisation Expense	9.18	12.01	13.44	43.66	62.71	
g)	Other Expenses	322.09	120.28	154.93	641.34	380.71	
	Total expenses	1,668.88	3,082.65	3,245.34	8,474.57	9,848.89	
3	Profit/(loss) from continuing operations before exceptional item and Tax	(852.70)	5.80	(321.27)	(1,210.10)	(988.05)	
	Less : Exceptional Items ¹ refer note no.2	(4,400.41)	-	-	(3,982.41)	-	
4	Profit/(loss) from continuing operations after exceptional item and before Tax	3,547.71	5.80	(321.27)	2,772.31	(988.05)	
5	Profit/(loss) from discontinued operations before exceptional item and Tax	-	-	13.05	-	4.28	
	Less : Exceptional Item	-	-	-	-	570.99	
6	Profit/(loss) from discontinued operations after exceptional item and before Tax	-	-	13.05	-	(566.71)	
7	Profit/(loss) from continuing and discontinued operations before Tax	3,547.71	5.80	(308.22)	2,772.31	(1,554.76)	
8	Tax Expense :	560.74	1.56	(66.00)	367.67	(413.65)	
	a) Current Tax	-	-	-	-	-	
	b) Deferred Tax	560.74	1.56	(66.00)	367.67	(413.65)	
9	Profit/(Loss) after Tax	2,986.97	4.24	(242.22)	2,404.64	(1,141.11)	
10	Other comprehensive income						
	a) Items that will not be reclassified to profit and loss						
	i) Actuarial gain / (loss) on remeasurement of defined benefit plans	(1.73)	(0.73)	(6.62)	(3.92)	(2.90)	
	iii) Income tax relating to the above	(0.45)	(0.18)	(1.66)	(0.99)	(0.73)	
	Other comprehensive income (net of tax)	(1.28)	(0.55)	(4.96)	(2.93)	(2.17)	
11	Total comprehensive income (net of tax)	2,985.69	3.69	(247.18)	2,401.71	(1,143.28)	
12	Paid-up Equity Share Capital (face value Rs.10/-each)	880.73	880.73	880.73	880.73	880.73	
13	Total Reserves (excluding revaluation reserves) as shown in the Balance Sheet	-	-	-	5,871.83	3,470.12	
14	Earning Per Share (EPS)(not annualised)	(16.05)	0.05	(2.75)	(17.91)	(6.47)	
	Basic & diluted earning per share including continuing & discontinued operations (before exceptional items)	33.91	0.05	(2.75)	27.30	(12.96)	
	Basic & diluted earning per share including continuing & discontinued operations (after exceptional items)						



STATEMENT OF ASSETS AND LIABILITIES

	As At		As At	
	31.03.2022	Audited	31.03.2021	Audited
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	123.64		494.02	
(b) Intangible Assets	5.08		5.08	
(c) Right of use - Assets	2.48		291.15	
(d) Financial Assets				
(i) Investments	0.02		4.34	
(ii) Trade Receivables	1,417.69		2,243.42	
(iii) Loan				
(iv) Other Financial Assets	33.52		34.52	
(e) Deferred Tax Assets (Net)	1,818.25		2,184.93	
(f) Non-Current Tax Assets (Net)	131.30		114.46	
(g) Other Non-Current Assets	1,170.96		1,205.00	
Total Non-current assets	4,702.94		6,576.92	
Current assets				
(a) Inventories	3,307.76		4,800.52	
(b) Financial Assets				
(i) Trade receivables	743.07		2,186.16	
(ii) Cash and cash equivalents	143.69		6.08	
(iii) Other Bank Balances	33.95		26.72	
(iv) Other Financial Assets	674.56		42.87	
(c) Other Current Assets	88.33		131.86	
(d) Assets Held for Disposal	118.85		-	
Total current assets	5,110.21		7,194.21	
TOTAL ASSETS	9,813.15		13,771.13	
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	881.45		881.45	
(b) Other Equity	5,871.83		3,470.12	
Total Equity	6,753.28		4,351.57	
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	404.43		2,187.77	
(ii) Other Financial Liabilities	18.32		16.42	
(iii) Lease Liabilities	-		62.43	
(b) Provisions	7.24		9.73	
Total non-current liabilities	429.99		2,276.35	
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	1,237.38		4,668.07	
(ii) Trade payables				
Micro, Small and Medium Enterprises				
Others	35.06		53.45	
(iii) Others Financial Liabilities	1,040.02		2,205.22	
(b) Other current liabilities	224.55		133.61	
(c) Provisions	81.04		57.19	
	11.83		25.67	
Total Current liabilities	2,629.88		7,143.21	
TOTAL EQUITY AND LIABILITIES	9,813.15		13,771.13	



SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. In lacs)

S.No.	Particulars	Quarter Ended		Year Ended		Year Ended	
		31.12.2021		31.03.2021		31.03.2022	
		Audited	Unaudited	Audited	Audited	Audited	Audited
1	Segment Revenue (net sales/income from operations)	809.35	2,964.75	2,902.61	7,007.01	8,777.81	
	a) Consumer Electronics Division	-	-	13.21	-	151.45	
	b) Wind Energy (discontinued operations)	809.35	2,964.75	2,915.82	7,007.01	8,929.26	
	Net Sales / Income from Operations						
2	Segment Results - (Profit / (Loss) before tax, interest and exceptional item from segment)	(780.37)	94.65	(170.09)	(710.83)	(225.15)	
	a) Consumer Electronics Division	-	-	13.05	-	4.28	
	b) Wind Energy (discontinued operations)	(780.37)	94.65	(157.04)	(710.83)	(220.87)	
	Total	-	-	13.05	-	4.28	
	Less : Result of discontinued operations	29.53	29.79	103.12	290.70	578.29	
	Less : i. Interest	42.80	59.06	48.06	208.57	184.61	
	ii. Other un-allocable expenditure net of un-allocable income	(852.70)	5.80	(321.27)	(1,210.10)	(988.05)	
	Profit/(loss) before tax and exceptional items from continuing operations	(4,400.41)	-	-	(3,982.41)	-	
	Less: Exceptional Item*refer note no.2	3,547.71	5.80	(321.27)	2,772.31	(988.05)	
	Profit/(loss) before tax from continuing operations (Including exceptional items)	-	-	13.05	-	4.28	
	Profit before tax and exceptional items from discontinued operations	-	-	-	-	570.99	
	Less: Exceptional Item	-	-	-	-	(566.71)	
	Profit/(loss) before tax from discontinued operations (Including exceptional item)	-	-	13.05	-	-	
3	Segment Assets	6,912.32	10,059.03	11,195.16	6,912.32	11,195.16	
	a) Consumer Electronics Division	15.63	15.58	35.99	15.63	35.99	
	b) Wind Energy (discontinued operations)	2,885.20	2,980.16	2,539.98	2,885.20	2,539.98	
	c) Un-allocable Segment Assets	9,813.15	13,054.77	13,771.13	9,813.15	13,771.13	
	Total						
4	Segment Liabilities	1,237.59	1,721.43	2,357.55	1,237.59	2,357.55	
	a) Consumer Electronics Division	-	-	0.62	-	0.62	
	b) Wind Energy (discontinued operations)	1,822.28	7,565.75	7,061.39	1,822.28	7,061.39	
	c) Un-allocable Segment Liabilities	3,059.87	9,287.18	9,419.56	3,059.87	9,419.56	
	Total						



[Handwritten Signature]

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 30th May 2022 & these results have been audited by the Statutory Auditors of the company.
2. The company's decision to dispose of the Noida land, it was also decided to review all the business operations being carried out keeping in view future potential, technological obsolescence, profitability and infrastructure required. Basis this, the company has decided to stop the manufacturing operations at Noida and exit certain categories of products and dispose of such items at current market prices. The company recorded a net gain of Rs.4400.41 lacs and Rs.3982.41 lacs for the quarter and year ended respectively on account of exceptional items which resulted in a significant increase in overall gain for the year. The exceptional items recorded during the quarter/year include the following : >
 - a. The company has paid Rs. 418.00 lakhs paid towards lease rent to Noida Authority in September 2021 to facilitate completion of sale transaction of Noida land which has been factored in the value of the property. The said land has been disposed off during the quarter for a consideration of Rs 6271.66 lacs (net of expenses) against the carrying value of Rs 225.01 lacs as on 31.03.2022 and net gain of Rs 6046.65 on account of profit on sale of land.
 - b. Due to micro and macro economic factors such as passage of time, deterioration of goods including global outbreak of Covid 19 pandemic, recessionary economy etc, the company is in the process of restructuring its business. Consequently the company has written down inventories by Rs 787.52 lacs based on the estimated net realisable value less cost to sell, disposed of Property, Plant and Equipment having carrying value of Rs 375.02 lacs against which estimated realizable value of Rs 130.00 lacs presented as Assets held for Sale and thereby loss on discard of assets Rs 245.02 lacs. The company has also additionally provided allowance for doubtful receivables by Rs.613.70 lacs which is due from a customer which in the view of the management is doubtful and considering the materiality of the amount it is treated as an exceptional item. However the company is making necessary efforts for recovery of the same.
3. The company filed a SLP on merits with the Honourable Supreme Court which is pending for disposal. However on 16.12.2021, the Company filed a writ petition in High Court of Delhi to direct the department to condone the delay due to Covid-19 and the High Court has issued notice to the concerned authorities which is pending for disposal. The Contingent Liability against this matter shall stand as it is, till either the High Court or the Supreme Court decides on this matter.
4. Deferred tax assets Rs.1818.25 lakhs as at 31st March 2022 is expected to be realized as the company has reduced the borrowing / debts significantly during the year, thereby resulting in significant decrease in finance cost for the year and subsequent periods / years, also reduction in other costs and considering business growth plan. The company was able to set off deferred tax on business losses during the year Rs.304.55 lacs, deferred tax on exceptional items Rs.414.32 lacs and further bringdown dererred tax assets (net) as at 31.03.2022 by Rs.366.68 lacs in relation to previous year.
5. There is abnormal operating loss of Rs.852.70 lacs for the quarter ended 31st March 2022 on account of loss of Rs 391.22 lacs on liquidation of inventory due to passage of time, recessionary economy and constraints in infrastructure facility etc., significant increase in allowance for doubtful receivables Rs.269.34 lacs and towards compensation Rs.52.11 lacs to employees due to restructuring in the business and discontinued products.
6. Wind Energy segment discontinued during the last year has been disclosed as discontinued operations in the previous year quarter / year.
7. 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
8. Previous quarters/year ended figures have been regrouped / reclassified wherever necessary to confirm to the current quarter presentation.



GOPAL SITARAM JIWARAJKA
CHAIRMAN & MANAGING DIRECTOR

Place : New Delhi.
Date : 30th May, 2022

SALORA INTERNATIONAL LIMITED
Statement of Cash Flows for the year ended 31st March ,2022

(Rs. In Lacs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit/(Loss) before tax	2,772.31	-1,554.76
Adjustment for :		
Depreciation and amortization expense	43.66	151.49
Interest Paid	290.71	578.29
Interest Income	(2.07)	-3.38
Allowance for doubtful receivables	(1,005.51)	4.83
Irrecoverable Claims / Advances w/off	514.76	-
Provision for Irrecoverable Loans & Advances	(491.93)	37.55
Bad Debts	1,303.49	14.03
Loss/(Profit) on sale of Property, Plant and Equipment	(2.78)	-18.13
PROFIT ON SALE OF LONG TERM INVESTMENT	(0.02)	-
Liability no longer required written back	(45.21)	-41.42
Interest payable written back	-	-54.12
Provision for Diminution in Value of Investment	-	-
Gain on modification on lease	(2.55)	-
Exceptional Items	(3,982.41)	570.99
Operating Profit before Working Capital changes	(607.54)	-314.63
Adjustment for :		
(Increase) /Decrease in Inventories	705.24	111.48
(Increase)/Decrease in Trade and other receivables	1,421.35	-59.51
Increase/(Decrease) in Trade and other payables	(1,063.23)	-53.01
Cash Generated from Operating Activities	455.82	-315.67
Adjustment for :		
Direct taxes (paid) / Refund Received (net)	(16.84)	0.26
Net cash from Operating Activities	438.98	-315.41
CASH FLOWS FROM INVESTING ACTIVITIES :		
Expenditure on Property, Plant & Equipment	(57.12)	-1.26
Sale proceeds, Plant & Equipment .	26.52	543.02
Margin Money (given)/realised	(7.23)	18.60
Proceeds from sale of Investment	4.35	-
Proceeds from sale of Land (net of charges)	5,629.84	-
Lease Rent Paid	(418.00)	-
Interest received	3.71	2.62
Net cash from / (used in) Investing Activities	5,182.07	562.99
CASH FLOWS FROM FINANCING ACTIVITIES :		
Proceeds/(Repayments) of secured Borrowings (Net)	(4,522.12)	439.90
Unsecured Loan Received/(Repayment) (net)	(691.92)	-93.38
Interest Paid	(269.41)	-592.50
(Repayment)/addition to lease liabilities	-	-0.01
Net cash from/(used in) Financing Activities	(5,483.44)	-246.00
Net Increase/ (Decrease) in cash and cash equivalents :	137.61	1.58
Cash and cash equivalents at beginning of the year	6.08	4.50
Cash and cash equivalents at end of the year	143.69	6.08



SALORA INTERNATIONAL LIMITED

CINL74899DL1968PLC004962

Regd. office : D-13/4, Okhla Industrial Area, Phase-II, New Delhi-110020.
Visit us at www.salora.com

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2022

Particulars	Quarter Ended				Year Ended	
	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021	31.03.2021
	Audited	Unaudited	Audited	Audited	Audited	Audited
Total Income from continuing operations	816.18	3,088.45	2,924.07	7,264.47	8,860.84	
Profit/(loss) before tax from continuing operations (including exceptional item)	3,547.71	5.80	(321.27)	2,772.31	(988.05)	
Profit/(loss) before tax from discontinued operations (Including exceptional item)	-	-	13.05	-	(566.71)	
Net profit / (loss) for the period after tax	2,986.97	4.24	(242.22)	2,404.64	(1,141.11)	
Total comprehensive income (comprising profit / (loss) (after tax) and other comprehensive income (after tax))	2,985.69	3.69	(247.18)	2,401.71	(1,143.28)	
Paid-up Equity Share Capital	880.73	880.73	880.73	880.73	880.73	
Reserves as shown in the Balance Sheet	-	-	-	5,871.83	3,470.12	
Earning per Share (of Rs. 10/- each)	(16.05)	0.05	(2.75)	(17.91)	(6.47)	
Basic & diluted earning per share including continuing & discontinued operations (before exceptional items)	33.91	0.05	(2.75)	27.30	(12.96)	
Basic & diluted earning per share including continuing & discontinued operations (after exceptional items)						

Notes:

- The above financial results have been reviewed by the Audit Committee and approved thereafter by the Board of Directors in the meeting held on 30th May 2022 & these results have been audited by the Statutory Auditors of the company.
- The company's decision to dispose of the Noida land, it was also decided to review all the business operations being carried out keeping in view future potential, technological obsolescence, profitability and infrastructure required. Basis this, the company has decided to stop the manufacturing operations at Noida and exit certain categories of products and dispose of such items at current market prices. The company recorded a net gain of Rs.4400.41 lacs and Rs.3982.41 lacs for the quarter and year ended respectively on account of exceptional items which resulted in a significant increase in overall gain for the year. The exceptional items recorded during the quarter/year include the following: >
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 - Due to micro and macro economic factors such as passage of time, deterioration of goods including global outbreak of Covid 19 pandemic, recessionary economy etc, the company is in the process of restructuring its business. Consequently the company has written down inventories by Rs 787.52 lacs based on the estimated net realisable value less cost to sell, disposed of Property, Plant and Equipment having carrying value of Rs 375.02 lacs against which estimated realizable value of Rs 130.00 lacs presented as Assets held for Sale and thereby loss on discard of assets Rs 245.02 lacs. The company has also additionally provided allowance for doubtful receivables by Rs.613.70 lacs which is due from a customer which in the view of the management is doubtful and considering the materiality of the amount it is treated as an exceptional item. However the company is making necessary efforts for recovery of the same.
- The company filed a SLP on merits with the Honourable Supreme Court which is pending for disposal. However on 16.12.2021, the Company filed a writ petition in High Court of Delhi to direct the department to condone the delay due to Covid-19 and the High Court has issued notice to the concerned authorities which is pending for disposal. The Contingent Liability against this matter shall stand as it is, till either the High Court or the Supreme Court decides on this matter.
- Deferred tax assets Rs.1818.25 lakhs as at 31st March 2022 is expected to be realized as the company has reduced the borrowing / debts significantly during the year, thereby resulting in significant decrease in finance cost for the year and subsequent periods / years, also reduction in other costs and considering business growth plan. The company was able to set off deferred tax on business losses during the year Rs.304.55 lacs, deferred tax on exceptional items Rs.414.32 lacs and further bringdown dererred tax assets (net) as at 31.03.2022 by Rs.366.68 lacs in relation to previous year.
- There is abnormal operating loss of Rs.852.70 lacs for the quarter ended 31st March 2022 on account of loss of Rs 391.22 lacs on liquidation of inventory due to passage of time, recessionary economy and constraints in infrastructure facility etc., significant increase in allowance for doubtful receivables Rs.269.34 lacs and towards compensation Rs.52.11 lacs to employees due to restructuring in the business and discontinued products.
- Wind Energy segment discontinued during the last year has been disclosed as discontinued operations in the previous year quarter / year.
- 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
- Previous quarters/year ended figures have been regrouped/reclassified wherever necessary to confirm to the current quarter presentation.

Place : New Delhi.

Date : 30th May, 2022

GOPAL SITARAM JIWARAJKA
CHAIRMAN & MANAGING DIRECTOR



**Independent Auditor's Report****To The Board of Directors of Salora International Limited****Report on the audit of the Financial Results****Opinion**

We have audited the accompanying financial results of **Salora International Limited** ("the Company") for the quarter and year ended 31st March 2022 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "listing regulations").

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

- a. is presented in accordance with the requirements of Listing Regulation in this regard; and
- b. gives a true and fair view in conformity with the recognition and measurement principles laid down in Indian Accounting Standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2022.

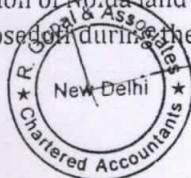
Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Companies Act 2013 ("the Act"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following matters in the notes to the statements: -

- 1) Note no 2 which explains that, the company's decision to dispose of the Noida land, it was also decided to review all the business operations being carried out keeping in view future potential, technological obsolescence, profitability and infrastructure required. Basis this, the company has decided to stop the manufacturing operations at Noida and exit certain categories of products and dispose of such items at current market prices. The company recorded a net gain of Rs.4400.41 lakhs and Rs.3982.41 lakhs for the quarter and year ended respectively on account of exceptional items which resulted in a significant increase in overall gain for the year. The exceptional items recorded during the quarter/year include the following:
 - (a) The company has paid Rs. 418.00 lakhs towards lease rent to Noida Authority in September 2021 to facilitate completion of sale transaction of Noida land which has been factored in the value of the property. The said land has been disposed of during the quarter for a consideration of Rs.6271.66



lakhs (net of expenses) against the carrying value of Rs 225.01 lakhs as on 31.03.2022 and net gain of Rs 6046.65 lakhs on account of profit on sale of land.

- (b) Due to micro and macro-economic factors such as passage of time, deterioration of goods including global outbreak of Covid 19 pandemic, recessionary economy etc, the company is in the process of restructuring its business. Consequently, the company has written down inventories by Rs.787.52 lakhs based on the estimated net realizable value less cost to sell, disposed of Property, Plant and Equipment having carrying value of Rs 375.02 lakhs against which estimated realizable value of Rs 130.00 lakhs presented as Assets held for Sale and thereby loss on discard of assets Rs 245.02 lakhs. The company has also additionally provided allowance for doubtful receivables by Rs.613.70 lakhs which is due from a customer which in the view of the management is doubtful and considering the materiality of the amount it is treated as an exceptional item. However, the company is making necessary efforts for recovery of the same.
- 2) Note no 3 which state that, the company filed a SLP on merits with the Honorable Supreme Court which is pending for disposal. However, on 16.12.2021, the Company filed a writ petition in High Court of Delhi to direct the department to condone the delay due to Covid-19 and accept payment Rs.1210.99 lakhs as approved in the SVLDR scheme against which pre deposit Rs 600 lakhs for settlement of the disputed Excise matters of Rs.2435.21 lakhs and penalty thereon Rs. 2435.21 lakhs demanded by Excise authorities related to financial year 1993-94 to 2003-04. The High Court has issued notice to the concerned authorities which is pending for disposal. The Contingent Liability against this matter Rs 4870.42 lakhs against this matter shall stand as it is, till either the High Court or the Supreme Court decides on this matter.
- 3) Contingent liabilities of Rs.1212.25 lakhs (excluding Rs.4870.42 Lakhs as referred in above (2) of EOM) related to Sales tax, Excise duty, Service tax and Income tax etc. against which amount deposited Rs 206.67 Lakhs 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.
- 4) The Company has material statutory dues recoverable of Sales tax of Rs 364.32 lakhs and Income tax Rs. 131.30 lakhs which has been considered good.
- 5) Note no 4 which states that Deferred tax assets Rs.1818.25 lakhs as at 31st March 2022 is expected to be realized as the company has reduced the borrowing / debts significantly during the year, thereby resulting in significant decrease in finance cost for the year and subsequent periods / years, also reduction in other costs and considering business growth plan. The company was able to set off deferred tax on business losses during the year Rs.304.55 lakhs, deferred tax on exceptional items Rs.414.32 lakhs and further bringdown deferred tax assets (net) as at 31.03.2022 by Rs.366.68 lakhs in relation to previous year.

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

Management's Responsibilities for the Financial Results

These quarterly financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued there under and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This



responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this financial statements.

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

- Identify and assess the risks of material misstatement of the Statement, 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 control 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 in place an adequate internal financial controls system over financial reporting 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 the Board of Directors.
- Conclude on the appropriateness of the 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 Statement 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 Statement, including the disclosures, and whether the Statement represents 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.

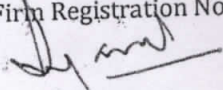
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards."

Other Matter

The financial statements include the results for the quarter ended 31 March 2022, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

Our Opinion is not modified in respect of this matter.

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


S K Agarwal
Partner

Membership No. 093209
UDIN:22093209AJXFBQ9359
Place: New Delhi
Date: 30.05.2022

