

**STATEMENT OF ACCOUNTS FOR THE
PERIOD ENDED 31ST MARCH, 2011.**

SALORA CAPITAL LIMITED

S. S. KOTHARI & CO.

**CHARTERED ACCOUNTANTS
37, HAMAM STREET, FORT, MUMBAI - 400 001.
TEL. NO. : 2265 3555/ 2265 02 64
FAX : (91-22) 2265 43 70
E-MAIL : mail@vparekh.com**

AUDITORS' REPORT

The Members,
Salora Capital Limited
Mumbai.

1. We have audited the attached Balance Sheet of **SALORA CAPITAL LIMITED** as at 31st March 2011 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed 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.
2. 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
4. In our opinion, the company has kept proper books of accounts as required by law, so far as appear from our examination of the books of account.
5. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
6. In our opinion, the attached Balance Sheet, Profit & Loss Account and Cash Flow Statement of the Company are complying with the Accounting Standards referred in Section 3C of Section 211 of the Companies Act, 1956.
7. On the basis of the written representations received from the directors as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March 2011 from being appointed as a director in terms of section 274 (1) (g) of the Companies Act, 1956.
8. In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts, read with notes thereon, give the information required by the Act, in the manner so required and gives a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and
 - *b) In the case of Profit and Loss Account of the Profit of the Company for the year ended on that date.
 - c) In the case of Cash Flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies Act 1956;
9. As required by the Statement on Companies (Auditors' Report) Order, 2003 issued by the Central Government of India and on basis of such checks as we considered appropriate, we further report that :
 - i. In respect of it's Fixed Assets:
 - a. The Company has maintained proper records shoeing full particulars, including quantitative details and situation of its fixed assets.



SALORA CAPITAL LIMITED (2010-2011)

- b. The Fixed assets have been physically verified by the management at reasonable intervals and no discrepancies were observed on such verification.
 - c. No fixed Assets disposed during the year.
- ii. In respect of it's inventories:
- a. The physical verification of inventories has been conducted at reasonable intervals by the management.
 - b. In our opinion and according to the explanations given to us, the procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. In our opinion and according to the explanations given to us, the Company has maintained proper records of its inventories and no discrepancies were observed during the course of physical verification.
- iii. The Company has neither granted nor taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- iv. In our opinion, and according to the explanations given to us, the Company has adequate internal control system commensurate with the size of the Company with regard to the purchase of inventory, fixed assets and sale of goods.
- v. The particulars of contracts or arrangements referred to in section 301 of the act wherever applicable have been entered into in the register required to be maintained under that section.
- The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant times.
- vi. In our opinion and according to the explanations given to us the Company has not accepted any deposits within the meaning of section 58A and section 58AA or any other relevant portion of the Act and the rules framed there under.
- vii. **The Company does not have formal internal audit system.**
- viii. The Central Government has not prescribed maintenance of Cost Accounting records in respect of the products of the Company.
- ix. According to the information and explanations given to us in respect of statutory and other dues:
- a. The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities during the year.
 - b. There are no dues remaining unpaid on account of any dispute.
- x. The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately proceeding financial year.



The Company has not obtained any borrowings from financial institutions or banks by way of debentures.

SALORA CAPITAL LIMITED (2010-2011)

- 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.
- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society. Accordingly, clause 4 (xiii) of the order is not applicable.
- xiv. As per the information and explanation given to us and records produced before us the Company has maintained proper records of transaction and contracts in respect of trading in shares, debentures and other securities and that timely entries have been made and those shares and securities are held up by the Company in it's own name.
- xv. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The Company has not obtained any term loans during the year.
- xvii. The Company has not used any funds raised on short term basis for long term investments.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in register maintained under Section 301 of the Act, during the year.
- xix. The Company has not issued any debentures and hence no security has been created.
- xx. The Company has not raised any money by public issue during the year.
- xxi. To the best of our knowledge and belief and according to the explanations given to us, no Fraud on or by the Company was noticed or reported during the year.

PLACE: MUMBAL.
DATE: 28th May 2011



**FOR & ON BEHALF OF
S. S. KOTHARI & COMPANY
CHARTERED ACCOUNTANTS**

Rasesh V. Parekh

RASESH V. PAREKH PARTNER
Membership No. 38615
FRN NO-105330W

SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)
BALANCE SHEET AS AT 31ST MARCH, 2011

	SCHEDULE	AS AT 31.03.2011 (Rupees)	AS AT 31.03.2010 (Rupees)
<u>SOURCES OF FUNDS</u>			
Share Capital	A	46,501,500	46,501,500
Reserves & Surplus	B	17,064,710	13,769,412
Secured Loan		552,217	-
	TOTAL	64,118,427	60,270,912
<u>APPLICATIONS OF FUNDS</u>			
Fixed Assets	C		
Gross Block		983,100	27,310
Depreciation		259,458	22,851
Net Block		723,642	4,459
Investments	D	2,304,400	4,851,000
Current Assets Loans and Advances			
Cash and Bank Balances	E	129,424	1,345,076
Inventories		-	-
Loans and Advances	F	62,124,204	56,092,544
		62,253,628	57,437,620
Less Current Liabilities and Provisions	G	1,163,243	2,022,167
Net Current Assets		61,090,385	55,415,453
	TOTAL	64,118,427	60,270,912
NOTES TO ACCOUNTS	M	0	0

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

For and behalf of

S.S.KOTHARI & CO.

Chartered Accountants

Firm Regn No. 105330W

R. P. Parekh v. P. Parekh



RASESH V. PAREKH

PARTNER

Membership No: 38615

Place : Mumbai

Dated: May 28, 2011

For and on behalf of the Board of Director

Gopal S. Jiwarajka

GOPAL S. JIWARAJKA
Director

Tarun Jiwarajka

TARUN JIWARAJKA
Director

Place : New Delhi

Dated: May 28, 2011

SALORA CAPITAL LIMITED
(FORMERLY KNOWN AS JADOONET LIMITED)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	SCHEDULE	AS AT 31.03.2011 (Rupees)	AS AT 31.03.2010 (Rupees)
INCOME			
Sales		-	3,324,553
Interest Income	H	6,074,968	7,517,811
	TOTAL	6,074,968	10,842,364
EXPENDITURE			
Purchases	I	-	3,327,535
(Increase)/Decrease in stock	J	-	34,589
Personnel Costs	K	615,000	587,977
Operating & Other Expenses	L	1,379,548	2,487,818
Depreciation		236,607	2,973
	TOTAL	2,231,155	6,440,892
Profit for the year before Tax		3,843,813	4,401,472
Less: Provision for Taxation			
Income Tax - MAT		721,300	681,000
Income Tax for earlier year		(24,315)	46,412
MAT Credit Entitlement - Current Year		(148,470)	(681,000)
Profit after Tax		3,295,298	4,355,060
Balance Brought Forward		13,769,412	9,414,352
Balance Carried to Balance Sheet		17,064,710	13,769,412
Earning per share :			
Profit attributable to shareholders		3,295,298	4,355,060
Number of Equity Shares outstanding during the year of Rs 10/- Face Value		4,650,150	4,650,150
Earning per share		0.71	0.94
NOTES TO ACCOUNTS	M		
The schedules referred to above form an integral part of the Profit and Loss Account.			

As per our report of even date
For and on behalf of
S.S.KOTHARI & CO.
Chartered Accountants
Firm Regn No. 105330W

Rasesh V. Parekh
RASÉSH V. PAREKH
PARTNER

Membership No: 38615
Place : Mumbai
Dated: May 28, 2011



For and on behalf of the Board of Director

Gopal S. Jiwarajka

GOPAL S. JIWARAJKA
Director

Tarun Jiwarajka

TARUN JIWARAJKA
Director

Place : New Delhi
Dated: May 28, 2011

SALORA CAPITAL LIMITED (2010-11)
(FORMERLY KNOWN AS JADOONET LIMITED)
SCHEDULES FORMING PART OF THE BALANCE SHEET

	AS AT 31.03.2011 (Rupees)	AS AT 31.03.2010 (Rupees)
SCHEDULE A : SHARE CAPITAL		
<u>Authorised</u> 60,00,000 shares of Rs. 10 each	60,000,000	60,000,000
TOTAL	60,000,000	60,000,000
<u>Issued Subscribed and paid up</u> 46,50,150 shares of Rs. 10 each fully paid up. (Out of the above 42,49,170 shares are held by Salora International Limited, the Holding Company)	46,501,500	46,501,500
TOTAL	46,501,500	46,501,500
SCHEDULE B : RESERVES AND SURPLUS		
Profit & Loss Account		
- Opening	11,314,655	7,830,607
- Transferred during the year	2,636,238	3,484,048
- Balance Carried Over	13,950,893	11,314,655
Reserve Fund		
- Opening	2,454,757	1,583,745
- Transferred during the year	659,060	871,012
- Balance Carried Over	3,113,817	2,454,757
TOTAL	17,064,710	13,769,412
SCHEDULE D : INVESTMENTS		
(Unquoted, Long Term)		
Trade, at cost		
1000000 Equity Shares of Nanda Netcom Private Limited (FV Re.1/-)	1,680,000	1,680,000
13520 Equity Shares of Devi Electronics Pvt. Ltd @170/- (Investment in Subsidiary company)	2,298,400	4,845,000
In National Saving Certificates	6,000	6,000
Less: Provision for diminution in value	3,984,400 (1,680,000)	6,531,000 (1,680,000)
TOTAL	2,304,400	4,851,000
SCHEDULE E : CASH AND BANK BALANCES		
Cash on Hand	3,470	3,739
Balance with scheduled banks		
- In current accounts	74,554	1,292,735
- In Fixed Deposit Accounts (The fixed deposits include Rs. 25000 given as Bank Gurantee)	51,400	48,602
TOTAL	129,424	1,345,076
SCHEDULE F : LOANS AND ADVANCES		
Loans(Unsecured, considered good)	51,760,000	44,960,000
Advances recoverable in cash or in kind or for value to be received.	6,885,512	7,569,105
Advance Income Tax	1,935,447	2,168,664
MAT Credit Entitlement	1,543,245	1,394,775
TOTAL	62,124,204	56,092,544
SCHEDULE G : CURRENT LIABILITIES AND PROVISIONS		
A) CURRENT LIABILITIES		
Sundry Creditors	235,726	1,337,311
Other Liabilities	59,603	3,856
Contingent Provision for standard Assets	146,614	-
Provision for Taxation	721,300	681,000
TOTAL	1,163,243	2,022,167



SALORA CAPITAL LIMITED (2010-11)
 (FORMERLY KNOWN AS JADOONET LIMITED)
 Schedule forming part of Balance Sheet

SCHEDULE :C
 FIXED ASSETS

Description	RATE @%	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		AS ON 01.04.2010	ADDITIONS	DISPOSALS & ADJUSTMENTS	AS ON 31.03.2011	AS ON 01.04.2010	DURING THE YEAR	AS ON 31.03.2011	AS ON 31.03.2010
Computers	40	27,310	-	-	27,310	22,851	-	4,459	4,459
Motor Car	25.9	-	955,790	-	955,790	-	236,607	719,183	-
Current Year		27,310	-	-	983,100	22,851	236,607	723,642	4,459
Previous Year		27,310	-	-	27,310	19,878	2,973	4,459	-



SALORA CAPITAL LIMITED (2010-11)

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	AS AT 31.03.2011	AS AT 31.03.2010
SCHEDULE H : INTEREST INCOME		
Interest (TDS Rs. 605128/-) (P.Y. Rs. 869380/-)	6,054,077	7,424,715
Interest on Income Tax refund	20,891	-
Liability no longer required written back	-	93,096
TOTAL	6,074,968	7,517,811
SCHEDULE I : PURCHASES		
Purchases	-	3,327,535
TOTAL	-	3,327,535
SCHEDULE J: (INCREASE)/DECREASE IN STOCK		
Opening Stock of trading goods	-	34,589
Less: Closing Stock of trading goods	-	-
TOTAL	-	34,589
SCHEDULE K : PERSONNEL COSTS		
Salaries & Allowances	531,000	587,477
Staff Welfare	84,000	500
TOTAL	615,000	587,977
SCHEDULE L: OPERATING & OTHER EXPENSES		
Legal and Professional charges	232,303	52,503
Travelling & Conveyance	236,230	452,685
Communication Expenses	12,367	38,950
Miscellaneous Expenses	11,035	33,100
Auditors Remuneration	62,876	44,120
Charity & Donation	-	200,000
Sales Tax Paid	47,890	161,900
Rent	360,000	-
Repair & Maintenance	216,000	-
Contingent Provision against Standard Assets	146,614	-
Interest	54,233	1,504,560
TOTAL	1,379,548	2,487,818



SALORA CAPITAL LIMITED (2010-2011)

Schedule M: Notes to Accounts (2010-2011)

1. Nature of Operations

The principal activity of the Company is dealing in Finance & Trading in Consumer Electronic Products.

2. Statement of Significant Accounting Policies

(a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Fixed Assets held for disposal are shown at estimated net realizable value.

(c) Depreciation

Depreciation on assets other than Metropolitan area network project assets are provided as per Written Down Value method of depreciation and as per the rates and on the basis prescribed in Schedule XIV to the Companies Act, 1956.

(d) Investments

Long Term Investments are stated at cost unless there is, other than temporary, diminution in the value of investments, in which case, investments are stated at fair value.

(e) Inventories

Goods traded in are valued at lower of cost or net realizable value. Net realizable value is the estimated net selling price in the ordinary course of business. Cost is calculated on FIFO basis.

(f) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

• Sales of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Rendering of Services

Income from service rendered is booked based on agreements/arrangements with the concerned parties.

Interest

Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.



SALORA CAPITAL LIMITED (2010-2011)

(g) Preliminary / Share Issue Expenses

Preliminary / Share Issue expenses are written off in the year incurred.

(h) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

At the yearend, monetary items denominated in foreign currencies, other than those covered by forward contracts, are converted into rupee equivalents at the year-end exchange rates.

All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Profit and Loss Account

(i) Research & Development

Research and Development costs of revenue nature are charged as on expenses in the year in which these are incurred.

(j) Retirement And Other Benefits

Contribution to Employees Provident Fund and Pension Scheme are charged to Profit & loss account as incurred under the relevant act. Provisions for liability of gratuity is made on accrual basis. Provision for Leave encashment is made on the basis of un-availed leave as on the date of the Balance sheet.

3. On account of unabsorbed business loss as per Income Tax Act 1961 the Company has deferred tax asset. However in view of the uncertainty involved in realizing the tax asset, the same are not recognized.

Particulars	As on 31.03.2011	As on 31.03.2010
Deferred Tax Assets		
Business Loss	0	21,10,564
Provision in value of Investment	16,80,000	16,80,000
Short Term Capital Loss	2,71,803	2,71,803
Deferred Tax Liabilities	89,233	(21,718)
Net Deferred Tax	5,73,560	13,27,224

4. Contingent Liabilities

	<u>31-3-2011</u>	<u>31-3-2010</u>
	(Rs.)	(Rs.)
Bank Guarantees	25000	25000

5. Additional information as required under Part II of Schedule VI to the Companies Act, 1956.

Quantitative Information of goods traded in

Item	Opening Stock		Purchases		Sales		Closing Stock	
	Qty (Nos)	Value (Rs.)	Qty (Nos)	Value (Rs.)	Qty (Nos)	Value (Rs.)	Qty (Nos)	Value (Rs.)
C.T.V	-	-	-	-	-	-	-	-
	(6)	(23949)	(655)	(2541031)	(661)	(2541017)	(-)	(-)
D.V.D.	-	-	-	-	-	-	-	-
	(6)	(10640)	(155)	(298328)	(161)	(297028)	(-)	(-)
Set Top Boxes	340	-	-	-	-	-	340	-
	(340)	(-)	(-)	(-)	(-)	(-)	(340)	-
Mobile Phones	-	-	-	-	-	-	-	-
	(-)	(-)	(179)	(484348)	(179)	(482816)	(-)	-
Misc	-	-	-	-	-	-	-	-
	(-)	(-)	(3)	(3828)	(3)	(3692)	(-)	-



Previous year's figures have been included in brackets

SALORA CAPITAL LIMITED (2010-2011)

6 RELATED PARTY DISCLOSURES

- (A) Holding Company **Salora International Limited.**
 (B) Group Subsidiary Company **Salora Components Ltd.**
 (C) Associate Company **Salora Retail Venture Ltd.**
 (D) Other Related Company **Devi Electronics P Ltd**
 (E) Directors & Key persons
1. Mr. Gopal Sitaram Jiwarajka - Director
 2. Mr. Tarun Jiwarajka - Director
 3. Mr. Ayush Jiwarajka - Director

Related Party Transactions

	Holding Company		Group Subsidiary		Associate		Other Related Party	
	C.Yr. 2010-11	Pr. Yr 2009-10	C.Yr. 2010-11	Pr. Yr 2009-10	C.Yr. 2010-11	Pr. Yr 2009-10	C.Yr. 2010-11	Pr. Yr 2009-10
Purchase Of Goods	NIL	3701977	NIL	NIL	NIL	NIL	NIL	NIL
Loan Given	13370000	NIL	9400000	NIL	1800000	25760000	NIL	NIL
Loan Received Back	8900000	NIL	8870000	20000000	NIL	25500000	NIL	NIL
Interest (Income)	355705	NIL	1620707	3884428	44868	261552	1430000	1430000
Loan Taken	NIL	145000000	NIL	NIL	NIL	NIL	NIL	NIL
Loan Repaid	NIL	145000000	NIL	NIL	NIL	NIL	NIL	NIL
Interest (Expense)	NIL	1502055	NIL	NIL	NIL	NIL	NIL	NIL
Expenses Paid	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Outstanding Balance as on 31-03-2011								
Loan Receivable	4470000	NIL	14230000	13700000	2060000	260000	11000000	11000000
Interest Receivable	NIL	NIL	1458635	3495985	NIL	235397	2574000	3324847
Payable	NIL	1226575	NIL	NIL	NIL	NIL	NIL	NIL

7 Auditors Remuneration

	2010-11	2009-10
Statutory Audit Fee	33090	33090
Tax Audit Fee	11030	11030
In Other Capacity	18756	NIL
Total	62876	44120

8 Calculation of earnings per share

	2010-11	2009-10
Profit available to shareholders	3404742	4355060
Weighted average number of Equity Shares of Rs.10/- each outstanding during the year		
No. Of shares	4650150	4650150
Basic Earning per share (in Rs)	0.73	0.94

9 Segment reporting

In opinion of the Board, there is only one major segment, hence no separate segments are reported as per accounting standard 17 issued by Chartered Accountants of India.

10 Previous year's figures have been regrouped wherever necessary to conform to this year's classification

11 Balance Sheet Abstract And Company's General Business Profile As per Part IV of Schedule VI to the Companies Act, 1956.



SALORA CAPITAL LIMITED (2010-2011)

I. Registration Details

Registration No. 11-122849 State Code: 11
Balance Sheet Date 31.03.2011

II. Capital Raised During the Year

Public Issue: Nil Rights issue: Nil

Bonus Issue: Nil Private Placement: Nil

III. Position of Mobilisation and Deployment of Funds (Rs.)

Total Liabilities 6,40,70,937 Total Assets 6,40,70,937

Sources of Funds

Paid Up Capital 4,65,01,500 Reserves & Surplus 1,70,17,220
Secured Loans 5,52,217 Unsecured Loans NIL

Application of Funds

Net Fixed Assets 7,23,642 Investments 23,04,400

Misc. Expenditure NIL Net Current Assets 6,11,99,829

Accumulated Losses 0

IV. Performance of the Company

Turnover (Gross Revenue) : 60,74,968
Total Expenditure : 20,84,541
Profit / (Loss) Before Tax : 39,90,427
Profit / (Loss) After Tax : 34,04,742
Earning per share : 0.73
Dividend Rate : NA

V. Generic Names of Three Principal Products / Services of Company (as per monetary terms)

Item Code No. (ITC Code) : 8 5 2 8 1 2 0 0 1 0
Product Description : Color Television

Item Code No. (ITC Code) : Nil
Product Description : Shares and Securities

**For S. S. KOTHARI & CO.
CHARTERED ACCOUNTANTS
FIRM REGN NO. 105330**

Rasesh V. Parekh
Rasesh V. Parekh
Membership No.: 38615
Place: Mumbai

Dated: May 28, 2011



For and on Behalf of the Board

Gopal S Jiwrajka
Gopal S Jiwrajka
Director

Tarun Jiwrajka
Tarun Jiwrajka
Director

Place: New Delhi
Dated: May 28, 2011