

ANNUAL REPORT 2021



We continue to dream just like we did in 1951...



CELEBRATING
PLATINUM
YEAR

Highlights

- Completed 7 decades.
- Brand leader in India.
- 6 state of the art manufacturing units at Faridabad, Hosur, Noida and Nalagarh.
- Production capacity of 110 million pc per annum.
- In-house R&D Center approved by DSIR, Govt. of India.
- Holding 9 patents, another 11 are pending approval.
- Lean manufacturing with single piece flow.
- In-house production of child parts.
- Most preferred OEM supplier.
- Exporting worldwide to USA, Europe, Africa, South America, Japan, China, etc.
- Certified IATF 16949:2016, ISO 14001:2015, ISO 45001:2018.
- Strength of over 1,200 satisfied employees.
- In-house manufacturing of Lubricants and Air Purifiers.
- Ultra-modern WMS based warehouses at Faridabad, Zirakpur, Nagpur, Lucknow, Ahmedabad and Hosur.
- Network of 1,400 Distributors & 55,000 Dealers in India.
- Environment award by Kawasaki Engines, USA.
- ACMA Gold award for Manufacturing Excellence.
- ACMA Gold award for new Product Design & Development.
- Achieved landmark export turnover of ₹100 crores in 2021-22.
- Developed HEPAfier, an Air Purifier for Covid protection.
- Developed and launched Clean Air Tower.



Filters



Lubricants, Coolant & DEF



Air Purifier & HEPAfier



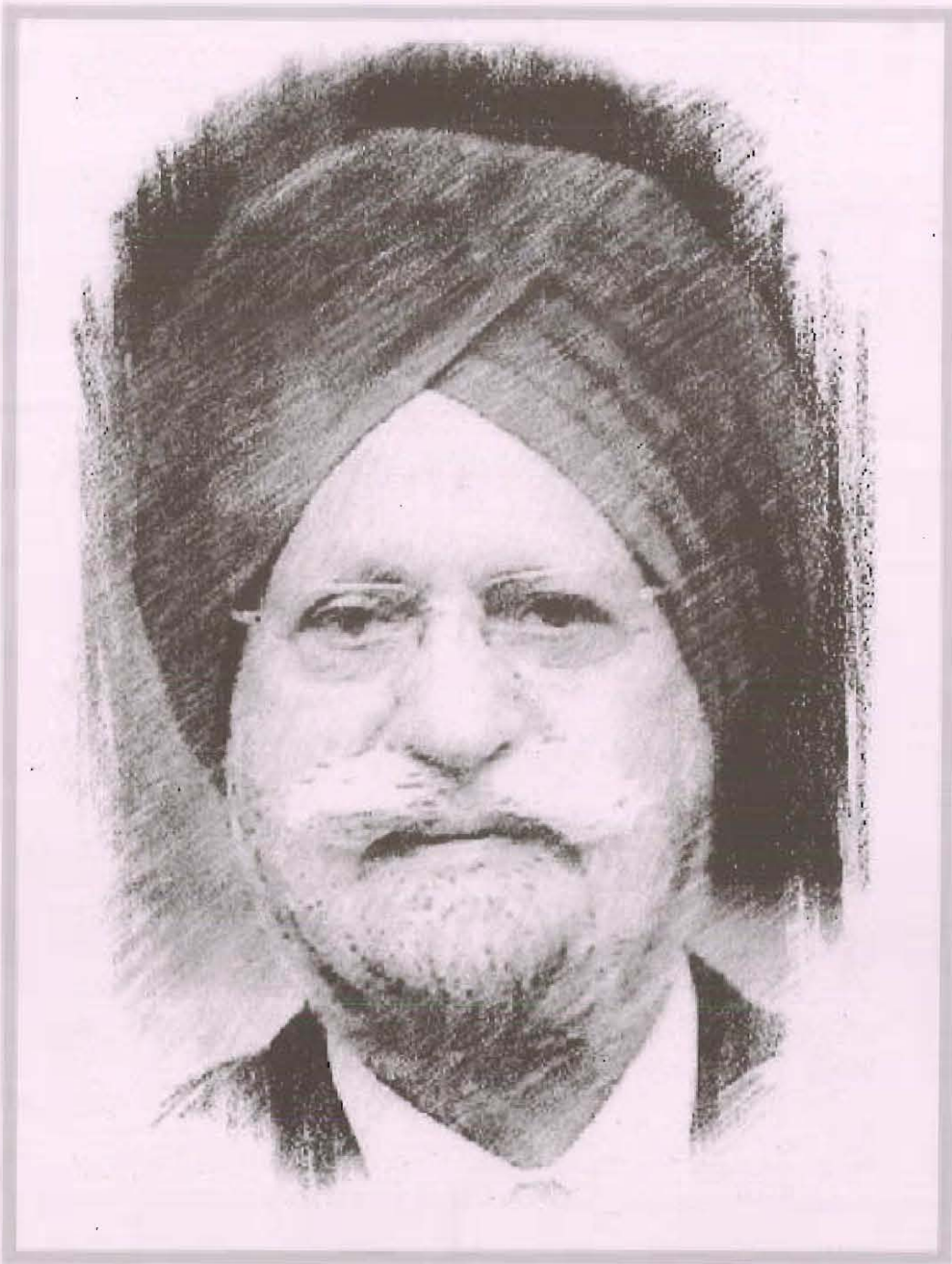
Clean Air Tower



Domains of Excellence

The eight domains of excellence define Elofic as an entity that is driven by the collective energy of persistent evolution across eight focus areas of performance





S. Mohinder Singh Sahni

After leading us through one of the most experiential journeys
of our lives, he traversed to the world beyond..
leaving us a legacy of success & pride.

The Elofic Family



REPORT

Presented to the Board of Directors
of the [Company Name]

For the year ending [Date]

Item	Value	Percentage
[Item 1]	[Value]	[Percentage]
[Item 2]	[Value]	[Percentage]
[Item 3]	[Value]	[Percentage]
[Item 4]	[Value]	[Percentage]
[Item 5]	[Value]	[Percentage]
[Item 6]	[Value]	[Percentage]
[Item 7]	[Value]	[Percentage]
[Item 8]	[Value]	[Percentage]
[Item 9]	[Value]	[Percentage]
[Item 10]	[Value]	[Percentage]

48th Annual Report 2020-21**BOARD OF DIRECTORS**

Mr. Mohan Bir Sahni	Chairman cum Managing Director
Mr. Kanwal Deep Sahni	Vice Chairman cum Joint Managing Director
Mr. Prem Arora	Director
Mr. Subodh Kumar Jain	Director
Maj. Gen. Jatinder Singh Bedi (Retd.)	Director

AUDITORS

M/s. S.N. Dhawan & Co. LLP.
Chartered Accountants
Gurugram-122016
Haryana

BANKERS

HDFC Bank Ltd.
Sector 16, Faridabad

HSBC Bank Ltd.
DLF Phase-II , Gurugram

REGISTERED OFFICE

14/4, Mathura Road,
Faridabad-121003
Haryana

MANUFACTURING FACILITIES

- 14/4, Mathura Road,
Faridabad-121003
Haryana
- 16/4, Mathura Road,
Faridabad-121001
Haryana
- 18 & 19, Sipcot Industrial Area,
Phase-II, Hosur-635109,
Tamil Nadu
- 11/7, Mathura Road,
Faridabad-121003
Haryana
- Rajpura Village,
Tehsil Nalagarh,
District Solan,
Himachal Pradesh
- B-4, Sector-8,
Noida-201301,
Uttar Pradesh

WAREHOUSES

- Ahmedabad
- Nagpur
- Hosur
- Faridabad
- Zirakpur
- New Delhi
- Lucknow



-Traditionally Futuristic

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 48th **Annual General Meeting** of the Members of **Elofic Industries Limited** will be held on 31st day of August, 2021, at Hotel Delite, 17-18, Neelam Bata Road, N.I.T, Faridabad – 121001 (Haryana) at 3:00 PM to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt:
 - (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2021 together with the report of the Board of Directors and Auditors thereon;
 - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon.
2. To Declare Final Dividend of Rs. 2/- per equity share for the financial year ended 31st March, 2021.
3. To appoint Director in place of Sh. Kanwal Deep Sahni (DIN: 00901216) who is retiring by rotation and being eligible offer himself for reappointment.

SPECIAL BUSINESS

4. Ratification of the remuneration of cost auditors

To consider and if thought fit, to pass with or without modification, the following resolution as an

Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 50000/- (Rs. Fifty Thousand Only) plus applicable taxes to M/s Vandana Bansal & Associates, Cost Accountants who were appointed by the board of directors of the company as cost auditors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified and confirmed."

Resolved further that the board of directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution".

5. To approve the upward Revision in the remuneration of Maj. Gen. Jatinder Singh Bedi (Retd.) (DIN: 08583060), Whole time Director of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 196,197, and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Part I and Section II of Part II of Schedule V (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be necessary in this regard and pursuant to recommendation of Nomination and remuneration committee, consent of the members of the Company be and is hereby accorded for upward revision of remuneration of Maj. Gen. Jatinder Singh Bedi (Retd.) (DIN: 08583060) Whole time director of the Company, by way of increase in salary to Rs. 2,75,000/- (INR Two Lakh Seventy Five Thousand) per month from the existing salary Rs. 2,50,000/- (INR Two Lakh Fifty Thousand) per month with effect from 1st April, 2021.

RESOLVED FURTHER THAT all other existing perquisites, terms and conditions of his appointment will remain same.

NOTICE OF THE ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution".

**By the Order of the Board
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, Ashoka Avenue, Sainik Farms,
New Delhi-110062.

Date: 15 July, 2021
Place: Faridabad

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at this annual general meeting may appoint a proxy to attend and vote on a poll on this behalf. A proxy need not be a member of the company. Proxies in order to be effective must be received at the registered office of the company, not less than forty-eight hours before the commencement of this annual general meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the company at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
4. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members of the Company at the Registered Office of the company on all working days except Saturdays, during business hours up to the date of meeting.
5. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible.
6. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
8. Attendance Slips and Proxy Form is attached to the Notice.

NOTICE OF THE ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

The Board on the recommendation of the Audit Committee has approved the appointment of Cost Auditor M/s Vandana Bansal & Associates to conduct the audit of cost records of the Company for the financial year ending on March 31, 2022 on payment of remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable GST.

In accordance with the provisions section 148 of the Companies Act, 2013 read with Rule 14 of the Companies Act, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members are sought for approval and ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2022.

The Board recommends the Ordinary Resolution in relation to remuneration of Cost Auditors for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested in the resolution set out in item no. 4.

Item No. 5

Maj. Gen. Jatinder Singh Bedi (Retd.) was appointed as whole time director of the company for a period of five years effective from 14.10.2019, by board of directors in its meeting held on 14.10.2019, thereafter his appointment was approved by the shareholders in the annual general meeting held on 30.12.2020.

Considering his valuable experience and expertise and on the recommendation of Nomination and remuneration committee, the board of directors in its meeting held on has approved the upward revision of his salary to Rs. 2,75,000/- (Rs. Two Lakh Seventy Five Thousand) from the existing salary of Rs. 2,50,000/- (Rs. Two Lakh Fifty Thousand) per month. All other existing perquisites, terms and condition of his appointment will remain same.

The details of revised remuneration payable to Maj. Gen. Jatinder Singh Bedi (Retd.) is as follows:

S.No	Particulars	Details of Emoluments (Maj. Gen. Jatinder Singh Bedi (Retd.))
I.	Salary	Rs. 2,75,000/- (Rupees Two Lacs seventy Five thousand only) per month.
II.	Perquisites	
A.	Medical reimbursement	Medical expenses incurred for self and family will be subject to a ceiling of Rs. 15000/- per annum.
B.	Leave Travel Concession	The expenses incurred on leave travel concession (LTC) for self and his family shall be reimbursed once in a year as per the rules of the company.
C.	Club Fees	Fees for the club subject to a maximum of two clubs.
D.	Personal Accidental Insurance	Personal Accident/ Medical Insurance for an amount, the annual premium of which does not exceed Rs. 1,00,000/-.
III.	Commission	0.25% of the net profit of relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	Other Items	

NOTICE OF THE ANNUAL GENERAL MEETING

	Other Items	1. Reimbursement of actual out of pocket expenses incurred in connection with the business of the Company.
		2. Reimbursement of entertainment expenses incurred for the business of the Company.

Pursuant to provision of Companies Act 2013, any change in terms and conditions of the appointment of whole time directors thereof is required to be approved by the members of the Company by way of special resolution.

None of the Directors of the Company and their relatives except Maj. Gen. Jafinder Singh Bedi (Retd.) is concerned or interested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in item no 5 for the approval of members.

**By the Order of the Board
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, Ashoka Avenue, Sainik Farms,
New Delhi-110062.

Date: 15 July, 2021
Place: Faridabad

BOARD'S REPORT

Dear Esteemed Members,

On behalf of the Board of Directors of your Company, we share with you the 48th Annual Report along with the audited financial statements of your Company for the financial year ended March 31, 2021.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company for the financial year ended March 31, 2021 is summarised below:

PARTICULARS	YEAR ENDED MARCH 2021(Rs. In lacs)	YEAR ENDED MARCH 2020(Rs. In lacs)
Turnover	26660	21858
Other Income	172	374
Total Income	26832	22232
Profit Before Interest Depreciation & Tax	5439	3611
Finance Cost including Interest	105	178
Depreciation	920	954
Profit Before Tax***	4414	2479
*** (includes Profit from Elofic USA LLC)	186	23
Provision for Tax & Deferred Tax	1317	675
Profit After Tax	3097	1804
Profit available for appropriation	3097	1804
General reserve	310	180
Dividend including Tax on Dividend	50	91
Profit Carried over to Balance Sheet	2737	1533
Earning per share (Rs.)	123.44	71.92

OPERATION / PERFORMANCE

During the year under review, increase is seen in the figure of Company's Sales & Other Incomes at Rs.26832 lacs, against Rs. 22232 lacs of the previous year, showing an increase of 20.69%. The domestic sales of the year under review have been reported at Rs. 16110 lacs whereas the domestic sales of previous year were closed at Rs. 14052 lacs, showing an increase of 14.65%. The export sales have increased by Rs. 2988 lacs. The highest ever figure of Rs.10028 lacs is achieved in the year under review. In the previous year export sales were reported 7040 lacs. The profit (before interest, depreciation and tax) has increased by Rs. 1828 lacs from the previous year. The profit Before Tax (PBT) has increased by Rs. 1935 lacs, while Profit After Tax (PAT) has increased by Rs. 1293 lacs over previous year. The profit figure includes profits from Elofic USA, LLC the Company's wholly owned subsidiary in the USA.

PRODUCTION

Our productivity and process capability continues to improve. Our in- house rejection and wastage is reducing due to our improved production processes. We have added state of the art new machines in our production lines, with the aim to enhance capacities to fulfil the rising demand of our products in the market and also to automate the processes to increase productivity. To meet the ever growing challenges, we have upgraded the existing production lines and paint shops to make the production lines more productive and cost effectiveness.

BOARD'S REPORT

MARKETING – DOMESTIC

In spite of Pandemic, Domestic sales have grown in 2020-21. We have maintained high level of on time supplies to our customers and catered to their latest product demands. The following are the highlights:

- Share of Business of 2-wheeler and 4-wheeler customers has gone up in the OEM segment.
- New OE & Institutional Customers have been added.
- Unrepresented areas have been penetrated with the addition of 67 new Channel Partners in the Aftermarket segment.
- 21 filters for new generation vehicles have been added to the product Range.
- Associated with three new digital partners for online sales.

Air Purifiers

Our Air Purifiers were well accepted for their design, quality and service and the sales have been very encouraging. Apart from Individuals, the customer profile includes Homes, Hotels, Schools, Corporates and Clinics.

The new models introduced were Gavi Plus, an improved version of GAVI - with an in-built Air Monitor, WHITEHORSE - for large spaces and RAAHE - the Car Air Purifier. They have been well accepted by the trade and consumers for its design and performance.

Keeping in mind current Pandemic, Company is planning to introduce new range of Air Purifier with a filter media to kill various types of virus.

MARKETING – INTERNATIONAL

The impact of Covid-19 and lockdown was seen in the year 2020-21 also but to a limited extent. Our export sales showed a jump from Rs. 7040 lacs Cr to Rs. 10028 lacs in the FY 2020-21, which was significantly higher than what we achieved in the previous FY 2019-20. We have for the 1st time in our history, achieved the Export sales figure of 10028 lacs, with plans to achieve higher growth next year. Exports to OEM customers still account for a major share of our Global sales. Our Milwaukee warehouse continues to feed many of our OEM customer requirements on a JIT basis. We have gained new business from our existing OEM customers.

Sales to After Market customer have been stable as compared to the previous year. The trends in the International markets are encouraging.

QUALITY & ENGINEERING

Similar to the previous years, this year also we ensured the highest standards of quality of our products and systems to meet the requisite quality standards. We have rated very high in the various Audits conducted by Customers and Independent Agencies. We are continuously improving our processes by maintaining IATF 16949:2016 & ISO 9001:2015 Quality Management Standards in our respective plants. This year your company has maintained Zero Defect at Customer's end.

We have also upgraded our vendors to maintain ISO 9001:2015 Certification and to deliver the quality parts on time. As a continuous improvement initiative,

Your company is committed to deliver high quality products to its customers. In view of this your company has established a "Training Centre" at its Faridabad plant to impart training to its employees, necessary to enhance their skills.

RESEARCH & DEVELOPMENT

The Company has been continuously carrying on Research & Development for improving the quality, production process and development of products. We have also filed 2 design patents and 7 process patents regarding various products and processes related to same. We have further upgraded our testing facility in filters by adding viscosity meter for adhesive and metallurgical microscope for metal and non

BOARD'S REPORT

metal particle analysis. We have developed various filters related to various segments. We have further upgraded our technology to meet BS VI norms.

Keeping in mind the alarming surge in air pollution levels and deteriorating environmental conditions in Delhi NCR and other regions of the country, we have introduced Clean Air Tower which is useful at public and populous places. It has the capacity to provide clean air from 5000 to 8000 persons per day. We have considered various factors like NVH, (Noise level while in running condition), flow rate, aesthetic look, efficiency and overall annual maintenance while designing it.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your Company.

DIVIDEND

Keeping in view the growth of your company, the Board of Directors of the Company is pleased to recommend a dividend of Rs 2 per equity share of the face value of Rs 10/- each on Equity Shares of the Company for the financial year 2020-21 for your approval. The dividend, if approved, shall be payable to the members holding shares as on company's AGM date.

AMOUNT TRANSFER TO ANY RESERVE

An amount of Rs. 310 Lacs has been transferred to general reserve out of profit earned during the year 2020-21.

BOARD OF DIRECTORS

A. Appointment/ Re-Appointment of Directors

During the financial year 2020-21, Mr. Mohanjit Singh (DIN:00515655) has retired from the office of independent director after completing his consecutive two terms and, Mr. Subodh Kumar Jain (DIN: 00165755) has been appointed as independent director w.e.f July 10, 2020 for a term of five years..

B. Declaration by Independent Director(s)

In terms with Section 149(7) of the Companies Act, 2013, every Independent Director of the Company has submitted a declaration that they meet the criteria of Independence.

C. Separate Meeting of Independent Directors

In terms of requirements under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on November 28, 2020.

The Independent Directors at the meeting, inter alia, reviewed the following:-

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairperson of the Company.
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

D. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, laid down a Nomination & Remuneration policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration.

BOARD'S REPORT**NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors duly met seven times in respect of which notices were given and proceedings were recorded and signed in the Minutes Book maintained for the purpose.

Date of board meetings	Directors in attendance
June 8, 2020	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
June 20, 2020	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
July 2, 2020	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
September 1, 2020	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
November 28, 2020	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
December 3, 2020	Mohan Bir Sahni, Kanwal Deep Sahni, Prem Arora, Subodh Kumar Jain, Maj. Gen. Jatinder Singh Bedi (Retd.)
March 25, 2021	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)

Attendance at Board meeting

Name of the director	No. of Board meetings attended	No. of Board meetings held during their tenure
Mohan Bir Sahni	7	7
Kanwal Deep Sahni	7	7
Prem Arora	1	7
Mohanjit Singh	0	3
Subodh Kumar Jain	1	4
Maj. Gen. Jatinder Singh Bedi (Retd.)	7	7

AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditor and note the processes employed by each and safeguards the interest of all the stakeholders. All possible measures are taken by the Committee to ensure the objectivity and independence of the independent auditor.

COMPOSITION OF AUDIT COMMITTEE

Name of the member	Designation
Sh. Prem Arora	Chairman – Independent Director
Sh. Subhodh Kumar Jain	Member – Independent Director
Sh. Kanwal Deep Sahni	Member-Whole Time director

BOARD'S REPORT

NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE YEAR

Date of meetings	Audit committee members in attendance
July 20, 2020	Prem Arora, Subodh Kumar Jain, Kanwal Deep Sahni
November 28, 2020	Prem Arora, Subodh Kumar Jain, Kanwal Deep Sahni
December 3, 2020	Prem Arora, Subodh Kumar Jain, Kanwal Deep Sahni

The Board, during the year under review, had accepted all recommendations made to it by the Audit Committee.

COMPOSITION OF CSR COMMITTEE AND ITS MEETINGS

The CSR Committee consists of Sh. Prem Arora, Sh. Subodh Kumar Jain and Sh. Mohan Bir Sahni

Date of Meeting	CSR Committee members in attendance
July 20, 2020	Prem Arora, Subodh Kumar Jain, Mohan Bir Sahni
March 25, 2021	Prem Arora, Subodh Kumar Jain, Mohan Bir Sahni

SHARE CAPITAL

During the year under review, the Issued, Subscribed and Paid-up Share Capital of the Company was 25,08,370 shares of Rs. 10/- each. There was no change in the capital structure of the Company.

- **Issue of equity shares with differential rights**
Your Company has not issued any Equity Shares with differential rights during the year under review.
- **Issue of sweat equity shares**
Your Company has not issued any Sweat Equity Shares during the year under review.
- **Issue of employee stock options**
Your Company has not issued any employee stock options during the year under review.

WEBLINK OF THE ANNUAL RETURN

In accordance with the provisions of Companies Act, 2013 the Annual Return in the prescribed format is available at www.elofic.com

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, your Company has not given any loan or guarantee which is covered under the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

- **Details of the Contracts, arrangements or transactions not at arm's length price:**

There were no such transactions u/s 188 of the Companies Act, 2013 which are not at Arm's Length price.

BOARD'S REPORT

- **Details of the material contracts or arrangements or transactions at arm's length basis**

Details of material contracts/arrangements/transactions at arm's length basis are given in AOC - 2 attached as **Annexure - I**

Except as stated in the disclosure, there were no materially significant related party transactions made by the Company with its Promoters, Directors, or other related parties which may have a potential conflict with the interest of the Company at large. All Related Party Transactions which are in the ordinary course of business and on arm's length basis are placed before the Audit Committee as also the Board for approval.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

DETAIL OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

No significant and material orders have been passed during the year under review by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year such controls were tested and no reportable material weaknesses in the design & operation effectiveness were observed.

In the opinion of the Board, the existing internal control framework is adequate and commensurate with the size and nature of the business of the company.

INTERNAL AUDIT :

In accordance with the section 138(1) of the Companies Act, 2013, the company had appointed Mr. Dharmendra Sharma, a competent employee as an Internal Auditors of the company and internal audit reports are reviewed by the Audit Committee from time to time.

SECRETARIAL AUDIT :

In accordance with the provisions of section 204 of the companies act read with (Rules) Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every public company having turnover more than 250 crores or more shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice in MR-3

Your board is pleased to inform the members that as per the audited financial statements for the financial year 2020-21, the turnover of the company has exceeded the minimum threshold provided under Companies Act, 2013, therefore the Company shall appoint Secretarial auditors to conduct the secretarial audit for the financial year 2021 - 22.

Remuneration received by Whole Time Directors from Subsidiary Company:

No remuneration has been received by the directors from its subsidiary company during financial year 2020-21.

BOARD'S REPORT

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review the company initiated the process to transfer the shares to IEPF on which dividend was unpaid or unclaimed for the continuous period as prescribed under Companies Act, 2013. The company filed the corporate action form with NSDL for transferring 6,000 shares to IEPF, which got executed on October 7, 2020.

During the year under review the company transferred unpaid / unclaimed dividend of Rs. 1,83,900/- for the financial year 2012-13 to IEPF (Investor Education and Protection Fund)

Following amounts remained unpaid as on 31.03.2021 in the unpaid/ unclaimed dividend account of the company.

S.No	Financial Year	Unpaid Dividend
1	2013-14	Rs.2,43,800.00
2	2014-15	Rs. 1,70,850.00
3	2015-16	Rs. 1,92,450.00
4	2016-17	Rs. 2,23,050.00
5	2017-18	Rs.2,15,700.00
6	2018-19	Rs. 2,21,250.00
7	2019-20	Rs. 1,18,750.00
Total Amount		Rs. 13,85,850.00

RISK MANAGEMENT POLICY

The company has adequate systems to assess the associated early risks and for remedial actions.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is an equal employment opportunity employer and is committed to create a healthy and productive work environment that enables employees to work without fear or prejudice, gender bias and sexual harassment. The Company believes that an act of sexual harassment results in the violation of the fundamental rights of a woman. Such acts violate her right to equality, right to life and to live with dignity and the right to practice any profession or to carry on any occupation, trade or business, which also includes a right to a safe and healthy work environment free from sexual harassment.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company's policy on prevention of Sexual Harassment at Workplace is in line with the requirement of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DEPOSITS

During the year under review, your Company did not accept deposits covered under Chapter V of the Companies Act, 2013

BOARD'S REPORT

RECEIPT OF ANY COMMISSION BY MANAGING DIRECTOR/WHOLE TIME DIRECTOR FROM A COMPANY OR FOR RECEIPT OF COMMISSION/REMUNERATION FROM ITS HOLDING OR SUBSIDIARY

There is no such transaction in the Company during the financial year.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure II**

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

ELOFIC USA, LLC is the wholly owned subsidiary of the Company. Report on the performance and financial position of each subsidiary company has been provided in **Form AOC-1** and is forming part of the Annual Report as **Annexure III**.

Apart from this, there are no other subsidiaries/Joint Ventures/Associates of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information under Section 134(3) (m) read with Rule 8(3) of Companies (Accounts) Rules, 2014 for the year ended 31st March 2021 is as follows:-

A. CONSERVATION OF ENERGY

The Company does not belong to the category of Power Intensive Industries and hence, consumption of power is not significant. However, management gives utmost importance to energy conservation measures, including regular review of general energy consumption and effective control in utilisation of energy. The Company has installed a "Solar Plant" in its two manufacturing plants for captive consumption to give effect to energy saving. Form A is not applicable to the Company as it does not fall under the list of industries specified in the schedule attached to Rule 2.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a). Research & Development (R&D)

1. Specified areas in which R&D has been carried out by the Company.
 - i. New product range for both export and domestic markets.
 - ii. Technology Improvement in manufacturing facilities.
 - iii. Upgradation of laboratory, usage of latest testing techniques and Quality Assurance.
 - iv. Improvement in work practices.
2. Benefits derived as a result of the above R&D.
 - i. Standardization of Products.
 - ii. Reduction in Waste and rework.
 - iii. Reduction in Processing time, thereby increasing productivity.
 - iv. Improvement in Process Capability.
 - v. Satisfaction/ delight of Customers.
 - vi. Entering into new segments of products.
3. Future plan of action.

Further upgradation of the Laboratory by adding New Testing Equipments, for Research & Analysis of Products, is being done.

BOARD'S REPORT**Expenditure on R&D**

Particular	Current Year	Previous Year
Capital	Rs. 30,96,484	Rs. 16,26,856
Revenue	Rs. 2,22,75,892	Rs. 2,33,22,977
Total R & D expenditure	Rs.2,53,72,376	Rs. 2,49,49,833
Percentage of total turnover	0.95%	1.12%

b). Technology Absorption, Adaptation and Innovation

- i. There has been a continuous endeavour of your company to adopt the latest developments in filtration technology in the areas of quality improvement, waste reduction and cost optimisation and to improve acceptance of our filters in the market.
- ii. Benefits derived as a result of the above efforts include product improvement and cost reduction.
- iii. Your Company has derived benefits by improving the quality of its products, as well as improving the manufacturing process, which has resulted in cost reductions and acceptability of your Company's products in Domestic and International markets. Your Company also has the latest and prestigious quality assurance certifications of IATF 16949:2016, OHSAS 18001-2007 and ISO 14001-2015 which have aided this process.
- iv. In case of imported technology (imported during the last 5 Years reckoned from the beginning of the financial year).

Your Company has not imported any technology during the Last five Years, reckoned from the beginning of the financial year under review.

C. FOREIGN EXCHANGE EARNING & OUTGO

- i. Initiatives like increasing exports, development of new export markets etc to increase foreign exchange:

Your company is exporting industrial, air, oil and fuel filters to American & European countries. In order to promote exports, your Company had set up a wholly owned subsidiary in the State of Wisconsin, USA, to facilitate and promote the sales of industrial filters in the United States of America.

Particulars	Amount
Foreign Exchange earned (FOB value)	Rs. 954.45 million (Previous Year Rs. 689.94 million)
Foreign Exchange outgo	Rs. 188.88 million (Previous Year Rs. 222.35 million)

AUDITORS

M/s S.N. Dhawan & Co. LLP , Chartered Accountants, (Registration No. 000050N/N500045) has been appointed as statutory auditors of your Company, for a period of five years from FY 2020-21 to FY 2024-25 at the Annual General Meeting held on December 30th, 2020.

As required under the provisions of Section 139(1) of the Act, the Company has received a written consent from **M/s S.N. Dhawan & Co. LLP Chartered Accountants**, (Reg. No. 000050N/N500045) and a Certificate to the effect that their appointment would be in accordance with the provisions of the Act

BOARD'S REPORT

and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Act.

AUDITOR'S REPORT

The observations of the auditors as contained in the Auditor's Report and the respective notes on Accounts are self-explanatory and do not contain any qualification / adverse remarks.

FRAUDS REPORTED BY AUDITOR UNDER SUB SECTION (12) OF SECTION 143

No fraud has been reported by auditor under sub section (12) of section 143.

COST AUDIT

The Board of Directors of the Company, on the recommendations made by the Audit Committee, has re-appointed M/s Vandana Bansal & Associates, Cost Accountants, as the Cost Auditor of the Company to conduct the audit of cost records for three financial years starting from April 1, 2019 and ending on March 31, 2022.

The Company has received consent from M/s Vandana Bansal & Associates, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for three financial years starting from April 1, 2019 and ending on March 31, 2022.

CORPORATE SOCIAL RESPONSIBILITY

The Company has a well defined Policy on CSR as per the requirements of Section 135 of the Companies Act, 2013 which covers the activities as prescribed under Schedule VII of the Companies Act, 2013. During the year under review, the committee held two meetings on July 20, 2020 and March 25, 2021, wherein all the members were present.

Corporate Social Responsibility Report, pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, forms part of the Board's Report as **Annexure IV**.

NOMINATION & REMUNERATION COMMITTEE & POLICY

In accordance with the provisions of the Companies Act, 2013, Nomination & Remuneration Committee of the company comprises of Mr. Prem Arora, Mr. Mohanjit Singh and Mr. Kanwal Deep Sahni met on June 20, 2020.

After the retirement of Mr. Mohanjit Singh after completing his term, Mr. Subodh Kumar Jain was appointed as Independent Director of the company and the new committee comprises of Mr. Prem Arora, Mr. Subodh Kumar Jain and Mr. Kanwal Deep Sahni.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee approved a policy on Director's appointment & remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided. Nomination and remuneration policy is attached as **Annexure V**.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 (3) of the Companies Act, 2013, the directors of your company state, except as stated otherwise, that:-

- i. In the preparation of the annual accounts for the financial year ended 31st March, 2021 the applicable accounting standards have been followed and there have been no material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review.

BOARD'S REPORT

- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared accounts on a going concern basis.
- v. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

SECRETARIAL STANDARDS

During the year under review the company has complied the applicable secretarial standards issued by the Institute of Company Secretaries of India

ACKNOWLEDGEMENTS

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the company's esteemed shareholders, customers, suppliers, financial institutions, vendors & government for their valuable contribution and support to the company in all spheres of operation during the year under review. Your Directors also wish to place on record their deep sense of appreciation of their employees, for their commendable team work and the high degree of professionalism and enthusiasm displayed by them during the year.

**By the Order of the Board
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, Ashoka Avenue, Sainik Farms,
New Delhi-110062.

Date: 15 July, 2021
Place: Faridabad

Annexure - I**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

(A) Name(s) of the related party and nature of relationship	NA
(B) Nature of contracts/arrangements/transactions	
(C) Duration of the contracts / arrangements/ transactions	
(D) Salient terms of the contracts or arrangements or transactions including the value, if any	
(E) Justification for entering into such contracts or arrangements or transactions	
(F) date(s) of approval by the Board	
(G) Amount paid as advances, if any	
(H) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party	Nature of contracts/ arrangement/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
Elofic USA, LLC	Sales of Goods	Not Specified	Refer AS-18 in financial statement	NA	NA
Elofic Industries (India)	Licence Agreement	Not Specified	Refer AS-18 in financial statement	NA	NA
Elofic Industries (India)	Lease Agreement	Not Specified	Refer AS-18 in financial statement	NA	NA
Mettler Auto Pvt. Ltd.	Consultancy	Not Specified	Refer AS-18 in financial statement	NA	NA
Brita Sahni	Lease Agreement	Not Specified	Refer AS-18 in financial statement	NA	NA
Asheen Sahni	Consultancy	Commences from 01 Jan 2021 to 31 March 2021	Refer AS-18 in financial statement	NA	NA

Annexure - I

Date: 15 July 2021
Place: Faridabad

By Order of Board of Directors
For ELOFIC INDUSTRIES LIMITED

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, ASHOKA AVENUE, SAINIK FARMS,
NEW DELHI 110062.

Annexure – II**Particulars of Employees for the financial year ended on March 31, 2021**

Statement pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of Director's Report for the financial year ended March 31, 2021										
Detail of top ten employees in terms of remuneration drawn										
S. No.	Name	Designation	Remuneration	Nature of Employment	Qualification	Date of Commencement	Age	Last employment held	% of equity shares held in the Company	Name of Director (If such employee is relative of any Director)
1	Mohan Bir Sahni	Managing Director	9,271,669	Whole Time Director	Graduate	Apr-06	69	NA	28.44	Brother of Karwal Deep Sahni
2	Karwal Deep Sahni	Joint Managing Director	9,271,669	Whole Time Director	Graduate	Apr-06	63	NA	29.95	Brother of Mohan Bir Sahni
3	Maj. Gen. Jatinder Singh Bedi (Retd.)	Whole time Director	3,330,170	HR & Admin	PG-Strategic Studies, Masters in Management Sciences & Distinguished in Artillery Technology and Automation	Nov-18	63	Indian Army	Nil	-
4	Jarnail Singh	Vice President	3,020,209	Operations	LLB	May-96	53	NA	0.011	-
5	Ajay Seth	Vice President	3,007,737	Sale & Marketing – Exports	PGDM – Marketing & International Business	Jul-98	55	Mokul Overseas Pvt. Ltd.	Nil	-
6	Kamlesh Koul	Vice President	2,970,384	R&D	B.E (MECH.)	Jul-12	41	Mahle Filters Systems Ltd.	Nil	-
7	Pawan Shama	Vice President	2,965,320	Sale & Marketing – Domestic	MBA	Feb-98	59	Walkin Auto Ltd.	Nil	-
8	Adish Suri	General Manager	2,576,650	Finance & Accounts	MBA (FINANCE), Cost & Management Accountant	Jan-12	59	Aska Equipments Ltd.	Nil	-
9	Ajay Upadhyaya	AGM- Quality	2,480,393	Quality	BTECH	Apr-17	42	Minda Corporation	Nil	-
10	Hansveer Sahni	Plant Head	2,246,725	Operations	BBA	Sep-15	41	Bubblegum	0.05	Mr. M.B. Sahni & Mr. K.D. Sahni
Employed throughout the year and were in receipt of remuneration not less than Rs. 1,02,00,000/- per annum								NONE		
Employed part of the year and were in receipt of remuneration not less than Rs. 8,50,000/- per month								NONE		

Note:

1. Remuneration includes Basic Salary, Allowances & perquisites, company's contribution to provident fund, superannuation & Gratuity.
2. All perquisites have been computed in accordance with Income Tax Act, 1961.

Date: 15 July 2021
Place: Faridabad

**By Order of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, ASHOKA AVENUE, SAINIK FARMS,
NEW DELHI 110062.

Annexure – III**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies/ joint ventures.**1. Details of Contracts or arrangements or transaction at arm's length basis****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in USD/INR)

		(Figures in USD)
S. No.	Particulars	Details
1.	Name of the subsidiary	Elofic USA; LLC
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2020 TO 31-03-2021
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	4116410
7.	Total Liabilities	3115587
8.	Investments	1000823.13
9.	Turnover	7123195.22
10.	Profit before taxation	250019.24
11.	Provision for taxation	
12.	Profit after taxation	250019.24
13.	Proposed Dividend	
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

S.No.	Name of associates/Joint Ventures	
1.	Latest audited Balance Sheet Date	
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding%	
3	Description of how there is significant influence	
4	Reason why the associate/joint venture is not consolidated	
5	Net worth attributable to shareholding as per latest audited Balance Sheet	
6	Profit/Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

Annexure – III

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Date: 15 July 2021
Place: Faridabad

**By Order of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, ASHOKA AVENUE, SAINIK FARMS,
NEW DELHI 110062.

Annexure – IV**Report on Corporate Social Responsibility (CSR) Policy**

S. No.	Particulars	Remark										
1	A Brief outline of the Company's CSR policy, including overview of projects, programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.	<p>Corporate Social Responsibility ("CSR") at Elofic Industries Limited ("the Company") is our commitment towards Inclusive Growth. The Company believes that long-term sustainability can be achieved by meeting legitimate concerns of all stakeholders. The Company's approach to sustainable development focuses on the triple bottom line of Economic, Environmental and Social performance. As a responsible corporate citizen, the Company is constantly engaged in delivering value to its stakeholders through its promise of Together Safer, Everywhere.</p> <p>The company is running a nursing home at Village Rajpura , Nalagarh for promotion of health care activities through a charitable trust for the last few years. Also, the company has incurred reasonable amount on women empowerment through a Trust which is established for such objectives. The company has also contributed toward Prime Minister National Relief Fund and PM-CARES – Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund, for combating, containment and relief efforts against the coronavirus outbreak .</p>										
2	The Composition of the CSR Committee	The composition of CSR Committee comprises of Three directors of the Company Mr. Prem Arara and Mr. Subodh Kumar Jain and Mr. Mohan Bir Sahnii.										
3	Average net profit of the Company for last three financial years.	<table border="1"> <tbody> <tr> <td>FY-2019-20</td> <td>Rs. 21,73,26,680</td> </tr> <tr> <td>FY-2018-19</td> <td>Rs. 23,81,81,013</td> </tr> <tr> <td>FY-2017-18</td> <td>Rs. 23,12,26,971</td> </tr> <tr> <td>Total</td> <td>Rs. 68,67,34,664</td> </tr> <tr> <td colspan="2">Average net profit before tax Rs. 22,89,11,555/-</td> </tr> </tbody> </table>	FY-2019-20	Rs. 21,73,26,680	FY-2018-19	Rs. 23,81,81,013	FY-2017-18	Rs. 23,12,26,971	Total	Rs. 68,67,34,664	Average net profit before tax Rs. 22,89,11,555/-	
FY-2019-20	Rs. 21,73,26,680											
FY-2018-19	Rs. 23,81,81,013											
FY-2017-18	Rs. 23,12,26,971											
Total	Rs. 68,67,34,664											
Average net profit before tax Rs. 22,89,11,555/-												
4	Prescribed CSR Expenditure (two percent of the amount as in item no-3 above)											
5	Details of CSR spent during the financial year.											
	a) Total amount to be spent for the financial year;	a) Rs. 45,78,231										
	b) Amount unspent, if any;	No										
	c) Manner in which the amount spent during the financial year is detailed below.											

Annexure – IV

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR Project or activity Identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where the projects or programs was undertaken	Amount outlay (budget) Project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent: Direct or through implementing agency
1	To promote nursing home with ambulance service : Under Planning stage	Healthcare	Healthcare program; (Other) State of Himachal Pradesh; District Solan	Rs. 3,500,000	Rs. 800,000	Rs. 3,650,000	Rs. 3,650,000
2	To promote Women Empowerment	promoting gender equality and empowering women;	A trust established with an aim to empower the women of the society in Delhi	NA	Rs. 150,000	Rs. 150,000	Rs. 150,000
3	Prime Minister Care Fund	For relief efforts against COVID-19 or pandemic like situations	Prime Minister Care Fund	NA	Rs. 9,610,010	Rs. 9,610,010	Rs. 9,610,010
4	Prime Minister National Relief Fund	Natural and man-made disasters	Prime Minister National Relief Fund	NA	Rs. 100	Rs. 100	Rs. 100
	Total			Rs. 800,000	Rs. 10,560,110	Rs. 13,410,110	Rs. 13,410,110

Reason for not spending the prescribed amount: NA

During the Year under review the Company spent all cumulative prescribed amount of CSR Expenses.

Responsibility statement of the CSR Committee

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Date: 15 July 2021

Place: Faridabad

**By Order of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, ASHOKA AVENUE, SAINIK FARMS,
NEW DELHI 110062.

Annexure – V

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. This policy on nomination and remuneration of Directors, Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

1. DEFINITIONS:

In this Policy unless the context otherwise requires:

- 1) '**Act**' means Companies Act, 2013 and rules thereunder
- 2) '**Board of Directors**' or '**Board**', in relation to the Company, means the collective body of the directors of the Company
- 3) '**Committee**' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
- 4) '**Company**' means **Elofic Industries Limited**
- 5) '**Directors**' means Directors of the Company
- 6) '**Independent Director**' means a director referred to in Section 149 (6) of the Companies Act, 2013
- 7) '**Ministry**' means the Ministry of Corporate Affairs
- 8) '**Regulations**' refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and such other rules and provisions as applicable to the matters dealt in by this Policy '**Senior Management Personnel**' for this purpose shall mean employees of the company who are members of its core management team excluding Board of Director of management one level below the executive director(s), including the functional.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein, rank equivalent to General Manager and above, including all functional heads.

2. OBJECTIVE:

The objective of the policy is to ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. ROLE OF THE COMMITTEE:

- The role of the NRC will be the following:
 - a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
 - b) To formulate criteria for evaluation of Independent Directors and the Board.
 - c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
 - d) To carry out evaluation of Director's performance.
 - e) To recommend to the Board the appointment and removal of Directors and Senior Management.
 - f) To recommend to the Board policy relating to remuneration for Directors Personnel and Senior Management.

Annexure – V

- g) To devise a policy on Board diversity, composition, size.
- h) Succession planning for replacing Key Executives and overseeing.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

4. APPOINTMENT AND REMOVAL OF DIRECTOR AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

5. TERM / TENURE:

- a) **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

6. EVALUATION:

- The Committee shall carry out evaluation of performance of Director and Senior Management Personnel yearly or at such intervals as may be considered necessary.

7. REMOVAL:

- The Committee may recommend with reasons recorded in writing, removal of a Director, and Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

8. RETIREMENT:

- The Director and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

9. POLICY FOR REMUNERATION TO DIRECTORS/MP/SENIOR MANAGEMENT PERSONNEL:

- 1) Remuneration to Managing Director / Whole-time Directors:
 - a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there

Annexure – V

under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2) Remuneration to Non- Executive/Independent Directors:

- a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- b) All the remuneration of the Non- Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

- d) Any remuneration paid to Non- Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Senior Management:

- a) The remuneration to Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

- b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Senior Management, to be decided annually or at such intervals as may be considered appropriate.

10. IMPLEMENTATION:

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

11. AMENDMENT:

- The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.

INDEPENDENT AUDITOR'S REPORT**To the Members of Elofic Industries Limited****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of **Elofic Industries Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises of the Director's Report but does not include the standalone financial statements and our auditor's report thereon, which we obtained on the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work, if we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT**Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 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 adequate internal financial controls system with reference to standalone financial statements 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

INDEPENDENT AUDITOR'S REPORT

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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 standalone financial statements for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those standalone financial statements on November 28, 2020.

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 paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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 March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our

INDEPENDENT AUDITOR'S REPORT

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, 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 standalone financial statements – Refer Note 28 to the standalone financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 21096985AAAACP8223

Place: Gurugram

Date: July 15, 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **Elofic Industries Limited** on the standalone financial statements as of and for the year ended March 31, 2021)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, comprising of property, plant and equipment and other intangible assets.
- (b) The Company has a regular program of physical verification of its fixed assets, comprising of property, plant and equipment and other intangible assets, under which fixed assets are verified in a phased manner at regular intervals, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties held in the name of the Company are mortgaged with banks for securing credit facilities availed from banks. In respect of leasehold immovable properties, which are included under the head 'property plant and equipment, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit. According to the information and explanations given to us, no material discrepancies were noticed on the aforesaid verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and had no unclaimed deposits at the beginning of the year within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us, undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, cess, goods and services tax and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues outstanding in respect of duty of excise on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rupees) (Rupees) (Rupees)	Amount paid under protest (Rupees)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	1,443,017	250,000	Financial Year 1998-2000	Commissioner Central Excise, Delhi IV, Faridabad

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to any financial institution or government and no dues payable to debenture-holders during the year.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.

(x) To the best of our knowledge and 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 period covered by our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of clause 3(xiv) of the Order are not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, provisions of clause 3(xv) of the Order are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi) of the Order are not applicable.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 21096985AAAACP8223

Place: Gurugram

Date: July 15, 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of **Elofic Industries Limited** of even date)

Independent Auditor's report on the Internal Financial Controls with reference to standalone 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 standalone financial statements of **Elofic Industries Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone 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 with reference to the standalone financial statements 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 the company's business, including adherence to 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 standalone 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, issued by the Institute of Chartered Accountants of India ("the ICAI") and deemed to be prescribed 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 ICAI. 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 standalone financial statements were 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 system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 controls 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, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to the standalone financial statements 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.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 21096985AAAACP8223

Place: Gurugram

Date: July 15, 2021

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

Particulars	(Amount in 'Rupees' unless otherwise stated)		
	Note No.	As at March 31, 2021	As at March 31, 2020
I Equity and liabilities			
Shareholders' funds			
(a) Share capital	3	25,083,700	25,083,700
(b) Reserves and surplus	4	1,412,540,076	1,108,020,817
		1,437,623,776	1,133,104,517
Non-current liabilities			
(a) Long term borrowings	5	959,615	2,732,657
(b) Deferred tax liabilities (Net)	6	20,01,391	4,568,769
(c) Long term provisions	7	1,01,280	2,782,662
		30,62,286	10,084,088
Current liabilities			
(a) Short term borrowings	8	-	96,408,113
(b) Trade payables	9		
(i) Outstanding dues of micro enterprises and small enterprises		25,096,550	41,056,300
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises		332,574,099	190,337,203
(c) Other current liabilities	10	79,620,602	65,316,337
(d) Short term provisions	7	35,767,742	7,993,881
		473,058,993	401,111,834
		1,913,745,055	1,544,300,439
II Assets			
Non-current assets			
(a) Property, plant and equipment			
(i) Tangible assets	11	473,067,942	514,858,996
(ii) Intangible assets	11	2,540,378	3,347,165
(iii) Capital work-in-progress	11	594,392	3,433,599
(b) Non-current investments	12	61,486,751	43,433,605
(c) Long-term loans and advances	13	41,597,701	32,735,659
(d) Other non-current assets	14	114,029	9,670
		579,401,193	597,818,694
Current assets			
(a) Current investments	12	2,000,000	-
(b) Inventories	15	385,335,420	377,369,102
(c) Trade receivables	16	481,489,976	314,328,240
(d) Cash and bank balances	17	343,957,295	95,406,018
(e) Short-term loans and advances	13	84,733,534	106,724,452
(f) Other current assets	14	36,827,637	52,653,933
		1,334,343,862	946,481,745
		1,913,745,055	1,544,300,439

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of the Board of Directors of Elofic Industries Limited

Bhaskar Sen
Partner
Membership No.: 096985

K. D. Sahni
Joint Managing Director
DIN 00901216

M. B. Sahni
Managing Director
DIN 00906251

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN 08583060

Adish Suri
General Manager -
Finance and Accounts

Place: Gurugram
Date: July 15, 2021

Place: Faridabad
Date: July 15, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in 'Rupees' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	18	2,666,010,478	2,185,848,345
II Other income	19	17,180,840	37,390,262
III Total revenue (I + II)		2,683,191,318	2,223,238,607
IV Expenses			
(a) Cost of materials consumed	20	1,203,744,568	1,000,947,638
(b) Purchases of stock-in-trade	21	16,766,734	18,860,074
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	15,017,303	5,276,754
(d) Employee benefits expense	23	380,633,250	363,018,787
(e) Finance costs	24	10,530,949	17,826,864
(f) Depreciation and amortization expense	11	92,034,993	95,444,257
(g) Other expenses	26	541,678,286	476,310,426
Total expenses		2,260,406,083	1,977,684,800
V Profit before tax (III - IV)		422,785,235	245,553,807
VI Share of profit from Elofic USA LLC	12	18,557,682	2,317,080
VII Profit before tax (V + VI)		441,342,917	247,870,887
VIII Tax expense			
(a) Current tax		134,276,130	68,437,850
(b) Deferred tax		(2,567,378)	364,659
(c) Tax adjustment of earlier years		-	(1,326,539)
Net tax expense		131,708,752	67,475,970
IX Profit after tax for the year (VII-VIII)		309,634,165	180,394,917
X Earnings per equity share (face value of Rs. 10 per share)			
(a) Basic	27	123.44	71.92
(b) Diluted	27	123.44	71.92

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

Bhaskar Sen
Partner
Membership No.: 096985

For and on behalf of the Board of Directors of Elofic Industries Limited

K. D. Sahni
Joint Managing Director
DIN 00901216

M. B. Sahni
Managing Director
DIN 00906251

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN 08583060

Adish Suri
General Manager -
Finance and Accounts

Place: Gurugram
Date: July 15, 2021

Place: Faridabad
Date: July 15, 2021

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amount in 'Rupees' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Net profit before tax		422,785,235	245,553,807
Adjustment for			
Depreciation and amortization expense		92,034,993	95,444,257
Finance costs		10,530,949	17,826,864
Interest income		(6,566,962)	(4,233,173)
(Profit)/ loss on sale of property, plant and equipment		16,720	(281,081)
Income of deferred govt grant		(98,166)	(120,868)
Sundry balances written back		(972,364)	(413,645)
Net (gain) / Loss on foreign currency transactions and translation		(5,761,954)	(9,428,984)
Balances written off		238,040	3,593,404
Provision for doubtful loans and advances		1,447,176	-
Operating profit before working capital changes		513,653,667	347,940,581
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(7,966,318)	(25,023,945)
Trade receivables		(161,838,034)	114,350,728
Long-term loans and advances		155,932	(716,288)
Short-term loans and advances		21,214,345	3,617,255
Other current assets		15,826,296	(14,589,593)
Adjustments for increase / (decrease) in operating liabilities:			
Long term provisions		(2,681,382)	656,422
Trade payables		127,449,722	(51,580,931)
Other current liabilities		12,002,835	(5,256,544)
Short term provisions		4,421,191	(2,473,331)
Cash generated from operations		522,238,254	366,924,354
Income taxes paid (Net)		(111,537,110)	(78,739,139)
Net cash provided/(used) in operating activities (A)		410,701,144	288,185,215
Cash flow from investing activities			
Purchase of property, plant and equipment/ intangible assets including capital work-in-progress		(52,527,651)	(105,063,183)
Proceeds from sale of property, plant and equipment		84,540	686,535
Increase in non trade long term investments		504,536	2,089,424
Purchase of current investments		(2,000,000)	-
Bank balances not considered as cash and cash equivalents (net)		(256,521,288)	(3,512,980)
Interest received		6,553,756	3,895,994
Net cash provided/(used) in investing activities (B)		(303,906,107)	(101,904,210)
Cash flow from financing activities			
Repayment of long-term borrowings		(1,773,042)	(88,720)
Net increase / (decrease) in working capital borrowings (net)		(96,408,113)	(133,110,043)
Interest paid		(11,476,000)	(19,579,866)
Dividend paid		(5,016,740)	(7,484,560)
Dividend tax paid		-	(1,546,810)
Net cash provided/(used) in financing activities (C)		(114,673,895)	(161,809,999)
Net increase(decrease) in cash and cash equivalents	17	(7,878,858)	24,471,006
Cash and cash equivalents at the beginning of the year		35,291,811	10,820,805
Cash and cash equivalents at the end of the year		27,412,953	35,291,811

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**Cash and cash equivalents at the end of the year comprises**

Cash on hand	252,555	172,901
Balance with banks in current accounts	27,160,398	35,118,910
	27,412,953	35,291,811

Note:

Investment in Elofic USA, LLC as increased by profit added during the year for Rs. 18,557,682 (March 31, 2020 : Rs. 2,317,080) is not considered in cash flows, as it does not have any impact on movement of cash/cash equivalents.

The accompanying notes are an integral part of the standalone financials statements.

As per our report of even date attached

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

For and on behalf of the Board of Directors of**Elofic Industries Limited****Bhaskar Sen**

Partner

Membership No.: 096985

K. D. Sahni

Joint Managing Director

DIN 00901216

M. B. Sahni

Managing Director

DIN 00906251

Maj. Gen. J.S. Bedi (Retd.)

Director

DIN 08583060

Adish Suri

General Manager -

Finance and Accounts

Place: Gurugram

Date: July 15, 2021

Place: Faridabad

Date: July 15, 2021



-Traditionally Futuristic

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1. Corporate Information

Elofic Industries Limited ("the Company") was incorporated on June 2, 1973 under the provisions of the Companies Act, 1956. The Company has six manufacturing units located in Faridabad, Noida, Hosur and Nalagarh. The Company is engaged in manufacturing and supplying of automobile filters and lubes. The Company has its Registered Office at 14/4, Mathura Road, Faridabad-121003.

2. Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The standalone financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year except for change in the accounting policy for compensated absences as more fully described in Note 7.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialise.

2.3 Inventories

Inventories are valued at the lower of cost or net realisable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of purchase consists of the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise), freight inwards and other expenditure directly attributable for its acquisition. Work-in-progress and finished goods include appropriate proportion of overheads.

The methods of determining cost of various categories of inventories are as under :

S. No.	Particulars	Method of valuation
a.	Raw materials, packing materials and stores and spares	First In first out method
b.	Stock-in-trade	Raw material cost on first In first out method plus appropriate share of labour and manufacturing overheads.
c.	Finished goods and work In progress	Raw material cost on first In first out method plus conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

2.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Accounting Standard -3 (AS-3) "Cash Flow Statement".

2.6 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets is provided using written down value method as per useful life specified in Part "C" of Schedule II to the Companies Act, 2013 and after retaining residual value of 5% of the original cost of the assets as specified in the said schedule except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, post history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Leasehold improvements are amortized over the lease term or the useful life of the assets.
Computer software are amortized over a period of 5 years
Assets costing individually Rs. 5,000 or less are fully depreciated in the year of purchase.

Depreciation for assets purchased / sold during a period is proportionately charged to standalone statement of profit and loss. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the Company for their use.

2.7 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

- a. Sale of goods
Revenue relating to sale of goods is recognized on dispatch of goods which coincides with the transfer of significant risks and rewards related to goods and are accounted for net of returns. Net sales, as disclosed, are exclusive of sales tax and GST.
- b. Income from services
- c. Revenue relating to sale of services is recognized on accrual basis in accordance with the service agreements when services are rendered and related costs are incurred.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.8 Other income

- a. Interest income is recognized on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.
- b. Export Incentives are also recognized on accrual basis.

2.9 Property, plant and equipment (Tangible assets and capital work-in-progress)

Tangible assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of tangible assets includes non-refundable taxes, duties, freight, insurance, labour cost, allocable borrowing costs and other directly attributable cost to the construction / acquisition of the assets. Subsequent expenditure relating to tangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gain or loss arising on account of sale of tangible assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognized in the standalone Statement of Profit and Loss in the year in which the asset is sold.

Tangible assets under construction, advance paid towards acquisition of tangible assets and cost of assets not ready to use before year end are shown as capital work in progress. Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets represent computer software (which are not integral part of related hardware). Computer software which is acquired separately, is recognized initially at cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.11 Foreign currency transactions and translations

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Conversion:

Monetary items denominated in foreign currency and not covered by forward exchange contracts are reported using the closing exchange rate on each Balance Sheet Date and those covered by forward exchange contracts are translated at the rate prevailing on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of contract. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Exchange difference:

The exchange difference arising on the settlement of monetary items or reporting these items at rates different from rates at which these were initially recorded / reported in previous period are recognized as income/expense in the period in which they arise.

Measurement at the balance sheet date:

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Forward contracts:

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of the contract as well as exchange difference on such contracts i.e. difference between the exchange rates at the reporting/ settlement date and the exchange rate on the date of inception of contract / the reporting date, is recognized as income / expense for the period.

2.12 Government grants, subsidies and export incentives

Grants and subsidies from the government is recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/ subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match the related cost, which they are intended to compensate. Where the grant relates to an assets, it is recognized as deferred income and released to income on a systematic and rational basis in the proportions in which depreciation on related assets is charged to the standalone Statement of Profit and Loss.

Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters contribution are credited to capital reserve and treated as a part of the shareholders fund.

2.13 Investments

Long term investments are stated at cost except those investments which in the management's opinion have suffered a permanent diminution and thus valued at nominal rate. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investments.

Current investments are carried in the standalone financial statements at lower of cost and fair value determined on an individual investment basis.

2.14 Employee benefits

Expense and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 – Employee Benefits. Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Short term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the standalone Statement of Profit or Loss of the year in which related services are rendered. Such Benefits include salaries, wages, bonus etc. The liability for compensated absences in respect of employees (other than workers) is in the nature of short term employee benefits which has provided on the basis of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences and in case of non-accumulating compensated absences, when the absences occur. Terminal benefits, if any, are recognized as an expense immediately. The Company provides for compensated absences based on best estimated basis.

Defined contribution plan

Contributions payable to recognized provident fund and employee state insurance scheme, which are substantially defined contribution plans, are recognized as expense in the standalone statement of profit and loss, as they are incurred.

Defined benefit plan

For defined benefit plans in the form of gratuity fund, the cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in full in the standalone statement of profit and loss for the period in which they occur. Past service cost is recognized immediately to the extent the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits became vested. The retirement benefit obligation recognized in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Other long term benefits

Till the previous year the holding company treats some of the accumulated leave of workers as long-term employee benefit for measurement purposes. Long term compensated absences are provided for on the basis of octuorial valuation, using the Projected Unit Credit method, at the end of each financial year. Actuarial gains/ losses, if any, are recognised immediately in the standalone Statement of Profit and Loss. From current year the Company treated the compensated absences as short term employee benefits and provided based on best estimation basis.

2.15 Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.16 Segment reporting

Identification of segments:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance. The geographical segment of the Company is based on the location of customer in India and outside India.

Segment revenue and expense:

Segment revenue and expense which are directly attributable to the segments are considered under respective segment. Common expenses are allocated to the two segments on turnover basis.

Segment asset and liabilities:

Segment assets include all operating assets used by a segment and consist principally of Debtors, inventories, Investment which are reported in the Balance Sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole.

2.17 Leases

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

The assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals in case of operating leases are charged to the standalone statement of profit and loss on accrual basis on straight line basis.

2.18 Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating diluted earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS**2.19 Taxes on income**

Tax expense comprises current tax and deferred tax.

Current tax

Current tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws which also based on the expected outcome of assessment/appeals with respect to the Company. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognized directly in equity is recognized in equity and not in the standalone statement of profit and loss.

Minimum alternate tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the standalone Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Statement of Profit and Loss.

2.20 Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset or Cash Generating Unit (CGU) may be impaired. If any indication exists, the recoverable amount of the same is determined. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is reversed in standalone statement of profit and loss only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.21 Provision, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation. Contingent assets are neither recognized nor disclosed in the standalone financial statements.

2.22 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.23 Classification of Current / Non current assets and liabilities

All assets and liabilities are presented as Current or Non Current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and time between acquisition of assets and disposal of liabilities, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities. Operating Cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalent.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

3 Share capital	(Amount in 'Rupees' unless otherwise stated)			
	As at March 31, 2021		As at March 31, 2020	
	No's	Amount	No's	Amount
Authorised				
Equity shares of Rs. 10 each	3,000,000	30,000,000	3,000,000	30,000,000
	3,000,000	30,000,000	3,000,000	30,000,000
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each fully paid up	2,508,370	25,083,700	2,508,370	25,083,700
	2,508,370	25,083,700	2,508,370	25,083,700

a. Reconciliation statement of share capital

Equity shares	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount (Rs)	No. of shares	Amount (Rs)
Balance of shares at the beginning of the year	2,508,370	25,083,700	2,508,370	25,083,700
Add: Addition during the year	-	-	-	-
Balance of shares at the end of the year	2,508,370	25,083,700	2,508,370	25,083,700

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholder's holding more than 5 percent shares in the Company

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	713,435	28.44	713,435	28.44
Kanwal Deep Sahni	751,285	29.95	751,285	29.95
Satinder Sahni	172,800	6.89	172,800	6.89
Saheb Sahni	159,600	6.36	159,600	6.36
Karam Sahni	159,600	6.36	159,600	6.36
Mohinder Singh Sahni & Sons (HUF)	134,920	5.38	134,920	5.38

d. Proposed dividend

For the year ended March 31, 2021, the Board of Directors has proposed dividend of Rs. 2 (March 31, 2020: Rs. 2) for distribution to shareholders.

4 Reserves and surplus

	As at March 31, 2021	As at March 31, 2020
Securities premium account	6,477,750	6,477,750
Deferred Government Grant		
Balance at the beginning of the year	522,646	643,514
Less: Utilized during the year (See note 19)	98,166	120,868
Balance at the end of the year	424,480	522,646
General reserve		
Balance at the beginning of the year	98,826,015	80,786,523
Add: Addition during the year	30,963,417	18,039,492
Balance at the end of the year	129,789,432	98,826,015
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	1,002,194,406	848,910,901
-Profit for the year	309,634,165	180,394,917
Less: Appropriations during the year		
-Transfer to general reserve	30,963,417	18,039,492

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

-Dividends distributed to equity shareholders (Rs. 2 per share) (Previous year Rs. 3 per share)	5,016,740	7,525,110
-Dividend distribution tax on dividend	-	1,546,810
Balance at the end of the year	1,275,848,414	1,002,194,406
Total reserves and surplus	1,412,540,076	1,108,020,817

5 Long-term borrowings

	Non-current		Current maturities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Term loan from banks (Secured)				
Vehicle loan (Refer sub-note 'a' below)	959,615	2,732,657	1,773,042	2,779,396
	959,615	2,732,657	1,773,042	2,779,396
Less: Amount disclosed under "Other current liabilities" (Refer Note 10)	-	-	1,773,042	2,779,396
	959,615	2,732,657	-	-

Note:

Term and securities

Vehicle loans are secured against hypothecation of respective vehicles and carries 8.5% to 10% (Reducing) rate of interest p.a.

Borrowings is repayable in 36 to 60 installments as per the term of repayments.

Maturity profile of secured vehicle loan is set out as below:

Financial year	Amount (Rs.)
2021-22	1,773,042
2022-23	959,615

6 Deferred tax liabilities (Net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	11,341,083	12,226,642
Others	-	-
Total A	11,341,083	12,226,642
Deferred tax assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	8,106,514	6,833,881
Provision for doubtful debts/advances	1,172,496	751,079
Others	60,682	72,913
Total B	9,339,692	7,657,873
Deferred tax liability (Net) (A-B)	2,001,391	4,568,769
Amount charge to /(credit in) Statement of Profit and Loss	(2,567,378)	364,659

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

7 Provisions	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits				
Gratuity (Refer note 34)	-	-	-	28,499
Compensated absence (Refer sub-note 'i' below)	-	2,721,671	11,953,151	6,653,461
Other provisions				
Lease equalisation reserve	101,280	60,991	-	-
Provision for income tax (Net of advance tax of Rs. 11,250,000 (March 31, 2020 : Rs. 149,727,853))	-	-	23,814,591	461,921
Provision for warranty (Refer sub-note 'ii' below)	-	-	-	850,000
	101,280	2,782,662	35,767,742	7,993,881

Notes:

- i. Till the previous year, the Company provision for compensated absences was made based on actuarial valuation and carried the accumulated balances for the future years. During the current year, the Company has changed its policy of accumulation of compensated absences. Accordingly, provision for compensated absences has been determined based on accumulated carried forward leaves to be paid to employees subsequent to the year end.

	As at March 31, 2021	As at March 31, 2020
ii. Provision for warranty		
Balance at the beginning of the year	850,000	1,196,848
Provision made during the year	-	167,361
Amount utilised/ written back during the year	850,000	514,209
Balance at the end of the year	-	850,000
The Company has not incurred any significant warranty expenses in the current year as well as in the previous years. Accordingly, the provision of the previous year has been reversed during the current year.		

8 Short-term borrowings	As at March 31, 2021	As at March 31, 2020
Borrowings (Secured)		
- From banks - Cosh credit (Refer note 'a' and 'b' below)	-	5,108,113
Borrowings (Unsecured)		
- From related parties (Unsecured) (Refer note 37 (b))	-	91,300,000
	-	96,408,113
The above amount includes		
Secured borrowings	-	5,108,113
Unsecured borrowings	-	91,300,000

Notes:

- a. Cash Credit facility from HDFC bank is secured primarily by hypothecation of stock and book debts under first pari passu charge and collaterally secured by pari passu charge on factory land and building located at 14/4, Mathura Road Industrial, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating at MCLR+0.85% (March 31, 2020: MCLR + .85%)
- b. Cash Credit facility from HSBC Bank is secured by pari passu charge on movable property, plant and equipment excluding those funded out of other Bank's Term Loan and pari passu charge on stocks and receivables and pari passu charge on factory land and building located at 14/4, Mathura Road Industrial, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating at MCLR+0.90% (March 31, 2020 : MCLR +.90% p.a.)
- c. Unsecured loan from related party is taken during ordinary course of business and balance outstanding as at March 31, 2021 is carrying interest rate of 8.40 % p.o (March 31, 2020 : 8.40 % p.a.)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

9 Trade payables	As at March 31, 2021	As at March 31, 2020
Other than acceptances		
Outstanding dues of micro and small enterprises (Refer sub-note below)	25,096,550	41,056,300
Outstanding dues of creditors other than micro and small enterprises	332,574,099	190,337,203
	357,670,649	231,393,503

Note

As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 and as certified by the Management, the amount due to Micro and small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.		
- Principal	25,096,550	41,056,300
- interest due thereon	136,629	56,139
(ii) Payments made to suppliers beyond the appointed day during the year		
- Principal amount	41,056,300	12,568,632
- Interest	56,139	175,845
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	136,629	56,139
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.		-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

10 Other current liabilities

Current maturities of long-term borrowings (Refer note 5)	1,773,042	2,779,396
Interest accrued but not due on borrowings	18,715	37,902
Interest accrued on trade payables	136,629	56,139
Deposits from dealers (Refer sub-note below)	26,921,010	22,824,010
Other deposits	500,000	500,000
Unpaid dividends	1,385,850	1,482,300
Statutory dues payable	27,780,342	26,015,064
Advances from customers	11,742,472	5,505,465
Payables on purchase of property, plant and equipment	9,362,542	6,116,061
	79,620,602	65,316,337

Note:

Deposits from dealers carry interest @ 8% p.a. upto September 30, 2020, thereafter @ 6% per annum and repayable on expiry/ termination of agreement.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

11 Property, plant and equipment

Particulars	Gross block			Depreciation and amortization				Net block		
	As at April 1, 2020	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2021	As at April 1, 2020	Depreciation/ amortization expense for the year	Depreciation adjustment on sale/ other adjustment	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
A. Tangible assets										
Land : Freehold	22,660,171 (22,660,171)	-	-	22,660,171 (22,660,171)	-	-	-	-	22,660,171 (22,660,171)	22,660,171 (22,660,171)
Land : Leasehold	774,944 (774,944)	-	-	774,944 (774,944)	253,468 (235,281)	17,575 (18,187)	-	271,043 (253,468)	503,901 (521,476)	521,476 (539,663)
Building: Factory	117,872,132 (119,309,056)	491,140 (30,220)	(1,567,144)	118,363,272 (117,872,132)	75,074,704 (70,242,920)	4,509,493 (5,615,356)	- (783,572)	79,584,197 (75,074,704)	38,779,075 (42,797,428)	42,797,428 (49,066,136)
Building : Administrative	13,667,797 (13,431,367)	- (236,430)	-	13,667,797 (13,667,797)	53,02,634 (4,831,840)	402,709 (420,794)	-	5,705,343 (5,302,634)	7,962,454 (8,365,163)	8,365,163 (8,549,527)
Plant and equipment	1,051,741,720 (952,842,729)	44,246,777 (99,102,520)	25,500 (203,529)	1,095,962,997 (1,051,741,720)	635,489,806 (556,281,069)	77,670,485 (79,326,099)	24,692 (117,362)	713,135,599 (635,489,806)	382,827,398 (416,251,914)	416,251,914 (396,561,660)
Furniture and fixtures	21,011,993 (20,414,379)	64,558 (597,614)	102,840	20,973,711 (21,011,993)	14,905,754 (13,003,568)	1,557,167 (1,902,186)	97,580	16,365,341 (14,905,754)	4,608,370 (6,106,239)	6,106,239 (7,410,811)
Vehicles	40,971,407 (41,712,883)	2,049,693 (5,616,083)	1,175,095 (6,357,559)	41,846,005 (40,971,407)	30,825,441 (33,769,368)	3,183,683 (3,095,753)	1,116,340 (6,039,680)	32,892,784 (30,825,441)	8,953,221 (10,145,966)	10,145,966 (7,943,515)
Office equipment	16,224,193 (14,510,689)	312,700 (1,741,676)	177,137 (28,172)	16,359,756 (16,224,193)	13,691,356 (12,944,275)	1,113,875 (773,844)	161,519 (26,763)	14,643,712 (13,691,356)	1,716,044 (2,532,837)	2,532,837 (1,566,414)
Electrical installation	18,803,673 (18,548,723)	415,331 (254,950)	-	19,219,004 (18,803,673)	15,603,194 (14,795,346)	610,888 (807,848)	-	16,214,082 (15,603,194)	3,004,922 (3,200,479)	3,200,479 (3,753,377)
Computers	20,382,649 (19,456,712)	925,047 (925,937)	421,173	20,886,523 (20,382,649)	18,105,326 (16,467,766)	1,129,165 (1,637,558)	400,354	18,834,137 (18,105,326)	2,052,386 (2,277,323)	2,277,323 (2,988,944)
Total tangible asset	1,324,110,679 (1,223,661,653)	48,505,246 (108,605,430)	1,901,745 (8,156,404)	1,370,714,180 (1,324,110,679)	809,251,683 (722,621,435)	90,195,040 (93,597,624)	1,800,485 (6,967,377)	897,646,238 (809,251,683)	473,067,942 (514,858,996)	514,858,996 (501,040,218)
B. Intangible assets										
Computer software	14,166,373 (13,366,373)	1,033,166 (800,000)	-	15,199,539 (14,166,373)	10,819,208 (8,972,575)	1,839,953 (1,846,633)	-	12,659,161 (10,819,208)	2,540,378 (3,347,165)	3,347,165 (4,393,798)
Total intangible asset	14,166,373 (13,366,373)	1,033,166 (800,000)	-	15,199,539 (14,166,373)	10,819,208 (8,972,575)	1,839,953 (1,846,633)	-	12,659,161 (10,819,208)	2,540,378 (3,347,165)	3,347,165 (4,393,798)
C. Capital work-in-progress										
Particulars	As at March 31, 2021	As at March 31, 2020								
Electrical installation	150,000	548,244								
Plant and equipment	444,392	2,885,355								
Total	594,392	3,433,599								

Note:

- a. Previous year figures are in brackets.
 b. The total capital expenditure towards research and development incurred during the year as per books of account is Rs. 3,096,484 (March 31, 2020 : Rs. 1,626,856) included in plant and machinery.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

12 Investments

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Non-current investments (Valued at cost, unless stated otherwise)				
Trade investments				
Investments in capital of Wholly Owned Subsidiary				
- Elofic USA, LLC				
Opening balance	43,433,605	43,196,949	-	-
Add: Profit during the year	18,557,682	2,317,080	-	-
Less: Drawing during the year	504,536	2,080,424	-	-
Closing balance (B)	61,486,751	43,433,605	-	-
Current investments (Valued at cost, unless stated otherwise)				
-Investment in mutual funds	-	-	2,000,000	-
(A)	-	-	2,000,000	-
Total investments (A+B)	61,486,751	43,433,605	2,000,000	-
Aggregate amount of unquoted investments	-	-	2,000,000	-
Aggregate amount of unquoted investments	61,486,751	43,433,605	-	-
Aggregate market value of unlisted and unquoted investments	-	-	2,022,700	-

Other details relating to investment in partnership firms

Name of firm	Elofic USA, LLC
Names of partners in the firm	ELOFIC INDUSTRIES LIMITED
Total capital	61,486,751
Share of each partner in the prof- its of the firm	100%

13 Loans and advances

(Unsecured, considered good, unless otherwise stated)

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital advances	13,235,148	4,160,221	-	-
Security deposits	8,778,016	8,732,155	529,086	267,316
Advances to suppliers				
-Unsecured - considered good	-	-	9,648,313	6,188,335
-Unsecured - considered doubtful	-	-	457,488	457,488
	-	-	10,105,801	6,645,823
Less: Provision for doubtful advances	-	-	457,488	457,488
	-	-	9,648,313	6,188,335
Advances recoverable in cash or in kind				
-Unsecured - considered good	-	-	1,004,899	3,987,098
-Unsecured - considered doubtful	-	-	776,573	-
	-	-	1,781,472	3,987,098
Less: Provision for doubtful advances	-	-	776,573	-
	-	-	1,004,899	3,987,098

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	(Amount in 'Rupees' unless otherwise stated)			
Advance income tax (Net of provisions of Rs. 26,13,16,754) (March 31, 2020: Rs. 11,11,26,980)	16,695,026	16,081,376	-	-
Prepaid expenses	159,225	361,018	3,463,571	2,411,174
Gratuity fund recoverable (net)	-	-	5,128,097	-
Loans to employees	-	-	500,358	945,202
Balances with government authorities				
-Unsecured - considered good	2,730,286	3,400,889	64,459,210	92,925,327
-Unsecured - considered doubtful	670,603	-	-	-
	3,400,889	3,400,889	64,459,210	92,925,327
Less: Provision for doubtful balances	670,603	-	-	-
	2,730,286	3,400,889	64,459,210	92,925,327
	41,597,701	32,735,659	84,733,534	106,724,452

14 Other assets

(Unsecured, considered good unless stated otherwise)

Non-current bank balances	100,809	9,656	-	-
Interest accrued				
- on fixed deposits with banks	13,220	14	2,143,200	2,855,577
- on investment /others	-	-	17,968	17,968
Export incentive recoverable	-	-	33,242,248	49,193,928
Insurance claim recoverable	-	-	1,424,221	586,460
	114,029	9,670	36,827,637	52,653,933

15 Inventories

(At lower of cost and net realisable value)

	As at March 31, 2021	As at March 31, 2020
Raw materials	258,615,959	236,334,578
Raw materials - Goods-in-transit	2,406,418	364,698
	<u>261,022,377</u>	<u>236,699,276</u>
Finished goods	111,623,443	122,577,327
Finished goods - Goods-in-transit	6,001,695	8,298,865
	<u>117,625,138</u>	<u>130,876,192</u>
Stock-in-trade (acquired for trading)	3,926,447	5,692,696
Stores and spares	1,219,008	2,670,024
Packing materials	1,542,450	1,430,914
	<u>385,335,420</u>	<u>377,369,102</u>

16 Trade receivables

Trade receivables outstanding for a period exceeding six months from the date they were due for payment

Secured, considered good	1,320,000	239,919
Unsecured, considered good	12,345,024	11,127,667
Unsecured, considered doubtful	2,121,765	2,121,765
	<u>15,786,789</u>	<u>13,489,351</u>
Less: Allowance for doubtful receivables	2,121,765	2,121,765
	<u>13,665,024</u>	<u>11,367,586</u>
Other trade receivables		
Secured, considered good	10,973,735	8,809,302
Unsecured, considered good	456,851,217	294,151,352
	<u>467,824,952</u>	<u>302,960,654</u>
	481,489,976	314,328,240

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
17 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
in current accounts	27,160,398	35,118,910
Cash on hand	252,555	172,901
	27,412,953	35,291,811
Other bank balances		
Unpaid dividend accounts	1,385,850	1,482,300
Deposit having original maturity more than 3 months (see note below)	315,158,492	58,631,907
	316,544,342	60,114,207
	343,957,295	95,406,018
Of the above, the balances that meet the definition of cash and cash equivalents as per Accounting Standard 3, 'Cash Flow Statements' is	27,412,953	35,291,811

a) Out of total fixed deposits of Rs. 1,299,666 (March 31, 2020: Rs. 576,501) are pledged as security for margin money with the banks.

	Year ended March 31, 2021	Year ended March 31, 2020
18 Revenue from operations		
i. Sale of products		
a. Finished goods (Refer sub-note 'a' below)	2,588,203,269	2,087,521,724
b. Traded goods (Refer sub-note 'b' below)	25,634,839	21,690,932
	2,613,838,108	2,109,212,656
ii. Other operating revenues		
a. Export incentives	9,709,785	40,722,126
b. Sale of scrap	41,625,343	31,630,023
c. Others	837,242	4,283,540
	52,172,370	76,635,689
	2,666,010,478	2,185,848,345
Notes		
a. Sale of products comprises:		
Manufactured goods		
- Filter and lubes	2,588,203,269	2,087,521,724
	2,588,203,269	2,087,521,724
b. Traded goods		
- Coolants	25,634,839	21,690,932
	25,634,839	21,690,932

19 Other income		
Interest income		
- From banks on deposits	6,566,962	4,233,173
- On electricity deposits	-	125,082
- Others	1,336,520	3,317,682
Interest on income tax refund	-	470,892
Net gain on foreign currency transactions and translation	7,953,788	27,946,046
Other non-operating income		
- Sundry balances written back	972,364	413,645
- Profit on sale of property, plant and equipment	-	281,081
- Income of deferred govt grant (Refer Sub-note 'a' below)	98,166	120,868
- Miscellaneous income	253,040	481,793
	17,180,840	37,390,262

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

Note:

a. During the financial year 2011-12, the Company had recognized a grant amounting to Rs. 3,000,000 from the Government of Himachal Pradesh against installation of plant and machinery at Nolarah Plant. Out of this Rs. 98,166 (March 31, 2020: Rs. 120,868) is being recognized as income in the Statement of Profit and Loss and Rs. 424,480 (March 31, 2020 : Rs. 522,646) is considered as deferred Government grant under 'Reserves and Surplus' in note 4 of standalone financial statements.

	Year ended March 31, 2021	Year ended March 31, 2020
20 Cost of raw materials consumed		
Inventory of the beginning of the year	236,699,276	206,653,714
Add: Purchases during the year	1,228,067,669	1,030,993,200
	1,464,766,945	1,237,646,914
Less: Inventory at the end of the year	261,022,377	236,699,276
Cost of materials consumed	1,203,744,568	1,000,947,638
Note:		
Details of raw materials consumed		
Filter paper	116,553,106	95,717,676
Iron sheet	320,101,239	296,214,278
Rubber item	99,926,657	112,090,930
Packaging	102,357,701	92,911,152
Plastic	72,656,949	45,974,455
Others	492,148,916	358,039,147
	1,203,744,568	1,000,947,638
21 Purchases of stock-in-trade (traded goods)		
Coolants	16,766,734	18,860,074
	16,766,734	18,860,074
22 Increase/(decrease) in inventories		
Inventories at the beginning of the year		
- Finished goods (Including in transit)	130,876,192	139,196,967
- Traded goods	5,692,696	2,648,675
	136,568,888	141,845,642
Inventories at the end of the year		
- Finished goods	117,625,138	130,876,192
- Traded goods	3,926,447	5,692,696
	121,551,585	136,568,888
	(15,017,303)	(5,276,754)
Note:		
The inventory comprises:		
Finished goods		
Filters and lubes	117,625,138	130,876,192
	117,625,138	130,876,192
Traded goods		
Coolants	3,926,447	5,692,696
	3,926,447	5,692,696
23 Employee benefits expense		
Salaries, wages and bonus	347,796,586	323,959,966
Contribution to provident and other funds	25,600,900	23,889,918
Gratuity expense (Refer note 34)	3,343,402	9,829,766
Staff welfare expenses	3,892,362	5,339,137
	380,633,250	363,018,787

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
24 Finance costs		
Interest expense		
- On term loans	383,259	506,698
- On cash credits/other facilities	58,424	3,682,425
- On security deposits from dealers	1,020,811	1,590,049
- On loans from related parties	6,645,850	11,511,636
- On others	152,107	59,056
Interest on delayed payment of advance taxes	2,073,344	-
Other borrowing costs	197,154	477,000
	10,530,949	17,826,864
25 Depreciation and amortization expense		
Depreciation and amortization for the year on tangible assets as per Note 11 A	90,195,040	93,597,624
Amortization for the year on intangible assets as per Note 11 B	1,839,953	1,846,633
	92,034,993	95,444,257
26 Other expenses		
Consumption of stores and spare parts	18,889,676	13,609,845
Consumption of packing materials	41,407,832	32,785,837
Jobwork charges	93,375,427	80,270,258
Power and fuel	64,112,499	63,817,026
Rent including lease rentals	19,266,391	18,600,142
Repairs and maintenance		
- Buildings	1,372,881	8,595,051
- Plant and machinery	28,657,006	35,341,166
- Others	8,716,296	9,868,672
Insurance	5,549,707	3,407,172
Rates and taxes	1,757,012	2,663,243
Legal and professional	3,630,446	4,831,793
Travelling and conveyance	2,478,596	14,171,672
Freight outward	53,229,737	43,183,015
Shipping and forwarding	71,351,834	33,050,944
Licence fee	15,822,009	13,785,665
Postage and courier	820,584	1,555,841
Printing and stationery	1,675,337	1,647,783
Communication expenses	1,756,631	1,772,713
Sales promotion	31,688,321	26,033,098
Payment to auditors (Refer note 'a' below)	1,323,320	1,468,882
Research and development expenses (Refer note 'b' below)	22,275,892	23,322,977
Cash discount	32,589,928	25,491,135
Bank charges	979,827	1,046,773
CSR expenses (Refer note 38)	10,560,110	300,000
Warranty expenses	182,974	-
Provision for warranty	-	167,360
Provision for doubtful loans and advances	1,447,176	-
Conventions and exhibitions	-	2,018,390
Loss on sale of property, plant and equipment	16,720	-
Balances written off	238,040	3,593,404
Miscellaneous expenses	6,506,077	9,910,569
	541,678,286	476,310,426

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

Notes

a. Payment to auditors

As auditors:

For audit	750,000	710,000 *
For tax audit	150,000	150,000 *
In other capacity:		
For taxation matters	85,000 *	70,000 *
For other services	295,000 *	465,000 *
Reimbursement of expenses	43,320 *	73,882 *
	1,323,320	1,468,882

* Paid to erstwhile auditors.

b. Research and development expenditure:

Revenue expenditure

Salaries	19,509,914	19,711,408
Repairs and maintenance	2,092,473	2,447,470
Communication	-	82,500
Consumables and samples	154,101	689,157
Travelling	24,888	72,426
Miscellaneous	494,516	320,016
	22,275,892	23,322,977

Capital expenditure

Plant and machinery	3,075,000	1,626,856
Office equipment	21,484	-
	3,096,484	1,626,856

27 Earnings per share

Profit for the year	309,634,165	180,394,917
Weighted average number of equity shares	2,508,370	2,508,370
Par value per share	10	10
Basic earnings per share	123.44	71.92
Diluted earnings per share	123.44	71.92

As at	As at
March 31, 2021	March 31, 2020

28 Contingent liabilities and commitments (to the extent not provided for)

a. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advance of Rs. 13,235,148 (March 31, 2020: Rs. 4,160,221))	56,169,304	9,161,783
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b. Contingent liabilities

i. Claims against the Company not acknowledged as debt (gross)

Excise duty	1,443,017	1,443,017
Income tax	-	93,632
Central Sales tax demand	-	123,256
	1,443,017	1,659,905

Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. The Company has disputed the above demands.

Amount paid under protest

Excise duty	250,000	250,000
	250,000	250,000

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

ii. Letter of credit and bank guarantee

Letter of credit (Margin money : Rs. 864,479 {March 31, 2020 : Rs. 337,239}	8,644,789	3,372,389
Bank guarantee (Margin money : Rs. 435,187 {March 31, 2020 : Rs. 239,262}	4,351,868	2,392,618
	12,996,657	5,765,007

- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

29 Details of derivative instruments and unhedged foreign currency exposures

- a. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Currency	As at	As at
		March 31, 2021	March 31, 2020
Receivables	Rupees	281,523,202	150,201,291
	USD	3,830,003	1,992,432
	Rupees	41,039,419	21,585,170
	EURO	476,654	259,907
	Rupees	4,249,897	1,482,289
	GBP	42,099	15,926
Payables	Rupees	20,229,167	9,132,812
	USD	275,209	121,148
	Rupees	382,937	49,946
	EURO	4,448	601

- b. The Company have no open derivative positions as at March 31, 2021 and as at March 31, 2020.

30 Value of imports calculated on CIF basis	As at	As at
	March 31, 2021	March 31, 2020
Raw materials	144,261,936	111,529,858
Other materials	10,838,857	16,603,764
	155,100,793	128,133,622
Capital goods	22,793,305	76,378,962
	22,793,305	76,378,962
31 Expenditure in foreign currency		
Travelling	-	1,077,226
Bank charges	151,022	150,496
Machinery parts	10,832,752	16,595,412
Exhibition expenses	-	17,325
	10,983,774	17,840,459

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

32 Details of consumption of Imported and Indigenous items

	Year ended March 31, 2021		Year ended March 31, 2020	
	Value	%	Value	%
Raw materials				
Imported	161,842,243	13	102,961,899	10
Indigenous	1,041,902,325	87	897,985,739	90
	1,203,744,568	100	1,000,947,638	100
Other materials				
Imported	10,838,857	19	16,603,764	32
Indigenous	47,335,709	81	35,042,147	68
	58,174,566	100	51,645,911	100
Stores and spares				
Imported	-	-	-	-
Indigenous	18,889,676	100	13,609,845	100
	18,889,676	100	13,609,845	100

	Year ended March 31, 2021	Year ended March 31, 2020
33 Earnings in foreign currency		
Export of goods calculated on FOB basis	952,906,391	683,776,862
Tooling charges	-	2,667,464
Other charges	206,548	178,297
Interest income	1,336,520	3,317,682
	954,449,459	689,940,305

34 Employee benefit plans**(i) Defined contribution plan**

The Company makes contribution towards Provident Fund (PF), Employee State Insurance (ESI) and Labour Welfare Fund as defined contribution retirement plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.

	Year ended March 31, 2021	Year ended March 31, 2020
Provident Fund	20,273,741	18,785,266
Employee State Insurance	4,867,651	4,698,166
Labour Welfare Fund	459,508	406,486
	25,600,900	23,889,918

(ii) Defined benefit plan

Defined benefit plans include Gratuity (funded)

Gratuity is a funded defined benefit plan for qualifying employees. Employees Gratuity Fund scheme is managed by Elofic Industries Limited Employee Gratuity Fund Trust. The present value of defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet. The obligation for Compensated Absence for workers is a defined unfunded benefit plan, which is recognized in the same manner as gratuity.

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit or loss of the year in which related service is rendered. The liability for leave encashment in respect of employees (other than workers) is in the nature of short term employee benefits which is provided on the basis of estimation made by the management.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

The following table sets out the funded status of the defined benefit schemes and the amount recognized in the financial statements:

Expense recognized during the year

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	4,821,272	4,782,944
Past service cost	-	-
Interest cost on benefit obligation	3,463,402	2,684,432
Expected return on plan assets	(3,461,407)	(2,495,521)
Actuarial(gain)/loss recognized in the year	(1,479,865)	4,857,911
Net expense/ (benefit)	3,343,402	9,829,766

Actual contribution and benefit payments for the year

Actual benefit payments	7,580,334	1,254,876
Actual contributions	8,500,000	12,500,000

Net asset / (liability) recognized in the Balance Sheet

Present value of defined benefit obligation	48,244,225	49,477,167
Fair value of plan assets	53,372,322	49,448,666
Funded status [Surplus / (Deficit)]	5,128,097	(28,499)
Unrecognized past service costs	-	-
Net asset / (liability) recognized in the Balance Sheet	5,128,097	(28,499)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in defined benefit obligations (DBO) during the year		
Defined benefit obligation at the beginning of the year	49,477,167	38,349,034
Interest cost	3,463,402	2,684,432
Current service cost	4,821,272	4,782,944
Past service cost	-	-
Benefits paid	(7,580,334)	(1,254,876)
Actuarial (gain)/loss on obligation	(1,937,282)	4,915,633
Defined benefit obligation at the end of the year	48,244,225	49,477,167

Change in fair value of assets during the year

Fair value of plan assets at beginning of the year	49,448,666	35,650,299
Expected return on plan assets	3,461,407	2,495,521
Contribution by employer	8,500,000	12,500,000
Benefits paid	(7,580,334)	(1,254,876)
Actuarial gain/(loss) on plan assets	(457,417)	57,722
Fair value of plan assets at end of the year	53,372,322	49,448,666

Actual return on plan assets	7.00%	7.00%
Composition of the plan assets is as follows:		
- Elofic Industries Limited Employee Gratuity Fund Trust	100%	100%

Reconciliation of fair value of assets and obligations

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	(48,244,225)	(49,477,167)	(38,349,034)
Fair value of plan assets	53,372,322	49,448,666	35,650,299
Net assets/(liability) recognized in the Balance Sheet	5,128,097	(28,501)	(2,698,735)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of defined benefit obligation	(31,785,630)	(31,095,863)
Fair value of plan assets	33,562,778	30,312,843
Net assets/(liability) recognized in the Balance Sheet	1,777,148	(783,020)

Actuarial assumptions

Particulars	As at March 31, 2021 Gratuity (funded)	As at March 31, 2020 Gratuity (funded)
Discount rate (per annum)	7.00%	7.00%
Future increase in compensation	5.00%	5.00%
In service mortality	IALM 2012-14	IALM 2012-14
Retirement age	60 years	60 years
Withdrawal rates:		
18 to 30 years	3%	3%
30 to 44 years	2%	2%
44 to 60 years	1%	1%

On account of short term leave encashment policy of the Company, a provision of Rs. 11,953,151 (March 31, 2020 : Rs. 6,554,984) is outstanding, as at March 31, 2021.

35 Segment information

The Company is engaged in the manufacture and supply of automobile filters and lubes and has classified the operations as primary segment. Accordingly, there is no reporting requirements of primary segment. Geographical revenues are allocated based on the location of the customer. Geographical segments of the Company are India and Outside India. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

	India	Outside India	Total
Revenue from external customers by location of customers			
Sale of products	1,610,993,906 (1,404,065,768)	1,002,844,202 (705,146,888)	2,613,838,108 (2,109,212,656)
Other operating revenues	26,492,302 (25,339,090)	25,680,068 (51,296,599)	52,172,370 (76,635,689)
Other income	5,755,603 (19,645,537)	3,521,755 (9,597,896)	9,277,358 (29,243,433)
Total revenue	1,643,241,811 (1,449,050,395)	1,032,046,025 (766,041,383)	2,675,287,836 (2,215,091,778)
Segment result	206,983,582 (119,043,765)	218,429,120 (136,190,077)	425,412,702 (255,233,842)
Unallocable expenses (net)			10,530,949 (17,826,864)
Operating income			414,881,753 (237,406,978)
Other income (net)			7,903,482 (8,146,829)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	(Amount in 'Rupees' unless otherwise stated)		
	India	Outside India	Total
Profit before tax			422,785,235 (245,553,807)
Share at profit from Elofic USA LLC			18,557,682 (2,317,080)
Profit before tax			441,342,917 (247,870,887)
Tax expense			131,708,752 (67,475,970)
Profit after tax for the year			309,634,165 (180,394,917)
Segment assets	1,506,750,760 (1,357,651,626)	326,812,518 (127,133,832)	1,833,563,278 (1,484,785,458)
Unallocated assets			80,181,777 (59,514,981)
Total assets			1,913,745,055 (1,544,300,439)
Segment liabilities	425,419,342 (293,485,967)	20,612,104 (9,182,758)	446,031,446 (302,668,725)
Unallocated liabilities			30,089,833 (108,527,197)
Total liabilities			476,121,279 (411,195,922)
Depreciation and amortization expense (see note 'e' below)	56,724,176 (63,535,563)	35,310,817 (31,908,694)	92,034,993 (95,444,257)
Cost to acquire tangible and intangible fixed assets	46,699,205 (111,406,471)	- (-)	46,699,205 (111,406,471)
Non-cash expenses other than depreciation and amortisation	- (-)	- (-)	- (-)

Notes:

- Amounts in brackets represent previous year's figures.
- The unallocated expenses comprises finance casts and unallocated income comprises interest income.
- Unallocated assets include investments, advance tax and tax deducted at source
- Unallocated liabilities include borrowings, deferred tax/current tax liabilities and unpaid dividend.
- Other income, expenses and depreciation not directly allocable to segments are allocated to the segment based on proportionate sales in the segments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

36 Details of leasing arrangements**As Lessee**

The Company has entered into several operating lease arrangements for office premises and warehouses. The lease agreements are in nature of both cancellable and non-cancellable operating lease with an option of renewal at the end of lease term (which is 1 year in most of the cases) and escalation clause applicable in few cases. Lease rentals in respect of such leases have been recognized in statement of Profit and Loss for the year is as follows:

	<u>Year ended March 31, 2021</u>	<u>Year ended March 31, 2020</u>
Rent including lease rentals	19,266,391	18,600,142
	<u>19,266,391</u>	<u>18,600,142</u>
Future minimum lease payments		
Not later than one year	886,515	986,979
Later than one year and not later than five years	1,625,277	2,511,792
	<u>2,511,792</u>	<u>3,498,771</u>

37 Related party transactions**a. Details of related parties**

Description of relationship	Names of related parties
i. Subsidiary	Elofic USA, LLC
ii. Associates/ Enterprise over which key managerial person has significant influence	Elofic Industries (India) Mettler Auto Private Limited Jasmo Kamal & Company Elofic Private Limited YESS Charitable Trust B. Bhagwan Singh Elofic Charitable Trust
iii. Key Management Personnel	Shri M.B. Sahni-Managing Director Shri K.D. Sahni-Whole Time Director Maj. Gen. J.S. Bedi (Retd.)-Whole Time Director
iv. Relatives of Key Management Personnel	Smt. Brita Sahni (Wife of Mr. K.D. Sahni) Mr. Karam Sahni (Son of Mr. K.D. Sahni) Ms. Asheen Sahni (Daughter of Mr. M.B. Sahni) Mr. Saheb Sahni (Son of Mr. M.B. Sahni)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

b. Details of related party transactions during the year and balances outstanding :

S. No.	Particulars	Wholly owned subsidiary						Enterprise over which key managerial person has significant influence			Key Managerial Personnel			Relatives of Key Managerial Personnel			Total
		Elofic USA, LLC	Elofic Industries (India)	Metler Auto (P) Ltd	YESS Charitable Trust	B. Bhagwan Singh Elofic Charitable Trust	Others	M B Sahni	K D Sahni	J.S. Bedi	Brita Sahni	Saheb Sahni	Karam Sahni	Asheen Sahni			
Transactions during the year																	
1	Sale of goods	578,857,375 (399,051,763)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	578,857,375 (399,051,763)
2	Rent paid	- (-)	16,009,224 (15,543,233)	31,145 (31,145)	- (-)	- (-)	25,956 (25,954)	- (-)	- (-)	- (-)	480,000 (440,000)	- (-)	- (-)	- (-)	- (-)	- (-)	16,546,325 (16,040,332)
3	Licence fees	- (-)	15,822,009 (13,785,665)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	15,822,009 (13,785,665)
4	Loans taken	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	40,000,000 (55,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	40,000,000 (55,000,000)
5	Repayment of loans	- (-)	- (-)	- (-)	- (-)	- (-)	24,800,000 (-)	106,500,000 (65,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	131,300,000 (65,000,000)
6	Interest paid	- (-)	- (-)	- (-)	- (-)	- (-)	1,746,464 (2,088,908)	4,899,366 (9,422,728)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	6,645,850 (11,511,636)
7	Interest received	1,336,520 (3,317,682)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,336,520 (3,317,682)
8	Remuneration paid	- (-)	- (-)	- (-)	- (-)	- (-)	9,271,669 (9,281,852)	9,271,669 (9,281,852)	3,330,170 (1,416,761)	- (-)	1,095,001 (649,597)	1,097,675 (898,037)	- (-)	- (-)	- (-)	- (-)	24,066,184 (21,528,099)
9	Miscellaneous receipts	206,548 (178,296)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	206,548 (178,296)
10	Expenses recovered	311,512 (410,266)	- (784,027)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	311,512 (1,194,293)
11	Donation given	- (-)	- (-)	- (-)	200,000 (150,000)	800,000 (150,000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,000,000 (300,000)
12	Club fees	- (-)	- (-)	- (-)	- (-)	- (-)	9,269 (25,044)	18,032 (31,038)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	27,301 (106,082)
13	Consultancy	- (-)	- (-)	1,020,000 (1,007,765)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	250,000 (631,035)	- (-)	1,270,000 (1,638,800)
Balances outstanding as at year end																	
1	Trade receivables	219,106,491 (127,106,924)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	219,106,491 (127,106,924)
2	Trade payables	- (-)	- (14,909,807)	- (-)	- (-)	- (-)	361,090 (25,207,069)	361,090 (66,907,069)	190,870 (163,595)	- (-)	106,080 (63,505)	106,080 (82,921)	- (-)	- (117,931)	- (-)	- (-)	1,125,210 (107,451,897)

Notes:

- Figures in brackets pertain to previous year.
- All transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash within 12 month of reporting date. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized during the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.
- Remuneration does not include expense in respect of gratuity as the same is determined on an actuarial basis for the Company as a whole.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

38 CSR expenditure

(a) Gross amount required to be spent by the Company during the year (i.e. 2% of average net profits under Section 198 of Companies Act, 2013 of last three years): Rs. 4,578,231 (March 31, 2020: Rs. 3,894,912).

(b)

Purpose for which expenditure incurred	Remarks	Amount spent	Outstanding amount to be spent
Year ended March 31, 2021			
Construction/acquisition of any asset			4,578,231
On purposes other than above	(i) YESS Charitable Trust #	150,000	
	(ii) B.Bhagwan Singh Elofic Charitable Trust #	800,000	
	(iii) PM Cares Fund	9,610,110	
Year ended March 31, 2020			
Construction/acquisition of any asset		-	3,594,912
On purposes other than above	(i) YESS Charitable Trust #	150,000	
	(ii) B.Bhagwan Singh Elofic Charitable Trust #	150,000	

Yess Charitable Trust and B.Bhagwan Singh Elofic Charitable Trust are related parties as per Accounting Standard (AS) 18.

39 The Company has incurred the following costs on research and development activities at its center at Faridabad:

Financial year	Capital expenses	Revenue expenses
2009-10	385,811	3,975,041
2010-11	681,600	4,769,078
2011-12	7,306,021	5,501,830
2012-13	3,017,100	8,251,176
2013-14	7,979,550	10,233,540
2014-15	3,495,013	13,261,152
2015-16	1,737,466	13,322,889
2016-17	6,265,479	11,203,703
2017-18	3,522,500	15,035,475
2018-19	1,695,154	22,004,020
2019-20	1,626,856	23,322,977
2020-21	3,096,484	22,275,892

40 Events occurring after balance sheet date**(a) Dividend paid and proposed**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Declared and paid during the year		
Final dividend for the year 2019-20: Rs 2.00 per share (2018-19: Rs 3.00 per share)	5,016,740	7,525,110
(ii) Proposed for approval at the Annual General Meeting (not recognized as a liability)		
Final dividend for the year 2020-21: Rs 2.00 per share (2019-20: Rs 2.00 per share)	5,016,740	5,016,740

41 The standalone financial statements of the Company for the year ended March 31, 2020 has been audited by another firm of Chartered Accountants.

42 The outbreak of Coronavirus (COVID-19) pandemic has caused significant disturbance and slowdown of economic activity. COVID-19 has adversely impacted the business operations of the Company, by way of interruption of construction activities, supply chain distribution, unavailability of labour, etc. The Company has assessed the impact of COVID-19 on its business by evaluation various scenarios on certain assumptions and current indicator of future conditions and on the basis of internal and external sources of information. Based on this, the Company has assessed recoverability and carrying value of its assets comprising investments, inventory, receivables, property, plant and equipment, intangible assets, advances, deferred tax assets and other assets and believes that it will recover the carrying value of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

43 The previous year figures have been regrouped and reclassified wherever considered necessary.

As per our report of even date attached

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

For and on behalf of the Board of Directors of**Elofic Industries Limited****K. D. Sahni**

Joint Managing Director

DIN 00901216

M. B. Sahni

Managing Director

DIN 00906251

Maj. Gen. J.S. Bedi (Retd.)

Director

DIN 08583060

Adish Suri

General Manager -

Finance and Accounts

Place: Gurugram

Date: July 15, 2021

Place: Faridabad

Date: July 15, 2021



-Traditionally Futuristic

INDEPENDENT AUDITOR'S REPORT

To the Members of Elofic Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Elofic Industries Limited** ("the Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2021, of the consolidated profit and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 opinion.

Other Information Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises of the Director's Report but does not include the consolidated financial statements and our auditor's report thereon, which we obtained on the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work, if we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the

INDEPENDENT AUDITOR'S REPORT

Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 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 adequate internal financial controls system with reference to consolidated financial statements 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 matters

- a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 302,575,492 as at March 31, 2021, total revenues of Rs. 528,719,284 and net cash inflows amounting to Rs. 11,122,513 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.
- b) The consolidated financial statements for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on November 28, 2020.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
- (c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies

INDEPENDENT AUDITOR'S REPORT

(Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company, is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company, refer to our separate report in "Annexure A". In respect of the subsidiary, which is incorporated outside India, the provisions of Section 143 (3)(i) on adequacy and operating effectiveness of the internal financial controls, of the Companies Act, 2013 are not applicable.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 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 Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. In respect of the subsidiary, which is incorporated outside India, the provisions of Section 197 of the Act are not applicable.

(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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the 'Other matter' paragraph above:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 28 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 21096985AAAACQ4456

Place: Gurugram

Date: July 15, 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **Elofic Industries Limited** on the consolidated financial statements as of and for the year ended March 31, 2021)

Independent Auditor's report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of **Elofic Industries Limited** (hereinafter referred to as the "Holding Company").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company are 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 the company's business, including adherence to the respective company's policies, the safeguarding of the company's 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 internal financial controls with reference to consolidated financial statements of the Holding Company, as aforesaid, 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") issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 consolidated financial statements were 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 system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 judgement, including the assessment of the risks of material misstatement of the consolidated 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 internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 controls 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 Holding Company which is incorporated in India, , have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 21096985AAAACQ4456

Place: Gurugram

Date: July 15, 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Amount in 'Rupees' unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I Equity and liabilities			
Shareholders' funds			
a) Share capital	3	25,083,700	25,083,700
b) Reserves and surplus	4	1,297,715,459	1,055,187,622
		1,322,799,159	1,080,271,322
Non-current liabilities			
(a) Long term borrowings	5	959,615	2,732,657
(b) Deferred tax liabilities (Net)	6	2,001,391	4,568,769
(c) Long term provisions	7	101,280	2,782,662
		3,062,286	10,084,088
Current liabilities			
(a) Short term borrowings	8	-	96,408,113
(b) Trade Payables	9		
(i) Outstanding dues of micro enterprises and small enterprises		25,096,550	41,056,300
(ii) Outstanding dues of creditors other than micro enterprises and small enterprises		342,971,300	192,515,301
(c) Other current liabilities	10	79,620,602	65,316,337
(d) Short term provisions	7	35,767,742	7,993,881
		483,456,194	403,289,932
		1,809,317,639	1,493,645,342
II Assets			
Non-current assets			
(a) Property, plant and equipment			
(i) Tangible assets	11	473,067,942	514,858,996
(ii) Intangible assets	11	2,540,378	3,347,165
(iii) Capital work-in-progress	11	594,392	3,433,599
(b) Long-term loans and advances	13	41,597,701	32,735,659
(c) Other non-current assets	14	114,029	9,670
		517,914,442	554,385,089
Current assets			
(a) Current investments	12	2,000,000	-
(b) Inventories	15	508,683,152	454,224,299
(c) Trade receivables	16	301,611,863	227,766,482
(d) Cash and bank balances	17	357,393,262	97,719,471
(e) Short-term loans and advances	13	84,887,283	106,896,067
(f) Other current assets	14	36,827,637	52,653,934
		1,291,403,197	939,260,253
		1,809,317,639	1,493,645,342

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

Bhaskar Sen
Partner
Membership No.: 096985

For and on behalf of the Board of Directors of Elofic Industries Limited

K. D. Sahni
Joint Managing Director
DIN 00901216

M. B. Sahni
Managing Director
DIN 00906251

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN 08583060

Adish Suri
General Manager -
Finance and Accounts

Place: Gurugram
Date: July 15, 2021

Place: Faridabad
Date: July 15, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Note No.	(Amount in 'Rupees' unless otherwise stated)	
		Year ended March 31, 2021	Year ended March 31, 2020
I Revenue from operations	18	2,615,665,839	2,267,991,865
II Other income	19	9,004,503	16,218,277
III Total revenue (I + II)		2,624,670,342	2,284,210,142
IV Expenses			
(a) Cost of materials consumed	20	1,203,744,568	1,000,947,638
(b) Purchases of stock-in-trade	21	36,430,842	35,788,590
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(31,475,232)	43,682,255
(d) Employee benefits expense	23	380,633,250	363,018,787
(e) Finance costs	24	10,530,949	17,826,864
(f) Depreciation and amortization expense	11	92,034,993	95,444,257
(g) Other expenses	26	551,812,064	486,422,026
Total expenses		2,243,711,434	2,043,130,417
V Profit before tax (III - IV)		380,958,908	241,079,725
VI Tax expense:			
(a) Current tax		134,276,130	68,437,850
(b) Deferred tax		(2,567,378)	364,659
(c) Tax adjustment of earlier years		-	(1,326,539)
Net tax expense		131,708,752	67,475,970
VII Profit after tax for the year (V-VI)		249,250,156	173,603,755
VIII Earnings per equity share (face value of Rs. 10 per share)			
(a) Basic	27	99.37	69.21
(b) Diluted	27	99.37	69.21

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

Bhaskar Sen
Partner
Membership No.: 096985

For and on behalf of the Board of Directors of Elofic Industries Limited

K. D. Sahni
Joint Managing Director
DIN 00901216

M. B. Sahni
Managing Director
DIN 00906251

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN 08583060

Adish Suri
General Manager -
Finance and Accounts

Place: Gurugram
Date: July 15, 2021

Place: Faridabad
Date: July 15, 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amount in 'Rupees' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		380,958,908	241,079,725
Net profit before tax			
Adjustment for			
Depreciation and amortization expense		92,034,993	95,444,257
Finance costs		10,530,949	17,826,864
Interest income		(6,566,962)	(4,358,255)
(Profit)/ loss on sale of property, plant and equipment		16,720	(281,081)
Income of deferred govt grant		(98,166)	(120,868)
Sundry balances written back		(972,364)	(413,645)
Net (gain) / Loss on foreign currency transactions and translation		(5,761,954)	(9,428,984)
Balances written off		3,302,224	(3,880,354)
Provision for doubtful loans and advances		1,447,176	-
		474,891,524	335,867,659
Operating profit before working capital changes			
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(54,458,853)	11,500,628
Trade receivables		(71,585,863)	84,735,830
Long-term loans and advances		155,932	(716,288)
Short-term loans and advances		21,232,211	7,389,755
Other current assets		15,826,297	(14,592,586)
Adjustments for increase / (decrease) in operating liabilities:			
Long term provisions		(2,681,382)	656,421
Trade payables		134,061,411	(46,255,472)
Other current liabilities		12,002,835	(5,215,993)
Short term provisions		4,421,191	(2,473,331)
Cash generated from operations		533,865,303	370,896,623
Income taxes paid (Net)		(111,537,110)	(78,739,140)
Net cash provided/(used) in operating activities (A)		422,328,193	292,157,483
Cash flow from investing activities			
Purchase of property, plant and equipment/ intangible assets including capital work-in-progress		(52,527,651)	(105,063,184)
Proceeds from sale of property, plant and equipment		84,540	686,535
Decrease in non trade long term investments		-	9,000
Purchase of current investments		(2,000,000)	-
Bank balances not considered as cash and cash equivalents (net)		(256,521,288)	(3,676,666)
Interest received		6,553,756	4,358,255
Net cash provided/(used) in investing activities (B)		(304,410,643)	(103,686,060)
Cash flow from financing activities			
Repayment of long-term borrowings		(1,773,042)	(88,720)
Net increase / (decrease) in working capital borrowings (net)		(96,408,113)	(133,110,043)
Interest paid		(11,476,000)	(19,750,366)
Dividend paid		(5,016,740)	(7,525,110)
Dividend tax paid		-	(1,546,810)
Net cash provided/(used) in financing activities (C)		(114,673,895)	(162,021,049)
Net increase(decrease) in cash and cash equivalents	17	3,243,655	26,450,374
Cash and cash equivalents at the beginning of the year		37,605,265	11,154,891
Cash and cash equivalents at the end of the year		40,848,920	37,605,265
Cash and cash equivalents at the end of the year comprises			
Cash on hand		252,555	172,901
Balance with banks in current accounts		40,596,365	37,432,364
		40,848,920	37,605,265

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

(Amount in 'Rupees' unless otherwise stated)

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For S.N. Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

**For and on behalf of the Board of Directors of
Elofic Industries Limited**

Bhaskar Sen
Partner
Membership No.: 096985

K. D. Sahni
Joint Managing Director
DIN 00901216

M. B. Sahni
Managing Director
DIN 00906251

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN 08583060

Adish Suri
General Manager -
Finance and Accounts

Place: Gurugram
Date: July 15, 2021

Place: Faridabad
Date: July 15, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate Information

Elofic Industries Limited ("the Holding Company" or "the Company") was incorporated on June 2, 1973 under the provisions of the Companies Act, 1956. The Company has six manufacturing units located in Faridabad, Noida, Hosur and Nalagarh. The Holding Company, along with its subsidiary (collectively referred to as "the Group") is engaged in manufacturing and supplying of automobile filters and lubes. The Holding Company has its Registered Office at 14/4, Mathura Road, Faridabad-121003.

2 Significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year except for change in the accounting policy for compensated absences as more fully described in Note 7.

2.2 Basis of consolidation

- The financial statements of the Holding Company and its share in the subsidiary have been combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-Group balances and intra-Group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21, 'Consolidated Financial Statements'.
- The financial statements of the foreign subsidiary being non-integral foreign operations, have been translated using the principles and procedures as laid down in Accounting Standard 11, 'The Effects of Changes in Foreign Exchange Rates'.
- To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are prepared to the extent possible, in the same policies of the subsidiary have been disclosed in the notes to the accounts.
- The difference, if any of the cost to the Holding Company of its investment in subsidiary over its share in the capital of the subsidiary as at the date of acquisition of stake is recognized in consolidated financial statements as goodwill or capital reserve as the case may be.
- The consolidated financial statements are presented, to the extent possible, in the same formats adopted by the Holding Company for its individual financial statements.

Details of entities considered in consolidated financial statements

Name of enterprises	Country of incorporation	% of voting power held as at March 31, 2021
Elofic USA LLC	United States of America	100%

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Group's management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialise.

2.4 Inventories

Inventories are valued at the lower of cost or net realisable value after providing for obsolescence and other losses, where considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of purchase consists of the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise), freight inwards and other expenditure directly attributable for its acquisition. Work-in-progress and finished goods include appropriate proportion of overheads.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The methods of determining cost of various categories of inventories are as under :

Sr. No.	Particulars	Method of valuation
a.	Raw materials, packing materials and stores and spares	First In first out method
b.	Stock-in-trade	Raw material cost on first In first out method plus appropriate share of labour and manufacturing overheads.
c.	Finished goods and work In progress	Raw material cost on first In first out method plus conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

2.5 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6 Cash flow statement

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated as specified in Accounting Standard 3, 'Cash Flow Statement'.

2.7 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible assets is provided using written down value method as per useful life specified in Part "C" of Schedule II to the Companies Act, 2013 and after retaining residual value of 5% of the original cost of the assets as specified in the said schedule except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Leasehold improvements are amortized over the lease term or the useful life of the assets.

Computer software are amortized over a period of 5 years

Assets costing individually Rs. 5,000 or less are fully depreciated in the year of purchase.

Depreciation for assets purchased / sold during a period is proportionately charged to statement of profit and loss. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the Group for their use.

2.8 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- a. **Sale of goods**
Revenue relating to sale of goods is recognized on dispatch of goods which coincides with the transfer of significant risks and rewards related to goods and are accounted for net of returns. Net sales, as disclosed, are exclusive of sales tax and GST.
- b. **Income from services**
Revenue relating to sale of services is recognized on accrual basis in accordance with the service agreements when services are rendered and related costs are incurred.

2.9 Other income

- a. Interest income is recognized on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.
- b. Export Incentives are also recognized on accrual basis.

2.10 Property, plant and equipment (Tangible assets and capital work-In-progress)

Tangible assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of tangible assets includes non-refundable taxes, duties, freight, insurance, labour cost, allocable borrowing costs and other directly attributable cost to the construction / acquisition of the assets. Subsequent expenditure relating to tangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gain or loss arising on account of sale of tangible assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss in the year in which the asset is sold.

Tangible assets under construction, advance paid towards acquisition of tangible assets and cost of assets not ready to use before year end are shown as capital work in progress. Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.11 Intangible assets

Intangible assets represent computer software (which are not integral part of related hardware). Computer software which is acquired separately, is recognized initially at cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.12 Foreign currency transactions and translations

Initial recognition:

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Conversion:

Monetary items denominated in foreign currency and not covered by forward exchange contracts are reported using the closing exchange rate on each Balance Sheet Date and those covered by forward exchange contracts are translated at the rate prevailing on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognized over the life of contract. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Exchange difference:

The exchange difference arising on the settlement of monetary items or reporting these items at rates different from rates at which these were initially recorded / reported in previous period are recognized as income/expense in the period in which they arise.

Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Group, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Group are carried at historical cost.

Forward contracts:

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of the contract as well as exchange difference on such contracts i.e. difference between the exchange rates at the reporting/settlement date and the exchange rate on the date of inception of contract / the reporting date, is recognized as income / expense for the period.

2.13 Government grants, subsidies and export incentives

Grants and subsidies from the government is recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match the related cost, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income on a systematic and rational basis in the proportions in which depreciation on related assets is charged to the Consolidated Statement of Profit and Loss.

Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

Government grants of the nature of promoters contribution are credited to capital reserve and treated as a part of the shareholders fund.

2.14 Investments

Long term investments are stated at cost except those investments which in the management's opinion have suffered a permanent diminution and thus valued at nominal rate. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current investments.

Current investments are carried in the consolidated financial statements at lower of cost and fair value determined on an individual investment basis.

2.15 Employee benefits

Expense and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 – Employee Benefits. Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

Short term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit or Loss of the year in which related services are rendered. Such Benefits include salaries, wages, bonus etc. The liability for compensated absences in respect of employees (other than workers) is in the nature of short term employee benefits which has provided on the basis of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences and in case of non-accumulating compensated absences, when the absences occur. Terminal benefits, if any, are recognized as an expense immediately, the Group provides for compensated absences based on best estimated basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Defined contribution plan

Contributions payable to recognized provident fund and employee state insurance scheme, which are substantially defined contribution plans, are recognized as expense in the Consolidated Statement of Profit and Loss, as they are incurred.

Defined benefit plan

For defined benefit plans in the form of gratuity fund, the cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Consolidated Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Other long term benefits

Till the previous year the Group treats some of the accumulated leave of workers as long-term employee benefit for measurement purposes. Long term compensated absences are provided for on the basis of actuarial valuation, using the Projected Unit Credit method, at the end of each financial year. Actuarial gains/ losses, if any, are recognized immediately in the Consolidated Statement of Profit and Loss. From current year the Group has treated the compensated absences as short term employee benefits and provided based on best estimation basis.

2.16 Borrowing costs

Borrowing costs include interest, amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.17 Segment reporting

Identification of segments:

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance. The geographical segment of the Group is based on the location of customer in India and outside India.

Segment revenue and expense:

Segment revenue and expense which are directly attributable to the segments are considered under respective segment. Common expenses are allocated to the two segments on turnover basis.

Segment asset and liabilities:

Segment assets include all operating assets used by a segment and consist principally of Debtors, inventories, Investment which are reported in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Group as a whole.

2.18 Leases

Lease under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

The assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals in case of operating leases are charged to the Consolidated Statement of Profit and Loss on accrual basis on straight line basis.

2.19 Earnings per share (EPS)

In determining earnings per share, the Group considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.
- For the purpose of calculating diluted earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

2.20 Taxes on income

Tax expense comprises current tax and deferred tax.

Current tax

Current tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961 and other applicable tax laws which also based on the expected outcome of assessment/appeals with respect to the Group. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to the items recognized directly in equity is recognized in equity and not in the Consolidated Statement of Profit and Loss.

Minimum alternate tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Consolidated Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Group recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets subject to consideration of prudence,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

Current and deferred tax relating to items directly recognized in reserves are recognized in reserves and not in the Consolidated Statement of Profit and Loss.

2.21 Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset or Cash Generating Unit (CGU) may be impaired. If any indication exists, the recoverable amount of the same is determined. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognized impairment loss is reversed in Consolidated Statement of Profit and Loss only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized.

2.22 Provision, contingent liabilities and contingent assets

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

2.23 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.24 Classification of Current / Non current assets and liabilities

All assets and liabilities are presented as Current or Non Current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and time between acquisition of assets and disposal of liabilities, the Group has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities. Operating Cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

3 Share capital	As at March 31, 2021		As at March 31, 2020	
	No's	Amount	No's	Amount
Authorised				
Equity shares of Rs. 10 each	3,000,000	30,000,000	3,000,000	30,000,000
	3,000,000	30,000,000	3,000,000	30,000,000
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each fully paid up	2,508,370	25,083,700	2,508,370	25,083,700
	2,508,370	25,083,700	2,508,370	25,083,700

a. Reconciliation statement of share capital:

Equity shares	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount (Rs)	No. of shares	Amount (Rs)
Balance of shares at the beginning of the year	2,508,370	25,083,700	2,508,370	25,083,700
Add:- Addition during the year	-	-	-	-
Balance of shares at the end of the year	2,508,370	25,083,700	2,508,370	25,083,700

b. Terms/rights attached to equity shares

The holding company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The holding company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the holding company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholder's holding more than 5 percent shares in the Company

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	713,435	28.44	713,435	28.44
Kanwal Deep Sahni	751,285	29.95	751,285	29.95
Satinder Sahni	172,800	6.89	172,800	6.89
Saheb Sahni	159,600	6.36	159,600	6.36
Karam Sahni	159,600	6.36	159,600	6.36
Mohinder Singh Sahni & Sons (HUF)	134,920	5.38	134,920	5.38

d. Proposed dividend

For the year ended March 31, 2021, the Board of Directors has proposed dividend of Rs. 2 (March 31, 2020: Rs. 2) for distribution to shareholders.

4 Reserves and surplus

	As at March 31, 2021	As at March 31, 2020
Securities premium account	6,477,750	6,477,750
Deferred Government Grant		
Balance at the beginning of the year	522,646	643,514
Less: Utilized during the year (See note 19)	98,166	120,868
Balance at the end of the year	424,480	522,646
Foreign Currency Transaction Reserve		
Balance at the beginning of the year	13,685,866	8,862,137
Add / (Less): Effect of foreign exchange rate variations during the year	(1,607,413)	4,823,729
Balance at the end of the year	12,078,453	13,685,866
General reserve		
Balance at the beginning of the year	98,826,015	80,786,523
Add: Addition during the year	30,963,417	18,039,492
Balance at the end of the year	129,789,432	98,826,015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

Surplus in the Statement of Profit and Loss

Balance at the beginning of the year	935,675,345	789,183,002
-Profit for the year	249,250,156	173,603,755
Less: Appropriations during the year		
-Transfer to general reserve	30,963,417	18,039,492
-Dividends distributed to equity shareholders (Rs. 2 per share) (Previous year Rs. 3 per share)	5,016,740	7,525,110
-Dividend distribution tax on dividend	-	1,546,810
Balance at the end of the year	1,148,945,344	935,675,345
Total reserves and surplus	1,297,715,459	1,055,187,622

5 Long-term borrowings

	Non-Current		Current maturities	
	As at	As at	As at	As at
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Term loan from banks (Secured)				
Vehicle loan (Refer sub-note 'a' below)	959,615	2,732,657	1,773,042	2,779,396
	959,615	2,732,657	1,773,042	2,779,396
Less: - amount disclosed under "other current liabilities"(Refer Note 10)	-	-	1,773,042	2,779,396
	959,615	2,732,657	-	-

Note:**Term and securities**

Vehicle loans are secured against hypothecation of respective vehicles and carries 8.5% to 10% (Reducing) rate of interest p.a.

Borrowings is repayable in 36 to 60 installments as per the term of repayments.

Maturity profile of secured vehicle loan is set out as below:

Financial year	Amount (Rs.)
2021-22	1,773,042
2022-23	959,615

6 Deferred tax liabilities (Net)

	As at	As at
	March 31, 2021	March 31, 2020
Deferred tax liabilities		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	11,341,083	12,226,642
Others	-	-
Total A	11,341,083	12,226,642
Deferred tax assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	8,106,514	6,833,881
Provision for doubtful debts/advances	1,172,496	751,079
Others	60,682	72,913
Total B	9,339,692	7,657,873
Deferred tax liability (Net) (A-B)	2,001,391	4,568,769
Amount recognised in profit and loss	(2,567,378)	364,659
	Non-current	Current
	As at	As at

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

7 Provisions	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Provision for employee benefits				
Gratuity (Refer note 23)	-	-	-	28,499
Compensated absence (Refer sub-note 'i' below)	-	2,721,671	11,953,151	6,653,461
Other provisions				
Lease equalisation reserve	101,280	60,991	-	-
Provision for income tax (Net of advance tax of Rs. 11,250,000 (March 31, 2020 : Rs. 149,727,853)	-	-	23,814,591	461,921
Provision for warranty (Refer sub-note 'ii' below)	-	-	-	850,000
	101,280	2,782,662	35,767,742	7,993,881

Notes:

i. Till the previous year, the Company provision for compensated absences was made based on actuarial valuation and carried the accumulated balances for the future years. During the current year, the Company has changed its policy of accumulation of compensated absences. Accordingly, provision for compensated absences has been determined based on accumulated carried forward leaves to be paid to employees subsequent to the year end.

ii. Provision for warranty

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	850,000	1,196,848
Provision made during the year	-	167,361
Amount utilised/ written back during the year	850,000	514,209
Balance at the end of the year	-	850,000

The Group have not incurred any significant warranty expenses in the current year as well as in the previous years. Accordingly, the provision of the previous year have been reversed during the current year.

8 Short-term borrowings

	As at March 31, 2021	As at March 31, 2020
Borrowings (Secured)		
- From banks - Cash credit (Refer note 'a' and 'b' below)	-	5,108,113
Borrowings (Unsecured)		
- From related parties (Unsecured) (Refer note 31 (b))	-	91,300,000
	-	96,408,113
The above amount includes		
Secured borrowings	-	5,108,113
Unsecured borrowings	-	91,300,000

Notes:

- Cash Credit facility from HDFC bank is secured primarily by hypothecation of stock and book debts under first pari passu charge and collaterally secured by pari passu charge on factory land and building located at 14/4, Mathura Road Industrial, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating of MCLR+0.85% (March 31, 2020: MCLR + .85%)
- Cash Credit facility from HSBC Bank is secured by pari passu charge on movable property, plant and equipment excluding those funded out of other Bank's Term Loan and pari passu charge on stocks and receivables and pari passu charge on factory land and building located at 14/4, Mathura Road Industrial, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating at MCLR+0.90% (March 31, 2020 : MCLR +.90% p.a.).
- Unsecured loan from related party is taken during ordinary course of business and balance outstanding as at March 31, 2021 is carrying interest rate of 8.40 % p.a (March 31, 2020 : 8.40 % p.a.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

9 Trade payables	As at	As at
	March 31, 2021	March 31, 2020
Other than acceptances		
Outstanding dues of micro and small enterprises (Refer sub-note below)	25,096,550	41,056,300
Outstanding dues of creditors other than micro and small enterprises	342,971,300	192,515,301
	368,067,850	233,571,601

Note

As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 and as certified by the Management, the amount due to Micro and small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.		
- Principal	25,096,550	41,056,300
- interest due thereon	136,629	56,139
(ii) Payments made to suppliers beyond the appointed day during the year		
- Principal amount	41,056,300	12,568,632
- Interest	56,139	175,845
(iii) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	136,629	56,139
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

10 Other current liabilities	As at	As at
	March 31, 2021	March 31, 2020
Current maturities of long-term borrowings (Refer note 5)	1,773,042	2,779,396
Interest accrued but not due on borrowings	18,715	37,902
Interest accrued on trade payables	136,629	56,139
Deposits from dealers (Refer sub-note below)	26,921,010	22,824,010
Other deposits	500,000	500,000
Unpaid dividends	1,385,850	1,482,300
Statutory dues payable	27,780,342	26,015,064
Advances from customers	11,742,472	5,505,465
Payables on purchase of property, plant and equipment	9,362,542	6,116,061
	79,620,602	65,316,337

Note:

Deposits from dealers carry interest @ 8% p.o. upto September 30, 2020, thereafter @ 6% per annum and repayable on expiry/ termination of agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11 Property, plant and equipment

Particulars				(Amount in 'Rupees' unless otherwise stated)						
	Gross Block		Depreciation and amortisation					Net block		
	As at April 1, 2020	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2021	As at April 1, 2020	Depreciation / amortisation expense for the year	Depreciation adjustment on sale / other adjustment	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
A. Tangible assets										
Land : Freehold	22,660,171 (22,660,171)	-	-	22,660,171 (22,660,171)	-	-	-	-	22,660,171 (22,660,171)	22,660,171 (22,660,171)
Land : Leasehold	774,944 (774,944)	-	-	774,944 (774,944)	253,468 (235,281)	17,575 (18,187)	-	271,043 (253,468)	503,901 (521,476)	521,476 (539,663)
Building: Factory	117,872,132 (119,309,056)	491,140 (130,220)	(1,567,144)	118,363,272 (117,872,132)	75,074,704 (70,242,920)	4,509,493 (5,615,356)	(783,572)	79,584,197 (75,074,704)	38,779,075 (42,797,428)	42,797,428 (49,066,136)
Building : Administrative	13,667,797 (13,431,367)	- (236,430)	-	13,667,797 (13,667,797)	5,302,634 (4,881,840)	402,709 (420,794)	-	5,705,343 (5,302,634)	7,962,454 (8,365,163)	8,365,163 (8,549,527)
Plant and equipment	1,051,741,720 (952,842,729)	44,246,777 (99,102,520)	25,500 (203,529)	1,095,962,997 (1,051,741,720)	635,489,806 (556,281,069)	77,670,485 (79,326,099)	24,692 (117,362)	713,135,599 (635,489,806)	382,827,398 (416,251,914)	416,251,914 (396,561,660)
Furniture and fixtures	21,011,993 (20,414,379)	64,558 (597,614)	102,840 -	20,973,711 (21,011,993)	14,905,754 (13,003,568)	1,557,167 (1,902,186)	97,580 -	16,365,341 (14,905,754)	4,608,370 (6,106,239)	6,106,239 (7,410,811)
Vehicles	40,971,407 (41,712,883)	2,049,693 (5,616,083)	1,175,095 (6,357,559)	41,846,005 (40,971,407)	30,825,441 (33,769,368)	3,183,683 (3,095,753)	1,116,340 (6,039,680)	32,892,784 (30,825,441)	8,953,221 (10,145,966)	10,145,966 (7,943,515)
Office equipment	16,224,193 (14,510,689)	312,700 (1,741,676)	177,137 (28,172)	16,359,756 (16,224,193)	13,691,356 (12,944,275)	1,113,875 (773,844)	161,519 (26,763)	14,643,712 (13,691,356)	1,716,044 (2,532,837)	2,532,837 (1,566,414)
Electrical installation	18,803,673 (18,548,723)	415,331 (254,950)	-	19,219,004 (18,803,673)	15,603,194 (14,795,346)	610,888 (807,848)	-	16,214,082 (15,603,194)	3,004,922 (3,200,479)	3,200,479 (3,753,377)
Computers	20,382,649 (19,456,712)	925,047 (925,937)	421,173 -	20,886,523 (20,382,649)	18,105,326 (16,467,768)	1,129,165 (1,637,558)	400,354 -	18,834,137 (18,105,326)	2,052,386 (2,277,323)	2,277,323 (2,988,944)
Total tangible asset	1,324,110,679 (1,223,661,653)	48,505,246 (108,605,430)	1,901,745 (8,156,404)	1,370,714,180 (1,324,110,679)	809,251,683 (722,621,435)	90,195,040 (93,597,624)	1,800,485 (6,967,377)	897,646,238 (809,251,683)	473,067,942 (514,858,996)	514,858,996 (501,040,218)
B. Intangible assets										
Computer software	14,166,373 (13,366,373)	1,033,166 (800,000)	-	15,199,539 (14,166,373)	10,819,208 (8,972,575)	1,839,953 (1,846,633)	-	12,659,161 (10,819,208)	2,540,378 (3,347,165)	3,347,165 (4,393,798)
Total intangible asset	14,166,373 (13,366,373)	1,033,166 (800,000)	-	15,199,539 (14,166,373)	10,819,208 (8,972,575)	1,839,953 (1,846,633)	-	12,659,161 (10,819,208)	2,540,378 (3,347,165)	3,347,165 (4,393,798)
C. Capital work-in-progress										

Particulars	As at March 31, 2021	As at March 31, 2020
Electrical installation	150,000	548,244
Plant and equipment	444,392	2,885,355
Total	594,392	3,433,599

Notes:

a. Previous year figures are in brackets.

b. The total capital expenditure towards research and development incurred during the year as per books of account is Rs. 3,096,484 (March 31, 2020 : Rs. 1,626,856) included in plant and machinery.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

12 Investments

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current investments (Valued at cost, unless stated otherwise)				
-Investment in mutual funds	-	-	2,000,000	-
Total Investments	-	-	2,000,000	-
Aggregate amount of unquoted investments	-	-	2,000,000	-
Aggregate market value of unlisted and un-quoted investments	-	-	2,022,700	-

13 Loans and advances

(Unsecured, considered good, unless otherwise stated)

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital advances	13,235,148	4,160,221	-	-
Security deposits	8,778,016	8,732,155	529,086	267,316
Advances to suppliers				
-Unsecured - considered good	-	-	9,648,313	6,188,335
-Unsecured - considered doubtful	-	-	457,488	457,488
Less: Provision for doubtful advances	-	-	10,105,801	6,645,823
	-	-	457,488	457,488
	-	-	9,648,313	6,188,335
Advances recoverable in cash or in kind				
-Unsecured - considered good	-	-	1,004,899	3,987,098
-Unsecured - considered doubtful	-	-	776,573	-
Less: Provision for doubtful advances	-	-	1,781,472	3,987,098
	-	-	776,573	-
	-	-	1,004,899	3,987,098
Advance income tax (Net of provisions of Rs. 26,13,16,754) (March 31, 2020: Rs. 11,11,26,980)	16,695,026	16,081,376	-	-
Prepaid expenses	159,225	361,018	3,617,320	2,582,789
Gratuity fund recoverable (net)	-	-	5,128,097	-
Loans to employees	-	-	500,358	945,202
Balances with government authorities				
-Unsecured - considered good	2,730,286	3,400,889	64,459,210	92,925,327
-Unsecured - considered doubtful	670,603	-	-	-
	3,400,889	3,400,889	64,459,210	92,925,327
Less: Provision for doubtful balances	670,603	-	-	-
	2,730,286	3,400,889	64,459,210	92,925,327
	41,597,701	32,735,659	84,887,283	106,896,067

14 Other assets

(Unsecured, considered good unless stated otherwise)

Non-current bank balances	100,809	9,656	-	-
Interest accrued				
- on fixed deposits with banks	13,220	14	2,143,200	2,855,577
- on investment /others	-	-	17,968	17,968
Export incentive recoverable	-	-	33,242,248	49,193,929
Insurance claim recoverable	-	-	1,424,221	586,460
	114,029	9,670	36,827,637	52,653,934

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
15 Inventories		
(At lower of cost and net realisable value)		
Raw materials	258,615,959	236,334,578
Raw materials - Goods-in-transit	2,406,418	364,698
	<u>261,022,377</u>	<u>236,699,276</u>
Finished goods	234,971,175	199,432,524
Finished goods - Goods-in-transit	6,001,695	8,298,865
	<u>240,972,870</u>	<u>207,731,389</u>
Stock-in-trade (acquired for trading)	3,926,447	5,692,696
Stores and spares	1,219,008	2,670,024
Packing materials	1,542,450	1,430,914
	<u>508,683,152</u>	<u>454,224,299</u>
16 Trade receivables		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	1,320,000	239,919
Unsecured, considered good	12,345,024	11,127,667
Unsecured, considered doubtful	2,121,765	2,121,765
	<u>15,786,789</u>	<u>13,489,351</u>
Less: Allowance for doubtful receivables	2,121,765	2,121,765
	<u>13,665,024</u>	<u>11,367,586</u>
Other trade receivables		
Secured, considered good	10,973,735	8,809,302
Unsecured, considered good	276,973,104	207,589,594
	<u>287,946,839</u>	<u>216,398,896</u>
	<u>301,611,863</u>	<u>227,766,482</u>
17 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
in current accounts	40,596,365	37,432,364
Cash on hand	252,555	172,901
	<u>40,848,920</u>	<u>37,605,265</u>
Other bank balances		
Unpaid dividend accounts	1,385,850	1,482,300
Deposit having original maturity more than 3 months (see note below)	315,158,492	58,631,907
	<u>316,544,342</u>	<u>60,114,207</u>
	<u>357,393,262</u>	<u>97,719,471</u>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	<u>40,848,920</u>	<u>37,605,265</u>

a) Out of total fixed deposits of Rs. 12,99,666 (March 31 2020: Rs. 576,501) are pledged as security for margin money with the banks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
18 Revenue from operations		
i. Sale of products		
a. Finished goods (Refer sub-note 'a' below)	2,527,784,083	2,166,603,674
b. Traded goods (Refer sub-note 'b' below)	25,634,839	21,690,932
	2,553,418,922	2,188,294,606
ii. Other operating revenues		
a. Export incentives	9,709,785	40,722,126
b. Sale of scrap	41,625,343	31,630,023
c. Others	10,911,789	7,345,110
	62,246,917	79,697,259
	2,615,665,839	2,267,991,865

Notes**a. Sale of products comprises:****Manufactured goods**

- Filter and lubes

2,527,784,083

2,166,603,674

2,527,784,083**2,166,603,674****b. Traded goods**

- Coolants

25,634,839

21,690,932

25,634,839**21,690,932****19 Other income**

Interest income

- From banks on deposits

6,566,962

4,233,173

- On electricity deposits

-

125,082

Interest on Income tax refund

-

470,892

Net gain on foreign currency transactions and translation

1,113,971

10,091,743

Other non-operating income

- Sundry balances written back

972,364

413,645

- Profit on sale of property, plant and equipment

-

281,081

- Income of deferred govt grant (Refer Sub-note 'a' below)

98,166

120,868

- Miscellaneous income

253,040

481,793

9,004,503**16,218,277****Note**

a. During the financial year 2011-12, the Holding Company had recognized a grant amounting to Rs. 3,000,000 from the Government of Himachal Pradesh against installation of plant and machinery at Nalagarh Plant. Out of this Rs. 98,166 (March 31, 2020: Rs. 120,868) is being recognized as income in the Statement of Profit and Loss and Rs. 424,480 (March 31, 2020 : Rs. 522,646) is considered as deferred Government grant under 'Reserves and Surplus' in note 4 of consolidated financial statements.

20 Cost of raw materials consumed

Inventory at the beginning of the year

236,699,276

206,653,714

Add: Purchases during the year

1,228,067,669

1,030,993,200

1,464,766,945**1,237,646,914**

Less: Inventory at the end of the year

261,022,377

236,699,276

Cost of materials consumed**1,203,744,568****1,000,947,638****21 Purchases of stock-in-trade (traded goods)**

Filter and coolants

36,430,842

35,788,590

36,430,842**35,788,590**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in 'Rupees' unless otherwise stated)	
	Year ended March 31, 2021	Year ended March 31, 2020
22 Increase/(decrease) In inventories		
Inventories at the beginning of the year		
- Finished goods (Including in transit)	207,731,389	254,457,665
- Traded goods	5,692,696	2,648,675
	213,424,085	257,106,340
Inventories at the end of the year		
- Finished goods	240,972,870	207,731,389
- Traded goods	3,926,447	5,692,696
	244,899,317	213,424,085
	31,475,232	(43,682,255)
Note:		
The inventory comprises:		
Finished goods		
Filters and lubes	240,972,870	207,731,389
	240,972,870	207,731,389
Traded goods		
Coolants	3,926,447	5,692,696
	3,926,447	5,692,696
23 Employee benefits expense		
Salaries, wages and bonus	347,796,586	323,959,966
Contribution to provident and other funds	25,600,900	23,889,918
Gratuity expense (Refer note 29)	3,343,402	9,829,766
Staff welfare expenses	3,892,362	5,339,137
	380,633,250	363,018,787
24 Finance costs		
Interest expense		
- On term loans	383,259	506,698
- On cash credits/other facilities	58,424	3,682,425
- On security deposits from dealers	1,020,811	1,590,049
- On loans from related parties	6,645,850	11,511,636
- On others	152,107	59,056
Interest on delayed payment of advance taxes	2,073,344	-
Other borrowing costs	197,154	477,000
	10,530,949	17,826,864
25 Depreciation and amortization expense		
Depreciation and amortization for the year on tangible assets as per Note 11 A	90,195,040	93,597,624
Amortisation for the year on intangible assets as per Note 11 B	1,839,953	1,846,633
	92,034,993	95,444,257
26 Other expenses		
Consumption of stores and spare parts	18,889,676	13,609,845
Consumption of packing materials	41,407,832	32,785,837
Jobwork charges	93,375,427	80,270,258
Power and fuel	64,112,499	63,817,026
Rent including lease rentals	23,508,409	23,605,875
Repairs and maintenance		
- Buildings	1,372,881	8,595,051
- Plant and machinery	28,657,006	35,341,166
- Others	8,716,296	9,868,672
Insurance	6,127,315	3,943,523
Rates and taxes	1,900,637	3,134,920
Legal and professional	3,904,819	4,909,779

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
Travelling and conveyance	2,478,596	15,480,260
Freight outward	53,229,737	43,183,015
Shipping and forwarding	71,351,834	33,050,944
Licence fee	15,822,009	13,785,665
Postage and courier	820,584	1,555,841
Printing and stationery	1,675,337	1,647,783
Communication expenses	1,756,631	1,772,713
Sales promotion	31,688,321	26,033,098
Payment to auditors (Refer note 'a' below)	1,323,320	1,468,882
Research and development expenses (Refer note 'b' below)	22,275,892	23,322,977
Net loss on foreign currency transactions and translation	-	-
Cash discount	34,266,126	27,818,095
Bank charges	1,049,628	1,142,130
CSR expenses	10,560,110	300,000
Warranty expenses	182,974	-
Provision for warranty	-	167,361
Provision for doubtful loans and advances	1,447,176	-
Conventions and exhibitions	-	2,018,390
Loss on sale of property, plant and equipment	16,720	-
Balances written off	3,302,224	3,880,354
Miscellaneous expenses	6,592,048	9,912,566
	551,812,064	486,422,026
Notes		
a. Payment to auditors		
As auditors:		
For audit	750,000	710,000 *
For tax audit	150,000	150,000 *
In other capacity:		
For taxation matters	85,000 *	70,000 *
For other services	295,000	465,000 *
Reimbursement of expenses	43,320 *	73,882 *
	1,323,320 *	1,468,882
* Paid to erstwhile auditors		
b. Research and development expenditure:		
Revenue expenditure		
Salaries	19,509,914	19,711,408
Repairs and maintenance	2,092,473	2,447,470
Communication	-	82,500
Consumables and samples	154,101	689,157
Travelling	24,888	72,426
Miscellaneous	494,516	320,016
	22,275,892	23,322,977
Capital expenditure		
Plant and machinery	3,075,000	1,626,856
Office equipment	21,484	-
	3,096,484	1,626,856
27 Earnings per share		
Profit for the year	249,250,156	173,603,755
Weighted average number of equity shares	2,508,370	2,508,370
Par value per share	10	10
Basic earnings per share	99.37	69.21
Diluted earnings per share	99.37	69.21

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

	As at March 31, 2021	As at March 31, 2020
28 Contingent liabilities and commitments (to the extent not provided for)		
a.Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (net of advance of Rs. 1,32,35,148 (March 31, 2020 Rs. 4,160,221))	56,169,304	9,161,783
b.Contingent liabilities		
i.Claims against the Company not acknowledged as debt (gross)		
Excise duty	1,443,017	1,443,017
Income tax	-	93,632
Central Sales tax demand	-	123,256
	<u>1,443,017</u>	<u>1,659,905</u>
Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities. The Company has disputed the above demands.		
Amount paid under protest		
Excise duty	250,000	250,000
	<u>250,000</u>	<u>250,000</u>
ii. Letter of credit and bank guarantee		
Letter of credit (Margin money : Rs. 864,479 (March 31, 2020 : Rs. 337,239)	8,644,789	3,372,389
Bank guarantee (Margin money : Rs. 435,187 (March 31, 2020 : Rs. 239,262)	4,351,868	2,392,618
	<u>12,996,657</u>	<u>5,765,007</u>
c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.		
d. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.		

29 Employee benefit plans**(i) Defined contribution plan**

The Holding Company makes contribution towards Provident Fund (PF), Employee State Insurance (ESI) and Labour Welfare Fund as defined contribution retirement plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.

	Year ended March 31, 2021	Year ended March 31, 2020
Provident Fund	20,273,741	18,785,266
Employee State Insurance	4,867,651	4,698,166
Labour Welfare Fund	459,508	406,486
	<u>25,600,900</u>	<u>23,889,918</u>

(ii) Defined benefit plan

Defined benefit plans include Gratuity (funded)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

Gratuity is a funded defined benefit plan for qualifying employees. Employees Gratuity Fund scheme is managed by Elofic Industries Limited Employee Gratuity Fund Trust. The present value of defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet. The obligation for Compensated Absence for workers is a defined unfunded benefit plan, which is recognized in the same manner as gratuity.

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit or loss of the year in which related service is rendered. The liability for leave encashment in respect of employees (other than workers) is in the nature of short term employee benefits which is provided on the basis of estimation made by the management.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Expense recognized during the year

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	4,821,272	4,782,944
Past service cost	-	-
Interest cost on benefit obligation	3,463,402	2,684,432
Expected return on plan assets	(3,461,407)	(2,495,521)
Actuarial(gain)/loss recognized in the year	(1,479,865)	4,857,911
Net expense/ (benefit)	3,343,402	9,829,766

Actual contribution and benefit payments for the year

Actual benefit payments	7,580,334	1,254,876
Actual contributions	8,500,000	12,500,000

Net asset / (liability) recognised in the Balance Sheet

Present value of defined benefit obligation	48,244,225	49,477,167
Fair value of plan assets	53,372,322	49,448,668
Funded status [Surplus / (Deficit)]	5,128,097	(28,499)
Unrecognized past service costs	-	-
Net asset / (liability) recognized in the Balance Sheet	5,128,097	(28,499)

Change in defined benefit obligations (DBO) during the year

Defined benefit obligation at the beginning of the year	49,477,167	38,349,034
Interest cost	3,463,402	2,684,432
Current service cost	4,821,272	4,782,944
Benefits paid	(7,580,334)	(1,254,876)
Actuarial (gain)/loss on obligation	(1,937,282)	4,915,633
Defined benefit obligation at the end of the year	48,244,225	49,477,167

Change in fair value of assets during the year

Fair value of plan assets at beginning of the year	49,448,666	35,650,299
Expected return on plan assets	3,461,407	2,495,521
Contribution by employer	8,500,000	12,500,000
Benefits paid	(7,580,334)	(1,254,876)
Actuarial gain/(loss) on plan assets	(457,417)	57,722
Fair value of plan assets at end of the year	53,372,322	49,448,666

Actual return on plan assets	7.00%	7.00%
Composition of the plan assets is as follows:		
-Elofic Industries Limited Employee Gratuity Fund Trust	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

Reconciliation of fair value of assets and obligations

Particulars	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	(48,244,225)	(49,477,167)	(38,349,034)
Fair value of plan assets	53,372,322	49,448,666	35,650,299
Net assets/(liability) recognized in the Balance Sheet	5,128,097	(28,501)	(2,698,735)

Particulars	As at March 31, 2018	As at March 31, 2017
Present value of defined benefit obligation	(31,785,630)	(31,095,863)
Fair value of plan assets	33,562,778	30,312,843
Net assets/(liability) recognized in the Balance Sheet	1,777,148	(783,020)

Actuarial assumptions

Particulars	As at March 31, 2021 Gratuity (funded)	As at March 31, 2020 Gratuity (funded)
Discount rate (per annum)	7.00%	7.00%
Future increase in compensation	5.00%	5.00%
In service mortality	IALM 2012-14	IALM 2012-14
Retirement age	60 years	60 years
Withdrawal rates:		
18 to 30 years	3%	3%
30 to 44 years	2%	2%
44 to 60 years	1%	1%

On account of short term leave encashment policy of the Company, a provision of Rs. 1,19,53,151 (March 31, 2020 : Rs. 65,54,984) is outstanding as at March 31, 2021.

30 Details of leasing arrangements

As Lessee

The Holding Company has entered into several operating lease arrangements for office premises and warehouses. The lease agreements are in nature of both cancellable and non-cancellable operating lease with an option of renewal at the end of lease term (which is 1 year in most of the cases) and escalation clause applicable in few cases. Lease Rentals in respect of such leases have been recognized in statement of Profit and Loss for the year is as follows

	Year ended March 31, 2021	Year ended March 31, 2020
Rent including lease rentals	23,508,409	23,605,875
	23,508,409	23,605,875
Future minimum lease payments		
Not later than one year	886,515	986,979
Later than one year and not later than five years	1,625,277	2,511,792
	2,511,792	3,498,771

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

31 Related party transactions**a. Details of related parties****Description of relationship****Names of related parties**

- | | | |
|------|---|--|
| i. | Associates/ Enterprise over which key managerial person has significant influence | Elofic Industries (India)
Mettler Auto Private Limited
Jasmo Kamal & Company
Elofic Private Limited
YESS Charitable Trust
B.Bhagwan Singh Elofic Charitable Trust |
| ii. | Key Management Personnel | Shri M.B. Sahni-Managing Director
Shri K.D. Sahni-Whole Time Director
Maj. Gen. J.S. Bedi (Retd.)-Whole Time Director |
| iii. | Relatives of Key Management Personnel | Smt. Brita Sahni (Wife of Mr. K.D. Sahni)
Mr. Karam Sahni (Son of Mr. K.D. Sahni)
Ms. Asheen Sahni (Daughter of Mr. M.B.Sahni)
Mr. Saheb Sahni (Son of Mr. M.B. Sahni) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b. Details of related party transactions during the year and balances outstanding :

(Amount in 'Rupees' unless otherwise stated)

S. No.	Particulars	Associates/ Enterprise over which key managerial person has significant influence					Key Managerial Personnel			Relatives of Key Managerial Personnel				Total
		Elofic Industries (India)	Mettler Auto (P) Limited	YESS Charitable Trust	B. Bhagwan Singh Elofic Charitable Trust	Others	M. B. Sahni	K. D. Sahni	J.S. Bedi	Brita Sahni	Saheb Sahni	Karam Sahni	Asheen Sahni	
Transactions during the year														
1	Rent paid	16,009,224 (15,543,233)	31,145 (31,145)	- (-)	- (-)	25,956 (25,954)	- (-)	- (-)	- (-)	480,000 (440,000)	- (-)	- (-)	- (-)	16,546,325 (16,040,332)
2	Licence fees	15,822,009 (13,785,665)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	15,822,009 (13,785,665)
3	Loans taken	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	40,000,000 (55,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)	40,000,000 (55,000,000)
4	Repayment of loans	- (-)	- (-)	- (-)	- (-)	- (-)	24,800,000 (-)	106,500,000 (65,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)	131,300,000 (65,000,000)
5	Interest paid	- (-)	- (-)	- (-)	- (-)	- (-)	1,746,464 (2,088,938)	4,899,386 (9,422,728)	- (-)	- (-)	- (-)	- (-)	- (-)	6,645,850 (11,511,636)
6	Remuneration paid	- (-)	- (-)	- (-)	- (-)	- (-)	9,271,669 (9,281,852)	9,271,669 (9,281,852)	3,330,170 (1,416,761)	- (-)	1,095,001 (649,597)	1,097,675 (898,037)	- (-)	24,066,184 (21,528,099)
7	Expenses recovered	- (784,027)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (784,027)
8	Donation given	- (-)	- (-)	200,000 (150,000)	800,000 (150,000)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	1,000,000 (300,000)
9	Club fees	- (-)	- (-)	- (-)	- (-)	- (-)	9,269 (25,044)	18,032 (81,038)	- (-)	- (-)	- (-)	- (-)	- (-)	27,301 (106,082)
10	Consultancy	- (-)	1,020,000 (1,007,765)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	250,000 (631,035)	1,270,000 (1,638,800)
Balances outstanding as at year end														
1	Trade payables	- (14,909,807)	- (-)	- (-)	- (-)	- (-)	361,090 (25,207,069)	361,090 (66,907,069)	190,870 (163,595)	- (-)	106,080 (63,505)	106,080 (82,921)	- (117,931)	1,125,210 (107,451,897)

Notes:

- Figures in brackets pertain to previous year.
- All transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash within 12 month of reporting date. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized during the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.
- Remuneration does not include expense in respect of gratuity as the same is determined on an actuarial basis for the Company as a whole.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

32 Disclosure of additional Information as required by the Schedule III

a) As at and for the year ended March 31, 2021

Particular	Net assets (i.e. Total assets minus total liability)		Share in profit	
	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount
Holding Company Elofic Industries Limited	108.68%	1,437,623,776	124.23%	309,634,165
Foreign Subsidiary Elofic USA LLC	0.91%	12,078,453	7.45%	18,557,682
		1,449,702,229		328,191,847
Elimination on consolidation		(126,903,070)		(78,941,691)
Total		1,322,799,159		249,250,156

a) As at and for the year ended March 31, 2020

Particular	Net assets (i.e. Total assets minus total liability)		Share in profit	
	As a % of consolidated net assets	Amount	As a % of consolidated profit and loss	Amount
Holding Company Elofic Industries Limited	104.89%	1,133,104,517	103.91%	180,394,917
Foreign Subsidiary Elofic USA LLC	1.27%	13,683,871	1.33%	2,317,080
		1,146,788,388		182,711,997
Elimination on consolidation		(66,517,066)		(9,108,242)
Total		1,080,271,322		173,603,755

33 The Group has incurred the following costs on research and development activities at its center at Faridabad:

Financial year	Capital expenses	Revenue expenses
2009-10	385,811	3,975,041
2010-11	681,600	4,769,078
2011-12	7,306,021	5,501,830
2012-13	3,017,100	8,251,176
2013-14	7,979,550	10,233,540
2014-15	3,495,013	13,261,152
2015-16	1,737,466	13,322,889
2016-17	6,265,479	11,203,703
2017-18	3,522,500	15,035,475
2018-19	1,695,154	22,004,020
2019-20	1,626,856	23,322,977
2020-21	3,096,484	22,275,892

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount In 'Rupees' unless otherwise stated)

34 Events occurring after balance sheet date

(a) Dividend paid and proposed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Declared and paid during the year		
Final dividend for the year 2019-20: Rs 2.00 per share (2018-19: Rs 3.00 per share)	5,016,740	7,525,110
(ii) Proposed for approval at the Annual General Meeting (not recognised as a liability)		
Final dividend for the year 2020-21: Rs 2.00 per share (2019-20: Rs 2.00 per share)	5,016,740	5,016,740

35 The consolidated financial statements of the Group for the previous year ended March 31, 2020 has been audited by another firm of Chartered Accountants.

36 The outbreak of Coronavirus (COVID-19) pandemic has caused significant disturbance and slowdown of economic activity. COVID-19 has adversely impacted the business operations of the company, by way of interruption of construction activities, supply chain distribution, unavailability of labour, etc. The Group has assessed the impact of COVID-19 on its business by evaluation various scenarios on certain assumptions and current indicator of future conditions and on the basis of internal and external sources of information. Based on this, the Group has assessed recoverability and carrying value of its assets comprising investments, inventory, receivables, property, plant and equipment, intangible assets, advances, deferred tax assets and other assets and believes that it will recover the carrying value of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

37 Segment information

The Group is engaged in the manufacture and supply of automobile filters and lubes and has classified the operations as primary segment. Accordingly, there is no reporting requirements of primary segment. Geographical revenues are allocated based on the location of the customer. Geographical segments of the Group are India and Outside India. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

	India	Outside India	Total
Revenue from external customers by location of customers			
Sale of products	1,610,993,906 (1,405,183,982)	942,425,016 (783,110,624)	2,553,418,922 (2,188,294,606)
Other operating revenues	26,492,302 (25,339,090)	35,754,615 (54,358,169)	62,246,917 (79,697,259)
Other income	2,437,541 (11,389,130)	- -	2,437,541 (11,389,130)
Total revenue	1,639,923,749 (1,441,912,202)	978,179,631 (837,468,793)	2,618,103,380 (2,279,380,995)
Segment result	208,320,102 (120,204,445)	176,602,793 (133,872,997)	384,922,895 (254,077,442)
Unallocable expenses (net)			10,530,949 (17,826,864)
Operating income			374,391,946 (236,250,578)
Other income (net)			6,566,962 (4,829,147)
Profit before tax			380,958,908 (241,079,725)
Tax expense			131,708,752 (67,475,970)
Profit after tax for the year			249,250,156 (173,603,755)
Segment assets	1,380,341,095 (1,291,134,560)	410,281,518 (186,429,406)	1,790,622,613 (1,477,563,966)
Unallocated assets			18,695,026 (16,081,376)
Total assets			1,809,317,639 (1,493,645,342)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees' unless otherwise stated)

	India	Outside India	Total
Segment liabilities	425,912,746 (290,706,571)	30,515,901 (11,360,856)	456,428,647 (302,067,427)
Unallocated liabilities			30,089,833 (111,306,593)
Total liabilities			486,518,480 (413,374,020)
Depreciation and amortization expense (see note 'e' below)	56,724,176 (63,535,563)	35,310,817 (31,908,694)	92,034,993 (95,444,257)
Cost to acquire tangible and intangible fixed assets	46,699,205 (111,406,471)	- (-)	46,699,205 (111,406,471)
Non-cash expenses other than depreciation and amortisation	- (-)	- (-)	- (-)

Notes:

- Amounts in brackets represent previous year's figures.
- The unallocated expenses comprises finance costs and unallocated income comprises interest income.
- Unallocated assets include investments, advance tax and tax deducted at source
- Unallocated liabilities include borrowings, deferred tax/current tax liabilities and unpaid dividend.
- Other income, expenses and depreciation not directly allocable to segments are allocated to the segment based on proportionate sales in the segments.

38 The previous year figures have been regrouped and reclassified wherever considered necessary.

As per our report of even date attached

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

For and on behalf of the Board of Directors of Elofic Industries Limited**K. D. Sahni**

Joint Managing Director

DIN 00901216

M. B. Sahni

Managing Director

DIN 00906251

Maj. Gen. J.S. Bedi (Retd.)

Director

DIN 08583060

Adish Suri

General Manager -

Finance and Accounts

Place: Gurugram
Date: July 15, 2021

Place: Faridabad
Date: July 15, 2021

Form No. MGT-11
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	U74999HR1973PLC070262
Name of the company:	Elofic Industries Limited.
Registered office:	14/4, Mathura Road, Faridabad – 121003 (Haryana)

Name of the member(s):
Registered address:
Email Id:
Folio No./Client Id:
DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 48th Annual General Meeting of the company, to be held on 31st day of August, 2021, at 3:00 P.M. at Hotel Delite 17-18, Neelam Bata Road, N.I.T Faridabad – 121001, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Particulars
1	To consider and adopt: (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2021 together with the report of the Board of Directors and Auditors thereon; (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon.
2	To Declare Dividend for the financial year ended 31 st March, 2021.
3	To appoint Director in place of Sh. Karwal Deep Sahni (DIN: 00901216) who is retiring by rotation and being eligible offer himself for reappointment.
4	To ratify the remuneration of Cost Auditors for the financial year ending on March 31, 2022.
5	To approve the upward revision in the remuneration of Maj. Gen. Jatinder Singh Bedi (Retd.) (DIN: 08583060), Whole time Director of the Company.

Signed this..... day of..... 20.....

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



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ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the 48th Annual General Meeting of Elofic Industries Limited. on 31st day of August, 2021, at 3:00 P.M. at Hotel Delite 17-18, Neelam Bata Road, N.I.T Faridabad – 121001, Haryana.

Folio No./DP ID-Client ID _____

Full Name of the Shareholder in Block Letters: _____

No. of Shares held: _____

Name of Proxy (if any) in Block Letters: _____

Signature of the Shareholder/Proxy/Representative*

* Strike out whichever is not applicable.



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