



S. Mohinder Singh Sahni
(1930-2017)

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





51st Annual Report 2023-24**BOARD OF DIRECTORS**

Mr. Mohan Bir Sahni
 Mr. Kanwal Deep Sahni
 Mr. Prem Arora
 Mr. Subodh Kumar Jain
 Maj. Gen. Jatinder Singh Bedi (Retd.)
 Mrs. Sangeeta Bajaj

Chairman Cum Managing Director
 Vice Chairman Cum Joint Managing Director
 Director
 Director
 Director
 Director

AUDITORS

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

BANKERS

HDFC Bank Ltd.
 Sector 16, Faridabad

HSBC Bank Ltd.
 DLF Phase-II, Gurugram

Bank of India
 Sector 31, Faridabad

Bank of Maharashtra
 NIT Faridabad

REGISTERED OFFICE

14/4, Mathura Road,
 Faridabad-121003
 Haryana

MANUFACTURING FACILITIES

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

WAREHOUSES

- Ahmedabad
- Nagpur
- Faridabad
- Zirakpur
- Lucknow
- Hosur

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 51st Annual General Meeting of the Members of Elofic Industries Limited will be held on the 30th day of August 2024 at Hotel Delite Grand, A 5/B Neelam Bata Road, NIT Faridabad, Haryana – 121001 at 3:00 PM to transact the following businesses: -

ORDINARY BUSINESS

1. To consider and adopt;
 - (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2024, 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, 2024, and the report of Auditors thereon.
2. To declare a Final Dividend of Rs. 4/- per equity share for the financial year ended March 31, 2024.
3. To appoint a Director in place of Mr. Kanwal Deep Sahni (DIN: 00901216) who is retiring by rotation and is eligible, and offer himself for reappointment.

SPECIAL BUSINESS

ORDINARY RESOLUTION

4. RATIFICATION OF THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2024 – 25

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 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. 55,000/- (Rs. Fifty-Five Thousand Only) plus applicable taxes to M/s Vandana Bansal & Associates, Cost Accountants who, on the recommendation of the Audit Committee 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 2024 – 25, be and is hereby ratified and confirmed.

FURTHER RESOLVED THAT Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, Directors of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper, and expedient to give effect to this resolution”.

5. RATIFICATION OF THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2014 – 15

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 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. 55,000/- (Rs. Fifty-Five Thousand Only) plus applicable taxes to M/s Vandana Bansal & Associates, Cost Accountants who, on the recommendation of the Audit Committee 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 2014 – 15 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, Directors of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper, and expedient to give effect to this resolution”.

NOTICE OF THE ANNUAL GENERAL MEETING

6. RATIFICATION OF THE REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2015-16

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 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. 55,000/- (Rs. Fifty-Five 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 2015-16, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, Directors of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper, and expedient to give effect to this resolution".

7. TO APPROVE THE APPOINTMENT OF MR. MEHUL GUPTA AS NON-EXECUTIVE DIRECTOR

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 149, 152 and 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactments thereof, for the time being in force) Mr. Mehul Gupta (DIN: 10665587), who was appointed as an additional director on with effect from June 13, 2024 be and is hereby appointed as director (Non-Executive) of the Company liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, Directors of the Company be and are hereby severally authorized to file necessary forms/ returns to the Registrar of Companies and to do all such acts, deeds, and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution".

8. TO APPROVE ENTERING INTO A CONTRACT / TRANSACTION FOR PURCHASING OF AN INTANGIBLE ASSET FOR TRANSACTION VALUE NOT EXCEEDING RS 98.16 CRORES

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

"RESOLVED THAT upon recommendation of the Audit Committee and pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014, the consent of the members of the Company be and is hereby accorded for entering into a contract/transaction for purchasing of an Intangible Asset as detailed in the explanatory statement with notice of Annual General Meeting ("AGM"), with Elofic Industries India, a related party of the Company for an aggregate value not exceeding Rs. 98,16,00,000/- (Ninety-Eight Crores Sixteen Lacs Only).

"RESOLVED FURTHER THAT such contract/transaction shall be carried out at an arm's length basis and in the ordinary course of business of the Company on such terms and conditions as detailed in the explanatory statement to the notice of AGM.

NOTICE OF THE ANNUAL GENERAL MEETING

"RESOLVED FURTHER THAT Maj. Gen. Jatinder Singh Bedi (Retd.) Whole-time Director of the Company be and is hereby authorized to do all such acts, deeds, matters, and things as may be necessary for the purpose of giving effect to the resolution.

SPECIAL RESOLUTIONS:

9. TO APPROVE THE RE-APPOINTMENT OF MR. MOHAN BIR SAHNI AS WHOLE-TIME DIRECTOR AND THE TERMS AND CONDITIONS OF HIS APPOINTMENT AND REMUNERATION

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any statutory modification(s) or re-enactments thereof, for the time being in force and any other laws, regulations prevailing for the time being in force, and other statutory approvals, as may be required and on the Recommendation of Nomination & Remuneration Committee, the Consent of the members of the Company be and is hereby accorded to approve the Re-appointment of Mr. Mohan Bir Sahni (who has attained the age of 70 years) as Whole Time Director, whose present term as whole Time Director shall be expiring on March 31, 2025, for a further period of five years from April 1, 2025 till March 31, 2030, who shall be liable to retire by rotation, on the terms and conditions and managerial remuneration as per details given hereunder:

S. No.	Particulars	Details
I.	Remuneration	Rs. 17,00,000/- (Rupees Seventeen Lacs Only) per month. The Remuneration may be revised with a maximum increment of up to Rs. 1,50,000/- per month every year, which will be due on the 1 st day of April of every financial year. 33.33% of the Remuneration shall be paid as a House Rent Allowance.
II.	Perquisites	
A.	Medical reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 50,000/-per annum
B.	Leave Travel Concession	The expenses incurred on leave travel concession (LTC) for self and his family shall be reimbursed once a year as per the rules of the Company.
C.	Club Fees	Fees for the club are 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	1.75% of the net profit of the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	Other Items	1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company. 3. As long as he functions as Whole Time Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or committee thereof.

RESOLVED FURTHER THAT in case the Company has no profit or its profits are inadequate in a particular financial year, Mr. Mohan Bir Sahni shall be paid a remuneration (including any variation thereof) as specified in the resolution above as minimum remuneration subject to the limits and conditions specified under section 197 read with schedule V and other applicable provisions.

NOTICE OF THE ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT, Mr. Mohan Bir Sahni, Whole Time Director who has already attained the age of 70 years, the Company seeks the consent of the members by way of special resolution for re-appointing him as Whole Time Director of the Company starting from April 1, 2025, to March 31, 2030.

RESOLVED FURTHER THAT, Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, Directors of the Company be and are hereby severally authorized to file necessary forms/ returns to the Registrar of Companies and to do all such acts, deeds, and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution”.

10. TO APPROVE THE RE-APPOINTMENT OF MR. KANWAL DEEP SAHNI AS WHOLE-TIME DIRECTOR AND THE TERMS AND CONDITIONS OF HIS APPOINTMENT AND REMUNERATION THEREOF

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any statutory modification(s) or re-enactments thereof, for the time being in force and any other laws, regulations prevailing for the time being in force, and other statutory approvals, as may be required and on the Recommendation of Nomination & Remuneration Committee, the Consent of the members of the Company be and is hereby accorded to approve the Re-appointment of Mr. Kanwal Deep Sahni as Whole Time Director, whose present term as whole Time Director shall be expiring on March 31, 2025, for a further period of five years from April 1, 2025 till March 31, 2030, who shall be liable to retire by rotation, on the terms and conditions and managerial remuneration as per details given hereunder:

S. No.	Particulars	Details
I.	Remuneration	Rs.17,00,000/- (Rupees Seventeen lacs Only) per month. The Remuneration may be revised with a maximum increment of up to Rs. 1,50,000/- per month every year, which will be due on the 1 st day of April of every financial year. 33.33% of the Remuneration shall be paid as a House Rent Allowance.
II.	Perquisites	
A.	Medical reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 50,000/-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 are 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	1.75% of the net profit of the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	Other Items	<ol style="list-style-type: none"> 1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company. 3. As long as he functions as Whole Time Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or committee thereof.

NOTICE OF THE ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT in case the Company has no profit or its profits are inadequate in a particular financial year, Mr. Kanwal Deep Sahni shall be paid a remuneration (including any variation thereof) as specified in the resolution above as minimum remuneration subject to the limits and conditions specified under section 197 read with schedule V and other applicable provisions.

RESOLVED FURTHER THAT Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, Directors of the Company be and are hereby severally authorized to file necessary forms/ returns to the Registrar of Companies and to do all such acts, deeds, and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution”.

11. TO APPROVE THE RE-APPOINTMENT OF MAJ. GEN. JATINDER SINGH BEDI (RETD.) AS WHOLE-TIME DIRECTOR AND THE TERMS AND CONDITIONS OF HIS APPOINTMENT AND REMUNERATION THEREOF

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

***RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any statutory modification(s) or re-enactments thereof, for the time being in force and any other laws, regulations prevailing for the time being in force, and other statutory approvals, as may be required and on the Recommendation of Nomination & Remuneration Committee, the Consent of the members of the Company be and is hereby accorded to approve the Re-appointment of Maj. Gen. Jatinder Singh Bedi (Retd) as Whole Time Director, whose present term as Whole Time Director shall expire on October 13, 2024, for a further period of five years from October 14, 2024, till October 13, 2029 who shall be liable to retire by rotation.

RESOLVED FURTHER THAT the consent of the members of the company be and is hereby accorded to approve the managerial remuneration of Maj. General Jatinder Singh Bedi (Retd.) as Whole Time Director for the period starting from October 1, 2024, to March 31, 2025, as per details given in the table below:

S. No.	Particulars	Details
I.	REMUNERATION	Rs. 3,05,000/- (Rupees Three Lac Five Thousand Only) per month.
II.	PERQUISITES	
A.	Medical Reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 15,000/-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 are 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 the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	OTHER ITEMS	
	Other Items	1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company.

NOTICE OF THE ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT in case the Company has no profit or its profits are inadequate in a particular financial year, Maj. Gen. Jatinder Singh Bedi (Retd) shall be paid remuneration (including any variation thereof) as specified in the resolution above as minimum remuneration subject to the limits and conditions specified under section 197 read with schedule V and other applicable provisions.

RESOLVED FURTHER THAT Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, Directors of the Company be and are hereby severally authorized to file necessary forms/ returns to the Registrar of Companies and to do all such acts, deeds, and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution”.

12. TO APPROVE THE PAYMENT OF THE REMUNERATION OF MR. MOHAN BIR SAHNI (DIN 00906251), WHOLE-TIME DIRECTOR OF THE COMPANY FOR THE PERIOD FROM APRIL 1, 2024 TO MARCH 31, 2025

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

“RESOLVED THAT pursuant to the provisions of Section 197, 198 read with Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any statutory modification(s) or re-enactments thereof, for the time being in force and any other laws, regulations prevailing for the time being in force, and other statutory approvals, as may be required and on the Recommendation of Nomination & Remuneration Committee, the Consent of the members of the Company be and is hereby accorded to revise payment of remuneration to Sh. Mohan Bir Sahni, Whole Time Director of the Company for the period starting from April 1, 2024, to March 31, 2025, as mentioned hereunder:

S. No.	Particulars	Details
I.	REMUNERATION	Rs. 9,50,000/- (Rupees Nine Lac Fifty Thousand Only) per month. 33.33% of the Remuneration shall be paid as a House Rent Allowance.
II.	PERQUISITES	
A.	Medical Reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 50,000/-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 are 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	1.75% of the net profit of the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	OTHER ITEMS	
	Other Items	<ol style="list-style-type: none"> 1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company. 3. As long as he functions as Whole Time Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or committee thereof.

NOTICE OF THE ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, Directors of the Company be and are hereby severally authorized to file necessary forms/ returns to the Registrar of Companies and to do all such acts, deeds, and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution".

13. TO APPROVE THE PAYMENT OF THE REMUNERATION OF MR. KANWAL DEEP SAHNI (DIN 00901216), WHOLE-TIME DIRECTOR OF THE COMPANY FOR THE PERIOD APRIL 1, 2024 TO MARCH 31, 2025

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

"RESOLVED THAT pursuant to the provisions of Section 197, 198 read with Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 including any statutory modification(s) or re-enactments thereof, for the time being in force and any other laws, regulations prevailing for the time being in force, and other statutory approvals, as may be required and on the Recommendation of Nomination & Remuneration Committee, the Consent of the members of the Company be and is hereby accorded to revise payment of remuneration to Sh. Kanwal Deep Sahni, Whole Time Director of the Company for the period starting from April 1, 2024 to March 31, 2025 as mentioned hereunder:

S. No.	Particulars	Details
I.	REMUNERATION	Rs. 9,50,000/- (Rupees Nine Lac Fifty Thousand Only) per month. 33.33% of the Remuneration Shall be paid as a House Rent Allowance.
II.	PERQUISITES	
A.	Medical Reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 50,000/-per annum
B.	Leave Travel concession	The expenses incurred on leave travel concession (LTC) for self and his family shall be reimbursed once a year as per the rules of the Company.
C.	Club Fees	Fees for the club are 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	1.75% of the net profit of the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	OTHER ITEMS	
	Other Items	<ol style="list-style-type: none"> 1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company. 3. As long as he functions as Whole Time Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or committee thereof.

NOTICE OF THE ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT Mr. Mohan Bir Sahni and/or Mr. Karwal Deep Sahni, Directors of the Company be and are hereby severally authorized to file necessary forms/ returns to the Registrar of Companies and to do all such acts, deeds, and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid 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: July 13, 2024
Place: Faridabad

NOTICE OF THE ANNUAL GENERAL MEETING

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 percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 the 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 authorized 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) authorized under the said Board Resolution to attend and vote on their behalf at the Meeting.
8. An Explanatory Statement pursuant to the provisions of Section 102 of the Act in respect of Special Business (es) to be transacted at the AGM is annexed and forms part of this Notice. Information required under Secretarial Standard-2 on General Meetings in respect of the Director seeking appointment/ re-appointment at the AGM forms integral part of the notice and is appended as Annexure. The concerned Directors have furnished the requisite declarations for their re-appointment and their brief profiles form part of the Statement.
9. 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, 2025, on payment of remuneration of Rs. 55,000/- (Rupees Fifty Five 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, the consent of the members is sought for approval and ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2025.

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

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

Item No. 5

The Company was not able to file a Cost Audit Report with ROC for the financial year 2014-15 and hence the management decided to make the non-compliance good and on the recommendation of the Audit Committee M/s Vandana Bansal & Associates appointed as Cost Auditor to conduct the audit of cost records of the Company for the financial year ending on March 31, 2015, on payment of remuneration of Rs. 55,000/- (Rupees Fifty Five 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, the consent of the members is sought for approval and ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2015.

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

None of the Directors and their relatives are, in any way, concerned or interested in the resolution set out in item no. 5.

Item No. 6

The Company appointed the Cost Auditor for F.Y. 2015-16, but due to the death of the Cost Auditor, the Cost Audit Report was not filed by the Company and the company received notice from Cost Audit Branch, and hence the management decided to make the non-compliance good and on the recommendation of the Audit Committee M/s Vandana Bansal & Associates appointed as Cost Auditor to conduct the audit of cost records of the Company for the financial year ending on March 31, 2016, on payment of remuneration of Rs. 55,000/- (Rupees Fifty Five 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, the consent of the members is sought for approval and ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2016.

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

None of the Directors and their relatives are, in any way, concerned or interested in the resolution set out in item no. 6.

NOTICE OF THE ANNUAL GENERAL MEETING

Item No. 7

Pursuant to the recommendations of the Nomination and Remuneration Committee of the Company, the Board of Directors of the Company has appointed Mr. Mehul Gupta (DIN: 10665587) as an Additional Director in the capacity of non-executive Director of the Company with effect from June 13, 2024. In terms of the relevant provisions of Section 161 of the Companies Act, 2013 ('the Act') Mr. Mehul Gupta would hold office upto the date of the ensuing Annual General Meeting and is eligible to be appointed as a Non-Executive Director of the Company.

Mr. Mehul Gupta has done B.Com (Hons) and he is also a qualified Chartered Accountant. In terms of Sections 149 and 152 and all other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, he is proposed to be appointed as director (Non-Executive) of the Company liable to retire by rotation. Mr. Mehul Gupta is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

In the opinion of the Board, Mr. Mehul Gupta fulfills the conditions specified in the Act and Rules made thereunder for her appointment as Non-Executive Director.

The Board of Directors considers that in view of his background and experience, it would be in the interest of the Company to appoint him as Non-Executive Director. Accordingly, the Board recommends the Ordinary Resolution in relation to the appointment of Mr. Mehul Gupta as Director (Non-Executive) for approval by the members of the Company.

The Board recommends the Ordinary Resolution in relation to appointment of Non-Executive Director for approval by the members of the Company.

Except Mr. Mehul Gupta, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financial or otherwise, in the resolution set out in item no. 7.

Item no. 8

As per the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of The Companies (Meetings of Board and its Powers) Rules, 2014 except with the prior approval of the shareholders by an ordinary resolution passed in the general meeting, a Company shall not enter into a transaction relating to selling or otherwise disposing of or buying property of any kind, directly or through the appointment of agent, amounting to 10 percent or more of net worth of the company.

The requisite details regarding the said transactions are as follows

S.No.	Particulars	Details
(a)	Name of the related party	Elofic Industries (India)
(b)	Name of the director or key managerial personnel who is related	<ul style="list-style-type: none"> • Mr. Mohan Bir Sahni (Whole Time Director) • Mr. Kanwal Deep Sahni (Whole Time Director)
(c)	Nature of relationship	Above Whole Time Directors and their Sons, Mr. Saheb Sahni (S/O Mr. Mohan Bir Sahni) and Mr. Karam Sahni (S/O Mr. Kanwal Deep Sahni) are Partners in the firm.
(d)	Nature, material terms, monetary value and particulars of the contract or arrangements	Elofic Industries Ltd. is planning to purchase the brand "ELOFIC" which is owned by Elofic Industries (India) for not exceeding Rs. 98.16 Cr. (Ninety-eight crores sixteen lacs only) as valued by Corporate Professional, New Delhi, SEBI Regn. No. INM00001143510, vide their report reference No. CPC/MB/065/2024-25 dated 12 th July, 2024

NOTICE OF THE ANNUAL GENERAL MEETING

(e)	Any other information relevant or important for the members to decide on the proposed resolution	The company is using the brand "ELOFIC" owned by Elofic Industries (India), a firm, a related party of the Company, U/s 188 of the Companies Act 2013. The firm is charging a 1% royalty plus applicable taxes from the company on its sales of products where the brand "ELOFIC" is used. Looking at the past few years' consistent growth and the current financial position of the Company (Brand buying capacity), it is approved by the Board to purchase and possess the brand "ELOFIC" and all associated Trade Licenses in its name to keep better control over the market in future.
-----	--	---

Therefore, considering the amount Rs. 98,16,00,000/- (Ninety-eight crores sixteen lacs only) in the proposed transaction to be entered with Elofic Industries (India), the related party which is 36.23 % of the net worth i.e. Rs. 270,96,26,000/- of the Company, the resolution in the item No. 8 is placed for the approval of the Members of the Company.

Further, except Mr. Mohan Bir Sahni, Mr. Kanwal Deep Sahni, Mr. Saheb Sahni, and Mr. Karam Sahni and their relatives (to the extent of their shareholding in the company, if any), none of the directors or Key Managerial Personnel of the company or their respective relatives are in any way, concerned or interested either directly or indirectly in the resolution mentioned in the notice.

The Board recommends the ordinary resolution set forth in the Notice for approval of the members. As per provision of Section 188 of the Companies Act, 2013 read with rules made thereunder, the related parties to this transaction are not entitled to vote on this resolution.

Item no . 9

Mr. Mohan Bir Sahni, whose present tenure as Whole Time Director shall be expiring on 31st March, 2025 as Whole Time Director of the Company

The board of directors in their meeting held on June 13, 2024, on the recommendation of the Nomination & Remuneration Committee and subject to the approval of shareholders re-appointed Mr. Mohan Bir Sahni as full-time Director of the Company for a further period of five years with effect from April 1, 2025, to March 31, 2030, and he shall be retired by rotation on the terms and conditions and managerial remuneration as per details given hereunder:

S.No.	Particulars	Details
I.	REMUNERATION	Rs.17,00,000/- (Rupees Seventeen Lacs Only) per month. The Remuneration may be revised with a maximum increment of up to Rs. 1,50,000/- per month every year, which will be due on the 1 st day of April of every financial year. 33.33% of the Remuneration shall be paid as a House Rent Allowance.
II.	PERQUISITES	
A.	Medical Reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 50,000/-per annum

NOTICE OF THE ANNUAL GENERAL MEETING

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 are 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	1.75% of the net profit of the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	OTHER ITEMS	
	Other Items	<ol style="list-style-type: none"> 1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company. 3. As long as he functions as Whole Time Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or committee thereof.

Further, Mr. Mohan Bir Sahni, Whole Time Director who has already attained the age of 70 years and keeping in view his wide and varied experience in the management of business and industry, the Company seeks consent of the members by way of special resolution for re-appointing him as Whole Time Director of the Company starting from April 1 2025 to March 31, 2030.

The remuneration as may be approved shall be considered as minimum remuneration in case of any loss/inadequate profits in any financial year.

The Board recommends the special resolution set out at item no. 9 of the notice for approval by the members.

Mr. Mohan Bir Sahni is interested in the resolution set out in item no. 9 of the notice. Mr. Kanwal Deep Sahni being related to Mr. Mohan Bir Sahni may be deemed to be interested in the resolution. The other relatives of Mr. Mohan Bir Sahni may be deemed to be interested in the resolution to the extent of their shareholding interest, if any in the Company

Except for the above, none of the other directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested in the resolution set in item no 9.

Item No. 10

Mr. Kanwal Deep Sahni, whose present tenure as Whole Time Director shall be expiring on 31st March, 2025 as Whole Time Director of the Company

The board of directors in their meeting held on June 13, 2024, on the recommendation of the Nomination & Remuneration Committee and subject to the approval of shareholders re-appointed Mr. Kanwal Deep Sahni as Whole-time Director of the Company for a further period of five years with effect from April 1, 2025, to March 31, 2030, and he shall be retired by rotation on the terms and conditions and managerial remuneration as per details given hereunder:

NOTICE OF THE ANNUAL GENERAL MEETING

S. No.	Particulars	Details
I.	REMUNERATION	Rs. 17,00,000/- (Rupees Seventeen lacs Only) per month. The Remuneration may be revised with a maximum increment of up to Rs. 1,50,000/- per month every year, which will be due on the 1 st day of April of every financial year. 33.33% of the Remuneration shall be paid as a House Rent Allowance.
II.	PERQUISITES	
A.	Medical Reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 50,000/- per annum
B.	Leave Travel concession	The expenses incurred on leave travel concession (LTC) for self and his family shall be reimbursed once a year as per the rules of the Company.
C.	Club Fees	Fees for the club are 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	1.75% of the net profit of the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	OTHER ITEMS	
	Other Items	<ol style="list-style-type: none"> 1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company. 3. As long as he functions as Whole Time Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or committee thereof.

The remuneration as may be approved shall be considered as minimum remuneration in case of any loss/inadequate profits in any financial year.

The Board recommends the special resolution set out in item no. 10 of the notice for approval by the members.

Mr. Kanwal Deep Sahni is interested in the resolution set out in item no. 10 of the notice. Mr. Mohan Bir Sahni being related to Mr. Kanwal Deep Sahni may be deemed to be interested in the resolution. The other relatives of Mr. Kanwal Deep Sahni may be deemed to be interested in the resolution to the extent of their shareholding interest, if any in the Company

Except for the above, none of the other directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested in the resolution set in item no 10.

NOTICE OF THE ANNUAL GENERAL MEETING

Item No. 11

Mr. Maj. Gen. Jatinder Singh Bedi (Retd.), whose present tenure as Whole Time Director shall be expiring on October 13, 2024 as Whole Time Director of the Company

The board of directors in their meeting held on June 13, 2024, on the recommendation of the Nomination & Remuneration Committee and subject to the approval of shareholders re-appointed Maj. Gen. Jatinder Singh Bedi (Retd.) as Whole Time Director of the Company for a further period of five years with effect from October 14, 2024, to October 13, 2029 and he shall be retired by rotation on the terms and conditions and managerial remuneration as per details given hereunder:

S. No.	Particulars	Details
I.	REMUNERATION	Rs. 3,05,000/- (Rupees Three Lac Five Thousand Only) per month.
II.	PERQUISITES	
A.	Medical Reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 15,000/-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 are 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 the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	OTHER ITEMS	
	Other Items	<ol style="list-style-type: none"> 1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company.

The Board recommends the special resolution set out in item no. 11 of the notice for approval by the members.

Except for Maj. Gen. Jatinder Singh Bedi (Retd.), 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 in item no 11.

ITEM No. 12

The board of directors in their meeting held on June 13, 2024, on the recommendation of the Nomination & Remuneration committee and subject to the approval of the shareholders has approved the remuneration of Mr. Mohan Bir Sahni for the period April 1, 2024, to March 31, 2025 as per the details given below:

NOTICE OF THE ANNUAL GENERAL MEETING

S. No.	Particulars	Details
I.	REMUNERATION	Rs. 9,50,000/- (Rupees Nine Lac Fifty Thousand Only) per month. 33.33% of the Remuneration shall be paid as a House Rent Allowance.
II.	PERQUISITES	
A.	Medical Reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 50,000/-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 are 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	1.75% of the net profit of the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	OTHER ITEMS	
	Other Items	<ol style="list-style-type: none"> 1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company. 3. As long as he functions as Whole Time Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or committee thereof.

Hence shareholder's approval is sought by way of a special resolution for items no. 12 of the Notice.

ITEM No. 13

The board of directors in their meeting held on June 13, 2024, on the recommendation of the Nomination & Remuneration committee and subject to the approval of the shareholders has approved the remuneration of Mr. Kanwal Deep Sahni for the period April 1, 2024, to March 31, 2025 as per the details given below:

NOTICE OF THE ANNUAL GENERAL MEETING

S. No.	Particulars	Details
I.	REMUNERATION	Rs. 9,50,000/- (Rupees Nine Lac Fifty Thousand Only) per month. 33.33% of the Remuneration shall be paid as a House Rent Allowance.
II.	PERQUISITES	
A.	Medical Reimbursement	Medical expenses incurred for self and his family will be subject to a ceiling of Rs. 50,000/-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 are 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	1.75% of the net profit of the relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	OTHER ITEMS	
	Other Items	<ol style="list-style-type: none"> 1. He shall be entitled to reimbursement of actual out-of-pocket expenses incurred in connection with the business of the company. 2. He shall be entitled to reimbursement of entertainment expenses incurred for the business of the company. 3. As long as he functions as Whole Time Director, he shall not be paid any sitting fees to attend any meeting of the Board and/or committee thereof.

Hence shareholder's approval is sought by way of a special resolution for items no. 13 of the Notice.

NOTICE OF THE ANNUAL GENERAL MEETING

**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: July 13, 2024
Place: Faridabad

NOTICE OF THE ANNUAL GENERAL MEETING

Annexure to the Notice

Pursuant to Secretarial Standard 2, the details of the Directors seeking appointment/re-appointment/fixation of remuneration/variation of the term of remuneration at the forthcoming Annual General Meeting are provided below:

Name of Directors	Mohan Bir Sahni	Kanwal Deep Sahni	Jatinder Singh Bedi	Mehul Gupta
Designation	Whole Time Director	Whole Time Director	Whole Time Director	Director
DIN	00906251	00901216	08583060	10665587
Date of Birth	23.09.1951	28.02.1958	28.08.1959	06.02.1995
Age	72 Years	66 Years	65 Years	29 Years
Qualification	Graduate	Graduate	Post Graduate	Chartered Accountant
Experience	51 Years	45 Years	40 Years	5 Years
Terms and Conditions of appointment/re-appointment	As per item no. 8 of the explanatory statement, appointed for 5 years	As per item no. 9 of the explanatory statement, appointed for 5 years	As per item no. 10 of the explanatory statement, appointed for 5 years	As per item no. 7 of the explanatory statement, appointed for 5 years
Details of remuneration sought to be paid	Rs. 17 Lacs per month till 31.03.2030 plus commission 1.75% on profit plus Perks	Rs. 17 Lacs per month till 31.03.2030 plus commission 1.75% on profit plus Perks	Rs. 3.05 Lacs per month till 31.03.2025 plus commission 0.25% on profit plus Perks	Nil
Remuneration last drawn	Rs. 144.47 Lacs per annum	Rs. 144.47 Lacs per annum	Rs. 48.88 Lacs per annum	NA
Date of First Appointment on the Board	01.04.2006	01.04.2006	14.10.2019	13.06.2024
No. of shares held in the Company as on March 31, 2024	713535	751385	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel (KMP)	Brother of Whole Time Director Mr. Kanwal Deep Sahni	Brother of Whole Time Director Mr. Mohan Bir Sahni	None	None
Number of Meetings of the Board attended during the year 2023-24	11	11	11	NA
Directorships of other Boards as of March 31, 2024	Mettler Auto Pvt. Ltd., Elofic Pvt. Ltd., Fiem Industries Ltd.	Mettler Auto Pvt. Ltd., Elofic Pvt. Ltd.	NA	NA
Membership / Chairmanship of Committees of other Boards as on March 31, 2024	CSR Committee	Nomination and Remuneration Committee, Audit Committee.	NA	NA

BOARD'S REPORT

Dear Esteemed Members,

On behalf of the Board of Directors of your Company, we share with you the 51st Annual Report along with the audited financial statements of your company for the financial year ending March 31, 2024.

1. FINANCIAL HIGHLIGHTS

The financial performance of the company for the financial year ended March 31, 2024, is summarised below:

PARTICULARS	YEAR ENDED MARCH 2024 (Rs. in lakhs)	YEAR ENDED MARCH 2023 (Rs. in lakhs)
Turnover	34065	34693
Other Income	893	774
Total Income	34958	35467
Profit Before Interest Depreciation & Tax	7931	6599
Finance Cost including Interest	22	34
Depreciation	1219	980
Profit Before Tax***	6690	5585
*** (includes Profit from Elofic USA LLC)	249	259
Provision for Tax & Deferred Tax	1939	1619
Profit After Tax	4751	3966
Profit available for appropriation	4751	3966
General reserve	475	397
Dividend including Tax on Dividend	75	75
Profit Carried over to Balance Sheet	4201	3494
Earning per share (Rs.)	189.39	158.10

OPERATION / PERFORMANCE

During the year under review, the company's sales & other income have slightly gone down to 34958 lakhs from Rs. 35467 lakhs in the previous year, showing a decrease of 1.44%. The domestic sales for the year under review were Rs. 19522 lakhs against Rs. 18460 lakhs in the previous year, an increase of 5.75%. Export sales during the year under review remained at Rs. 13416 lakhs. The profit (before interest, depreciation, and tax) has increased by Rs. 1332 lakhs over the previous year. The Profit Before Tax (PBT) has increased by Rs. 1105 lakhs, while the Profit After Tax (PAT) has increased by Rs. 785 lakhs over the previous year. The profit figure includes profits from Elofic USA, LLC the Company's wholly-owned subsidiary in the USA.

Awards & Recognition

- ACMA Excellence Bronze Award for Excellence in Export in Large Category.
- ACMA Excellence Silver Award for Excellence in NPDD & Localization in Large Category.

PRODUCTION

- Our productivity and process capabilities continue to improve. In-house rejection and wastage are reduced due to our improved production processes. We have added state-of-the-art new machines to our production lines, to enhance capacities to fulfil the rising demand for our products in the market and to automate the processes to increase productivity. To meet the ever-growing challenges, we have upgraded the existing production lines to include various production processes, energy-saving measures, and quality assurance to make the production more productive and efficient.

BOARD'S REPORT

MARKETING – DOMESTIC

The Company has maintained a high level of on-time supplies to our customers and catered to their product demands in entirety. Due to technology innovation, creative products and recent developments in the external environment brought in by the regulatory landscape, businesses are being disrupted at a significant rate.

We aim to maintain agility while providing customized filtration solutions to our customers by quickly modifying and promoting innovative products based on a deep understanding of customer demands. We have a strong focus on building relationships with Original Equipment Manufacturers (OEM's) and have established partnerships with more than 40 OEM's in India.

The company has a strategy of working closely with OEM's which has enabled customized filtration solutions to meet the specific needs of different vehicles.

Sales to OEM & Institutional sales have witnessed a growth of approximately 15% on a year-on-year basis.

The following are the highlights:

- Share of Business of 2W, PV, Off-Highway, and Earthmoving segments has gone up in the OEM Segment.
- New OEM & Institutional Customers have been added.
- We continue to expect a strong uptick in sales and overall demand for our filters across multifarious segments.
- We have introduced 40 New Products in the market for 2023-24.
- Increased penetration in unrepresented geographies by appointing 40 new channel partners.

AIR PURIFIERS

Besides room air purifiers, we have successfully designed and developed clean air towers and industrial air purifiers for large outdoor and indoor spaces. With the ability to efficiently capture particulate matter and VOCs, our clean air products have been finding wide applicability in the reduction of ambient air pollution. While the clean air towers have become an attraction for many residential projects, our Industrial Air Purifiers are gaining traction in hospital wards, school auditoriums, etc. An attractive design, superior performance, and the possibility of customization have brought us appreciation and trust from our customers.

MARKETING – INTERNATIONAL

Our export sales have come down to Rs. 13416 lakhs and were Rs. 15024 lakhs in the FY 2022-23, This decrease is due to the change in International Commercial Terms (INCOTERMS) of most of the customers to Ex Works from CIF in the financial under review. Exports to OEM customers still account for a major share of our global sales. Our new warehouse in Pooler GA continues to feed many of our OEM customer requirements on a Just in Time (JIT) basis. We have also gained new business from our existing OEM customers and also received new potential business opportunities from other customers.

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

QUALITY & ENGINEERING

There is a significant increase in our customer satisfaction scores during the year under review. This achievement is the result of our unwavering commitment to delivering exceptional products and services, alongside providing outstanding customer support. Ensuring customer satisfaction remains a top priority for us.

To maintain the highest standards of quality, we are continuously upgrading our supplier partners across all dimensions. This includes adherence to robust Quality Management Systems like ISO 9001:2015 and IATF 16949. By aligning our supply chain with these rigorous standards, we ensure the timely receipt of high-quality parts, which directly enhances overall customer satisfaction.

To streamline our business processes, optimize operations, and provide us with real-time insights for informed decision-making, your company has implemented "SAP S4 HANA" a world-renowned enterprise resource planning (ERP) system.

BOARD'S REPORT

All your plants have been upgraded and consistently maintain the IATF 16949:2016 standard through ongoing process improvement activities. We have implemented various Poka-Yoke (error proofing) in critical processes to manufacture defect-free products. These efforts are essential for our mission of excellence in quality.

Furthermore, in our efforts to adopt advanced technologies, digitalization, and automation, your company has initiated several key projects, including low-cost automation, IoT, and improvement in productivity, quality & delivery through Excellence Project Drive.

We remain committed to our continuous improvement journey and our dedication to exceeding customer expectations through high-quality products, efficient operations, and advanced technological advancements.

RESEARCH & DEVELOPMENT

Our Research and Development (R&D) has consistently driven innovation and excellence, significantly contributing to the company's growth and industry leadership. The following details highlight the department's recent achievements, including the development of new products, patents filed, new capabilities acquired, prestigious recognitions received, and our future plans. Our R&D efforts have not only enhanced our product portfolio but also fortified our competitive edge in the market.

New Product Developments

Over the past year, our R&D team has successfully developed a range of advanced vehicle filters that address critical industry needs for improved efficiency, sustainability, and performance. Key products include:

1. **EV and hydrogen cell Filters:** Your company is developing various filters for upcoming EV and Hydrogen Cell technology.
2. **Brake Filters:** These innovative filters are used to capture extremely fine and harmful debris generated due to abrasion of brakes on discs, providing in true sense a solution towards net zero emissions by eliminating non-exhaust emissions.
3. **Shower Filter:** Shower Filters developed can filter out particulate contaminants, pesticides, odour, hardness metal contaminants and potential of scaling from bathing water. The performance of this filter is found to be at par with Kohler Shower Filters.
4. **Oil mist separator:** Oil mist separators are developed to remove airborne oil droplets from crankcase ventilation or gear case venting.
5. **CNG filters:** CNG filters are designed to protect critical engine components, like fuel injectors and regulators, from harmful contaminants that may be present in the compressed natural gas.
6. **Air dryers:** Designed air dryers to provide clean and dry air reaching the brakes, which is essential for safe and reliable operation of the vehicle.
7. **Urea filter:** Urea filters protect the SCR catalyst in diesel engines by removing contaminants from the DEF solution and exhaust stream.

Patents Filed

Our commitment to innovation is underscored by the filing of several key patents over the past year. These patents represent significant technological advancements and protect our intellectual property, ensuring sustained competitive advantage. We have filed 1 patent and received a grant for 5 patents. Elofic has filed 24 in total so far and out of which 20 has been granted and 4 are in process.

BOARD'S REPORT

New Capabilities Developed

Our R&D department has expanded its capabilities through strategic investments in state-of-the-art technologies and the enhancement of our research facilities. Key developments include:

1. **Advanced Material Characterization Lab:** Equipped with cutting-edge analytical instruments, this lab enables precise characterization of filtration materials, leading to the development of superior products. A new addition is that of Air Filter Test Rig which is capable of determining filter properties in a vast flow rate range of 0.2 m³/min to 50 m³/min.
2. **Collaborative Innovation Platforms:** We have established partnerships with leading research institutions and industry experts, fostering a collaborative environment that accelerates innovation and knowledge sharing.

Accreditation and Awards

Our R&D excellence has been recognized through several prestigious accreditations and awards, validating our commitment to quality and innovation:

DSIR Recognized Lab:

The Research and Development Lab has received Renewal of Recognition from the Department of Scientific and Industrial Research till 31.03.2027

DIVIDEND

Keeping in view the growth of your company, the Board of Directors of the Company is pleased to recommend a dividend of Rs. 4 per equity share of the face value of Rs. 10/- each on Equity Shares of the Company for the financial year 2023-24 for your approval. The dividend, if approved, shall be payable to the members holding shares as of the company's AGM date.

AMOUNT TRANSFER TO ANY RESERVE

An amount of Rs. 475 lakhs has been transferred to the general reserve out of profit earned during the year 2023-24.

BOARD OF DIRECTORS

A. Appointment/ Re-Appointment of Directors

During the financial year 2023-24, Mr. Prem Arora (DIN: 00106232) who was a non-executive independent director of the company completed his 2 consecutive terms of 5 years each and ceased to be director w.e.f 31st March 2024.

B. Declaration by Independent Director(s)

In terms of 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 June 17, 2023. The Independent Directors at the meeting, inter alia, reviewed the following:-

BOARD'S REPORT

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairperson of the Company.
- Assessed the quality, quantity, and timeliness of the flow of information between the Company's 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 the selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors duly met Eleven 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
May 20, 2023	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
June 17, 2023	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.), Prem Arora, Subodh Kumar Jain, Sangeeta Bajaj.
August 02, 2023	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
August 28, 2023	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
November 08, 2023	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
December 01, 2023	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
January 11, 2024	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
January 15, 2024	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
January 16, 2024	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
March 19, 2024	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
March 30, 2024	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)

ATTENDANCE AT THE BOARD MEETING

Name of Director	No. of Board meetings attended	No. of Board meetings held during their tenure
Mohan Bir Sahni	11	11
Kanwal Deep Sahni	11	11
Prem Arora	1	11
Sangeeta Bajaj	1	11
Subodh Kumar Jain	1	11
Maj. Gen. Jatinder Singh Bedi (Retd.)	11	11

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

BOARD'S REPORT

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 safeguard 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. Subodh Kumar Jain	Member – Independent Director
Sh. Kanwal Deep Sahni	Member – Whole Time director

NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE YEAR

Date of Meetings	Audit committee members in attendance
June 17, 2023	Prem Arora, Subodh Kumar Jain, Kanwal Deep Sahni
August 28, 2023	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
June 17, 2023	Prem Arora, Subodh Kumar Jain, Mohan Bir Sahni
March 23, 2024	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.

WEB LINK OF THE ANNUAL RETURN

In accordance with the provisions of the Companies Act, 2013 the Annual Return in the prescribed format is available at the following link <https://www.elofic.com/pdf/disclosures-companies-act2013-2022-23.pdf>

BOARD'S REPORT

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, your Company has not given any loan or guarantee or made any investment 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 (AS-18) 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.

- **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.

DETAILS 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 provisions of Section 138 of the Companies Act, 2013 M/s MNRS & Associates, Chartered Accountants, situated at Lajpat Nagar, New Delhi is appointed as the internal auditor of the Company for the financial year 2023-24.

BOARD'S REPORT

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act, together read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. DR Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company.

The Secretarial Audit report in Form No. MR-3 is attached as Annexure- VI to this Report. The Secretarial Audit report is self-explanatory and does not call for any comments under Section 204 of the Act. There are no qualifications, reservations, adverse remarks or disclaimers made by the Secretarial Auditor in their report for the FY ended March 31, 2024.

REMUNERATION RECEIVED BY WHOLE-TIME DIRECTORS FROM SUBSIDIARY COMPANY

No remuneration has been received by the directors from its subsidiary company during the financial year 2023-24.

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 the Companies Act, 2013. The company filed the Corporate Action Form with NSDL for transferring 3,900 shares to IEPF, which got executed on October 26, 2023.

During the year under review, the company transferred an unpaid/unclaimed dividend of Rs. 1,81,350/- for the financial year 2015-16 to IEPF (Investor Education and Protection Fund).

The following amounts remained unpaid as on 31.03.2024 in the unpaid/ unclaimed dividend account of the company.

S. No.	Financial Year	Unpaid Dividend
1	2016-17	Rs. 2,08,350.00
2	2017-18	Rs. 1,97,700.00
3	2018-19	Rs. 1,92,150.00
4	2019-20	Rs. 93,950.00
5	2020-21	Rs. 98,258.00
6	2021-22	Rs. 1,29,774.00
7	2022-23	Rs. 1,17,438.00
Total Amount		Rs. 10,37,620.00

RISK MANAGEMENT POLICY

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

BOARD'S REPORT

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 creating 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 the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company's policy on the prevention of sexual harassment at the 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.

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 2024 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, the management gives utmost importance to energy conservation measures, including regular review of general energy consumption and effective control in the utilization 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.

BOARD'S REPORT

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.

- Development of Filters for Electric Vehicles.
- Exploration into the field of water filtration.
- New product range for both export and domestic markets.
- Technology improvement in manufacturing facilities.
- Upgradation of laboratory, usage of latest testing techniques, and quality assurance, and NABL accreditation.
- Improvement in work practices.

2. Benefits of R&D

The continuous investment in our R&D department has yielded numerous benefits, including:

- **Market Leadership:** Our innovative products and technologies have positioned us as a leader in the vehicle filtration industry, driving sales and market share growth.
- **Sustainability:** By developing eco-friendly products and processes, we are contributing to environmental sustainability and meeting regulatory requirements.
- **Customer Satisfaction:** Our advanced filtration solutions enhance vehicle performance and air quality, leading to higher customer satisfaction and loyalty.

Future Plans

Looking ahead, our R&D centre is committed to furthering our legacy of innovation and excellence. Our plans include:

- **Development of Next-Generation Filters:** We are focused on developing filters that incorporate advanced materials and nano technology to achieve even higher levels of efficiency and durability.
- **Expansion of Smart Filtration Technologies:** Smart filtration systems, incorporating AI and IoT for real-time monitoring and predictive maintenance (Application (Android and Apple) Development for Air Purifiers).
- **Sustainable Manufacturing Initiatives:** We aim to further reduce our environmental footprint by investing in green manufacturing processes and developing more eco-friendly products (Vehicle Roof Top Filters, Reusable Filters)
- **Global Research Collaborations:** We will continue to strengthen our partnerships with leading research institutions and industry experts globally, fostering collaborative innovation to stay at the forefront of technology advancements (Recent MOU with NIT Jalandhar, Interaction with Faculties from University of Boras, Sweden and IIT Delhi).
- **Talent Development:** We are committed to nurturing the next generation of innovators by providing ongoing training and development opportunities for our R&D team members. (R and D Team members are encouraged to attend different exhibitions, Seminars, Conferences.

BOARD'S REPORT

Expenditure on R&D

Particulars	Current Year	Previous Year
Capital	Rs. 2,06,12,227	Rs. 16,684
Revenue	Rs. 3,57,45,085	Rs. 2,85,10,229
Total R & D expenditure	Rs. 5,63,57,312	Rs. 2,85,26,913
Percentage of total turnover	1.61%	0.80%

b) Technology Absorption, Adaptation and Innovation

1. 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, cost optimization and to improve acceptance of our filters in the market.
2. Benefits derived because of the above efforts include product improvement and cost reduction.
3. Your Company has derived benefits by improving the quality of its products and improving the manufacturing process, which has resulted in cost reduction and enhanced preference for your Company's products in Domestic and International markets. Your Company also has the latest and prestigious quality assurance certifications of IATF 16949:2016, ISO 45001: 2018 and ISO 14001:2015 which have aided this.
4. 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

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 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. 1325.19 million (Previous Year Rs. 1393.40 million)
Foreign Exchange outgo	Rs. 295.30 million (Previous Year Rs. 258.39 million)

AUDITORS

M/S S. N. Dhawan & Co. LLP, Chartered Accountants, (Registration No. 000050N/N500045) were appointed as 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 30, 2020.

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 have any qualification / adverse remarks.

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

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

BOARD'S REPORT

COST AUDIT

M/s Vandana Bansal & Associates, Cost Accountants, were re-appointed as the Cost Auditor of the Company to conduct the audit of cost records for three financial years starting from April 1, 2022 and ending on March 31, 2025.

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 June 17, 2023 and March 23, 2024, wherein all the members were present.

Pursuant to clause (a) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, the Corporate Social Responsibility Report 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 comprising of Mrs. Sangeeta Bajaj, Mr. Subodh Kumar Jain, Mr. Prem Arora and Mr. Kanwal Deep Sahni. Meeting of committee held once on June 17, 2023.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee approved a policy on the Director's appointment & remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided. The 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 2024 the applicable accounting standards have been followed and there have been no material departures.
- ii. The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent 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.
- 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 have 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.

BOARD'S REPORT

SECRETARIAL STANDARDS

During the year under review, the company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

Not applicable for the period under review

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Not applicable for the period under review.

ACKNOWLEDGEMENTS

Your directors would like to express their grateful appreciation for the assistance and cooperation 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 teamwork and a high degree of professionalism and enthusiasm displayed by them during the year.

**On behalf of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

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

Place: Faridabad
Date: June 14, 2024

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

Annexure – I

Date: June 14, 2024
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, 2024

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, 2024										
Detail of top ten employees in terms of remuneration drawn										
S. No.	Name	Designation	Remuneration (In Rs.)	Nature of Employment	Qualification	Date of Commencement	Age	Last employment held	% of equity shares held in the	Name of Director (if such employee is relative of any Director)
1	Mohan Bir Sahni	Managing Director	14,447,272	Whole Time Director	Graduate	Apr-06	72	NA	28.44	Brother of Mr. Karwal Deep Sahni
2	Karwal Deep Sahni	Joint Managing Director	14,447,272	Whole Time Director	B.Sc (Hons)	Apr-06	66	NA	29.95	Brother of Mr. Mohan Bir Sahni
3	Maj. Gen. Jafinder Singh Bedi (Retd.)	Whole time Director	4,888,018	HR & Admin	PG-Strategic Studies, Masters in Management Sciences & Distinguished in Artillery Technology and Automation	Nov-18	65	Indian Army	Nil	-
4	Kamlesh Koul	Vice President	4,537,777	R&D	BE (MECH.)	Jul-12	44	Mohie Filters Systems Ltd.	Nil	-
5	Jarnail Singh	Vice President	4,529,605	Operations	LLB	May-96	56	NA	0.011	-
6	Ashish Suri	Vice President	4,155,907	Finance & Accounts	MBA (FINANCE), Cost & Management Accountant	Jan-12	63	Asho Equipments Ltd.	Nil	-
7	Ajay Upadhyay	GM-Quality	3,329,198	Quality	B.TECH	Apr-17	45	Minda Corporation	Nil	-
8	Haraveer Sahni	Plant Head	3,338,413	Operations	BBA	Sep-15	44	Subblegum	0.05	Nephew of Mr. M.B. Sahni & Mr. K.D. Sahni
9	S. Krishnan	GM-Marketing	3,295,951	Marketing-Aftermarket Sales	MBA (Marketing)	Jan-23	55	Axand Motor Products	Nil	-
10	Karam Sahni	Group Head -OEM Sales	3,098,998	Marketing OEM Sales	Graduate	Jan-11	35	NA	6.36	Son of Mr. K.D. Sahni
	Sahab Sahni	Gr. Manager-Projects	3,098,998	Head - Excellence Department	Graduate	Jan-11	39	NA	6.36	Son of Mr. M.B. 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: June 14, 2024

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	01-04-2023 TO 31-03-2024
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	5499912.51
7.	Total Liabilities	3778805.16
8.	Investments	1721107.35
9.	Turnover	9110046.98
10.	Profit before taxation	300648.93
11.	Provision for taxation	
12.	Profit after taxation	300648.93
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: June 14, 2024
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

1. Brief outline on CSR Policy of the Company

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.

The company is running a nursing home at Village Rajpura, Nalagarh, Himachal Pradesh for the promotion of healthcare activities through a charitable trust for the last few years. Also, the company has incurred a reasonable amount on women empowerment through a Trust which is established for such objectives.

The company also contributed towards Prime Minister National Relief Fund, to render immediate relief to families of those killed in natural calamities like floods, cyclones and earthquakes, etc. and to assist partially to defray the expenses for medical treatment like heart surgery, kidney transplantation, cancer treatment of needy people and acid attack, etc.

2) Composition of CSR Committee

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Mohan Bir Sahni	Whole Time Director	2	2
2	Mr. Prem Arora	Independent Director	2	2
3	Mr. Subodh Kumar Jain	Independent Director	2	2

- Provide the web link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.elofic.com
- Provide the executive summary along with the web link(s) of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: N.A.
- Average net profit of the Company as per Sub-section (5) of Section 135: 480563245
 - Two percent of the average net profit of the Company as per Sub-section (5) of Section 135: 9611265
 - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: 0
 - Amount required to be set off for the financial year, if any: 0
 - Total CSR obligation for the financial year [(b) + (c) - (d)]: 9611265
- Amount spent on CSR projects (both ongoing project and other than Ongoing projects): 9612000
 - Amount spent in administrative overheads: 0
 - Amount spent on Impact assessment, if applicable: 0
 - Total amount spent for the financial year [(a) + (b) + (c)]: 9612000
 - CSR Amount spent or unspent for the financial year: 9612000

Annexure – IV

Total amount spent for the financial year (In Rs.) 96,12,000	Amount unspent (In Rs.) N.A.				
	Total amount transferred to unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under schedule VII as per second proviso to subsection (5) of section 135		
	Amount	Date of Transfer	Name of the fund	Amount	Date of transfer
			PRIME MINISTER NATIONAL RELIEF FUND	24,00,000	19/06/2023
			B.BHAGWAN SINGH (ELOFIC) CHARITABLE TRUST	2,00,000	21/06/2023
			B.BHAGWAN SINGH (ELOFIC) CHARITABLE TRUST	2,00,000	04/07/2023
			PRIME MINISTER NATIONAL RELIEF FUND	8,00,000	10/07/2023
			PRIME MINISTER NATIONAL RELIEF FUND	8,00,000	04/08/2023
			PRIME MINISTER NATIONAL RELIEF FUND	8,00,000	11/09/2023
			PRIME MINISTER NATIONAL RELIEF FUND	8,00,000	03/10/2023
			PRIME MINISTER NATIONAL RELIEF FUND	8,00,000	07/11/2023
			YESS	1,50,000	14/12/2023
			PRIME MINISTER NATIONAL RELIEF FUND	8,00,000	27/12/2023
			PRIME MINISTER NATIONAL RELIEF FUND	8,00,000	11/01/2024
			PRIME MINISTER NATIONAL RELIEF FUND	8,00,000	19/02/2024
			B.BHAGWAN SINGH (ELOFIC) CHARITABLE TRUST	2,62,000	07/03/2024

(f) Excess amount for set-off, if any: N.A.

S. No	Particulars	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of the average net profit of the Company as per Sub-section (5) of Section 135	
(ii)	Total amount spent for the financial year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	

Annexure – IV

7 (a) Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: N.A.

1	2	3	4	5	6		7	8
S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section 6 of the section 135 (in Rs.)	Balance amount in unspent CSR Account under sub-section 6 of the section 135 (In Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second provision to the sub section (5) of the section 135, if any.		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs.)	Date of transfer		
1.	FY-1							
2.	FY-2							
3.	FY-3							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
1								
2								
3								
Total								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

 No Yes
If Yes, enter the number of Capital assets created/ acquire

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

Annexure – IV

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135. N. A.

Date: June 14, 2024
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.

Annexure – VI**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2024**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**The Members,
Elofic Industries Limited
14/4, Mathura Road Faridabad,
Haryana – 121 003**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Elofic Industries Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records/statutory registers maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during financial year ended on March 31, 2024 ("**Audit Period**"), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records/statutory registers maintained by the Company for the Audit Period in accordance with the provisions of:

1. The Companies Act, 2013 ("**the Act**") and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the regulation and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investments, Overseas Direct Investment and External Commercial Borrowings. **Not applicable to the extent of Foreign Direct Investments, External Commercial Borrowings as there were no reportable events during the financial year under review;**
5. Other laws, if any, as are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- The Board of Directors of the Company and its committees are duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, except where consent of the Directors, if any, was received for scheduling meeting at a shorter notice, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Annexure – VI

- All decisions at the meetings of the Board of Directors of the Company and its Committees were carried out unanimously as recorded in the minutes of such meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and its operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review, there were no instances of:

- i) Public/ Right/ Preferential issue of shares/ debentures/ sweat equity, etc.;
- ii) Redemption/ buy- back of securities;
- iii) Any resolution by the Members in pursuance to section 180 of the Companies Act, 2013;
- iv) Merger/ Amalgamation/ Reconstruction, etc; and
- v) Foreign Technical Collaborations.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **DR Associates**
Company Secretaries
Firm Regn. No.: P2007DE003300

Suchitta Koley
FCS – 1647, CP – 714
UDIN: F001647F000560359

Place: New Delhi
Date: June 12, 2024

Annexure – VI

**The Members,
Elofic Industries Limited
14/4, Mathura Road Faridabad,
Haryana – 121 003 IN**

Our Secretarial Audit Report for the financial year ended March 31, 2024 of even date is to be read along with this letter.

Management's Responsibility

- i. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

- i. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records, we believe that the processes and practices we followed provide a reasonable basis for our opinion.
- iii. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- iv. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

- i. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Annexure – VI

- ii. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.

For **DR Associates**
Company Secretaries
Firm Regn. No.: P2007DE003300

Suchitta Koley
FCS – 1647, CP – 714

Place: New Delhi
Date: June 12, 2024

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 standalone Balance Sheet as at March 31, 2024, the standalone Statement of Profit and Loss and the standalone 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, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its 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 the information included in 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 do 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 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 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.

INDEPENDENT AUDITOR'S REPORT

In preparing the standalone financial statements, the 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 the 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal And Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 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.
 - (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 standalone Balance Sheet, the standalone Statement of Profit and Loss and the standalone 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.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 26 (b) 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 - Refer Note 26 (d) to the standalone financial statements.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 26 (c) to the standalone financial statements.
 - (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 42 (g) to the standalone financial statements.

INDEPENDENT AUDITOR'S REPORT

- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - Refer Note 42 (f) to the standalone financial statements.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- (v) The final dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- (vi) Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Company only with effect from April 01, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on the preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 24096985BKBWFT9792

Place: Gurugram

Date: June 14, 2024

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, 2024)

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, 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 property, plant and equipment 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 and based on the examination of the registered sale deed / transfer deed / conveyance deed (state any other relevant document which evidences title) provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment and intangible assets during the year, being under cost model. Accordingly, the provisions of clause 3(i)(d) of the Order are not applicable.
- (e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and Rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification as compared to the book records.
- (b) According to the information and explanations given to us, during the year, the Company has been sanctioned working capital limits in excess of Rs. 500 lakhs, in aggregate, from banks on the basis of security of current assets. The quarterly returns or statements filed by the Company with such banks or financial institutions are not in agreement with the books of account of the Company, the details of which are as follows:

Quarter	Name of the bank or financial institution	Particulars of securities provided	Amount as per books of account (Rupees Lakhs)	Amount as reported in the quarterly return/ statement (Rupees Lakhs)	Amount of difference (Rupees Lakhs)	Reason for material discrepancies
March 2024	HDFC Bank and HSBC Bank	Trade receivables	7,139.97	6,928.34	211.63	The difference is primarily due to price settlement with the customers and recording of foreign exchange fluctuation at year end. For details refer Note 38 to standalone financial statements.

Annexure A to the Independent Auditor's Report

- (iii) (a) The Company has granted loans to employees, the details of which are as given below:

Particulars	Loans (Rupees Lakhs)
Aggregate amount granted during the year	
- Employees	31.92
Balance outstanding as at balance sheet date in respect of above cases	
- Employees	6.57

The Company has not provided any advances in the nature of loans, guarantee or security to companies, firms, Limited Liability Partnership (LLPs) or any other party other than as described above.

- (b) In our opinion and according to the information and explanations given to us the investments made, guarantees provided, security given and the terms and conditions of grant of all loans and advances in the nature of loans and guarantees provided are not, prima facie, prejudicial to the Company's interest.
- (c) In our opinion and according to the information and explanations given to us, in respect of loans, the loans given are interest free and the schedule of repayment of principal has been stipulated and the repayment of the principal amount is regular.
- (d) According to the information and explanations given to us, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) According to the information and explanations given to us, no loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.
- (f) According to the information and explanations given to us, the Company has not granted any loans which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of clause 3(iii)(f) of the Order are not applicable.
- (iv) 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.
- (v) According to the information and explanations given to us, the Company has neither accepted any deposits nor the amounts which are deemed to be deposits during the year and further the Company 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) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of Company's products/services. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed 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 by the Company. 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) In our opinion and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other material statutory dues, as applicable, 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 become payable.

Annexure A to the Independent Auditor's Report

- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

Name of the statute	Nature of dues	Amount (Rupees Lakhs)	Amount paid under protest (Rupees Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	14.43	2.50	Financial Year 1998-2000	Commissioner Central Excise, Delhi IV, Faridabad
Goods and Services Tax Act, 2017 (IGST, CGST and SGST)	Goods and services tax	13.51	0.64	Financial Year 2017-2018	Deputy Commissioner, Goods and Services Tax, Noida Sector-4, Gautambudha Nagar, Uttar Pradesh
	Goods and services tax	51.18	2.30	Financial Year 2017-2018	Excise and Taxation Officer, Faridabad (East) Ward 2, Faridabad, Haryana

- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us, the Company has no loans or other borrowings or interest payable to any lender at the year end. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us, the Company did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has neither taken any funds from any entity or person during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiary.
- (f) According to the information and explanations given to us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary.
- (x) (a) 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) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.

Annexure A to the Independent Auditor's Report

- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3(x)(b) of the Order are not applicable.
- (xi) (a) 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 has been noticed or reported during the period covered by our audit.
- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended) with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) (a) to (c) 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 financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year 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.
- (xvi) (a) 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)(a) of the Order are not applicable.
- (b) The Company has not conducted any non-banking financial or housing finance activities during the year.
- (c) The Company is not a Core Investment Company ("CIC") as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) The Group has no CIC which are part of the Group.
- (xvii) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.

Annexure A to the Independent Auditor's Report

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) There is no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act.
- (b) There is no unspent amount towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the said Act.
- (xii) The reporting under clause 3(xii) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Bhaskar Sen
Partner
Membership No.: 096985
UDIN: 24096985BKBWFT9792

Place: Gurugram
Date: June 14, 2024

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(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 standalone financial statements as of and for the year ended March 31, 2024)

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

We have audited the internal financial controls with reference to financial statements of Elofic Industries Limited ("the Company") as of March 31, 2024 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 internal financial control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of 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 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to 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.

Annexure B to the Independent Auditor's Report**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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the essential components of the 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: 240969858KBWFT9792

Place: Gurugram

Date: June 14, 2024

STANDALONE BALANCE SHEET AS AT MARCH 31, 2024

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I Equity and liabilities			
Shareholders' funds			
(a) Share capital	3	250.84	250.84
(b) Reserves and surplus	4	26,845.42	22,170.64
		<u>27,096.26</u>	<u>22,421.48</u>
Non-current liabilities			
(a) Deferred tax liabilities (Net)	5	58.96	31.47
(b) Long term provisions	6	1.67	0.36
		<u>60.63</u>	<u>31.73</u>
Current liabilities			
(a) Trade payables	7		
(i) Total outstanding dues of micro enterprises and small enterprises		364.58	521.77
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,875.08	2,604.56
(b) Other current liabilities	8	490.43	514.25
(c) Short term provisions	6	390.60	307.51
		<u>4,120.69</u>	<u>3,948.09</u>
		<u>31,277.58</u>	<u>26,401.30</u>
II Assets			
Non-current assets			
(a) Property, plant and equipment and intangible assets:			
(i) Property, plant and equipment	9	6,815.49	5,646.17
(ii) Intangible assets	9	147.31	17.33
(iii) Capital work-in-progress	9	95.24	563.29
(iv) Intangible assets under development	9	-	136.35
(b) Non-current investments	10	1,184.19	991.59
(c) Long-term loans and advances	11	227.01	278.64
(d) Other non-current assets	12	326.36	1,100.89
		<u>8,795.80</u>	<u>8,734.26</u>
Current assets			
(a) Current investments	10	20.00	20.00
(b) Inventories	13	5,034.29	4,397.38
(c) Trade receivables	14	7,139.97	5,934.26
(d) Cash and bank balances	15	8,830.27	5,217.39
(e) Short-term loans and advances	11	850.14	1,648.23
(f) Other current assets	12	607.11	449.78
		<u>22,481.78</u>	<u>17,667.04</u>
		<u>31,277.58</u>	<u>26,401.30</u>

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/N300045

Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 14, 2024

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

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 14, 2024

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 14, 2024

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

Place: Faridabad
Date: June 14, 2024

Adish Suri
Vice President -
Finance

Place: Faridabad
Date: June 14, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I Revenue from operations	16	34,065.48	34,692.74
II Other income	17	892.66	773.52
III Total Income (I + II)		<u>34,958.14</u>	<u>35,466.26</u>
IV Expenses			
(a) Cost of materials consumed	18	15,666.26	17,123.80
(b) Purchases of stock-in-trade	19	171.43	204.87
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(353.99)	(321.57)
(d) Employee benefits expense	21	5,104.06	4,740.64
(e) Finance costs	22	22.37	34.11
(f) Depreciation and amortization expense	23	1,219.17	980.11
(g) Other expenses	24	6,687.85	7,378.43
Total expenses		<u>28,517.15</u>	<u>30,140.39</u>
V Profit before tax (III - IV)		6,440.99	5,325.87
VI Share of profit from Elofic USA LLC	10	248.91	258.53
VII Profit before tax (V + VI)		<u>6,689.90</u>	<u>5,584.40</u>
VIII Tax expense			
(a) Current tax		1,912.74	1,597.09
(b) Deferred tax		27.49	21.64
(c) Tax adjustment of earlier years		(0.89)	-
Net tax expense		<u>1,939.34</u>	<u>1,618.73</u>
IX Profit after tax for the year (VII-VIII)		<u>4,750.56</u>	<u>3,965.67</u>
XI Earnings per equity share (Face value of Rs. 10 per share)			
(a) Basic	25	189.39	158.10
(b) Diluted	25	189.39	158.10

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

Place: Gurugram
Date: June 14, 2024

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 14, 2024

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 14, 2024

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

Place: Faridabad
Date: June 14, 2024

Adish Suri
Vice President -
Finance

Place: Faridabad
Date: June 14, 2024

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities			
Net profit before tax		6,440.99	5,325.87
Adjustment for			
Depreciation and amortization expense		1,219.17	980.11
Finance costs		22.37	34.11
Interest income		(505.21)	(176.51)
(Profit)/ loss on sale of property, plant and equipment		(25.98)	0.82
Income of deferred government grant		(0.53)	(0.65)
Sundry balances written back		(34.79)	(4.36)
Net (gain) / loss on foreign currency transactions and translation		(61.56)	(47.47)
Balances written off		4.87	2.52
Operating profit before working capital changes		7,059.33	6,114.44
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(636.91)	240.52
Trade receivables		(1,139.64)	(211.42)
Long-term loans and advances		(5.23)	0.59
Short-term loans and advances		798.09	260.32
Other assets		(187.06)	49.16
Adjustments for increase / (decrease) in operating liabilities:			
Long term provisions		1.41	(0.41)
Trade payables		150.70	(617.72)
Other current liabilities		10.96	(82.75)
Short term provisions		59.76	18.10
Cash generated from operations		6,111.41	5,770.83
Income taxes paid (Net)		(1,888.70)	(1,632.42)
Net cash generated from / (used) in operating activities (A)		4,222.71	4,138.41
Cash flow from investing activities			
Purchase of property, plant and equipment/ intangible assets including capital work-in-progress		(1,902.51)	(1,425.31)
Proceeds from sale of property, plant and equipment		38.00	4.79
Increase in non trade long term investments		56.31	47.66
Bank balances not considered as cash and cash equivalents (net)		(2,973.57)	(2,485.06)
Interest received		520.61	156.77
Net cash generated from / (used) in investing activities (B)		(4,261.16)	(3,701.15)
Cash flow from financing activities			
Repayment of short-term borrowings		-	(9.60)
Interest paid		(23.69)	(33.30)
Dividend paid		(25.25)	(25.25)
Net cash generated from / (used) in financing activities (C)		(98.94)	(118.15)
Net increase(decrease) in cash and cash equivalents	15	(137.39)	319.11
Cash and cash equivalents at the beginning of the year		491.27	172.07
Effect of exchange differences on balances with banks in foreign currency		(11.96)	0.09
Cash and cash equivalents at the end of the year		341.92	491.27
Cash and cash equivalents at the end of the year comprises			
Cash on hand		0.25	0.25
Balance with banks in current accounts		341.67	491.02
		341.92	491.27

Notes:

1. Investment in Elofic USA, LLC as increased by profit added during the year for Rs. 248.91 (March 31, 2023 :Rs. 258.53) is not considered in cash flows, as it does not have any impact on movement of cash/cash equivalents.

2. The Company has an EEPC account which has a balance of USD 1.02 (March 31, 2023: USD 2.92) equivalent to Rs. 96.67 (March 31, 2023: Rs. 240.25)

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

As per our report of even date attached

For S.N. Dhowan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

Place: Gurugram

Date: June 14, 2024

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

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 14, 2024

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

Place: Faridabad
Date: June 14, 2024

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 14, 2024

Adlah Suri
Vice President -
Finance

Place: Faridabad
Date: June 14, 2024

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 in all material aspects with the Accounting Standards specified under section 133 of the Companies Act, 2013 and notified under Companies (Accounts) Rules, 2021 and other 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.

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	Moving average method
b.	Stock-in-trade	Raw material cost on moving average method plus appropriate share of labour and manufacturing overheads.
c.	Finished goods and work In progress	Raw material cost on moving average 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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, 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 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

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.

2.8 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)

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment includes non-refundable taxes

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

duties, freight, insurance, labour cost, allocable borrowing costs and other directly attributable cost to the construction / acquisition of the assets. Subsequent expenditure relating to property, plant and equipment 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 property, plant and equipment 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.

Property, plant and equipment under construction, advance paid towards acquisition of property, plant and equipment 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 property, plant and equipment 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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

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 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 actuarial 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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 earnings 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.

2.19 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

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

(Amount in 'Rupees Lakhs' unless otherwise stated)

3 Share capital	As at March 31, 2024		As at March 31, 2023	
	No's	Amount	No's	Amount
Authorized				
Equity shares of Rs. 10 each	30,00,000	300.00	30,00,000	300.00
	30,00,000	300.00	30,00,000	300.00
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each fully paid up	25,08,370	250.84	25,08,370	250.84
	25,08,370	250.84	25,08,370	250.84

a. Reconciliation statement of share capital

Equity shares	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Balance of shares at the beginning of the year	25,08,370	250.84	25,08,370	250.84
Add: Additions during the year	-	-	-	-
Balance of shares at the end of the year	25,08,370	250.84	25,08,370	250.84

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, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	7,13,535	28.45	7,13,535	28.45
Kanwal Deep Sahni	7,51,385	29.96	7,51,385	29.96
Satinder Sahni	1,72,800	6.89	1,72,800	6.89
Sahab Sahni	1,59,600	6.36	1,59,600	6.36
Karam Sahni	1,59,600	6.36	1,59,600	6.36
Mohinder Singh Sahni & Sons (HUF)	1,34,920	5.38	1,34,920	5.38

d. Details of promoter's shareholding

S.No.	Promoter name	As at March 31, 2024		As at March 31, 2023		% of change
		No. of shares	% of holding	No. of shares	% of holding	
1	Mohan Bir Sahni	7,13,535	28.45	7,13,535	28.45	-
2	Kanwal Deep Sahni	7,51,385	29.96	7,51,385	29.96	-

There is no change in the promoters shareholding during the year.

e. Proposed dividend

For the year ended March 31, 2024, the Board of Directors has proposed dividend of Rs. 4 (March 31, 2023: Rs. 3) for distribution to shareholders.

4 Reserves and surplus

	As at March 31, 2024	As at March 31, 2023
Securities premium account	64.78	64.78
Deferred Government Grant		
Balance at the beginning of the year	2.80	3.45
Less: Utilized during the year (See Note 17)	0.53	0.65
Balance at the end of the year	2.27	2.80
General reserve		
Balance at the beginning of the year	2,115.11	1,718.54
Add: Additions during the year	475.06	396.57
Balance at the end of the year	2,590.17	2,115.11
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	19,987.95	16,494.10
- Profit for the year	4,750.56	3,965.67
Less: Appropriations during the year		
- Transfer to general reserve	475.06	396.57
- Dividends distributed to equity shareholders (Rs. 3 per share) (Previous year Rs. 3 per share)	75.25	75.25
Balance at the end of the year	24,188.20	19,987.95
Total reserves and surplus	26,845.42	22,170.64

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

5 Deferred tax liabilities (Net)

	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	165.60	133.67
Total A	<u>165.60</u>	<u>133.67</u>
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	100.65	95.99
Provision for doubtful debts/advances	6.09	6.09
Others	0.09	0.07
Total B	<u>106.83</u>	<u>102.15</u>
Deferred tax liability (Net) (A-B)	<u>58.77</u>	<u>31.52</u>
Amount charge to / (credit in) Statement of Profit and Loss	27.49	21.64

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
6 Provisions				
Provision for employee benefits				
Gratuity (Refer note 32)	-	-	38.36	5.07
Compensated absence (Refer sub-note 7 below)	-	-	168.66	142.13
Other provisions				
Leave equalization reserve	1.67	0.26	0.32	1.27
Provision for income tax (Net of advance tax of Rs. 1,732.03 (March 31, 2023 : Rs. 1,452.93))	-	-	183.26	159.04
	<u>1.67</u>	<u>0.26</u>	<u>390.60</u>	<u>307.51</u>

Notes:

- i. Provision for compensated absence have been created at the year end as per the employee's entitlement, which have been paid to the employees subsequent to year end.

7 Trade payables

	As at March 31, 2024	As at March 31, 2023
a. Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note i below)	364.58	521.77
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,875.08	2,604.56
	<u>3,239.66</u>	<u>3,126.33</u>

Trade payables ageing schedule

As at March 31, 2024	Outstanding for following periods from due date of payment					Total
	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, Small and Medium Enterprise Development (MSME)	-	364.58	-	-	-	364.58
Trade payables other than Micro Enterprises and Small Enterprises	921.64	1,921.27	3.50	0.47	26.20	2,875.08
Disputed dues - Micro, Small and Medium Enterprises Development (MSME)	-	-	-	-	-	-
Disputed dues - Trade payables other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
	<u>921.64</u>	<u>2,285.85</u>	<u>3.50</u>	<u>0.47</u>	<u>26.20</u>	<u>3,239.66</u>

Trade payables ageing schedule

As at March 31, 2023	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, Small and Medium Enterprise Development (MSME)	-	521.44	0.10	-	0.23	521.77
Trade payables other than Micro Enterprises and Small Enterprises	819.06	1,755.56	1.97	1.63	26.34	2,604.56
Disputed dues - Micro, Small and Medium Enterprise Development (MSME)	-	-	-	-	-	-
Disputed dues - Trade payables other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
	<u>819.06</u>	<u>2,277.00</u>	<u>2.07</u>	<u>1.63</u>	<u>26.57</u>	<u>3,126.33</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Note:	As At March 31, 2024	As At March 31, 2023
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 there on remaining unpaid to any supplier at the end of each accounting year.		
- Principal	364.58	521.77
- Interest due there on	-	1.32
(ii) Payments made to suppliers beyond the appointed day during the year		
- Principal amount	521.77	10.56
- Interest	1.32	0.45
(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.	-	1.32
(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.

8 Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Interest accrued on trade payables	-	1.32
Deposits from dealers (Refer sub-note below)	319.26	316.66
Unpaid dividends	10.38	11.28
Statutory dues payable	106.22	106.46
Advances from customers	19.93	10.43
Payables on purchase of property, plant and equipment	34.64	68.10
	490.43	514.25

Note:

Deposits from dealers carry interest @ 6% per annum and repayable on expiry/ termination of agreement.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

9 Property, plant and equipment and intangible assets

Particulars	Gross block			Depreciation and amortization			Net block			
	As at April 1, 2023	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2024	As at April 1, 2023	Depreciation/ amortization expense for the year	Depreciation adjustment on sale/ other adjustment	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
A. Tangible assets										
Land : Freehold	226.60 (226.60)	-	-	226.60 (226.60)	-	-	-	-	226.60 (226.60)	226.60 (226.60)
Land : Leasehold	7.75 (7.75)	-	-	7.75 (7.75)	3.04 (2.88)	0.16 (0.16)	-	3.20 (3.04)	4.55 (4.71)	4.71 (4.87)
Building: Factory	1,319.41 (1,289.82)	116.24 (29.59)	-	1,435.65 (1,319.41)	881.94 (838.19)	30.39 (43.25)	-	932.33 (881.94)	503.32 (437.47)	437.47 (451.63)
Building : Administrative	136.68 (136.68)	-	-	136.68 (136.68)	64.54 (60.89)	3.48 (3.65)	-	68.02 (64.54)	68.66 (72.14)	72.14 (75.79)
Plant and equipment	13,326.37 (11,751.53)	1,722.78 (1,638.42)	3.55 (63.58)	15,045.60 (13,326.37)	8,661.51 (7,876.62)	961.64 (843.25)	1.24 (58.36)	9,621.91 (8,661.51)	5,423.69 (4,664.86)	4,664.86 (3,874.91)
Furniture and fixtures	226.86 (215.28)	9.03 (12.37)	-	235.89 (226.86)	190.66 (175.89)	10.49 (15.52)	-	201.15 (190.66)	34.74 (36.20)	36.20 (39.39)
Vehicles	470.88 (434.30)	334.93 (36.58)	173.02	632.79 (470.88)	377.83 (349.06)	96.61 (28.77)	163.68	310.76 (377.83)	322.03 (193.05)	93.05 (85.24)
Office equipment	183.19 (168.76)	13.24 (16.24)	-	196.43 (183.19)	159.47 (152.67)	10.40 (8.46)	-	169.87 (159.47)	26.56 (23.72)	23.72 (16.09)
Electrical installation	242.60 (193.69)	151.26 (48.91)	-	393.86 (242.60)	183.53 (168.10)	29.68 (15.43)	-	213.21 (183.53)	180.65 (159.07)	59.07 (25.59)
Computers	239.15 (225.09)	12.00 (16.09)	7.45 (2.03)	243.70 (239.15)	210.80 (199.72)	15.29 (12.91)	7.08 (1.83)	219.01 (210.80)	24.69 (28.35)	28.35 (25.37)
Total tangible asset	16,379.49 (14,649.50)	2,359.48 (1,798.20)	184.02 (68.21)	18,554.95 (16,379.49)	10,733.32 (9,824.02)	1,178.14 (971.90)	172.00 (62.60)	11,739.46 (10,733.32)	6,815.49 (5,646.17)	5,646.17 (4,825.48)
B. Intangible assets										
Computer software	162.75 (161.65)	171.01 (1.10)	-	333.76 (162.75)	145.42 (137.21)	41.03 (8.21)	-	186.45 (145.42)	147.31 (17.33)	17.33 (24.44)
Total intangible asset	162.75 (161.65)	171.01 (1.10)	-	333.76 (162.75)	145.42 (137.21)	41.03 (8.21)	-	186.45 (145.42)	147.31 (17.33)	17.33 (24.44)

Note:

- Previous year figures are in brackets.
- The total capital expenditure towards research and development incurred during the year as per books of account is Rs. 206.12 (March 31, 2023 : Rs. 0.16) included in plant and machinery.
- During the current financial year and in the previous financial year there is no revaluation of property, plant and equipment.
- There is no proceeding initiated against the Company for the properties under the Benami Transactions (Prohibition) Act, 1908 and the rules made thereunder.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

C. Capital work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Electrical installation	-	140.81
Office equipment	1.19	-
Building: Factory	33.24	88.85
Plant and equipment	60.81	333.63
Total	95.24	563.29

Notes

i. Capital work-in-progress ageing schedule as at March 31, 2024

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	Greater than 1 year but less than 2 Years	Greater than 2 years but less than 3 years	More than 3 years	
Project in progress	95.24	-	-	-	95.24

Capital work-in-progress ageing schedule as at March 31, 2023

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	Greater than 1 year but less than 2 years	Greater than 2 years but less than 3 years	More than 3 years	
Project in progress	563.29	-	-	-	563.29

D. Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Computer software	-	136.35
	-	136.35

Notes

i. Intangible assets under development ageing schedule as at March 31, 2024

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	Greater than 1 year but less than 2 years	Greater than 2 years but less than 3 years	More than 3 years	
Project in progress	-	-	-	-	-

ii. Intangible assets under development ageing schedule as at March 31, 2023

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	Greater than 1 year but less than 2 years	Greater than 2 years but less than 3 years	More than 3 years	
Project in progress	136.35	-	-	-	136.35

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

10 Investments

Non-current investments
(Valued at cost, unless stated otherwise)

Investments in partnership firm (limited liability company)

Investments in capital of Wholly Owned Subsidiary
- Elofic USA, LLC

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Opening balance	991.59	780.72	-	-
Add: Profit during the year	248.91	258.53	-	-
Less: Drawings during the year	56.31	47.66	-	-
Closing balance	1,184.19	991.59	-	-

Current investments (At lower of cost or market value)

-Investment in mutual funds	-	-	20.00	20.00
	(A)	-	20.00	20.00

Total investments	(A+B)	1,184.19	991.59	20.00	20.00
--------------------------	--------------	-----------------	---------------	--------------	--------------

Aggregate amount of quoted investments	-	-	-	-
Aggregate amount of quoted investments - Market Value	-	-	-	-

Aggregate amount of unquoted investments	1,184.19	991.59	20.00	20.00
Aggregate amount of unquoted investments - Market Value	-	-	23.52	22.03

Aggregate provision for diminution in value of investment	-	-	-	-
---	---	---	---	---

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 (including share of profit)	1,184.19
Share of each partner in the profits of the firm	100%

11 Loans and advances

(Unsecured, considered good, unless otherwise stated)

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Capital advances	81.53	138.57	-	-
Advances to suppliers	-	-	-	-
-Unsecured - considered good	-	-	114.89	84.22
-Unsecured - considered doubtful	-	-	4.57	4.57
Less: Provision for doubtful advances	-	-	119.46	88.79
	-	-	4.57	4.57
	-	-	114.89	84.22
Advances recoverable in cash or in kind	-	-	-	-
-Unsecured - considered good	-	-	15.44	6.49
-Unsecured - considered doubtful	-	-	-	7.77
Less: Provision for doubtful advances	-	-	15.44	14.26
	-	-	-	7.77
	-	-	15.44	6.49
Advance income tax (Net provision of Rs. 5,704.71) (March 31, 2023: Rs. 5,704.71)	112.94	112.76	-	-
Prepaid expenses	5.24	0.01	48.49	42.70
Loans to employees	-	-	6.57	6.74
Imprest recoverable from employees	-	-	0.63	-
Balances with government authorities	-	-	-	-
-Unsecured - considered good	27.30	27.30	664.12	1,508.08
-Unsecured - considered doubtful	6.71	6.71	-	-
	34.01	34.01	664.12	1,508.08
Less: Provision for doubtful balances	6.71	6.71	-	-
	27.30	27.30	664.12	1,508.08
	227.01	278.64	850.14	1,648.23

12 Other assets

(Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Non-current bank balances	200.22	988.88	-	-
Interest accrued	-	-	-	-
- on fixed deposits with banks	4.39	19.79	313.77	109.40
- on investment /others	-	-	0.18	0.18
Export incentive recoverable	-	-	281.89	326.53
Security deposits	121.95	92.22	3.59	3.59
Insurance claim recoverable	-	-	7.60	10.00
	326.56	1,100.89	607.11	449.70

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

		(Amount in 'Rupees Lakhs' unless otherwise stated)					
		As at March 31, 2024				As at March 31, 2023	
13 Inventories							
(At lower of cost and net realizable value)							
Raw materials		2,746.70				2,456.45	
		<u>2,746.70</u>				<u>2,456.45</u>	
Work in progress		667.52				677.51	
Finished goods		1,491.21				1,121.07	
		<u>1,491.21</u>				<u>1,121.07</u>	
Stock-in-trade (acquired for trading)		28.27				34.43	
Stores and spares		60.86				68.57	
Packing materials		39.73				32.35	
		<u>5,034.29</u>				<u>4,397.38</u>	
14 Trade receivables							
Trade receivables outstanding for a period exceeding six months from the date they were due for payment							
Secured, considered good		20.40				3.06	
Unsecured, considered good		156.43				66.81	
Unsecured, considered doubtful		16.33				16.33	
		<u>193.16</u>				<u>86.22</u>	
Less: Allowance for doubtful receivables		16.33				16.33	
		<u>176.83</u>				<u>69.89</u>	
Other trade receivables							
Secured, considered good		160.30				139.12	
Unsecured, considered good							
a) Billed		6,714.79				5,725.25	
b) Unbilled		88.05				-	
		<u>6,963.14</u>				<u>5,864.37</u>	
		<u>7,139.97</u>				<u>5,934.26</u>	
Trade receivables ageing schedule							
As at March 31, 2024		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	7,006.68	76.20	45.08	0.08	11.93	7,139.97	
ii) Undisputed trade receivables - considered doubtful	-	-	-	-	16.33	16.33	
iii) Disputed trade receivables - considered good	-	-	-	-	-	-	
iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	
	<u>7,006.68</u>	<u>76.20</u>	<u>45.08</u>	<u>0.08</u>	<u>28.26</u>	<u>7,156.30</u>	
As at March 31, 2023							
i) Undisputed trade receivables - considered good	5,914.02	5.86	-	-	14.38	5,934.26	
ii) Undisputed trade receivables - considered doubtful	-	-	-	-	16.33	16.33	
iii) Disputed trade receivables - considered good	-	-	-	-	-	-	
iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-	
	<u>5,914.02</u>	<u>5.86</u>	<u>-</u>	<u>-</u>	<u>30.71</u>	<u>5,950.59</u>	
15 Cash and bank balances							
		As at March 31, 2024				As at March 31, 2023	
Cash and cash equivalents:							
Balances with banks in current accounts		341.67				491.02	
Cash on hand		0.25				0.25	
		<u>341.92</u>				<u>491.27</u>	
Other bank balances							
Unpaid dividend accounts		10.38				11.28	
Deposit having original maturity more than 3 months (see note below)		8,477.97				4,714.84	
		<u>8,488.35</u>				<u>4,726.12</u>	
		<u>8,830.27</u>				<u>5,217.39</u>	
Of the above, the balances that meet the definition of cash and cash equivalents as per Accounting Standard 3, 'Cash Flow Statements' is		<u>341.92</u>				<u>491.27</u>	

a) Out of total fixed deposits, Rs. 4.78 (March 31, 2023: Rs. 4.06) are pledged as security for margin money with the banks.

b) The Company has an EEFC account which has a balance of USD 1.02 (March 31, 2023: USD 2.92) equivalent to Rs. 96.67 (March 31, 2023: Rs. 240.35)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
16 Revenue from operations		
i. Sale of products		
a. Finished goods (Refer sub-note 'a' below)	32,702.06	33,225.03
b. Traded goods (Refer sub-note 'b' below)	236.35	259.15
	<u>32,938.41</u>	<u>33,484.18</u>
ii. Other operating revenues		
a. Export incentives	385.23	390.14
b. Sale of scrap	721.99	785.15
c. Others	19.85	33.27
	<u>1,127.07</u>	<u>1,208.56</u>
	<u>34,065.48</u>	<u>34,692.74</u>
Notes:		
a. Sale of products comprises:		
Manufactured goods		
- filter and lubes	32,702.06	33,225.03
	<u>32,702.06</u>	<u>33,225.03</u>
b. Traded goods		
- Coolants	236.35	259.15
	<u>236.35</u>	<u>259.15</u>
17 Other income		
Interest income		
- From banks on deposits	504.82	176.29
- On electricity deposits	0.39	0.22
- Others	63.44	33.95
Net gain on foreign currency transactions and translation	214.04	515.90
Other non-operating income		
- Sundry balances written back	34.79	4.36
- Profit on sale of property, plant and equipment	25.98	-
- Income of deferred government grant (Refer sub-note 'a' below)	0.53	0.65
- Miscellaneous income	46.67	20.15
	<u>892.66</u>	<u>773.52</u>
Note:		
a. During the financial year 2011-12, the Company had recognized a grant amounting to Rs. 30.00 from the Government of Himachal Pradesh against installation of plant and machinery at Hologarh Plant. Out of this Rs. 0.53 (March 31, 2023) Rs. 0.65 is being recognized as income in the Statement of Profit and Loss and Rs. 2.27 (March 31, 2023) Rs. 2.80 is considered as deferred Government grant under 'Reserves and Surplus' in note 4 of standalone financial statements.		
18 Cost of raw materials consumed		
Inventory at the beginning of the year	2,456.45	3,089.66
Add: Purchases during the year	15,956.51	16,490.59
	<u>18,412.96</u>	<u>19,580.25</u>
Less: Inventory at the end of the year	2,746.70	2,456.45
Cost of materials consumed	<u>15,666.26</u>	<u>17,123.80</u>
Note:		
Details of raw materials consumed		
Filter paper	1,950.90	2,152.12
Iron sheet	4,920.25	5,508.36
Rubber item	1,339.63	1,453.31
Packaging	1,619.56	1,719.18
Plastic	813.88	962.50
Others	5,022.04	5,328.33
	<u>15,666.26</u>	<u>17,123.80</u>
19 Purchases of stock-in-trade (traded goods)		
Coolants	171.43	204.87
	<u>171.43</u>	<u>204.87</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
20 Increase/(decrease) in inventories		
Inventories at the beginning of the year		
- Finished goods (including in transit)	1,121.07	1,482.94
- Work in progress	677.51	1.27
- Traded goods	34.43	37.23
	<u>1,833.01</u>	<u>1,511.44</u>
Inventories at the end of the year		
- Finished goods	1,491.21	1,121.07
- Work in progress	667.52	677.51
- Traded goods	28.27	34.43
	<u>2,187.00</u>	<u>1,833.01</u>
	<u>353.99</u>	<u>321.57</u>
Note:		
The inventory comprises:		
Finished goods		
Filters and lubes	<u>1,491.21</u>	<u>1,121.07</u>
	<u>1,491.21</u>	<u>1,121.07</u>
Traded goods		
Coolants	<u>28.27</u>	<u>34.43</u>
	<u>28.27</u>	<u>34.43</u>
21 Employee benefits expense		
Salaries, wages and bonus	4,714.43	4,326.88
Contribution to provident and other funds	219.18	281.77
Gratuity expense (Refer Note 32)	103.39	65.49
Staff welfare expenses	67.06	66.50
	<u>5,104.06</u>	<u>4,740.64</u>
22 Finance costs		
Interest expense		
- On term loans	-	0.24
- On security deposits from dealers	18.74	16.44
- On others	0.10	1.58
Interest on delayed payment of advance taxes	2.56	14.88
Other borrowing costs	0.97	0.97
	<u>22.37</u>	<u>34.11</u>
23 Depreciation and amortization expense		
Depreciation and amortization for the year on tangible assets as per Note 9 A	1,178.14	971.90
Amortization for the year on intangible assets as per Note 9 B	41.03	8.21
	<u>1,219.17</u>	<u>980.11</u>
24 Other expenses	Year ended March 31, 2024	Year ended March 31, 2023
Consumption of stores and spare parts	333.19	221.13
Consumption of packing materials	584.51	612.40
Jobwork charges	1,320.94	1,242.45
Power and fuel	820.11	854.10
Rent including lease rentals	262.24	246.21
Repairs and maintenance		
- Buildings	104.90	86.41
- Plant and machinery	459.60	504.34
- Others	138.50	132.17
Insurance	61.36	69.17
Rates and taxes	5.74	6.42
Legal and professional	63.09	66.28
Travelling and conveyance	150.67	131.15
Freight outward	621.46	620.88
Shipping and forwarding	337.69	1,069.13
Licence fee	189.19	176.60
Postage and courier	18.78	21.04
Printing and stationery	18.84	15.47
Communication expenses	11.68	14.30
Sales promotion	262.43	326.75
Payment to auditors (Refer note 'a' below)	9.84	9.35
Research and development expenses (Refer note 'b' below)	357.45	285.10
Cash discount	321.09	338.19
Bank charges	10.85	12.24
CSR expenses (Refer note 36)	96.12	136.50
Warranty expenses	11.87	10.25
Conventions and exhibitions	16.05	26.93
Loss on sale of property, plant and equipment	-	0.82
Balances written off	4.87	2.52
Miscellaneous expenses	94.29	120.13
	<u>6,687.65</u>	<u>7,378.43</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Notes	Year ended	
	March 31, 2024	March 31, 2023
a. Payment to auditors		
As auditors:		
For audit	7.50	7.50
For tax audit	1.50	1.50
For certification	0.63	0.15
Reimbursement of expenses	0.21	0.20
	<u>9.84</u>	<u>9.35</u>
b. Research and development expenditure		
Revenue expenditure		
Salaries	308.94	254.16
Repairs and maintenance	32.74	24.80
Consumables and samples	9.01	1.63
Travelling	3.31	0.90
Miscellaneous	3.45	3.61
	<u>357.45</u>	<u>285.10</u>
Capital expenditure		
Plant and machinery	206.12	0.16
	<u>206.12</u>	<u>0.16</u>
25 Earnings per share		
Profit for the year	4,750.56	3,965.67
Weighted average number of equity shares	2,508,370	2,508,370
Per value per share	10	10
Basic earnings per share	189.39	158.10
Diluted earnings per share	189.39	158.10
26 Contingent liabilities and commitments (to the extent not provided for)	As of	As of
	March 31, 2024	March 31, 2023
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. 81.53 (March 31, 2023: Rs. 138.37))	134.06	376.05
b. Contingent liabilities		
I. Claims against the Company not acknowledged as debt (gross)		
Excise duty	14.43	14.43
Goods and services tax	64.69	-
	<u>79.12</u>	<u>14.43</u>
The Company has reviewed its disputed liabilities and proceedings and does not expect material impact on financial position of the Company. Further cash out flow in respects of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
Amount paid under protest		
Excise duty	2.50	2.50
Goods and services tax	2.94	-
	<u>5.44</u>	<u>2.50</u>
E. Letter of credit and bank guarantee		
Bank guarantee (Margin money: Rs. 4.78 (March 31, 2023: Rs. 4.86))	47.83	48.64
	<u>47.83</u>	<u>48.64</u>
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.		
27 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:	As of	As of
	March 31, 2024	March 31, 2023
Particulars	Currency	
Receivables		
Rupees	4,621.62	4,111.64
USD	55.44	50.01
Rupees	460.81	287.87
EURO	5.11	3.21
Rupees	65.08	36.16
GBP	0.62	0.35
Payables		
Rupees	94.35	175.91
USD	1.12	2.14
Rupees	-	23.76
EURO	-	0.27
b. The Company has open derivative positions as at March 31, 2024 and not as at March 31, 2023.		
Receivables		
Rupees	167.56	-
USD	2.00	-
	<u>169.56</u>	<u>-</u>
28 Value of imports calculated on CIF basis	As of	As of
	March 31, 2024	March 31, 2023
Raw materials	1,747.06	1,628.02
Other materials	156.85	245.65
	<u>1,903.91</u>	<u>1,873.67</u>
Capital goods	1,025.47	697.05
	<u>1,025.47</u>	<u>697.05</u>
29 Expenditure in foreign currency		
Bank charges	2.45	2.36
Travelling expenses	11.26	10.83
	<u>13.71</u>	<u>13.19</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

30 Details of consumption of imported and indigenous items

	Year ended March 31, 2024		Year ended March 31, 2023	
	Value	%	Value	%
Raw materials				
Imported	2,215.83	14.14	2,023.18	11.82
Indigenous	13,450.43	85.86	15,100.62	88.18
	<u>15,666.26</u>	<u>100.00</u>	<u>17,123.80</u>	<u>100.00</u>
Trading goods				
Imported	-	-	-	-
Indigenous	171.43	100.00	204.87	100.00
	<u>171.43</u>	<u>100.00</u>	<u>204.87</u>	<u>100.00</u>
Packing materials				
Imported	-	-	-	-
Indigenous	584.51	100.00	612.40	100.00
	<u>584.51</u>	<u>100.00</u>	<u>612.40</u>	<u>100.00</u>
Stores and spares				
Imported	-	-	-	-
Indigenous	333.19	100.00	221.13	100.00
	<u>333.19</u>	<u>100.00</u>	<u>221.13</u>	<u>100.00</u>

31 Earnings in foreign currency

	Year ended March 31, 2024	Year ended March 31, 2023
Export of goods calculated on FOB basis	13,166.32	13,875.48
Service charges	2.09	2.53
Interest income	63.44	55.95
	<u>13,251.85</u>	<u>13,933.96</u>

32 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, 2024	Year ended March 31, 2023
Provident Fund	176.98	225.01
Employee State Insurance	38.07	51.86
Labour Welfare Fund	4.13	4.90
	<u>219.18</u>	<u>281.77</u>

(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 Elic 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.

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 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 recognized in the financial statements:

Expense recognized during the year

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	60.10	50.51
Past service cost	-	-
Interest cost on benefit obligation	41.29	37.61
Expected return on plan assets	(39.55)	(39.32)
Actuarial(gain)/loss recognized in the year	41.55	16.69
Net expense/ (benefit)	<u>103.39</u>	<u>65.49</u>
Actual contribution and benefit payments for the year		
Actual benefit payments	69.89	60.29
Actual contributions	70.10	55.00
Net asset / (liability) recognized in the Balance Sheet		
Present value of defined benefit obligation	617.18	550.62
Fair value of plan assets	578.82	545.55
Funded status [Surplus / (Deficit)]	(38.36)	(5.07)
Unrecognized past service cost	-	-
Net asset / (liability) recognized in the Balance Sheet	<u>(38.36)</u>	<u>(5.07)</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
Change in defined benefit obligations (DBO) during the year		
Defined benefit obligation at the beginning of the year	550.62	518.80
Interest cost	41.29	37.61
Current service cost	60.10	50.51
Benefits paid	(69.89)	(60.29)
Actuarial (gain)/loss on obligation	35.06	3.99
Defined benefit obligation at the end of the year	617.18	550.62
Change in fair value of assets during the year		
Fair value of plan assets at beginning of the year	545.55	524.22
Expected return on plan assets	39.55	39.32
Contribution by employer	70.10	55.00
Benefits paid	(69.89)	(60.29)
Actuarial gain/(loss) on plan assets	(6.49)	(12.70)
Fair value of plan assets at end of the year	578.82	545.55
Actual return on plan assets	7.25%	7.50%
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, 2024	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	(617.18)	(550.62)	(518.80)
Fair value of plan assets	578.82	545.55	524.22
Net assets/(liability) recognized in the Balance Sheet	(38.36)	(5.07)	5.42

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	(482.44)	(494.77)
Fair value of plan assets	533.73	494.49
Net assets/(liability) recognized in the Balance Sheet	51.28	(0.28)

Actuarial assumptions

Particulars	As at March 31, 2024	As at March 31, 2023
	Gratuity (funded)	Gratuity (funded)
Discount rate (per annum)	7.25%	7.50%
Future increase in compensation	5.00%	5.00%
Actual return on plan assets	7.25%	7.50%
In service mortality	IWM 2012-14	IWM 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. 168.66 (March 31, 2023 - Rs. 142.13) is outstanding as at March 31, 2024.

Estimated contribution for next year is Rs. 62.62.

33 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	(Amount in 'Rupees Lakhs' unless otherwise stated)		
	India	Outside India	Total
Revenue from external customers by location of customers			
Sale of products	19,522.23 (18,459.23)	13,416.18 (15,024.95)	32,938.41 (33,484.18)
Other operating revenues	447.77 (466.11)	679.30 (742.45)	1,127.07 (1,208.56)
Other income	202.83 (241.95)	121.18 (299.11)	324.01 (541.06)
Total revenue	20,172.83 (19,167.29)	14,216.66 (16,066.51)	34,389.49 (35,233.80)
Segment result	2,272.95 (1,918.22)	3,621.76 (3,209.30)	5,894.71 (5,127.52)
Unallocable expenses (net)			22.37 (34.11)
Operating income			5,872.34 (5,093.41)
Other income (net)			568.65 (232.46)
Profit before tax			6,440.99 (5,325.87)
Share of profit from Elofic USA LLC			248.91 (258.53)
Profit before tax			6,689.90 (5,584.40)
Tax expense			1,939.34 (1,618.73)
Profit after tax for the year			4,750.56 (3,965.67)
	India	Outside India	Total
Segment assets	24,812.94 (20,841.28)	5,147.51 (4,435.67)	29,960.45 (25,276.95)
Unallocated assets			1,317.13 (1,124.35)
Total assets			31,277.58 (26,401.30)
Segment liabilities	3,834.37 (3,577.04)	94.35 (199.67)	3,928.72 (3,776.71)
Unallocated liabilities			252.60 (203.11)
Total liabilities			4,181.32 (3,979.82)
Depreciation and amortization expense (see note 'e' below)	722.59 (540.32)	496.58 (439.79)	1,219.17 (980.11)
Cost to acquire tangible and intangible fixed assets	2,625.73 (2,498.94)	- (-)	2,625.73 (2,498.94)
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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

34 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 the Statement of Profit and Loss for the year is as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Rent including lease rentals	262.24	246.21
	262.24	246.21
Future minimum lease payments		
Not later than one year	81.49	45.19
Later than one year and not later than five years	69.78	34.92
	151.27	100.11

35 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) (Partnership Firm) Mettler Auto Private Limited Jasno Kamal & Company (Partnership Firm) Elofic Private Limited YESS Charitable Trust B.Bhagwan Singh Elofic Charitable Trust
iii. Key Management Personnel	Mr. M.B.Sahni-Managing Director Mr. K.D.Sahni-Whole Time Director Maj. Gen. J.S. Bedi (Retd.)-Whole Time Director
iv. Relatives of Key Management Personnel	Mrs.Brita Sahni (Wife of Mr. K.D. Sahni) Mr. Karam Sahni (Son of Mr. K.D. Sahni) Mr. Saheb Sahni (Son of Mr. M.B. Sahni)

(Amount in 'Rupees Lakhs' unless otherwise stated)

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

S. No.	Particulars	Associates/ Enterprise over which key managerial person has significant influence						Key Management Personnel			Relatives of Key Management Personnel			Total
		Wholly owned subsidiary Elofic USA, LLC	Elofic Industries (India)	Mettler Auto (P) Ltd	YES5 Charitable Trust	B. Bhagwan Singh Elofic Charitable Trust	Others	M B Sahni	K D Sahni	J.S. Bedi	Brisa Sahni	Sohab Sahni	Karam Sahni	
Transactions during the year														
1	Sale of goods	6,429.26 (7,974.11)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	6,429.26 (7,974.11)
2	Rent paid	- (-)	198.80 (179.33)	0.31 (0.31)	- (-)	- (-)	0.26 (0.26)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	199.37 (182.03)
3	Licence fees	- (-)	189.19 (176.60)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	189.19 (176.60)
4	Interest received	63.44 (55.95)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	63.44 (55.95)
5	Remuneration paid	- (-)	- (-)	- (-)	- (-)	- (-)	144.47 (144.44)	144.47 (144.44)	48.88 (46.77)	- (-)	31.21 (25.66)	31.20 (25.32)	- (-)	400.23 (366.63)
6	Service charges	2.09 (2.53)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.09 (2.53)
7	Expenses recovered	2.00 (206.11)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	2.00 (206.11)
8	Donation given	- (-)	- (-)	- (-)	1.50 (1.50)	6.62 (7.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	8.12 (8.50)
9	Club fees	- (-)	- (-)	- (-)	- (-)	- (-)	0.22 (0.27)	1.77 (1.06)	- (-)	- (-)	- (-)	- (-)	- (-)	1.99 (1.33)
10	Consultancy	- (-)	- (-)	12.66 (11.42)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	12.66 (11.42)
Balances outstanding as at year end														
1	Trade receivables	3,122.09 (3,089.55)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	3,122.09 (3,089.55)
2	Trade payables	- (-)	219.46 (204.85)	- (-)	- (-)	- (-)	5.29 (4.94)	7.49 (4.94)	2.33 (2.05)	- (-)	1.57 (1.45)	1.57 (1.45)	- (-)	237.73 (219.69)

Notes:

- (i) Figures in brackets pertain to previous year.
- (ii) 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 recognised during the current year in respect of bad or doubtful debts/doubtful and further no specific provision for doubtful debts/doubtful has been made in respect of outstanding balances.
- (iii) 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

36 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. 96.11 (March 31, 2023: Rs. 78.43).

(b)

Purpose for which expenditure incurred	Remarks	Amount spent	Amount to be spent
Year ended March 31, 2024			
Construction/acquisition of any asset			96.12
On purposes other than above	(i) YESS Charitable Trust #	1.50	
	(ii) B.Bhagwan Singh Elofic Charitable Trust #	6.62	
	(iii) Prime Minister's National Relief Fund	88.00	
	Total	96.12	
Year ended March 31, 2023			
Construction/acquisition of any asset			78.43
On purposes other than above	(i) YESS Charitable Trust #	1.50	
	(ii) B.Bhagwan Singh Elofic Charitable Trust #	2.00	
	(iii) Prime Minister's National Relief Fund	133.00	
	Total	136.50	

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

	Year ended March 31, 2024
Gross obligation	
Unspent obligation till April 1, 2023	(0.05)
Gross amount required to be spent by the Company during the year	96.12
	96.07
Amount spent during the year	
For previous year restricted upto the obligation of the previous year	96.12
For current year	96.12
Unspent obligation / (excess spent) as at March 31, 2024	(0.05)

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

Financial year	Capital expenses	Revenue expenses
2009-10	3.86	39.75
2010-11	6.82	47.69
2011-12	73.06	55.02
2012-13	30.17	82.51
2013-14	79.80	102.34
2014-15	34.95	132.61
2015-16	17.37	133.23
2016-17	62.65	112.04
2017-18	35.23	150.35
2018-19	16.95	220.04
2019-20	16.27	233.23
2020-21	30.96	222.76
2021-22	7.01	258.07
2022-23	0.16	285.10
2023-24	206.12	357.45

Note : The above information is as per books of account.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

www.elofic.com

(Amount in 'Rupees Lakhs' unless otherwise stated)

38 Disclosure of statement of current assets filed with the banks/financial institutions

Month	Name of bank	Brief description	Amount as per bank statement	Amount as per books of accounts	Amount of difference
Apr-2023	HDFC Bank Ltd. and HSBC	Debtors	6,025.59	6,025.59	-
Apr-2023	HDFC Bank Ltd. and HSBC	Stock	4,467.51	4,467.51	-
May-2023	HDFC Bank Ltd. and HSBC	Debtors	5,748.22	5,748.22	-
May-2023	HDFC Bank Ltd. and HSBC	Stock	4,799.06	4,799.06	-
June-2023	HDFC Bank Ltd.	Debtors	5,707.03	5,707.03	-
June-2023	HDFC Bank Ltd.	Stock	5,266.83	5,266.83	-
July-2023	HDFC Bank Ltd.	Debtors	5,611.57	5,611.57	-
July-2023	HDFC Bank Ltd.	Stock	5,557.25	5,557.25	-
August-2023	HDFC Bank Ltd.	Debtors	5,023.04	5,023.04	-
August-2023	HDFC Bank Ltd.	Stock	5,799.30	5,799.30	-
September-2023	HDFC Bank Ltd.	Debtors	5,059.82	5,059.82	-
September-2023	HDFC Bank Ltd.	Stock	5,691.09	5,691.09	-
October-2023	HDFC Bank Ltd.	Debtors	5,129.68	5,129.68	-
October-2023	HDFC Bank Ltd.	Stock	5,546.37	5,546.37	-
November-2023	HDFC Bank Ltd.	Debtors	5,473.52	5,473.52	-
November-2023	HDFC Bank Ltd.	Stock	5,601.56	5,601.56	-
December-2023	HDFC Bank Ltd.	Debtors	5,646.91	5,646.91	-
December-2023	HDFC Bank Ltd.	Stock	5,885.24	5,885.24	-
January-2024	HDFC Bank Ltd.	Debtors	5,461.40	5,461.40	-
January-2024	HDFC Bank Ltd.	Stock	5,732.57	5,732.57	-
February-2024	HDFC Bank Ltd.	Debtors	6,373.47	6,373.47	-
February-2024	HDFC Bank Ltd.	Stock	5,881.12	5,881.12	-
March-2024*	HDFC Bank Ltd.	Debtors	6,928.34	7,139.97	211.63
March-2024	HDFC Bank Ltd.	Stock	5,034.29	5,034.29	-

Reasons for material discrepancies in the month of March 31, 2024

The quarterly returns or statements filed by the Company for working capital limits with banks are in agreement with the books of account of the Company except for statements filed for the quarter and year ended March 31, 2024, where differences were noted between the amount as per books of account for quarter and amount as reported in the quarterly statements due to differences in case of trade receivables amounting to Rs. 211.63 (amount reported Rs. 6,928.34 vs amount as per books of account Rs. 7,139.97). The difference is primarily due to price settlement with the customers and recording of foreign exchange fluctuation at year end.

39 The charges which yet to be satisfied with Registrar of Companies (ROC) as at 31 March, 2024 are as follows:

Brief description of charges	Location of ROC	Amount	Date of creation / modification	Remarks
Book debts	New Delhi	300.00	23.02.2024	See note below
Immovable properties	New Delhi	300.00	23.02.2024	

During the current year, the Company has revised the terms of its cash credit, reducing it from Rs. 1,966.93 to Rs. 300.

40 Disclosure of financial ratios

Particulars	Numerator	Denominator	As at 31 March, 2024	As at 31 March, 2023	Variance %
a. Current ratio	Current assets	Current liabilities	5.46	4.47	22.15%
b. Debt equity ratio	Total debt	Equity shareholder's fund	-	-	Not applicable
c. Debt service coverage ratio	Net operating income	Total debt service	3,011.11	3,254.83	-7.49%
d. Return on equity ratio	Net income	Equity shareholder's fund	0.18	0.18	0.00%
e. Inventory turnover ratio	Cost of goods sold	Average inventories	4.58	5.03	-8.95%
f. Trade receivables turnover ratio	Net sales	Average trade receivables	5.04	5.77	-12.65%
g. Trade payables turnover ratio	Net purchases	Average trade payables	5.07	4.85	4.54%
h. Net capital turnover ratio	Net sales	Working capital	1.79	2.44	-26.64%
i. Net profit ratio	Net profit	Net sales	0.14	0.12	16.67%
j. Return on capital employed	Earning before interest and tax	Capital employed	0.25	0.25	0.00%
k. Return on investment	Earning on investments	Average investments	28.19%	34.70%	18.76%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Working of the ratios	Year ended 31 March 2024 Rs. Lakhs	Ratio	Year ended 31 March 2023 Rs. Lakhs	Ratio
a. Current ratio				
Current assets	22,481.78	5.46	17,667.04	4.47
Current liability	4,120.69		3,948.09	
b. Debt equity ratio				
Total debt (Long term debt+Short term debt+Capital lease obligation)	1.99	-	1.53	-
Equity shareholder's fund (Share capital+ Reserves and surplus)	27,096.26		22,421.48	
c. Debt service coverage ratio				
Net operating income (PAT+Dep.+Int.)	5,992.10	3,011.11	4,979.89	3,254.83
Total debt service (Long term debt+Short term debt+Capital lease obligation)	1.99		1.53	
d. Return on equity ratio				
Net operating income (PAT)	4,750.56	0.16	3,965.67	0.18
Equity shareholder's fund (Share capital+ Reserves and surplus)	27,096.26		22,421.48	
e. Inventory turnover ratio				
Cost of goods sold (Total sales - Gross profit)	21,619.25	4.58	22,740.86	5.03
Average inventory = (Opening stock + Closing stock) / 2	4,715.84		4,517.64	
f. Trade receivables turnover ratio				
Net sales (Total sales - Sales return)	32,938.41	5.04	33,484.18	5.77
Average trade receivables = (Opening debtors + Closing debtors) / 2	6,537.12		5,807.89	
g. Trade payables turnover ratio				
Total purchases (Net of purchase return)	16,127.94	5.07	16,695.46	4.85
Average trade payables = (Opening creditors + Closing creditors) / 2	3,183.00		3,439.14	
h. Net capital turnover ratio				
Net sales (Total sales - Sales return)	32,938.41	1.79	33,484.18	2.44
Working capital = Current assets - Current liabilities	18,361.09		13,718.95	
i. Net profit ratio				
Net profit	4,750.56	0.14	3,965.67	0.12
Net sales (Total sales - Sales return)	32,938.41		33,484.18	
j. Return on capital employed				
Earnings before interest and tax	6,712.27	0.25	5,618.51	0.25
Capital employed = Total assets - Current liabilities	27,156.89		22,453.21	
k. Return on investment		28.19%		34.70%
Closing investments	1,204.19		1,011.59	
Opening investments	1,011.59		800.72	
Average investments	1,107.89		906.16	
Earnings on investments	312.35		314.48	

Note:

Where the variation is more than 25%, it is due to the inclusion of profitability / income of the current year and whereas there is no significant change in debts from previous year.

41 Events occurring after balance sheet date**(a) Dividend paid and proposed****Particulars****(i) Declared and paid during the year**

Final dividend for the year 2022-23: Rs 3.00 per share (2021-22: Rs 3.00 per share)

Year ended
March 31, 2024

75.25

Year ended
March 31, 2023

75.25

(ii) Proposed for approval at the Annual General Meeting (not recognized as a liability)

Final dividend for the year 2023-24 : Rs 4.00 per share (2022-23: Rs 3.00 per share)

100.33

75.25

(b) There are no other matters after the balance sheet date which are required to be disclosed in the financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

42. Other statutory information

- a. During the current financial year, the Company has not undertaken any transactions with the companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.
- b. No penalties were imposed by the regulator during the year during the financial year ended March 31, 2024.
- c. There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income Tax Act, 1961.
- d. During the current year, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium) to any other person(s) or entities, including foreign entities (intermediaries).
- e. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- f. The Company have not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- g. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- h. The Company has not been declared as wilful defaulter by any of banks, financial institution or any other lender.
- i. The Company has not entered into any scheme of arrangement during the current financial year.
- j. The Company has complied with number of layers prescribed as per Section 2(87) of the Companies Act, 2013, read with relevant rules.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

Place: Gurugram
Date: June 14, 2024

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

K. D. Sahni
Joint Managing Director
DIN: 00901216
Place: Faridabad
Date: June 14, 2024

M. B. Sahni
Managing Director
DIN: 00906251
Place: Faridabad
Date: June 14, 2024

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060
Place: Faridabad
Date: June 14, 2024

Adish Suri
Vice President -
Finance
Place: Faridabad
Date: June 14, 2024

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, 2024, 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, 2021 and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2024, of the consolidated profit and its consolidated cash flows for the year then ended.

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 and the audit evidence obtained by the other auditors in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Information Other than the 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 do 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, and report of other auditors as furnished to us, 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 Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are

INDEPENDENT AUDITOR'S REPORT

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 Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 4,591.50 lakhs as at March 31, 2024, total revenues of Rs. 7,542.18 lakhs and net cash inflow amounting to Rs. 227.38 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor 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 reports of the other auditor.

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 matter with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. With respect to the matters specified in paragraphs 3(xi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by us for the Holding Company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report. In respect of the subsidiary, which is incorporated outside India, the provisions of CARO are not applicable.
2. As required by Section 143(3) of the Act based on our audit and on the consideration of report and the other financial information of subsidiary, as noted in the 'Other Matters' paragraph, 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 report of the other auditor.

INDEPENDENT AUDITOR'S REPORT

- (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.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 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, 2024 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, as amended 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 26 (b) to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 26 (d) to the consolidated financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company. In respect of the subsidiary, which is incorporated outside India, the provisions of amount to be transferred to the Investor Education and Protection Fund are not applicable – Refer Note 26 (c) to the consolidated financial statements.
 - iv. (a) The management of the Holding Company, whose financial statements have been audited under the Act, has represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Holding Company, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or the subsidiary, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. In respect of the subsidiary, which is incorporated outside India, the provisions of this clause are not applicable.

INDEPENDENT AUDITOR'S REPORT

- (b) The management of the Holding Company, whose financial statements have been audited under the Act, has represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. In respect of the subsidiary, which is incorporated outside India, the provisions of this clause are not applicable.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us whose financial statements have been audited under the Act, nothing has come to our notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement. In respect of the subsidiary, which is incorporated outside India, the provisions of this clause are not applicable.
- v. The final dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act. In respect of the subsidiary, which is incorporated outside India, the provisions of this clause are not applicable.
- vi. Based on our examination which included test checks, the Holding Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. In respect of the subsidiary, which is incorporated outside India, the provisions of this clause are not applicable.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company only with effect from April 01, 2023, therefore, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for financial year ended March 31, 2024. In respect of the subsidiary, which is incorporated outside India, these provisions are not applicable.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 24096985BKBWFU8508

Place: Gurugram

Date: June 14, 2024

INDEPENDENT AUDITOR'S REPORT

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, 2024)

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, 2024, we have audited the internal financial controls with reference to financial statements of **Elofic Industries Limited** (hereinafter referred to as the "Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statement 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 the 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INDEPENDENT AUDITOR'S REPORT

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 a company incorporated in India, has, 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, 2024, based on the internal control with reference to financial statement 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.

Other Matters

As per the information provided to us, reporting on internal financial controls over financial reporting was not applicable for the subsidiary, as it is a foreign entity. The financial statements of this subsidiary has been audited by other auditors for the purpose of consolidation, and they have not issued a report on the internal financial controls of the subsidiary.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 24096985BKBWU8508

Place: Gurugram

Date: June 14, 2024

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
I Equity and liabilities			
Shareholders' funds			
(a) Share capital	3	250.84	250.84
(b) Reserves and surplus	4	25,401.35	20,670.13
		<u>25,652.19</u>	<u>20,920.97</u>
Non-current liabilities			
(a) Deferred tax liabilities (Net)	5	58.96	31.47
(b) Long term provisions	6	1.67	0.26
		<u>60.63</u>	<u>31.73</u>
Current liabilities			
(a) Trade payables	7		
(i) Total outstanding dues of micro enterprises and small enterprises		364.58	521.77
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,909.54	2,639.27
(b) Other current liabilities	8	490.43	514.25
(c) Short term provisions	6	390.60	307.51
		<u>4,155.15</u>	<u>3,982.80</u>
		<u>29,867.97</u>	<u>24,935.50</u>
II Assets			
Non-current assets			
(a) Property, plant and equipment and intangible assets			
(i) Property, plant and equipment	9	6,815.49	5,646.17
(ii) Intangible assets	9	147.31	17.33
(iii) Capital work-in-progress	9	95.24	563.29
(iv) Intangible assets under development	9	-	136.35
(b) Long-term loans and advances	11	227.01	278.64
(c) Other non-current assets	12	326.56	1,100.89
		<u>7,611.61</u>	<u>7,742.67</u>
Current assets			
(a) Current investments	10	20.00	20.00
(b) Inventories	13	6,060.14	5,677.30
(c) Trade receivables	14	5,655.09	4,170.70
(d) Cash and bank balances	15	9,062.11	5,221.85
(e) Short-term loans and advances	11	851.91	1,653.20
(f) Other current assets	12	607.11	449.78
		<u>22,256.36</u>	<u>17,192.83</u>
		<u>29,867.97</u>	<u>24,935.50</u>

The accompanying notes are an integral part of the consolidated 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

Place: Gurugram
Date: June 14, 2024

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 14, 2024

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 14, 2024

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

Place: Faridabad
Date: June 14, 2024

Adish Suri
Vice President - Finance

Place: Faridabad
Date: June 14, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I Revenue from operations	16	35,176.31	35,972.17
II Other income	17	738.32	201.67
III Total Income (I + II)		<u>35,914.63</u>	<u>36,173.84</u>
IV Expenses			
(a) Cost of materials consumed	18	15,666.26	17,123.80
(b) Purchases of stock-in-trade	19	405.41	583.26
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(99.92)	(328.46)
(d) Employee benefits expense	21	5,104.06	4,740.64
(e) Finance costs	22	22.37	34.11
(f) Depreciation and amortization expense	23	1,219.17	980.11
(g) Other expenses	24	6,869.91	7,665.29
Total expenses		<u>29,187.26</u>	<u>30,798.75</u>
V Profit before tax (III - IV)		<u>6,727.37</u>	<u>5,375.09</u>
VI Tax expense			
(a) Current tax		1,912.74	1,597.09
(b) Deferred tax		27.49	21.64
(c) Tax adjustment of earlier years		(0.89)	-
Net tax expense		<u>1,939.34</u>	<u>1,618.73</u>
VII Profit after tax for the year (V-VI)		<u>4,788.03</u>	<u>3,756.36</u>
VIII Earnings per equity share (Face value of Rs. 10 per share)			
(a) Basic	25	190.88	149.75
(b) Diluted	25	190.88	149.75

The accompanying notes are an integral part of the consolidated 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

Place: Gurugram
Date: June 14, 2024

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 14, 2024

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 14, 2024

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

Place: Faridabad
Date: June 14, 2024

Adish Suri
Vice President -
Finance

Place: Faridabad
Date: June 14, 2024

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities			
Net profit before tax		6,727.37	5,375.09
Adjustment for			
Depreciation and amortization expense		1,219.17	980.11
Finance costs		22.37	34.11
Interest income		(505.21)	(176.51)
(Profit)/ loss on sale of property, plant and equipment		(25.98)	0.82
Income of deferred government grant		(0.53)	(0.65)
Sundry balances written back		(34.79)	(4.36)
Net (gain) / Loss on foreign currency transactions and translation		(61.56)	(47.47)
Balances written off		6.61	5.12
Operating profit before working capital changes		7,347.45	6,166.26
Changes in working capital:			
<i>Adjustments for (increase) / decrease in operating assets:</i>			
Inventories		(339.94)	442.15
Trade receivables		(1,394.25)	(228.48)
Long-term loans and advances		(5.23)	0.59
Short-term loans and advances		801.32	270.92
Other assets		(187.06)	49.16
<i>Adjustments for increase / (decrease) in operating liabilities:</i>			
Long term provisions		1.41	(0.41)
Trade payables		100.68	(899.44)
Other current liabilities		10.96	(82.75)
Short term provisions		59.76	18.10
Cash generated from operations		6,395.10	5,736.10
Income taxes paid (Net)		(1,888.70)	(1,632.42)
Net cash generated from / (used) in operating activities (A)		4,506.40	4,103.68
Cash flow from investing activities			
Purchase of property, plant and equipment/intangible assets including capital work-in-progress		(1,902.51)	(1,425.31)
Proceeds from sale of property, plant and equipment		38.00	4.79
Bank balances not considered as cash and cash equivalents (net)		(2,973.57)	(2,485.06)
Interest received		520.61	156.77
Net cash generated from / (used) in investing activities (B)		(4,317.47)	(3,748.81)
Cash flow from financing activities			
Repayment of short-term borrowings		-	(9.60)
Interest paid		(23.69)	(33.30)
Dividend paid		(75.25)	(75.25)
Net cash generated from / (used) in financing activities (C)		(98.94)	(118.15)
Net increase(decrease) in cash and cash equivalents	15	89.99	236.72
Cash and cash equivalents at the beginning of the year		495.73	258.92
Effect of exchange differences on balances with banks in foreign currency		(11.96)	0.09
Cash and cash equivalents at the end of the year		573.76	495.73
Cash and cash equivalents at the end of the year comprises			
Cash on hand		0.25	0.25
Balance with banks in current accounts		573.51	495.48
		573.76	495.73

Notes:

1. The Company has an EEPC account which has a balance of USD 1.02 (March 31, 2023: USD 2.92) equivalent to Rs. 96.67 (March 31, 2023: Rs. 240.25)

The accompanying notes are an integral part of the consolidated 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
Place: Gurugram
Date: June 14, 2024

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

K. D. Sahni
Joint Managing Director
DIN: 00901216
Place: Faridabad
Date: June 14, 2024

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060
Place: Faridabad
Date: June 14, 2024

M. B. Sahni
Managing Director
DIN: 00906251
Place: Faridabad
Date: June 14, 2024

Adish Suri
Vice President - Finance
Place: Faridabad
Date: June 14, 2024

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, Malhura 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 in all material aspects with the Accounting Standards specified under section 133 of the Companies Act, 2013 and notified under Companies (Accounts) Rules, 2021 and other 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.

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 of holding company
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	Moving average method
b.	Stock-in-trade	Raw material cost on moving average method plus appropriate share of labour and manufacturing overheads.
c.	Finished goods and work In progress	Raw material cost on moving average 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 Property, Plant and Equipments 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:

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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)

Property, plant and equipment 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 Property Plant and Equipments 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.

Property, plant and equipment under construction, advances paid towards acquisition of property, plant and equipment 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 consolidated 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

Segment policies:

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated 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 earnings 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 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, 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.

NOTES TO 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 Lakhs' unless otherwise stated)

3 Share capital	As at March 31, 2024		As at March 31, 2023	
	No's	Amount	No's	Amount
Authorized				
Equity shares of Rs. 10 each	3,000,000	300.00	3,000,000	300.00
	3,000,000	300.00	3,000,000	300.00
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each fully paid up	2,508,370	250.84	2,508,370	250.84
	2,508,370	250.84	2,508,370	250.84

a. Reconciliation statement of share capital

Equity shares	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Amount	No. of shares	Amount
Balance of shares at the beginning of the year	2,508,370	250.84	2,508,370	250.84
Add: Additions during the year	-	-	-	-
Balance of shares at the end of the year	2,508,370	250.84	2,508,370	250.84

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 Holding Company's 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 Holding 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 Holding Company

	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	713,535	28.45	713,535	28.45
Karwal Deep Sahni	751,385	29.96	751,385	29.96
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. Details of promoter's shareholding

S.No.	Promoter name	As at March 31, 2024		As at March 31, 2023		% of change
		No. of shares	% of holding	No. of shares	% of holding	
1	Mohan Bir Sahni	713,535	28.45	713,535	28.45	-
2	Karwal Deep Sahni	751,385	29.96	751,385	29.96	-

There is no change in the promoters shareholding during the year.

e. Proposed dividend

For the year ended March 31, 2024, the Board of Directors has proposed dividend of Rs. 4 (March 31, 2023: Rs. 3) for distribution to shareholders.

4 Reserves and surplus

	As at March 31, 2024	As at March 31, 2023
Securities premium account	64.78	64.78
Deferred Government Grant		
Balance at the beginning of the year	2.80	3.45
Less: Utilized during the year (See Note 17)	0.53	0.65
Balance at the end of the year	2.27	2.80
Foreign Currency Transaction Reserve		
Balance at the beginning of the year	231.80	147.42
Add: Additions during the year	18.97	84.38
Balance at the end of the year	250.77	231.80
General reserve		
Balance at the beginning of the year	2,068.78	1,693.14
Add: Additions during the year	478.80	375.64
Balance at the end of the year	2,547.58	2,068.78
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	18,301.97	14,996.50
- Profit for the year	4,788.03	3,756.36
Less: Appropriations during the year		
- Transfer to general reserve	478.80	375.64
- Dividends distributed to equity shareholders (Rs. 3 per share) (Previous year Rs. 3 per share)	75.25	75.25
Balance at the end of the year	22,535.95	18,301.97
Total reserves and surplus	25,401.35	20,670.13

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

		(Amount in 'Rupees Lakhs' unless otherwise stated)				
		As at		As at		
		March 31, 2024		March 31, 2023		
5	Deferred tax liabilities (Net)					
	Deferred tax liabilities					
	Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting		165.60		133.62	
	Total A		165.60		133.62	
	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		100.46		95.99	
	Provision for doubtful debts/advances		6.09		6.09	
	Others		0.09		0.07	
	Total B		106.64		102.15	
	Deferred tax liability (Net) (A-B)		58.96		31.47	
	Amount charge to / (credit in) Statement of Profit and Loss		27.49		21.64	
		Non-current	As at	Current	As at	
		As at	March 31, 2023	As at	March 31, 2023	
		March 31, 2024		March 31, 2024		
6	Provisions					
	Provision for employee benefits					
	Gratuity (Refer note 27)		-	38.36	5.07	
	Compensated absence (Refer sub-note 7 below)		-	168.66	142.13	
	Other provisions					
	Lease equalization reserve	1.67	0.26	0.32	1.27	
	Provision for income tax (Net of advance tax of Rs.1,732.03 (March 31, 2023 : Rs. 1,452.93))		-	183.26	159.04	
		1.67	0.26	390.60	307.51	
	Notes:					
	i. Provision for compensated absences have been created at the year end as per the employee's entitlement, which have been paid to the employees subsequent to year end.					
7	Trade payables			As at	As at	
				March 31, 2024	March 31, 2023	
	a. Trade payables					
	Total outstanding dues of micro enterprises and small enterprises (Refer Note i below)			364.58	521.77	
	Total outstanding dues of creditors other than micro enterprises and small enterprises			2,909.54	2,639.27	
				3,274.12	3,161.04	
	Trade payables ageing schedule					
	As at March 31, 2024					
		Outstanding for following periods from due date of payment				
		Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years
						Total
	Micro, Small and Medium Enterprises Development (MSME)	-	364.58	-	-	364.58
	Trade payables other than Micro Enterprises and Small Enterprises	921.64	1,955.73	3.50	0.47	2,909.54
	Disputed dues - Micro, Small and Medium Enterprises Development (MSME)	-	-	-	-	-
	Disputed dues - Trade payables other than Micro Enterprises and Small Enterprises	-	-	-	-	-
		921.64	2,320.31	3.50	0.47	3,274.12
	Trade payables ageing schedule					
	As at March 31, 2023					
		Outstanding for following periods from due date of payment				
		Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years
						Total
	Micro, Small and Medium Enterprises Development (MSME)	-	521.44	0.10	-	0.23
	Trade payables other than Micro Enterprises and Small Enterprises	819.06	1,790.27	1.97	1.63	2,639.27
	Disputed dues - Micro, Small and Medium Enterprises Development (MSME)	-	-	-	-	-
	Disputed dues - Trade payables other than Micro Enterprises and Small Enterprises	-	-	-	-	-
		819.06	2,311.71	2.07	1.63	3,161.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	As At March 31, 2024	As At March 31, 2023
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 there on remaining unpaid to any supplier at the end of each accounting year.		
- Principal	364.58	521.77
- interest due thereon	-	1.32
(ii) Payments made to suppliers beyond the appointed day during the year		
- Principal amount	521.77	10.56
- Interest	1.32	0.45
(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 with out 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.	-	1.32
(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 dis allowance 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.		

	As at March 31, 2024	As at March 31, 2023
8 Other current liabilities		
Interest accrued on trade payables	-	1.32
Deposits from dealers (Refer sub-note below)	319.26	316.66
Unpaid dividends	10.38	11.28
Statutory dues payable	106.22	106.46
Advances from customers	19.93	10.43
Payables on purchase of property, plant and equipment	34.64	68.10
	<u>490.43</u>	<u>514.25</u>

Note:

Deposits from dealers carry interest @ 6% per annum and repayable on expiry/ termination of agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

9 Property, plant and equipment and intangible assets

Particulars	Gross block			Depreciation and amortization				Net block		
	As at April 1, 2023	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2024	As at April 1, 2023	Depreciation/ amortization expense for the year	Depreciation adjustment on sale/ other adjustment	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
A. Tangible assets										
Land : Freehold	226.60	-	-	226.60	-	-	-	-	226.60	226.60
	(226.60)	-	-	(226.60)	-	-	-	-	(226.60)	(226.60)
Land : Leasehold	7.75	-	-	7.75	3.04	0.16	-	3.20	4.55	4.71
	(7.75)	-	-	(7.75)	(2.88)	(0.16)	-	(3.04)	(4.71)	(4.87)
Building: Factory	1,319.41	116.24	-	1,435.65	881.94	50.39	-	932.33	503.32	437.47
	(1,289.82)	(29.59)	-	(1,319.41)	(838.19)	(43.75)	-	(881.94)	(437.47)	(451.63)
Building : Administrative	136.68	-	-	136.68	64.54	3.48	-	68.02	68.66	72.14
	(136.68)	-	-	(136.68)	(60.89)	(3.65)	-	(64.54)	(72.14)	(75.79)
Plant and equipment	13,326.37	1,722.78	3.55	15,045.60	8,661.51	961.64	1.24	9,621.91	5,423.69	4,664.86
	(11,751.53)	(1,638.42)	(63.58)	(13,326.37)	(7,876.62)	(843.25)	(58.36)	(8,661.51)	(4,664.86)	(3,874.91)
Furniture and fixtures	226.86	9.03	-	235.89	190.66	10.49	-	201.15	34.74	36.20
	(215.28)	(12.37)	(0.79)	(226.86)	(175.89)	(15.52)	(0.75)	(190.66)	(36.20)	(39.39)
Vehicles	470.88	334.93	173.02	632.79	377.83	96.61	163.68	310.76	322.03	93.05
	(434.30)	(36.58)	-	(470.88)	(349.06)	(28.77)	-	(377.83)	(93.05)	(85.24)
Office equipment	183.19	13.24	-	196.43	159.47	10.40	-	169.87	26.56	23.72
	(168.76)	(16.24)	(1.81)	(183.19)	(152.67)	(8.46)	(1.66)	(159.47)	(23.72)	(16.09)
Electrical installation	242.60	151.26	-	393.86	183.53	29.68	-	213.21	180.65	59.07
	(193.69)	(48.91)	-	(242.60)	(168.10)	(15.43)	-	(183.53)	(59.07)	(25.59)
Computers	239.15	12.00	7.45	243.70	210.80	15.29	7.08	219.01	24.69	28.35
	(225.09)	(16.09)	(2.03)	(239.15)	(199.72)	(12.91)	(1.83)	(210.80)	(28.35)	(25.37)
Total tangible asset	16,379.49	2,359.48	184.02	18,554.95	10,733.32	1,178.14	172.00	11,739.46	6,815.49	5,646.17
	(14,649.50)	(1,798.20)	(68.21)	(16,379.49)	(9,824.02)	(971.90)	(62.60)	(10,733.32)	(5,646.17)	(4,825.48)
B. Intangible assets										
Computer software	162.75	171.01	-	333.76	145.42	41.03	-	186.45	147.31	17.33
	(161.65)	(1.10)	-	(162.75)	(137.21)	(8.21)	-	(145.42)	(17.33)	(24.44)
Total intangible asset	162.75	171.01	-	333.76	145.42	41.03	-	186.45	147.31	17.33
	(161.65)	(1.10)	-	(162.75)	(137.21)	(8.21)	-	(145.42)	(17.33)	(24.44)

Note:

- i. Previous year figures are in brackets.
- ii. The total capital expenditure towards research and development incurred during the year as per books of account is Rs. 206.12 (March 31, 2023 : Rs. 0.16) included in plant and machinery.
- iii. During the current financial year and in the previous financial year there is no revaluation of property, plant and equipment.
- iv. There is no proceeding initiated against the Group for the properties under the Benami Transactions (Prohibition) Act, 1908 and the rules made thereunder.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

C. Capital work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Electrical installation	-	140.81
Office equipment	1.19	-
Building- Factory	33.24	88.85
Plant and equipment	60.81	333.63
Total	95.24	563.29

Notes

i. Capital work-in-progress ageing schedule as at March 31, 2024

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	Greater than 1 year but less than 2 Years	Greater than 2 years but less than 3 years	More than 3 years	
Project in progress	95.24	-	-	-	95.24

Capital work-in-progress ageing schedule as at March 31, 2023

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	Greater than 1 year but less than 2 years	Greater than 2 years but less than 3 years	More than 3 years	
Project in progress	563.29	-	-	-	563.29

D. Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Computer software	-	136.35
	-	136.35

Notes

i. Intangible assets under development ageing schedule as at March 31, 2024

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	Greater than 1 year but less than 2 years	Greater than 2 years but less than 3 years	More than 3 years	
Project in progress	-	-	-	-	-

i. Intangible assets under development ageing schedule as at March 31, 2023

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	Greater than 1 year but less than 2 years	Greater than 2 years but less than 3 years	More than 3 years	
Project in progress	136.35	-	-	-	136.35

10 Investments

Non-current investments
[Valued at cost, unless stated otherwise]

Current investments (At lower of cost or market value)

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
-Investment in mutual funds	-	-	20.00	20.00
Total investments	-	-	20.00	20.00
Aggregate amount of quoted investments	-	-	-	-
Aggregate amount of quoted investments - Market Value	-	-	-	-
Aggregate amount of unquoted investments	-	-	20.00	20.00
Aggregate amount of unquoted investments - Market Value	-	-	23.52	22.03
Aggregate provision for diminution in value of investment	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

11 Loans and advances

(Unsecured, considered good, unless otherwise stated)

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Capital advances	81.53	138.57	-	-
Advances to suppliers				
-Unsecured - considered good	-	-	114.89	84.22
-Unsecured - considered doubtful	-	-	4.57	4.57
	-	-	119.46	88.79
Less: Provision for doubtful advances	-	-	4.57	4.57
	-	-	114.89	84.22
Advances recoverable in cash or in kind				
-Unsecured - considered good	-	-	15.44	6.89
-Unsecured - considered doubtful	-	-	-	7.37
	-	-	15.44	14.26
Less: Provision for doubtful advances	-	-	-	7.77
	-	-	15.44	6.49
Advance income tax (Net of provision of Rs. 5,704.71) (March 31, 2023: Rs. 5,704.71).	112.94	112.76	-	-
Prepaid expenses	5.24	0.01	50.26	47.67
Loans to employees	-	-	6.57	6.74
Imprest recoverable from employees	-	-	0.63	-
Balances with government authorities				
-Unsecured - considered good	27.30	27.30	664.12	1,508.08
-Unsecured - considered doubtful	6.71	6.71	-	-
	34.01	34.01	664.12	1,508.08
Less: Provision for doubtful balances	6.71	6.71	-	-
	27.30	27.30	664.12	1,508.08
	227.01	278.64	851.91	1,653.20

12 Other assets

(Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Non-current bank balances	200.22	988.88	-	-
Interest accrued				
- on fixed deposits with banks	4.39	19.79	313.77	109.40
- on investment /others	-	-	0.18	0.18
Export incentive recoverable	-	-	281.89	326.53
Security deposits	121.95	92.22	3.59	3.59
Insurance claim recoverable	-	-	7.68	10.08
	326.56	1,100.89	607.11	449.78

13 Inventories

(At lower of cost and net realizable value)

	As at March 31, 2024	As at March 31, 2023
Raw materials	2,746.70	2,456.45
Work in progress	667.52	677.51
Finished goods	2,517.06	2,400.99
Stock-in-trade (acquired for trading)	28.27	34.43
Stores and spares	60.86	68.57
Packing materials	39.73	39.35
	6,060.14	5,677.30

14 Trade receivables

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

	As at March 31, 2024	As at March 31, 2023
Secured, considered good	20.40	3.08
Unsecured, considered good	156.43	66.81
Unsecured, considered doubtful	16.33	16.33
	193.16	86.22
Less: Allowance for doubtful receivables	16.33	16.33
	176.83	69.89
Other trade receivables		
Secured, considered good	160.30	139.12
Unsecured, considered good		
a) Billed	5,229.91	3,961.69
b) Unbilled	88.05	-
	5,478.26	4,100.81
	5,655.09	4,170.70

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Trade receivables ageing schedule

As at March 31, 2024	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	5,521.80	76.20	45.08	0.08	11.93	5,655.09
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	16.33	16.33
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-
	5,521.80	76.20	45.08	0.08	28.26	5,671.42
As at March 31, 2023	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	4,150.46	5.86	-	-	14.38	4,170.70
(ii) Undisputed trade receivables – considered doubtful	-	-	-	-	16.33	16.33
(iii) Disputed trade receivables – considered good	-	-	-	-	-	-
(iv) Disputed trade receivables – considered doubtful	-	-	-	-	-	-
	4,150.46	5.86	-	-	30.71	4,187.03

15 Cash and bank balances

	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks		
in current accounts	573.51	495.48
Cash on hand	0.25	0.25
	573.76	495.73
Other bank balances		
Unpaid dividend accounts	10.38	11.28
Deposit having original maturity more than 3 months (see note below)	8,477.97	4,714.84
	8,488.35	4,726.12
	9,062.11	5,221.85
Of the above, the balances that meet the definition of cash and cash equivalents as per Accounting Standard 3, 'Cash Flow Statements' is	573.76	495.73

a) Out of total fixed deposits, Rs. 4.78 (March 31, 2023: Rs. 4.86) are pledged as security for margin money with the banks.

b) The Company has an EFC account which has a balance of USD 1.02 (March 31, 2023: USD 2.92) equivalent to Rs. 96.67 (March 31, 2023 :Rs. 240.25)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in 'Rupees Lakhs' unless otherwise stated)	
	Year ended March 31, 2024	Year ended March 31, 2023
16 Revenue from operations		
i. Sale of products		
a. Finished goods (Refer sub-note 'a' below)	33,736.22	34,414.04
b. Traded goods (Refer sub-note 'b' below)	236.35	259.15
	<u>33,972.57</u>	<u>34,673.19</u>
ii. Other operating revenues		
a. Export incentives	385.23	390.14
b. Sale of scrap	721.99	785.15
c. Others	96.52	123.69
	<u>1,203.74</u>	<u>1,298.98</u>
	<u>35,176.31</u>	<u>35,972.17</u>
Notes:		
a. Sale of products comprises:		
Manufactured goods		
- Filter and lubes	33,736.22	34,414.04
	<u>33,736.22</u>	<u>34,414.04</u>
b. Traded goods		
- Coolants	236.35	259.15
	<u>236.35</u>	<u>259.15</u>
17 Other income		
Interest income		
- From banks on deposits	504.82	176.29
- On electricity deposits	0.39	0.22
Net gain on foreign currency transactions and translation	123.14	-
Other non-operating income		
- Sundry balances written back	34.79	4.36
- Profit on sale of property, plant and equipment	25.98	-
- Income of deferred government grant (Refer Sub-note 'a' below)	0.53	0.65
- Miscellaneous income	48.67	20.15
	<u>738.32</u>	<u>201.67</u>
Note:		
a. During the financial year 2011-12, the Group had recognized a grant amounting to Rs. 30.00 from the Government of Himachal Pradesh against installation of plant and machinery at Nalegarh Plant. Out of this Rs. 0.53 (March 31, 2023: Rs. 0.65) is being recognized as income in the Statement of Profit and Loss and Rs. 2.27 (March 31, 2023: Rs. 2.80) is considered as deferred Government grant under 'Reserves and Surplus' in note 4 of consolidated financial statements.		
18 Cost of raw materials consumed		
Inventory at the beginning of the year	2,456.45	3,089.66
Add: Purchases during the year	15,956.51	16,490.59
	<u>18,412.96</u>	<u>19,580.25</u>
Less: Inventory at the end of the year	2,746.70	2,456.45
Cost of materials consumed	<u>15,666.26</u>	<u>17,123.80</u>
Note:		
Details of raw materials consumed		
Filter paper	1,950.90	2,152.12
Iron sheet	4,920.25	5,508.36
Rubber item	1,339.63	1,453.31
Packaging	1,619.56	1,719.18
Plastic	813.88	962.50
Others	5,022.04	5,328.33
	<u>15,666.26</u>	<u>17,123.80</u>
19 Purchases of stock-in-trade (traded goods)		
Coolants	405.41	583.26
	<u>405.41</u>	<u>583.26</u>
20 Increase/(decrease) in inventories		
Inventories at the beginning of the year		
- Finished goods (including in transit)	2,400.99	2,755.97
- Work in progress	677.51	1.27
- Traded goods	34.43	27.23
	<u>3,112.93</u>	<u>2,784.47</u>
Inventories at the end of the year		
- Finished goods	2,517.06	2,400.99
- Work in progress	667.52	677.51
- Traded goods	28.27	34.43
	<u>3,212.85</u>	<u>3,112.93</u>
	<u>99.92</u>	<u>328.46</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
Note:		
The inventory comprises:		
Finished goods		
Filters and lubes	2,517.06	2,400.99
	<u>2,517.06</u>	<u>2,400.99</u>
Traded goods		
Coolants	28.27	34.43
	<u>28.27</u>	<u>34.43</u>
21 Employee benefits expense		
Salaries, wages and bonus	4,714.43	4,326.88
Contribution to provident and other funds	219.18	281.77
Grocery expense (Refer Note 27)	103.39	65.49
Staff welfare expenses	67.06	65.50
	<u>5,104.06</u>	<u>4,740.64</u>
22 Finance costs		
Interest expense		
- On term loans	-	0.24
- On security deposits from dealers	18.74	16.44
- On others	0.10	1.58
Interest on delayed payment of advance taxes	2.56	14.88
Other borrowing costs	0.97	0.97
	<u>22.37</u>	<u>34.11</u>
23 Depreciation and amortization expense		
Depreciation and amortization for the year on tangible assets as per Note 9 A	1,178.14	971.90
Amortization for the year on intangible assets as per Note 9 B	41.03	8.21
	<u>1,219.17</u>	<u>980.11</u>
	<u>Year ended March 31, 2024</u>	<u>Year ended March 31, 2023</u>
24 Other expenses		
Consumption of stores and spare parts	333.19	221.13
Consumption of packing materials	584.51	612.40
Jobwork charges	1,320.94	1,242.45
Power and fuel	820.11	854.10
Rent including lease rentals	408.95	368.57
Repairs and maintenance		
- Buildings	104.90	86.41
- Plant and machinery	459.60	504.34
- Others	138.50	152.17
Insurance	73.76	76.48
Rates and taxes	14.76	15.74
Legal and professional	64.12	67.29
Travelling and conveyance	157.12	157.99
Freight outward	621.46	620.88
Shipping and forwarding	337.69	1,069.13
Licence fee	189.19	176.60
Postage and courier	18.78	21.04
Printing and stationery	18.84	15.47
Communication expenses	11.68	14.30
Sales promotion	262.43	326.74
Payment to auditors (Refer note 'a' below)	9.84	9.35
Research and development expenses (Refer note 'b' below)	357.45	285.10
Cash discount	321.09	338.19
Bank charges	12.09	13.74
CSR expenses	96.12	136.50
Warranty expenses	11.87	10.25
Conventions and exhibitions	16.05	26.93
Net loss on foreign currency transactions and translation	-	99.87
Loss on sale of property, plant and equipment	-	0.82
Balances written off	6.61	5.12
Miscellaneous expenses	98.26	136.19
	<u>6,869.91</u>	<u>7,665.29</u>
Notes		
a. Payment to auditors		
As auditors:		
For audit	7.50	7.50
For tax audit	1.50	1.50
For certification	0.63	0.15
Reimbursement of expenses	0.21	0.20
	<u>9.84</u>	<u>9.35</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
b. Research and development expenditure		
Revenue expenditure		
Salaries	308.94	254.16
Repairs and maintenance	32.74	24.80
Consumables and samples	9.01	1.63
Traveling	3.31	0.90
Miscellaneous	3.45	3.61
	<u>357.45</u>	<u>285.10</u>
Capital expenditure		
Plant and machinery	206.12	0.16
	<u>206.12</u>	<u>0.16</u>
25 Earnings per share		
Profit for the year	4,788.03	3,756.36
Weighted average number of equity shares	2,508,370	2,508,370
Par value per share	10	10
Basic earnings per share	190.88	149.75
Diluted earnings per share	190.88	149.75
26 Contingent liabilities and commitments (to the extent not provided for)	As at March 31, 2024	As at March 31, 2023
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. 81.53 (March 31, 2023: Rs. 138.57))	134.06	376.05
b. Contingent liabilities		
i. Claims against the Group not acknowledged as debt (gross)		
Excise duty	14.43	14.43
Goods and services tax	64.69	-
	<u>79.12</u>	<u>14.43</u>
The Group has reviewed its disputed liabilities and proceedings and does not expect material impact on financial position of the Group. Further cash outflow in respects of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.		
Amount paid under protest		
Excise duty	2.50	2.50
Goods and services tax	2.94	-
	<u>5.44</u>	<u>2.50</u>
ii. Letter of credit and bank guarantee		
Bank guarantee (Margin money: Rs. 4.78 (March 31, 2023: Rs. 4.86))	47.83	48.64
	<u>47.83</u>	<u>48.64</u>
c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.		
d. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.		
27 Employee benefit plans		
(i) Defined contribution plan		
The Group makes contributions 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 Group 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.		
	As at March 31, 2024	As at March 31, 2023
Provident Fund	176.98	225.01
Employee State Insurance	38.07	51.86
Labour Welfare Fund	4.13	4.90
	<u>219.18</u>	<u>281.77</u>
(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 Elcific 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.		
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 is in the nature of short-term employee benefits which is provided on the basis of estimation made by the management.		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' 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	As at	As at
	March 31, 2024	March 31, 2023
Current service cost	60.10	50.51
Past service cost	-	-
Interest cost on benefit obligation	41.29	37.61
Expected return on plan assets	(39.55)	(39.32)
Actuarial (gain)/loss recognized in the year	41.55	16.69
Net expense/ (benefit)	103.39	65.49

Actual contribution and benefit payments for the year

Actual benefit payments	69.89	60.29
Actual contributions	70.10	55.00

Net asset / (liability) recognized in the Balance Sheet

Present value of defined benefit obligation	617.18	550.62
Fair value of plan assets	578.82	545.55
Funded status (Surplus / (Deficit))	(38.36)	(5.07)
Unrecognized past service costs	-	-
Net asset / (liability) recognized in the Balance Sheet	(38.36)	(5.07)

Change in defined benefit obligations (DBO) during the year

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Defined benefit obligation at the beginning of the year	550.62	518.80
Interest cost	41.29	37.61
Current service cost	60.10	50.51
Benefits paid	(69.89)	(60.29)
Actuarial (gain)/loss on obligation	35.06	3.99
Defined benefit obligation at the end of the year	617.18	550.62

Change in fair value of assets during the year

Fair value of plan assets at beginning of the year	545.55	524.22
Expected return on plan assets	39.55	39.32
Contribution by employer	70.10	55.00
Benefits paid	(69.89)	(60.29)
Actuarial gain/(loss) on plan assets	(6.49)	(12.70)
Fair value of plan assets at end of the year	578.82	545.55

Actual return on plan assets

7.25%

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	As at	As at
	March 31, 2024	March 31, 2023	March 31, 2022
Present value of defined benefit obligation	(617.18)	(550.62)	(518.80)
Fair value of plan assets	578.82	545.55	524.22
Net assets/(liability) recognized in the Balance Sheet	(38.36)	(5.07)	5.42

Particulars

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Present value of defined benefit obligation	(482.44)	(494.77)
Fair value of plan assets	533.73	494.49
Net assets/(liability) recognized in the Balance Sheet	51.29	(0.28)

Actuarial assumptions

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Gratuity (funded)	Gratuity (funded)
Discount rate (per annum)	7.25%	7.50%
Future increase in compensation	5.00%	5.00%
Actual return on plan assets	7.25%	7.50%
In service mortality	IALM 2012-14	IALM 2012-14
Retirement age	60 years	60 years
Withdrawal rates:		
15 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 Group, a provision of Rs. 168.66 (March 31, 2023 : Rs. 142.13) is outstanding as at March 31, 2024.

Estimated contribution for next year is Rs. 62.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

28 Details of leasing arrangements

As lessee

The Group 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 the Statement of Profit and Loss for the year is as follows:

	Year ended March 31, 2024	Year ended March 31, 2023
Rent including lease rentals	408.95	368.57
	408.95	368.57
Future minimum lease payments		
Not later than one year	81.49	45.19
Later than one year and not later than five years	69.78	54.92
	151.27	100.11

29 Related party transactions

a. Details of related parties

Description of relationship

- i. Associates/ Enterprise over which key managerial person has significant influence

Names of related parties

Elofic Industries (India) (Partnership Firm)
Mettler Auto Private Limited
Jasno Kamal & Company (Partnership Firm)
Elofic Private Limited
YESS Charitable Trust
B.Bhagwan Singh Elofic Charitable Trust

- ii. Key Management Personnel

Mr. M.B.Sahni-Managing Director
Mr. K.D.Sahni-Whole Time Director
Maj. Gen. J.S. Bedi (Retd.)-Whole Time Director

- iii. Relatives of Key Management Personnel

Mrs. Brita Sahni (Wife of Mr. K.D.Sahni)
Mr. Karam Sahni (Son of Mr. K.D.Sahni)
Mr. Saheb Sahni (Son of Mr. M.B.Sahni)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

[Amount in 'Rupees Lakhs' unless otherwise stated]

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

S. No.	Particulars	Associates/ Enterprise over which key managerial person has significant influence				Key Management Personnel			Relatives of Key Management Personnel			Total	
		Elofic Industries (India)	Mettler 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
Transactions during the year													
1	Rent paid	198.80 (179.33)	0.31 (0.31)	- (-)	- (-)	0.26 (0.26)	- (-)	- (-)	- (-)	- (2.10)	- (-)	- (-)	199.37 (182.00)
2	Licence fees	189.19 (176.60)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	189.19 (176.60)
3	Remuneration paid	- (-)	- (-)	- (-)	- (-)	- (-)	144.47 (144.44)	144.47 (144.44)	48.88 (46.77)	- (-)	31.21 (25.66)	31.20 (25.32)	400.23 (386.63)
4	Donation given	- (-)	- (-)	1.50 (1.50)	6.62 (2.00)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	8.12 (3.50)
5	Club fees	- (-)	- (-)	- (-)	- (-)	- (-)	0.22 (0.27)	1.77 (1.06)	- (-)	- (-)	- (-)	- (-)	1.99 (1.33)
6	Consultancy	- (-)	12.66 (11.42)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)	12.66 (11.42)
Balances outstanding as at year end													
1	Trade payables	219.46 (204.85)	- (-)	- (-)	- (-)	- (-)	5.29 (4.94)	7.49 (4.94)	2.35 (2.06)	- (-)	1.57 (1.45)	1.57 (1.45)	237.73 (219.67)

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 months of reporting date. There have been no guarantees provided or received for any related party payables/receivables. No expenses have 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 Lakhs' unless otherwise stated)

30 Disclosure of additional information as required by the Schedule III a) As at and for the year ended March 31, 2024

Particulars	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	105.63%	27,096.26	99.22%	4,750.56
Foreign Subsidiary				
Elofic USA LLC	0.98%	250.77	5.20%	248.91
Elimination on consolidation		27,347.03		9,274
Total		25,652.19		4,788.03

b) As at and for the year ended March 31, 2023

Particulars	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	107.17%	22,421.48	105.57%	3,965.67
Foreign Subsidiary				
Elofic USA LLC	1.11%	231.80	6.88%	258.53
Elimination on consolidation		22,653.28		4,224.20
Total		20,920.97		3,756.36

31 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	3.86	39.75
2010-11	6.82	47.69
2011-12	73.06	55.02
2012-13	30.17	82.51
2013-14	79.80	102.34
2014-15	34.95	132.61
2015-16	17.37	133.33
2016-17	62.65	112.04
2017-18	35.23	150.35
2018-19	16.95	220.04
2019-20	16.27	233.23
2020-21	30.96	222.76
2021-22	7.01	258.07
2022-23	0.16	285.10
2023-24	206.12	357.45

Note : The above information is as per books of account.

32 Disclosure of statement of current assets filed with the banks/financial institutions:

Month	Name of bank	Brief description	Amount as per bank statement	Amount as per books of accounts	Amount of difference
Apr-2023	HDFC Bank Ltd. and HSBC	Debtors	6,025.59	6,025.59	-
Apr-2023	HDFC Bank Ltd. and HSBC	Stock	4,467.51	4,467.51	-
May-2023	HDFC Bank Ltd. and HSBC	Debtors	5,748.22	5,748.22	-
May-2023	HDFC Bank Ltd. and HSBC	Stock	4,799.06	4,799.06	-
June-2023	HDFC Bank Ltd.	Debtors	5,707.03	5,707.03	-
June-2023	HDFC Bank Ltd.	Stock	5,266.83	5,266.83	-
July-2023	HDFC Bank Ltd.	Debtors	5,611.57	5,611.57	-
July-2023	HDFC Bank Ltd.	Stock	5,557.25	5,557.25	-
August-2023	HDFC Bank Ltd.	Debtors	5,023.04	5,023.04	-
August-2023	HDFC Bank Ltd.	Stock	5,799.30	5,799.30	-
September-2023	HDFC Bank Ltd.	Debtors	5,059.82	5,059.82	-
September-2023	HDFC Bank Ltd.	Stock	5,691.09	5,691.09	-
October-2023	HDFC Bank Ltd.	Debtors	5,129.68	5,129.68	-
October-2023	HDFC Bank Ltd.	Stock	5,546.37	5,546.37	-
November-2023	HDFC Bank Ltd.	Debtors	5,473.52	5,473.52	-
November-2023	HDFC Bank Ltd.	Stock	5,601.56	5,601.56	-
December-2023	HDFC Bank Ltd.	Debtors	5,646.91	5,646.91	-
December-2023	HDFC Bank Ltd.	Stock	5,885.24	5,885.24	-
January-2024	HDFC Bank Ltd.	Debtors	5,461.40	5,461.40	-
January-2024	HDFC Bank Ltd.	Stock	5,732.57	5,732.57	-
February-2024	HDFC Bank Ltd.	Debtors	6,373.47	6,373.47	-
February-2024	HDFC Bank Ltd.	Stock	5,881.12	5,881.12	-
March-2024*	HDFC Bank Ltd.	Debtors	6,928.34	7,139.97	211.63
March-2024	HDFC Bank Ltd.	Stock	5,034.29	5,034.29	-

* Reasons for material discrepancies in the month of March 31, 2024

The quarterly returns or statements filed by the Group for working capital limits with banks are in agreement with the books of account of the Group except for statements filed for the quarter and year ended March 31, 2024, where differences were noted between the amount as per books of account for quarter and amount as reported in the quarterly statements due to differences in case of trade receivables amounting to Rs. 211.63 (amount reported Rs. 6,928.34 vs amount as per books of account Rs. 7,139.97). The difference is primarily due to price settlement with the customers and recording of foreign exchange fluctuation at year end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

33 The charges which yet to be satisfied with Registrar of Companies (ROC) as at 31 March, 2024 are as follows:

Brief description of charges	Location of ROC	Amount	Date of creation / modification	Remarks
Book debts	New Delhi	300.00	23.02.2024	See note below
Immovable properties	New Delhi	300.00	23.02.2024	

During the current year, the Company has revised the terms of its cash credit, reducing it from Rs. 1,966.93 to Rs. 300.

34 Disclosure of financial ratios

Particulars	Numerator	Denominator	As at 31 March, 2024	As at 31 March, 2023	Variance %
a. Current ratio	Current assets	Current liabilities	5.36	4.32	24.07%
b. Debt equity ratio	Total debt	Equity shareholder's fund	-	-	Not applicable
c. Debt service coverage ratio	Net operating income	Total debt service	3,029.93	3,118.03	-2.83%
d. Return on equity ratio	Net income	Equity shareholder's fund	0.19	0.18	5.56%
e. Inventory turnover ratio	Cost of goods sold	Average inventories	3.77	3.99	-5.51%
f. Trade receivables turnover ratio	Net sales	Average trade receivables	6.91	6.69	-20.48%
g. Trade payables turnover ratio	Net purchases	Average trade payables	5.09	4.87	4.52%
h. Net capital turnover ratio	Net sales	Working capital	1.88	2.62	-28.24%
i. Net profit ratio	Net profit	Net sales	0.14	0.11	27.27%
j. Return on capital employed	Earning before interest and tax	Capital employed	0.26	0.26	0.00%
k. Return on investment	Earning on investments	Average investments	-	-	-

Working of the ratios	Year ended 31 March 2024 Rs. Lakhs	Ratio	Year ended 31 March 2023 Rs. Lakhs	Ratio
a. Current ratio				
Current assets	22,256.36	5.36	17,192.83	4.32
Current liability	4,155.15		3,982.80	
b. Debt equity ratio				
Total debt (Long term debt+Short term debt+Capital lease obligation)	1.99	-	1.53	-
Equity shareholder's fund (Share capital+ Reserves and surplus)	25,652.19		20,920.97	
c. Debt service coverage ratio				
Net operating income (PAT+Dep.+Int.)	6,029.57	3,029.93	4,770.38	3,118.03
Total debt service (Long term debt+Short term debt+Capital lease obligation)	1.99		1.53	
d. Return on equity ratio				
Net operating income (PAT)	4,788.03	0.19	3,756.36	0.18
Equity shareholder's fund (Share capital+ Reserves and surplus)	25,652.19		20,920.97	
e. Inventory turnover ratio				
Cost of goods sold (Total sales - Gross profit)	22,119.70	3.77	23,119.67	3.99
Average inventory = (Opening stock + Closing stock) / 2	5,668.72		5,794.12	
f. Trade receivables turnover ratio				
Net sales (Total sales - Sales return)	33,972.57	6.91	34,673.19	6.69
Average trade receivables = (Opening debtors +Closing debtors) / 2	4,912.90		3,991.21	
g. Trade payables turnover ratio				
Total purchases (Net of purchase return)	16,361.92	5.09	17,073.85	4.87
Average trade payables = (Opening creditors + Closing creditors) / 2	3,217.58		3,506.57	
h. Net capital turnover ratio				
Net sales (Total sales - Sales return)	33,972.57	1.88	34,673.19	2.62
Working capital = Current assets - Current liabilities	18,101.21		13,210.03	
i. Net profit ratio				
Net profit	4,788.03	0.14	3,756.36	0.11
Net sales (Total sales - Sales return)	33,972.57		34,673.19	
j. Return on capital employed				
Earnings before interest and tax	6,749.74	0.26	5,409.20	0.26
Capital employed = Total assets - Current liabilities	25,712.82		20,952.70	
k. Return on investment		0.00%		0.00%
Closing investments	20.00		20.00	
Opening investments	20.00		20.00	
Average investments	20.00		20.00	
Earnings on investments	-		-	

Note:

Where the variation is more than 25%, it is due to the inclusion of profitability / income of the current year and whereas there is no significant change in debts from previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

35. Events occurring after balance sheet date

(a) Dividend paid and proposed

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Declared and paid during the year		
Final dividend for the year 2022-23: Rs 3.00 per share (2021-22: Rs 3.00 per share)	75.25	75.25
(ii) Proposed for approval at the Annual General Meeting (not recognized as a liability)		
Final dividend for the year 2023-24 : Rs 4.00 per share (2022-23: Rs 3.00 per share)	100.33	75.25
(b) There are no other matters after the balance sheet date which are required to be disclosed in the financial statements.		

36. Other statutory information

- During the current financial year, the Group has not undertaken any transactions with the companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956.
- No penalties were imposed by the regulator during the year during the financial year ended March 31, 2024.
- There are no such transaction which are not recorded in the books of account earlier and have been surrendered or disclosed as income during the current financial year in the tax assessments under the Income Tax Act, 1961.
- During the current year, the Group has not advanced or loaned or invested funds (either borrowed funds or share premium) to any other person(s) or entities, including foreign entities (intermediaries).
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group have not received any fund from any person or entity, including foreign entity (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Group has not been declared as wilful defaulter by any of banks, financial institution or any other lender.
- The Group has not entered into any scheme of arrangement during the current financial year.
- The Group has complied with number of layers prescribed as per Section 2(B7) of the Companies Act, 2013, read with relevant rules.

37. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	India	Outside India	Total
Revenue from external customers by location of customers			
Sale of products	19,522.23 (18,459.23)	14,450.34 (16,213.96)	33,972.57 (34,673.19)
Other operating revenues	447.76 (466.11)	755.98 (832.87)	1,203.74 (1,298.98)
Other income	233.11 (25.16)	-	233.11 (25.16)
Total revenue	20,203.10 (18,950.50)	15,206.32 (17,046.83)	35,409.42 (35,997.33)
Segment result	1,750.72 (1,961.31)	4,493.81 (3,271.38)	6,244.53 (5,232.69)
Unallocable expenses (net)			22.37 (34.11)
Operating income			6,222.16 (5,198.58)
Other income (net)			505.21 (176.51)
Profit before tax			6,727.37 (5,375.09)
Tax expense			1,939.34 (1,618.73)
Profit after tax for the year			4,788.03 (3,756.36)
Segment assets	23,118.10 (19,108.98)	6,616.93 (5,693.76)	29,735.03 (24,802.74)
Unallocated assets			132.94 (132.76)
Total assets			29,867.97 (24,935.50)
Segment liabilities	3,834.37 (3,577.04)	128.81 (234.38)	3,963.18 (3,811.42)
Unallocated liabilities			252.60 (203.11)
Total liabilities			4,215.78 (4,014.53)
Depreciation and amortization expense (see note 'e' below)	722.59 (540.32)	496.58 (439.79)	1,219.17 (980.11)
Cost to acquire tangible and intangible fixed assets	2,625.73 (2,498.94)	-	2,625.73 (2,498.94)
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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 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

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

Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 14, 2024

K. D. Sahni
Joint Managing Director
DIN: 00901216
Place: Faridabad
Date: June 14, 2024

M. B. Sahni
Managing Director
DIN: 00906251
Place: Faridabad
Date: June 14, 2024

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060
Place: Faridabad
Date: June 14, 2024

Adish Suri
Vice President -
Finance
Place: Faridabad
Date: June 14, 2024

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 51st Annual General Meeting of the company, to be held on the 30th day of August 2024, at 3:00 PM, at Hotel Delite Grand, A 5/B Neelam Bata Road, NIT Faridabad, Haryana – 121001 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, 2024 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, 2024 and the report of Auditors thereon.
2.	To Declare Dividend for the financial year ended 31 st March, 2024.
3.	To appoint a Director in place of Mr. Kanwal Deep Sahni (DIN: 00901216) who is retiring by rotation and is eligible to offer himself for reappointment.
4.	Ratification of the remuneration of cost auditors for F.Y. 2024-25.
5.	Ratification of the remuneration of cost auditors for F.Y. 2014-15.
6.	Ratification of the remuneration of cost auditors for F.Y. 2015-16.
7.	To approve the appointment of Mr. Mehul Gupta as Non-Executive Director.
8.	To approve entering into a contract / transaction for purchasing of an intangible asset for transaction value not exceeding Rs. 98.16 crores
9.	To approve the re-appointment of Mr. Mohan Bir Sahni (attained 70 years of age) as whole-time director and the terms and conditions of his appointment and remuneration thereof.
10.	To approve the re-appointment of Mr. Kanwal Deep Sahni as whole-time director and the terms and conditions of his appointment and remuneration thereof.
11.	To approve the re-appointment of Maj. Gen. Jatinder Singh Bedi (Retd.) as whole-time director and the terms and conditions of his appointment and remuneration thereof.
12.	To approve the payment of the remuneration of Mr. Mohan Bir Sahni (DIN 00906251), of the company for the period April 1, 2024 to March 31, 2025
13.	To approve the payment of the remuneration of Mr. Kanwal Deep Sahni (DIN 00901216), Whole-Time Director of the company for the period April 1, 2024 to March 31, 2025

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.

ATTENDANCE SLIP

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

I hereby record my presence at the 51st Annual General Meeting of Elofic Industries Limited on 30th day of August 2024, at 3:00 P.M. at Hotel Delite Grand, A 5/B Neelam Bata Road, NIT Faridabad, Haryana 121001.

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: _____

* Strike out whichever is not applicable.



Signature of the
Shareholder/Proxy/Representative*

VENUE LOCATION OF THE MEETING





