

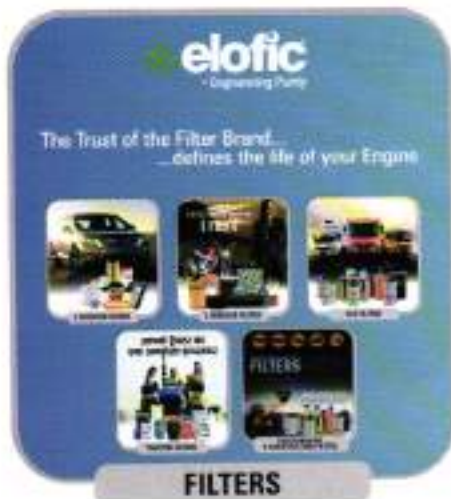


We continue to dream just like we did in 1951...



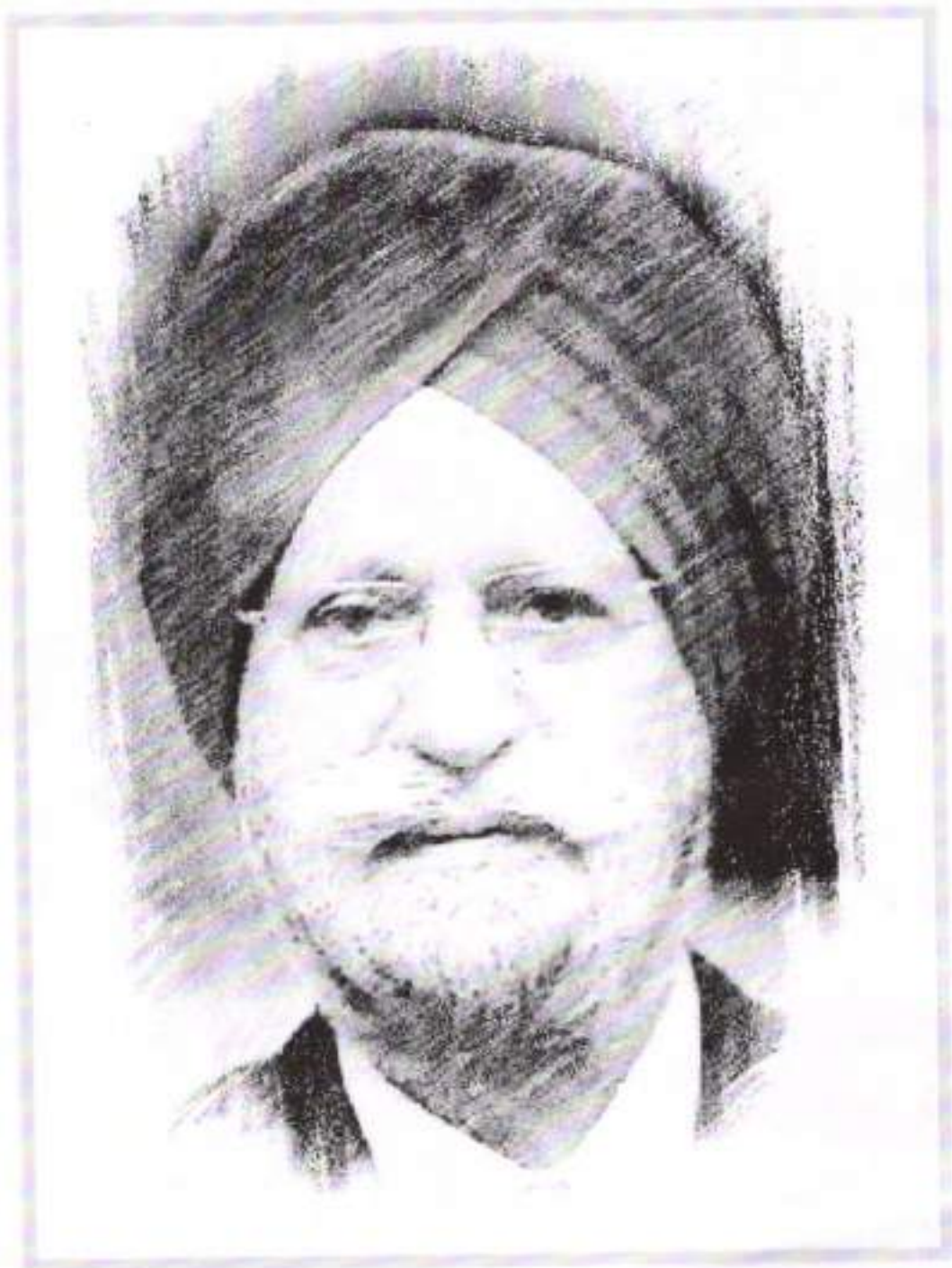
ANNUAL REPORT

2022-23



Highlights

- Six state of the art manufacturing units at Faridabad, Hosur, Noida, and Nalagarh with production capacity of over 110 million pcs per annum.
- Lean manufacturing with single piece flow and in-house production of child parts.
- In-house manufacturing of Air Purifiers and Clean Air Towers with virus protection.
- Maintained zero defects at customer end.
- In-house R&D Center approved by DSIR, Govt. of India.
- NABL Certified Lab.
- Holding 12 patents and another 10 are pending for approval.
- Most preferred OEM supplier.
- Network of 1,400 Distributors & 55,000 Dealers in India.
- Exporting worldwide to USA, Europe, Africa, South America, Japan, China, etc.
- Achieved Highest ever export turnover.
- Modern WMS based warehouses at Faridabad, Zirakpur, Nagpur, Lucknow, Ahmedabad and Hosur.
- Quality Award of the Year by Kawasaki Motors, USA.
- Zero PPM Supplier Award for the year 2022-23 from Tata Motors Ltd.
- Maruti Suzuki Excellence Dynamic Rating 100% for the last 3 Years.



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



50th Annual Report 2022-23**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

REGISTERED OFFICE

14/4, Mathura Road,
 Faridabad-121003
 Haryana

MANUFACTURING FACILITIES

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

WAREHOUSES

- | | | |
|-------------|-------------|-----------|
| • Ahmedabad | • Faridabad | • Lucknow |
| • Nagpur | • Zirakpur | • Hosur |

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 50th **Annual General Meeting** of the Members of **Elofic Industries Limited** will be held on 28th day of July, 2023, at Hotel Delite, 17-18, Neelam Bata Road, N.I.T, Faridabad - 121001 (Haryana) at 3:00 PM to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt;
 - (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2023, 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, 2023, and the report of Auditors thereon;
2. To Declare a Final Dividend of Rs. 3/- per equity share for the financial year ended March 31st, 2023
3. To appoint Director in place of Mr. Mohan Bir Sahni (DIN: 00906251) who is retiring by rotation and is eligible offer himself for reappointment.

SPECIAL BUSINESS

ORDINARY RESOLUTION

4. **Ratification of the remuneration of cost auditors**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the 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. 55000/- (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 ending March 31, 2024, 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.

SPECIAL RESOLUTION:

5. **Continuation of Mr. Mohan Bir Sahni (din: 00906251) as whole time director upon attaining age of seventy years.**

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

"RESOLVED THAT pursuant to section 196(3) read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members of the Company be and is hereby accorded for continuation of holding of office of Whole Time Director by Mr. Mohan Bir Sahni (DIN: 00906251) upon attaining the age of 70 (Seventy) years, on the existing terms and conditions duly approved in the Annual General Meeting through a Special Resolution passed on 25 September, 2019.

RESOLVED FURTHER THAT the Special Resolution approved and passed by the Members in the Annual General Meeting dated 25 September, 2019 with respect to the appointment of Mr. Mohan Bir Sahni, as Whole Time Director shall continue to remain in effect.

NOTICE OF THE ANNUAL GENERAL MEETING

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee of Directors) be and is hereby authorised to vary and/or revise the remuneration of Mr. Mohan Bir Sahni as Whole time Director within the overall limits under the Act subject to such other approval that may be necessary and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors to give effect to the aforesaid Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

6. To approve the increase in the remuneration of Maj. Gen. Jatinder Singh Bedi (Retd.), whole time director of the company (DIN: 08583060)

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197, and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, read with Part I and Section II of Part II of Schedule V (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be necessary in this regard and pursuant to recommendation of Nomination and remuneration committee, consent of the members of the Company be and is hereby accorded for increase in remuneration of Maj. Gen. Jatinder Singh Bedi (Retd.) Whole time director of the Company (DIN: 08583060), by maximum Rs. 30,000/- (INR Thirty Thousand) per month with effect from 01 April, 2023 to 30 September, 2024.

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

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

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

Date: June 17, 2023
Place: Faridabad

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at this annual general meeting may appoint a proxy to attend and vote on a poll on this behalf. A proxy need not be a member of the company. Proxies in order to be effective must be received at the registered office of the company, not less than forty-eight hours before the commencement of this annual general meeting.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten 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 10 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 authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
8. Attendance Slips and Proxy Form is attached to the Notice.

NOTICE OF THE ANNUAL GENERAL MEETING

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

Item No. 4

The Board on the recommendation of the Audit Committee has approved the appointment of Cost Auditor M/s Vandana Bansal & Associates to conduct the audit of cost records of the Company for the financial year ending on March 31, 2024, 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, consent of the members are sought for approval and ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2024.

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

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

Item No. 5

The Shareholders of the Company at the 46th Annual General Meeting held on 25 September, 2019 approved the reappointment of Mr. Mohan Bir Sahni (DIN: 00906251) as a Whole Time Director of the Company for a period of five years effective from 01 April, 2020 to 31 March, 2025 through a Special Resolution under the provisions of Sections 196, 197, 198, and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Articles of Association of the Company. Mr. Mohan Bir Sahni, Whole Time Director attained the age of 70 years and hence the Company seeks consent of the members by way of special resolution for continuation of his holding of existing office after the age of 70 years during the currency of his term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013. The Board therefore recommends the Special Resolutions for your approval.

Mr. Mohan Bir Sahni is a prominent and successful Industrialist with a wide and varied experience in the management of business and industry. Accordingly, looking at his expertise and long experience of business management, the Board of Directors recommends the Special resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members. The Board is of the view that the continued association of Mr. Mohan Bir Sahni would benefit the Company, given the knowledge, experience and performance of Mr. Mohan Bir Sahni and contribution to Board processes by him. In the opinion of the Board, Mr. Mohan Bir Sahni fulfils the conditions specified in the Act, the Rules thereunder for appointment as an Whole Time Director. This explanatory statement and the resolution at Item no. 5 may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. Except Mr. Mohan Bir Sahni, none of the other Directors of the Company or their relatives are concerned or interested, financially or otherwise in Resolution No. 5.

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

Item No. 6

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

NOTICE OF THE ANNUAL GENERAL MEETING

Considering his valuable experience and expertise and on the recommendation of Nomination and remuneration committee, the board of directors has approved the increase in existing remuneration of Maj. Gen. Jatinder Singh Bedi (Retd.) by maximum Rs. 30,000/- per month with effect from 01 April, 2023 to 30 September, 2024.

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

S. No.	Particulars	Details of Emoluments (Maj. Gen. Jatinder Singh Bedi (Retd.))
I.	Remuneration	Existing Rs. 2,75,000/- (Rupees Two Lacs seventy Five thousand only) per month. Maximum increase in remuneration by Rs. 30,000/- per month w.e.f. 01/04/2023. House Rent Allowance will be 40% of basic salary.
II.	Perquisites	
A.	Medical reimbursement	Medical expenses incurred for self and family will be subject to a ceiling of Rs. 15000/- per annum.
B.	Leave Travel Concession	The expenses incurred on leave travel concession (LTC) for self and his family shall be reimbursed once in a year as per the rules of the company.
C.	Club Fees	Fees for the club subject to a maximum of two clubs.
D.	Personal Accidental Insurance	Personal Accident/ Medical Insurance for an amount, the annual premium of which does not exceed Rs. 1,00,000/-
III.	Commission	0.25% of the net profit of relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	Other Items	1. Reimbursement of actual out of pocket expenses incurred in connection with the business of the Company. 2. Reimbursement of entertainment expenses incurred for the business of the Company.

None of the Directors of the Company and their relatives except Maj. Gen. Jatinder Singh Bedi (Retd.) are, in any way, concerned or interested, financial or otherwise, in the resolution set out in item no. 6.

The Board recommends the resolution set forth in item no. 6 for the approval of members.

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

Mohan Bir Sahni

Chairman

DIN- 00906251

22-B, Ashoka Avenue, Sainik Farms,
New Delhi-110062.

Date: June 17, 2022
Place: Faridabad

BOARD'S REPORT

Dear Esteemed Members,

On behalf of the Board of Directors of your Company, we share with you the 50th Annual Report along with the audited financial statements of your company for the financial year ending March 31, 2023.

1. FINANCIAL HIGHLIGHTS

The financial performance of the company for the financial year ended March 31, 2023, is summarised below:

PARTICULARS	YEAR ENDED MARCH 2023 (Rs. In lakhs)	YEAR ENDED MARCH 2022 (Rs. In lakhs)
Turnover	34693	32106
Other Income	774	473
Total Income	35467	32579
Profit Before Interest Depreciation & Tax	6599	6825
Finance Cost including Interest	34	25
Depreciation	980	879
Profit Before Tax***	5585	5921
*** (includes Profit from Elofic USA LLC)	259	206
Provision for Tax & Deferred Tax	1619	1715
Profit After Tax	3966	4206
Profit available for appropriation	3966	4206
General reserve	397	421
Dividend including Tax on Dividend	75	50
Profit Carried over to Balance Sheet	3494	3735
Earning per share (Rs.)	158.10	167.70

OPERATION / PERFORMANCE

During the year under review, the company's sales & other income Rs. 35467 lakhs, against Rs. 32579 lakhs of the previous year, showing an increase of 8.86%. The domestic sales for the year under review were Rs. 18460 lakhs against Rs. 16971 lakhs in the previous year, an increase of 8.77%. Export sales during the year under review achieved the highest-ever figure of Rs 15024 lakhs. These increased by Rs. 1138 lakhs over the previous year's sales of Rs. 13886 lakhs, an increase of 8.20%. The profit (before interest, depreciation, and tax) has decreased by Rs. 226 lakhs from the previous year. The Profit Before Tax (PBT) has decreased by Rs.336 lakhs, while Profit After Tax (PAT) has decreased by Rs. 240 lakhs from the previous year. The profit figure includes profits from Elofic USA, LLC the Company's wholly-owned subsidiary in the USA.

Awards & Recognition

- Quality Award of the Year by Kawasaki Motors, USA
- Zero PPM Supplier Award for FY 2022-23 from Tata Motors, Pune
- Maruti Suzuki Excellence Dynamic Rating 100% for the last 3 years

PRODUCTION

- Our productivity and process capabilities continue to improve. In-house rejection and wastage are reducing due to our improved production processes. We have added state-of-the-art new machines to our production lines, with the aim 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 have maintained a high level of on-time supplies to our customers and catered to their product demands in entirety. 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 29 New Products in the market for 2022-23
- Increased penetration in unrepresented geographies by appointing 60 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 showed a jump from Rs. 13886 lakhs to a record of Rs. 15024 lakhs in the FY 2022-23, which was significantly higher than what we achieved in the FY 2021-22. 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

Customer satisfaction continues to be a top priority for us. We are proud to report that our customer satisfaction scores have significantly increased by ensuring the highest standards of quality for our products and processes. This reflects our commitment to deliver exceptional products/services and providing outstanding customer support.

Additionally, we have upgraded our supplier partners to maintain ISO 9001:2015 Certification. This ensures that our supply chain remains aligned with our quality standards and enables us to receive quality parts on time, contributing to our 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.

In order to the convergence of advanced technologies, digitalization, and automation, your company has started Industry 4.0 project at its Faridabad plant.

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

An innate aspiration for innovation has allowed us to design and develop best-in-class products and practices. The continued focus on research and development (R&D) has resulted in the creation of innovative products and improvement in the quality and performance of the existing product line. Our research and development team has been exploring new avenues in the fields of ambient air and water purification. Besides filtration in battery electric vehicles, we are vigorously working to develop filters for hydrogen and air filtration in fuel cell electric vehicles.

Already a leader in automotive filtration, we have upgraded to meet the BS-VI norms. Further, we have now generated the capability and know-how for the in-house development of all types of automotive and industrial filters. Moreover, the appetite to keep innovating has led us to explore the filters that absorb carbon dioxide and effectively deactivate microbes in closed areas.

BOARD'S REPORT

High standards of laboratory management and standard testing protocols in our R&D (Research and Development). Laboratory has earned us the prestigious accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL).

With the attainment of two process patents in the last financial year our total patent count has risen to twelve with ten patents still in the process.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

DIVIDEND

Keeping in view the growth of your company, the Board of Directors of the Company is pleased to recommend a dividend of Rs. 3 per equity share of the face value of Rs. 10/- each on Equity Shares of the Company for the financial year 2022-23 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. 397 lakhs has been transferred to the general reserve out of profit earned during the year 2022-23.

BOARD OF DIRECTORS

A. Appointment/ Re-Appointment of Directors

During the financial year 2022-23, there is no change in the directorship of the company.

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 14, 2022. The Independent Directors at the meeting, inter alia, reviewed the following:-

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairperson of the Company.
- Assessed the quality, quantity, and timeliness of 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 Nine times in respect of which notices were given and proceedings were recorded and signed in the Minutes Book maintained for the purpose.

BOARD'S REPORT

Date of Board Meetings	Directors in attendance
May 04, 2022	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
June 10, 2022	Mohan Bir Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
June 14, 2022 (Meeting held at short notice)	Mohan Bir Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.), Prem Arora, Subodh Kumar Jain, Sangeeta Bajaj.
September 01, 2022	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
October 26, 2022	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
December 01, 2022	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
January 14, 2023	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
February 20, 2023	Mohan Bir Sahni, Kanwal Deep Sahni, Maj. Gen. Jatinder Singh Bedi (Retd.)
March 31, 2023	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	9	9
Kanwal Deep Sahni	7	9
Prem Arora	1	9
Sangeeta Bajaj	1	9
Subodh Kumar Jain	1	9
Maj. Gen. Jatinder Singh Bedi (Retd.)	9	9

AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditor; and note the processes employed by each and 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 14, 2022	Prem Arora, Subodh Kumar Jain
October 26, 2022	Prem Arora, Subodh Kumar Jain, Kanwal Deep Sahni
March 31, 2023	Prem Arora, Subodh Kumar Jain, Kanwal Deep Sahni

BOARD'S REPORT

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 14, 2022	Prem Arora, Subodh Kumar Jain, Mohan Bir Sahni
March 31, 2023	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 www.elofic.com

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, your Company has not given any loan or guarantee 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**

BOARD'S REPORT

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 2022-23.

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, 2023.

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 2022-23.

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 4,350 shares to IEPF, which got executed on August 31, 2022.

During the year under review, the company transferred an unpaid/unclaimed dividend of Rs. 1,64,250/- for the financial year 2014-15 to IEPF (Investor Education and Protection Fund).

The following amounts remained unpaid as on 31.03.2023 in the unpaid/ unclaimed dividend account of the company.

BOARD'S REPORT

S. No	Financial Year	Unpaid Dividend
1	2015-16	Rs. 1,85,850.00
2	2016-17	Rs. 2,12,250.00
3	2017-18	Rs. 2,00,700.00
4	2018-19	Rs. 1,98,150.00
5	2019-20	Rs. 96,550.00
6	2020-21	Rs. 1,00,858.00
7	2021-22	Rs. 1,33,674.00
Total Amount		Rs. 11,28,032.00

RISK MANAGEMENT POLICY

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

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

The Company is an equal employment opportunity employer and is committed to 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

BOARD'S REPORT

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 2023 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.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a) Research & Development (R&D)

1. Specified areas in which R&D has been carried out by the company.

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

2. Benefits derived as a result of the above R&D

- i. Standardization of products.
- ii. Reduction in waste and rework.
- iii. Reduction in processing time, thereby increasing productivity.
- iv. Improvement in process capability.
- v. Satisfaction/ delight of customers.
- vi. Entering into new segments of products.

3. Future plan of action

Besides venturing into hydrogen, ionic and water filtration we are now exploring the possibilities of in-house development of specialized filtration media.

Expenditure on R&D

Particulars	Current Year	Previous Year
Capital	Rs. 16,684	Rs. 7,00,600
Revenue	Rs. 2,85,10,229	Rs. 2,58,06,602
Total R & D expenditure	Rs. 2,85,26,913	Rs. 2,65,07,202
Percentage of total turnover	0.80%	0.81%

BOARD'S REPORT

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 have 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, OHSAS 18001-2007 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 had set up a wholly owned subsidiary in the State of Wisconsin, USA, to facilitate and promote the sales of industrial filters in the United States of America.

Particulars	Amount
Foreign Exchange earned (FOB value)	Rs. 1393.40 million (Previous Year Rs. 1234.06 million)
Foreign Exchange outgo	Rs. 258.39 million (Previous Year Rs. 336.75 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 14, 2022 and March 31, 2023, wherein all the members were present.

Pursuant to clause (c) 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 twice on June 14, 2022 and March 31, 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, 2022 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 so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review.
- 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 THERE OF

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 17, 2023

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/	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:
	arrangement/				
	transactions				
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 17, 2023
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, 2023

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, 2023

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 Company	Name of Director (if such employee is relative of any Director)
1	Mohan Bir Sahni	Managing Director	1,44,42,610	Whole Time Director	Graduate	Apr-06	71	NA	28.44	Brother of Mr. Karwal Deep Sahni
2	Karwal Deep Sahni	Joint Managing Director	1,44,42,610	Whole Time Director	B.Sc. (Hons)	Apr-06	65	NA	29.95	Brother of Mr. Mohan Bir Sahni
3	Waj. Gen. Jyotiinder Singh Bedi (Retd.)	Whole time Director	46,77,103	HR & Admin	PG-Strategic Studies, Masters in Management Sciences & Distinguished in Artillery Technology and Automation	Nov-18	64	Indian Army	Nil	-
4	Jamail Singh	Vice President	39,50,073	Operations	LIR	May-96	55	NA	0.011	-
5	Kamlesh Kaul	Vice President	39,41,640	R&D	B.E. (MECH)	Jul-12	43	Wahle Filters Systems Ltd.	Nil	-
6	Adish Suri	Vice President	36,54,200	Finance & Accounts	MBA (FINANCE), Cost & Management Accountant	Jan-12	62	Ashu Equipments Ltd.	Nil	-
7	Ajay Seth	Vice President	36,00,027	Sale & Marketing - Exports	PGDM - Marketing & International Business	Jul-98	58	Mokul Overseas Pvt. Ltd.	Nil	-
8	Ajay Mandharyani	AGM- Quality	32,06,519	Quality	B.TECH	Apr-17	44	Winda Corporation	Nil	-
9	Ranjveer Sahni	Plant Head	29,74,452	Operations	BBA	Sep-15	43	Bubblegum	0.05	Nephew of Mr. M.B. Sahni & Mr. K.D. Sahni
10	Saheli Sahni	Sr. Manager- Projects	25,65,557	Production and Planning	Graduate	Jan-11	38	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. 6,50,000/- 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 17, 2023

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	01-04-2022 TO 31-03-2023
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	5288015
7.	Total Liabilities	3800016
8.	Investments	1487999
9.	Turnover	11514960
10.	Profit before taxation	321623
11.	Provision for taxation	
12.	Profit after taxation	321623
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 17, 2023
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

Annual Report on CSR Activities

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

Sl. 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: 39,21,49,730
 - Two percent of the average net profit of the Company as per Sub-section (5) of Section 135: 78,42,995
 - 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)]: 78,42,995
- Amount spent on CSR projects (both ongoing project and other than Ongoing projects): 78,47,627
 - Amount spent in administrative overheads: 0
 - Amount spent on Impact assessment, if applicable: 0
 - Total amount spent for the financial year [(a) + (b) + (c)]: 78,47,627
 - CSR Amount spent or unspent for the financial year: 78,47,627

Annexure – IV

Total amount spent for the financial year (In Rs.) 78,47,627	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 sub section (5) of section 135		
	Amount	Date of Transfer	Name of the fund	Amount	Date of transfer
			PRIME MINISTER NATIONAL RELIEF FUND	1,97,627	11/11/2022
			PRIME MINISTER NATIONAL RELIEF FUND	20,00,000	12/12/2022
			PRIME MINISTER NATIONAL RELIEF FUND	20,00,000	06/01/2023
			PRIME MINISTER NATIONAL RELIEF FUND	20,00,000	07/02/2023
			PRIME MINISTER NATIONAL RELIEF FUND	13,00,000	23/03/2023
			YES	1,50,000	02/12/2022
			B.BHAGWAN SINGH (ELOFIC) CHARITABLE TRUST	2,00,000	02/12/2022

(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 17, 2023
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, 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 here in 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 2023**

[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 IN**

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, 2023 (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 Depositories Act, 1996 and the regulation and Bye-laws framed there under;
3. 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;
4. The management has confirmed that there are no industry specific laws 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, subject to the following observations and we report that:

Composition of Board and its committees: 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. Further, there was no change in the composition of Board of Directors and its committees during the period under review.

- Adequate notice is given to all Directors to schedule the Board Meetings. Except where consent of the Directors 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.
- 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.

Annexure – VI

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

Suchitta Koley
FCS – 1647, CP – 714
UDIN: F001647E000490498

Place: New Delhi
Date: June 16, 2023

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, 2023 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.

Suchitta Koley
FCS – 1647, CP – 714

For **DR Associates**
Company Secretaries

Place: New Delhi
Date: June 16, 2023

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, 2023, 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, 2023, 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

INDEPENDENT AUDITOR'S REPORT

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

In preparing the standalone financial statements, 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 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.

INDEPENDENT AUDITOR'S REPORT

- 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.

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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, in our opinion and to the best of our information and according to the explanations given to us:

INDEPENDENT AUDITOR'S REPORT

- I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 28 (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 28 (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 28 (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 44 (g) to the standalone financial statements.
- (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 44 (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. 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, is not applicable.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 23096985BGXFZJ4991

Place: Gurugram

Date: June 17, 2023

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, 2023)

- (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 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 favour 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) In our opinion and 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 2023	HDFC Bank and HSBC Bank	Trade receivables	5,934.26	5,865.81	68.45	Immaterial difference
March 2023	HDFC Bank and HSBC Bank	Stock	4,397.38	4,393.12	4.26	Immaterial difference

Annexure A to the Independent Auditor's Report

- (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	28.14
Balance outstanding as at balance sheet date in respect of above cases - Employees	6.74

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 and the terms and conditions of grant of all loans are not, prima facie, prejudicial to the Company's interest.
- (c) According to the information and explanations given to us, in respect of loans, the loan given is 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

- (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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (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.
- (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.

Annexure A to the Independent Auditor's 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, 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 45-1A 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)© of the Order are not applicable.
- (d) The Group does not have any CIC which are part of the Group.
- (xvii) The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (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. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

Annexure A to the Independent Auditor's Report

- (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: 23096985BGXFZJ4991

Place: Gurugram

Date: June 17, 2023

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, 2023)

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, 2023 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 control criteria with reference to financial statements 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, 2023, based on 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.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 23096985BGXFZJ4991

Place: Gurugram

Date: June 17, 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I Equity and liabilities			
Shareholders' funds			
(a) Share capital	3	250.84	250.84
(b) Reserves and surplus	4	22,170.64	18,280.88
		<u>22,421.48</u>	<u>18,531.72</u>
Non-current liabilities			
(a) Long term borrowings	5	-	-
(b) Deferred tax liabilities (Net)	6	31.47	9.83
(c) Long term provisions	7	0.26	0.67
		<u>31.73</u>	<u>10.50</u>
Current liabilities			
(a) Short term borrowings	8	-	9.60
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises		521.77	10.56
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,604.56	3,741.38
(c) Other current liabilities	10	514.25	595.85
(d) Short term provisions	7	307.51	316.97
		<u>3,948.09</u>	<u>4,674.36</u>
		<u>26,401.30</u>	<u>23,216.58</u>
II Assets			
Non-current assets			
(a) Property, plant and equipment and intangible assets			
(i) Property, plant and equipment	11	5,646.17	4,825.48
(ii) Intangible assets	11	17.33	24.44
(iii) Capital work-in-progress	11	563.29	1,062.66
(iv) Intangible assets under development	11	136.35	59.41
(b) Non-current investments	12	991.59	780.72
(c) Long-term loans and advances	13	278.64	222.68
(d) Other non-current assets	14	1,100.89	88.97
		<u>8,734.26</u>	<u>7,064.36</u>
Current assets			
(a) Current investments	12	20.00	20.00
(b) Inventories	15	4,397.38	4,637.90
(c) Trade receivables	16	5,934.26	5,681.52
(d) Cash and bank balances	17	5,217.39	3,401.58
(e) Short-term loans and advances	13	1,648.23	1,908.55
(f) Other current assets	14	449.78	502.67
		<u>17,667.04</u>	<u>16,152.22</u>
		<u>26,401.30</u>	<u>23,216.58</u>

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 17, 2023

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 17, 2023

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

Director

DIN: 08583060

Place: Faridabad

Date: June 17, 2023

M. B. Sahni

Managing Director

DIN: 00906251

Place: Faridabad

Date: June 17, 2023

Adish Suri

Vice President -

Finance

Place: Faridabad

Date: June 17, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from operations	18	34,692.74	32,106.27
II Other income	19	773.52	472.84
III Total Income (I + II)		<u>35,466.26</u>	<u>32,579.11</u>
IV Expenses			
(a) Cost of materials consumed	20	17,123.80	14,984.05
(b) Purchases of stock-in-trade	21	204.87	175.37
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(321.57)	(295.93)
(d) Employee benefits expense	23	4,740.64	4,261.52
(e) Finance costs	24	34.11	25.00
(f) Depreciation and amortization expense	11	980.11	879.36
(g) Other expenses	26	7,378.43	6,834.32
Total expenses		<u>30,140.39</u>	<u>26,863.69</u>
V Profit before tax (III - IV)		5,325.87	5,715.42
VI Share of profit from Elofic USA LLC	12	258.53	205.65
VII Profit before tax (V + VI)		5,584.40	5,921.07
VIII Tax expense			
(a) Current tax		1,597.09	1,724.80
(b) Deferred tax		21.64	(10.18)
Net tax expense		<u>1,618.73</u>	<u>1,714.62</u>
IX Profit after tax for the year (VII-VIII)		3,965.67	4,206.45
XI Earnings per equity share (Face value of Rs. 10 per share)			
(a) Basic	27	158.10	167.70
(b) Diluted	27	158.10	167.70

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

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

Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 17, 2023

K. D. Sahni
Joint Managing Director
DIN: 00901216
Place: Faridabad
Date: June 17, 2023

M. B. Sahni
Managing Director
DIN: 00906251
Place: Faridabad
Date: June 17, 2023

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060
Place: Faridabad
Date: June 17, 2023

Adish Suri
Vice President -
Finance
Place: Faridabad
Date: June 17, 2023

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(Amount in 'Rupees Lakhs' unless otherwise stated)		
	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Net profit before tax		5,325.87	5,715.42
Adjustment for			
Depreciation and amortization expense		980.11	879.36
Finance costs		34.11	25.00
Interest income		(176.51)	(93.63)
(Profit)/ loss on sale of property, plant and equipment		0.82	(2.85)
Income of deferred government grant		(0.65)	(0.80)
Sundry balances written back		(4.36)	(52.04)
Net (gain) / Loss on foreign currency transactions and translation		(47.47)	(93.08)
Balances written off		2.52	24.22
Operating profit before working capital changes		6,114.44	6,401.60
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		240.52	(784.56)
Trade receivables		(211.42)	(813.15)
Long-term loans and advances		0.59	0.99
Short-term loans and advances		260.32	(1,066.51)
Other assets		49.16	(129.82)
Adjustments for increase / (decrease) in operating liabilities:			
Long term provisions		(0.41)	(0.34)
Trade payables		(617.72)	81.33
Other current liabilities		(82.75)	1.52
Short term provisions		18.10	10.84
Cash generated from operations		5,770.83	3,701.90
Income taxes paid (Net)		(1,632.42)	(1,714.39)
Net cash generated from / (used) in operating activities (A)		4,138.41	1,987.51
Cash flow from investing activities			
Purchase of property, plant and equipment/ intangible assets including capital work-in-progress		(1,425.31)	(2,075.29)
Proceeds from sale of property, plant and equipment		4.79	5.52
Increase in non trade long term investments		47.66	39.80
Bank balances net considered as cash and cash equivalents (net)		(2,485.06)	(63.49)
Interest received		156.77	93.71
Net cash generated from / (used) in investing activities (B)		(3,701.15)	(1,999.75)
Cash flow from financing activities			
Repayment of long-term borrowings			(9.60)
Repayment of short-term borrowings		(9.60)	(8.13)
Interest paid		(33.30)	(26.05)
Dividend paid		(75.25)	(50.17)
Net cash generated from / (used) in financing activities (C)		(118.15)	(93.95)
Net increase(decrease) in cash and cash equivalents	17	319.11	(106.19)
Cash and cash equivalents at the beginning of the year		172.07	274.13
Effect of exchange differences on balances with banks in foreign currency		0.09	4.13
Cash and cash equivalents at the end of the year		491.27	172.07
Cash and cash equivalents at the end of the year comprises			
Cash on hand		0.25	1.37
Balance with banks in current accounts		491.02	170.90
		491.27	172.07

Note:

- Investment in Elofic USA, LLC as increased by profit added during the year for Rs. 258.53 (March 31, 2022 : Rs. 205.65) is not considered in cash flows, as it does not have any impact on movement of cash/cash equivalents.
- The Company has an EEFC account which has a balance of USD 2.92 (March 31, 2022: USD 0.61) equivalent to Rs. 240.25 (March 31, 2022: Rs. 46.04)

For S.N. Dhaswan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

Place: Gurugram

Date: June 17, 2023

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 17, 2023

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

Director

DIN: 08583060

Place: Faridabad

Date: June 17, 2023

M. B. Sahni

Managing Director

DIN: 00906251

Place: Faridabad

Date: June 17, 2023

Adish Suri

Vice President -

Finance

Place: Faridabad

Date: June 17, 2023

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 except for a change in the method of valuation of inventories, the impact of which has been disclosed in Note 43 to the standalone financial statements.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Other long term benefits

Till the previous year the holding company treats some of the accumulated leave of workers as long-term employee benefit for measurement purposes. Long term compensated absences are provided for on the basis of 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

2.18 Earnings per share (EPS)

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

- Basic 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

2.20 Impairment of assets

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

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

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

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

Authorized

Equity shares of Rs. 10 each

As at March 31, 2023		As at March 31, 2022	
No's	Amount	No's	Amount
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

Balance of shares at the beginning of the year

Add: Addition during the year

Balance of shares at the end of the year

As at March 31, 2023		As at March 31, 2022	
No. of shares	Amount	No. of shares	Amount
2,508,370	250.84	2,508,370	250.84
-	-	-	-
2,508,370	250.84	2,508,370	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, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	7,13,535	28.45	7,13,435	28.44
Kanwal Deep Sahni	7,51,385	29.96	7,51,285	29.95
Satinder Sahni	1,72,800	6.89	1,72,800	6.89
Sahib Sahni	1,59,600	6.36	1,59,600	6.36
Karam Sahni	1,59,600	6.36	1,59,600	6.36
Mahinder 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, 2023		As at March 31, 2022		
		No. of shares	% of holding	No. of shares	% of holding	% of change
1	Mohan Bir Sahni	7,13,535	28.45	7,13,435	28.44	0.00
2	Kanwal Deep Sahni	7,51,385	29.96	7,51,285	29.95	0.00

There is change in the promoters shareholding during the year.

e. Proposed dividend

For the year ended March 31, 2023, the Board of Directors has proposed dividend of Rs. 3 (March 31, 2022: Rs. 3) for distribution to shareholders.

4 Reserves and surplus

Securities premium account

Deferred Government Grant

Balance at the beginning of the year

Less: Utilized during the year (See note 19)

Balance at the end of the year

General reserve

Balance at the beginning of the year

Add: Addition during the year

Balance at the end of the year

Surplus in the Statement of Profit and Loss

Balance at the beginning of the year

- Profit for the year

Less: Appropriations during the year

- Transfer to general reserve

- Dividends distributed to equity shareholders (Rs. 3 per share) (Previous year Rs. 2 per share)

Balance at the end of the year

Total reserves and surplus

	As at March 31, 2023	As at March 31, 2022
Securities premium account	64.78	64.78
Deferred Government Grant		
Balance at the beginning of the year	3.45	4.25
Less: Utilized during the year (See note 19)	0.65	0.80
Balance at the end of the year	2.80	3.45
General reserve		
Balance at the beginning of the year	1,718.54	1,297.89
Add: Addition during the year	396.57	420.65
Balance at the end of the year	2,115.11	1,718.54
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	16,494.10	12,758.48
- Profit for the year	3,965.67	4,206.45
Less: Appropriations during the year		
- Transfer to general reserve	396.57	420.65
- Dividends distributed to equity shareholders (Rs. 3 per share) (Previous year Rs. 2 per share)	75.25	50.17
Balance at the end of the year	19,987.95	16,494.10
Total reserves and surplus	22,170.64	18,280.88

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

5 Long-term borrowings

	Non-current		Current maturities	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Term loan from banks (Secured)				
Vehicle loan (Refer sub-note 'a' below)	-	-	-	9.60
	-	-	-	9.60
Less: Amount disclosed under "Short-term borrowings" (Refer Note 8)	-	-	-	9.60
	-	-	-	-

Note:

Term and securities

Vehicle loans are secured against hypothecation of respective vehicles and carries 8.5% to 10% (Reducing) rate of interest p.a. Borrowings is repayable in 36 to 60 installments as per the term of repayments.

During the year, the Company has repaid all borrowings and there are no outstanding borrowings as at March 31, 2023.

The Company has used the borrowings for the purpose it has obtained. During the current year, no additional borrowings have been made by the Company.

The charges which are yet to be satisfied with Registrar of Companies (ROC) as at March 31, 2023 are as follows:

Brief description of charge	Location of ROC	Amount	Date of creation	Reason for delay in registration
Book debts	New Delhi	1,966.93	14.07.1999	See note below
Immovable properties	New Delhi	1,966.93	16.05.2008	
Immovable properties	New Delhi	300.00	14.03.1997	

Note:

The Company has not received the requisite documents from the banks for the satisfaction of charge. The Company is in the process of obtaining the requisite documents and will update the same on receipt of the documents.

6 Deferred tax liabilities (Net)

	As at	As at
	March 31, 2023	March 31, 2022
Deferred tax liabilities		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting.	133.62	103.88
	-	-
Total A	133.62	103.88
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.	95.99	89.57
Provision for doubtful debts/advances.	6.09	6.09
Others	0.07	(1.61)
Total B	102.15	94.05
Deferred tax liability (Net) (A-B)	31.47	9.83
Amount charge to / (credit in) Statement of Profit and Loss	21.64	(10.18)

7 Provisions

	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Provision for employee benefits				
Gratuity (Refer note 34)	-	-	5.07	-
Compensated absence (Refer sub-note 'f' below)	-	-	142.13	129.94
Other provisions				
Lease equalization reserve	0.26	0.67	1.27	0.43
Provision for income tax	-	-	159.04	186.60
(Net of advance tax of Rs.1,452.93 (March 31, 2022 : Rs. 1,541.60))				
	0.26	0.67	307.51	316.97

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

8 Short-term borrowings

(Amount in 'Rupees Lakhs' unless otherwise stated)

As at
March 31, 2023

As at
March 31, 2022

Current maturities of long-term borrowings (Refer note 5)	-	9.60
	-	9.60

The above amount includes

Secured borrowings	-	9.60
Unsecured borrowings	-	-

Notes:

a. Cash Credit facility from HDFC Bank is secured primarily by hypothecation of stock and book debts under first pari passu charge and collaterally secured by pari passu charge on factory land and building located at 14/4, Mathura Road, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating at MCLR+0.85% (March 31, 2022: MCLR + .85%)

b. The Company has used the borrowings for the purpose for which obtained. During the current year, no additional borrowings have been made by the Company.

9 Trade payables

As at
March 31, 2023

As at
March 31, 2022

a. Trade payables

Total outstanding dues of micro enterprises and small enterprises (Refer Note i below)	521.77	10.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,604.56	3,741.38
	3,126.33	3,751.94

Trade payables ageing schedule

As at March 31, 2023

	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 Enterprises 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 Enterprises Development (MSME)	-	-	-	-	-	-
Disputed dues - Trade payables other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
	819.06	2,277.00	2.07	1.63	26.57	3,126.33

Trade payables ageing schedule

As at March 31, 2022

	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 Enterprises Development (MSME)	-	10.56	-	-	-	10.56
Trade payables other than Micro Enterprises and Small Enterprises	919.83	2,779.46	5.42	4.13	32.54	3,741.38
Disputed dues - Micro, Small and Medium Enterprises Development (MSME)	-	-	-	-	-	-
Disputed dues - Trade payables other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
	919.83	2,790.02	5.42	4.13	32.54	3,751.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in Rupees Lakhs' unless otherwise stated)

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:

	As at March 31, 2023	As at March 31, 2022
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal	521.77	10.56
- interest due thereon	1.32	0.45
(ii) Payments made to suppliers beyond the appointed day during the year:		
- Principal amount	10.56	250.97
- interest	0.45	1.37
(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	0.45
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

10 Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	-	0.06
Interest accrued on trade payables	1.32	0.45
Deposits from dealers (Refer sub-note below)	316.66	293.71
Unpaid dividends	11.28	11.73
Statutory dues payable	106.46	126.36
Advances from customers	10.43	95.78
Payables on purchase of property, plant and equipment	68.10	67.76
	514.25	595.85

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)

11 Property, plant and equipment and intangible assets

Particulars	Gross block			Depreciation and amortization			Net block	
	As at April 1, 2022	Additions during the year	Deletions/ adjustments during the year	As at March 31, 2023	As at April 1, 2022	Depreciation/ amortization expense for the year	As at March 31, 2023	As at March 31, 2022
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)	2.88 (2.71)	0.16 (0.17)	4.71 (4.87)	4.87 (5.04)
Building- Factory	1,289.82 (1,183.63)	29.59 (106.19)	-	1,319.41 (1,289.82)	838.19 (793.84)	43.75 (42.35)	437.47 (451.63)	451.63 (387.79)
Building - Administrative	136.68 (136.68)	-	-	136.68 (136.68)	60.89 (57.06)	3.65 (3.83)	72.14 (75.79)	75.79 (79.62)
Plant and equipment	11,751.53 (10,959.63)	1,638.42 (808.36)	63.58 (16.46)	13,326.37 (11,751.53)	7,876.62 (7,131.35)	843.25 (759.43)	4,664.86 (3,874.91)	3,874.91 (3,828.28)
Furniture and fixtures	215.28 (209.74)	12.37 (5.54)	0.79	228.86 (215.28)	175.89 (163.65)	15.52 (12.24)	36.20 (39.39)	39.39 (46.09)
Vehicles	434.30 (418.46)	36.58 (23.22)	-	470.88 (434.30)	349.06 (328.93)	28.77 (27.14)	93.05 (85.24)	85.24 (69.53)
Office equipment	168.76 (163.60)	16.24 (5.16)	1.81	183.19 (168.76)	152.67 (146.43)	8.46 (6.24)	23.72 (16.09)	16.09 (17.17)
Electrical installation	193.69 (192.19)	48.91 (1.50)	-	242.60 (193.69)	168.10 (162.14)	15.43 (5.96)	59.07 (25.59)	25.59 (30.05)
Computers	225.09 (208.87)	16.09 (16.22)	2.03	243.15 (225.09)	199.72 (188.34)	12.91 (11.38)	28.35 (25.37)	25.37 (20.53)
Total tangible asset	14,649.50 (13,707.15)	1,798.20 (966.19)	68.21 (23.84)	16,379.49 (14,649.50)	9,824.02 (8,976.45)	971.90 (868.74)	5,646.17 (4,825.48)	4,825.48 (4,730.79)
B. Intangible assets								
Computer software	161.65 (151.99)	1.10 (9.66)	-	162.75 (161.65)	137.21 (126.59)	8.21 (10.62)	17.33 (24.44)	24.44 (25.40)
Total intangible asset	161.65 (151.99)	1.10 (9.66)	-	162.75 (161.65)	137.21 (126.59)	8.21 (10.62)	17.33 (24.44)	24.44 (25.40)

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. 0.16 (March 31, 2022 : Rs. 7.01) included in plant and machinery.
- During the current financial year and in the previous financial year there is no revocation 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, 2023	As at March 31, 2022
Electrical installation	140.81	137.63
Building: Factory	88.85	72.32
Plant and equipment	333.63	852.71
Total	563.29	1,062.66

Notes

i. 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

Capital work-in-progress ageing schedule as at March 31, 2022

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	1,062.66	-	-	-	1,062.66

D. Intangible assets under development

Particulars	As at March 31, 2023	As at March 31, 2022
Computer software	136.35	59.41
	136.35	59.41

Notes

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

i. Intangible assets under development ageing schedule as at March 31, 2022

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	59.41	-	-	-	59.41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

12 Investments

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

Investments in partnership firm (limited liability company)

Investments in capital of Wholly Owned

Subsidiary

Opening balance

Add: Profit during the year

Less: Drawings during the year

Closing balance

(B)

Current investments (At lower of cost or market value)

Investment in mutual funds

(A)

Total investments

(A + B)

Aggregate amount of quoted investments

Aggregate amount of quoted investments - Market Value

Aggregate amount of unquoted investments

Aggregate amount of unquoted investments - Market Value

Aggregate provision for diminution in value of investment

Other details relating to investment in partnership firms

Name of firm

Names of partners in the firm

Total capital (including share of profit)

Share of each partner in the profits of the firm

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current investments				
Investments in partnership firm (limited liability company)				
Investments in capital of Wholly Owned				
Subsidiary				
Opening balance	780.72	614.87	-	-
Add: Profit during the year	258.53	205.65	-	-
Less: Drawings during the year	47.66	39.80	-	-
Closing balance	991.59	780.72	-	-
Current investments (At lower of cost or market value)				
Investment in mutual funds	-	-	20.00	20.00
	-	-	20.00	20.00
Total investments	991.59	780.72	20.00	20.00
Aggregate amount of quoted investments	-	-	-	-
Aggregate amount of quoted investments - Market Value	-	-	-	-
Aggregate amount of unquoted investments	991.59	780.72	20.00	20.00
Aggregate amount of unquoted investments - Market Value	-	-	22.03	20.89
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)	991.59			
Share of each partner in the profits of the firm	100%			
13 Loans and advances				
(Unsecured, considered good, unless otherwise stated)				
Capital advances	138.57	89.79	-	-
Advances to suppliers	-	-	-	-
Unsecured - considered good	-	-	84.22	160.91
Unsecured - considered doubtful	-	-	4.57	4.57
Less: Provision for doubtful advances	-	-	88.79	165.48
	-	-	4.57	4.57
Advances recoverable in cash or in kind	-	-	-	-
Unsecured - considered good	-	-	6.49	14.39
Unsecured - considered doubtful	-	-	7.77	7.77
Less: Provision for doubtful advances	-	-	14.26	22.16
	-	-	7.77	7.77
	-	-	6.49	14.39
Advance income tax (Net of provision of Rs. 5,704.71) (March 31, 2022: Rs. 3,976.31)	112.76	104.99	-	-
Prepaid expenses	0.01	0.60	42.70	38.24
Gratuity fund recoverable (net) (Refer note 34)	-	-	-	5.42
Loans to employees	-	-	6.74	6.99
Balances with government authorities	-	-	-	-
Unsecured - considered good	27.30	27.30	1,508.08	1,682.60
Unsecured - considered doubtful	6.71	6.71	-	-
	34.01	34.01	1,508.08	1,682.60
Less: Provision for doubtful balances	6.71	6.71	-	-
	27.30	27.30	1,508.08	1,682.60
	278.64	222.68	1,648.23	1,908.55

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

14 Other assets

(Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current bank balances	988.88	0.43	-	-
Interest accrued	-	-	-	-
- on fixed deposits with banks	19.79	0.05	109.40	18.10
- on investment /others	-	-	0.18	0.18
Export incentive recoverable	-	-	326.53	470.68
Security deposits	92.22	88.49	3.59	4.24
Insurance claim recoverable	-	-	10.08	9.47
	1,100.89	88.97	449.78	502.67

15 Inventories

(At lower of cost and net realizable value)

	As at March 31, 2023	As at March 31, 2022
Raw materials	2,456.45	3,052.38
Raw materials - Goods-in-transit	-	37.28
	2,456.45	3,089.66
Work in progress	677.51	1.27
Finished goods	1,121.07	1,377.18
Finished goods - Goods-in-transit	-	105.76
	1,121.07	1,482.94
Stock-in-trade (acquired for trading)	34.43	27.23
Stores and spares	68.57	16.92
Packing materials	39.35	19.88
	4,397.38	4,637.90

Note:

During the current year, the Company has changed its inventory valuation method from First-In-First-Out (FIFO) to Weighted Average. Refer Note 43.

16 Trade receivables

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

	As at March 31, 2023	As at March 31, 2022
Secured, considered good	3.06	0.90
Unsecured, considered good	66.81	83.73
Unsecured, considered doubtful	16.33	16.33
	86.20	100.96
Less: Allowance for doubtful receivables	16.33	16.33
	69.89	84.63
Other trade receivables	-	-
Secured, considered good	139.12	112.35
Unsecured, considered good	5,725.25	5,484.54
	5,864.37	5,596.89
	5,934.26	5,681.52

Trade receivables ageing schedule

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	5,914.02	5.86	-	-	30.71	5,950.59
(ii) Undisputed trade receivables - considered doubtful	-	-	-	-	16.33	16.33
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-
	5,914.02	5.86	-	-	14.38	5,934.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

As at March 31, 2022

(i) Undisputed trade receivables - considered good	5,595.20	9.72	28.08	21.92	42.93	5,697.85
(ii) Undisputed trade receivables - considered doubtful	-	-	-	-	16.33	16.33
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-
	5,595.20	9.72	28.08	21.92	26.60	5,681.52

17 Cash and bank balances

Cash and cash equivalents

Balances with banks
in current accounts
Cash on hand

As at March 31, 2023	As at March 31, 2022
491.02	170.90
0.25	1.17
491.27	172.07

Other bank balances

Unpaid dividend accounts
Deposit having original maturity more than 3 months (see note below)

11.28	11.73
4,714.84	3,217.78
4,726.12	3,229.51
5,217.39	3,401.58
491.27	172.07

Of the above, the balances that meet the definition of cash and cash equivalents as per Accounting Standard 3, 'Cash Flow Statements' is

491.27	172.07
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a) Out of total fixed deposits, Rs. 4.86 (March 31, 2022: Rs. 4.14) are pledged as security for margin money with the banks.

b) The Company has an EEFC account which has a balance of USD 2.92 (March 31, 2022: USD 0.61) equivalent to Rs. 240.25 (March 31, 2022: Rs. 46.04).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

18 Revenue from operations

i. Sale of products

- a. Finished goods (Refer sub-note 'a' below)
- b. Traded goods (Refer sub-note 'b' below)

Year ended March 31, 2023	Year ended March 31, 2022
33,225.03	30,597.94
259.15	258.62
33,484.18	30,856.56

ii. Other operating revenues

- a. Export incentives
- b. Sale of scrap
- c. Others

390.14	606.11
785.15	617.83
33.27	25.77
1,208.56	1,249.71
34,692.74	32,106.27

Notes:

a. Sale of products comprises:

Manufactured goods

- Filter and lubes

33,225.03	30,597.94
33,225.03	30,597.94

b. Traded goods

- Coolants

259.15	258.62
259.15	258.62

19 Other income

Interest income

- From banks on deposits
- On electricity deposits
- Others

176.29	93.63
0.22	-
55.95	10.01
232.46	103.64

Net gain on foreign currency transactions and translation

294.16

Other non-operating income

- Sundry balances written back
- Profit on sale of property, plant and equipment
- Income of deferred government grant (Refer Sub-note 'a' below)
- Miscellaneous income

4.36	52.04
-	2.85
0.65	0.80
20.15	19.35
25.16	74.04

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 Nalagori Plant. Out of this Rs. 0.65 (March 31, 2022: Rs. 0.80) is being recognized as income in the Statement of Profit and Loss and Rs. 2.80 (March 31, 2022: Rs. 3.45) is considered as deferred Government grant under 'Reserves and Surplus' in note 4 of standalone financial statements.

20 Cost of raw materials consumed

- Inventory at the beginning of the year
- Add: Purchases during the year

3,089.66	2,610.22
16,490.59	15,463.49
19,580.25	18,073.71

Less: Inventory at the end of the year

2,456.45	3,089.66
17,123.80	14,984.05

Cost of materials consumed

Note:

Details of raw materials consumed

- Filter paper
- Iron sheet
- Rubber item
- Packaging
- Plastic
- Others

2,152.12	1,531.53
5,508.36	4,819.21
1,453.31	1,118.30
1,719.18	1,365.82
962.50	995.07
5,328.33	5,154.12
17,123.80	14,984.05

21 Purchases of stock-in-trade (traded goods)

- Coolants

204.87	175.37
204.87	175.37

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

22 Increase/(decrease) in inventories

Inventories at the beginning of the year

- Finished goods (including in transit)	1,482.94	1,176.25
- Work in progress	1.27	-
- Traded goods	27.23	39.26
	1,511.44	1,215.51

Inventories at the end of the year

- Finished goods	1,121.07	1,482.94
- Work in progress	677.51	1.27
- Traded goods	34.43	27.23
	1,833.01	1,511.44

	321.57	295.93
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Note:

The inventory comprises:

Finished goods

Filters and lubes	1,121.07	1,482.94
	1,121.07	1,482.94

Traded goods

Coolants	34.43	27.23
	34.43	27.23

23 Employee benefits expense

Salaries, wages and bonus	4,326.88	3,869.57
Contribution to provident and other funds	281.77	282.14
Gratuity expense (Refer Note 34)	65.49	65.87
Staff welfare expenses	66.50	43.94
	4,740.64	4,261.52

24 Finance costs

Interest expense:		
- On term loans	0.24	1.65
- On cash credits/other facilities	-	0.04
- On security deposits from dealers	16.44	17.03
- On others	1.58	0.82
Interest on delayed payment of advance taxes	14.88	3.60
Other borrowing costs	0.97	1.86
	34.11	25.00

25 Depreciation and amortization expense

Depreciation and amortization for the year on tangible assets as per Note 11 A	971.90	868.74
Amortization for the year on intangible assets as per Note 11 B	8.21	10.62
	980.11	879.36

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
26 Other expenses		
Consumption of stores and spare parts	221.13	198.58
Consumption of packing materials	612.40	543.71
Jobwork charges	1,242.45	1,071.52
Power and fuel	854.10	737.23
Rent including lease rentals	246.21	202.09
Repairs and maintenance		
- Buildings	86.41	32.77
- Plant and machinery	504.34	339.69
- Others	152.17	109.29
Insurance	69.17	66.22
Fees and taxes	6.42	39.49
Legal and professional	66.28	62.20
Travelling and conveyance	131.15	42.26
Freight outward	620.88	560.59
Shipping and forwarding	1,069.13	1,601.81
License fees	176.60	166.84
Postage and courier	21.04	11.66
Printing and stationery	15.47	13.96
Communication expenses	14.30	13.10
Sales promotion	326.75	251.21
Payment to auditors (Refer note 'a' below)	9.35	9.33
Research and development expenses (Refer note 'b' below)	285.10	258.07
Cash discount	338.19	341.90
Bank charges	12.24	11.04
CSR expenses (Refer note 38)	136.50	45.80
Warranty expenses	10.25	5.05
Conventions and exhibitions	26.93	-
Loss on sale of property, plant and equipment	0.82	-
Balances written off	2.52	24.22
Miscellaneous expenses	120.13	74.67
	7,378.43	6,834.32
Notes		
a. Payment to auditors		
As auditors:		
For audit	7.50	7.50
For tax audit	1.50	1.50
For certification	0.15	0.15
Reimbursement of expenses	0.20	0.18
	9.35	9.33
b. Research and development expenditure		
Revenue expenditure		
Salaries	254.16	218.90
Repairs and maintenance	24.80	33.01
Consumables and samples	1.63	1.52
Travelling	0.90	0.44
Miscellaneous	3.61	4.20
	285.10	258.07
Capital expenditure		
Plant and machinery	0.16	7.01
Office equipment	-	-
	0.16	7.01
27 Earnings per share		
Profit for the year	3,965.67	4,206.45
Weighted average number of equity shares	2,508,370	2,508,370
Par value per share	10	10
Basic earnings per share	158.10	167.70
Diluted earnings per share	158.10	167.70

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

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

a. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for: tangible assets (net of advance of Rs. 135.57 (March 31, 2022: Rs. 89.79))

As at
March 31, 2023

As at
March 31, 2022

376.05

290.92

b. Contingent Liabilities

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

Excise duty

14.43

14.43

14.43

14.43

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

Amount paid under protest

Excise duty

2.50

2.50

2.50

2.50

ii. Letter of credit and bank guarantee

Bank guarantee (Margin money: Rs. 4.86 (March 31, 2022: Rs. 4.14))

48.64

41.45

48.64

41.45

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

29. Details of derivative instruments and unhedged foreign currency exposures

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

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
Receivables	Rupees	4,111.64	3,823.18
	USD	50.01	50.43
	Rupees	287.87	489.43
	EURO	3.21	5.78
	Rupees	36.16	12.74
	GBP	0.35	0.13
Payables	Rupees	175.91	221.30
	USD	2.14	2.92
	Rupees	23.76	148.83
	EURO	0.27	1.76

The Company has no open derivative positions as at March 31, 2023 and as at March 31, 2022.

30. Value of imports calculated on CIF basis

Raw materials
Other materials

As at

March 31, 2023

As at

March 31, 2022

1,625.02

1,965.97

245.65

148.26

1,873.67

2,114.23

Capital goods

697.05

1,251.17

697.05

1,251.17

31. Expenditure in foreign currency

Bank charges
Travelling expenses

2.36

2.30

10.83

13.19

13.19

2.10

32. Details of consumption of imported and indigenous items

	Year ended March 31, 2023		Year ended March 31, 2022	
	Value	%	Value	%
Raw materials				
Imported	2,023.18	11.82	1,827.94	12.20
Indigenous	15,100.62	88.18	13,156.11	87.80
	17,123.80	100.00	14,984.05	100.00
Trading goods				
Imported	-	-	-	-
Indigenous	204.87	100.00	175.37	100.00
	204.87	100.00	175.37	100.00
Packing materials				
Imported	-	-	-	-
Indigenous	612.40	100.00	543.71	100.00
	612.40	100.00	543.71	100.00
Stores and spares				
Imported	-	-	-	-
Indigenous	221.13	100.00	198.58	100.00
	221.13	100.00	198.58	100.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
33 Earnings in foreign currency		
Export of goods calculated on FOB basis	13,875.48	12,328.12
Service charges	2.53	2.49
Interest income	55.95	10.01
	13,933.96	12,340.62

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

The Company makes contribution towards Provident Fund (PF), Employee State Insurance (ESI) and Labour Welfare Fund as defined contribution retirement plan for the qualifying employees. The provident fund plans, operated by the Regional Provident Fund Commissioner and the Company contributes 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, 2023	Year ended March 31, 2022
Provident Fund	225.01	222.95
Employee State Insurance	51.86	54.27
Labour Welfare Fund	4.90	4.92
	281.77	282.14

(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 recognised 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 (respective) 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, 2023	Year ended March 31, 2022
Current service cost	50.51	51.94
Post service cost	-	-
Interest cost on benefit obligation	37.61	34.98
Expected return on plan assets	(39.32)	(38.69)
Actuarial gain/loss recognized in the year	16.69	17.64
Net expense/ (benefit)	65.49	65.87

Actual contribution and benefit payments for the year

Actual benefit payments	60.29	57.35
Actual contributions	55.00	20.00

Net asset / (liability) recognized in the Balance Sheet

Present value of defined benefit obligation	550.62	518.60
Fair value of plan assets	545.55	524.22
Funded status (Surplus / (Deficit))	(5.07)	5.42
Unrecognized past service costs	-	-
Net asset / (liability) recognized in the Balance Sheet	(5.07)	5.42

	Year ended March 31, 2023	Year ended March 31, 2022
Change in defined benefit obligations (DBO) during the year		
Defined benefit obligation at the beginning of the year	518.80	482.44
Interest cost	37.61	34.98
Current service cost	50.51	51.94
Benefits paid	(60.29)	(57.35)
Actuarial gain/loss on obligation	3.99	6.79
Defined benefit obligation at the end of the year	550.62	518.80
Change in fair value of assets during the year		
Fair value of plan assets at beginning of the year	524.22	533.73
Expected return on plan assets	39.32	38.69
Contribution by employer	55.00	20.00
Benefits paid	(60.29)	(57.35)
Actuarial gain/loss on plan assets	(12.70)	(10.63)
Fair value of plan assets at end of the year	545.55	524.22
Actual return on plan assets	7.50%	7.25%
Composition of the plan assets is as follows:		
Elic Industries Limited Employee Gratuity Fund Trust	100%	100%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Reconciliation of fair value of assets and obligations

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	(550.62)	(516.80)	(482.44)
Fair value of plan assets	545.55	524.22	533.73
Net assets/(liability) recognised in the Balance Sheet	(5.07)	5.42	51.28

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	(494.77)	(383.49)
Fair value of plan assets	494.49	356.50
Net assets/(liability) recognised in the Balance Sheet	(0.28)	(26.99)

Actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
	Gratuity (funded)	Gratuity (funded)
Discount rate (per annum)	7.50%	7.25%
Future increase in compensation	5.00%	5.00%
Actual return on plan assets	7.50%	7.25%
In service mortality	IAIM 2012-14	IAIM 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. 142.13 (March 31, 2022 : Rs. 129.94) is outstanding as at March 31, 2023. Estimated contribution for next year is Rs. 60.99.

35 Segment information

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

	India	Outside India	Total
Revenue from external customers by location of customers			
Sale of products	18,459.23 (16,970.23)	15,024.95 (13,886.33)	33,484.18 (30,856.56)
Other operating revenues	466.11 (365.58)	742.45 (884.15)	1,208.56 (1,249.71)
Other income	241.95 (216.15)	299.11 (153.05)	541.06 (369.20)
Total revenue	19,167.29 (17,551.94)	16,066.51 (14,923.53)	35,233.80 (32,475.47)
Segment result	1,918.22 (2,454.70)	3,209.30 (3,182.08)	5,127.52 (5,636.78)
Unallocable expenses (net)			34.11 (25.00)
Operating income			5,093.41 (5,611.78)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

35 Segment information

	India	Outside India	Total
Other income (net)			232.46
			(103.64)
Profit before tax			5,325.87
			(5,715.42)
Share of profit from Elofic USA LLC			258.53
			(205.65)
Profit before tax			5,584.40
			(5,921.07)
Tax expense			1,018.73
			(1,714.62)
Profit after tax for the year			3,965.67
			(4,206.45)
Segment assets	20,841.28	4,435.67	25,276.95
	(17,985.52)	(4,325.35)	(22,310.87)
Unallocated assets			1,124.35
			(905.71)
Total assets			26,401.30
			(23,216.58)
Segment liabilities	3,577.04	199.67	3,776.71
	(4,096.46)	(370.13)	(4,466.59)
Unallocated liabilities			203.11
			(218.27)
Total liabilities			3,979.82
			(4,684.86)
Depreciation and amortization expense (see note 'e' below)	540.32	439.79	980.11
	(483.62)	(395.74)	(879.36)
Cost to acquire tangible and intangible fixed assets	2,498.94	-	2,498.94
	(2,097.92)	(-)	(2,097.92)
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.

36 Details of leasing arrangements

As Lessee

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

	Year ended March 31, 2023	Year ended March 31, 2022
Rent including lease rentals	246.21	202.09
	246.21	202.09
Future minimum lease payments		
Not later than one year	45.19	10.58
Later than one year and not later than five years	54.92	18.84
	100.11	29.42

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

37 Related party transactions

a. Details of related parties

Description of relationship	Names of related parties
i. Subsidiary	Elofic USA, LLC
ii. Associates/ Enterprise over which key managerial person has significant influence	Elofic Industries (India) (Partnership Firm) Mettler Auto Private Limited Jasma 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) Ms. Asheen Sahni (Daughter of Mr. M.B.Sahni) Mr. Soheb Sahni (Son of Mr. M.B. Sahni)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in Rupees Lakhs unless otherwise stated)

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

S. No.	Particulars	Wholly owned subsidiary	Associate/ Enterprise over which key managerial person has significant influence				Key Management Personnel				Relatives of Key Management Personnel				Total
		Elolic USA, LLC	Elolic Industries (India) Ltd	Mentor Auto (P) Ltd	YESS Charitable Trust	B. Bhagwan Singh Elolic Charitable Trust	Others	M B Sohni	K D Sohni	J.S. Bedi	Beta Sohni	Sahab Sohni	Karim Sohni	Ashoon Sohni	
Transactions during the year															
1	Sale of goods	7,074.11 (8,023.41)	-	-	-	-	-	-	-	-	-	-	-	-	7,074.11 (8,023.41)
2	Short paid	-	170.33 (164.78)	0.31 (0.31)	-	-	0.26 (0.26)	-	-	-	2.13 (6.26)	-	-	-	182.80 (171.84)
3	License fees	-	176.60 (166.84)	-	-	-	-	-	-	-	-	-	-	-	176.60 (166.84)
4	Interest received	55.95 (50.01)	-	-	-	-	-	-	-	-	-	-	-	-	55.95 (50.01)
5	Remuneration paid	-	-	-	-	-	-	144.44 (119.70)	548.64 (43.68)	46.77 (13.83)	-	25.88 (13.83)	25.32 (13.83)	-	386.03 (273.53)
6	Service charges	2.63 (2.48)	-	-	-	-	-	-	-	-	-	-	-	-	2.63 (2.48)
7	Expenses recovered	306.11 (288.18)	-	-	-	-	-	-	-	-	-	-	-	-	306.11 (288.18)
8	Donation given	-	-	-	1.50 (0.90)	2.08 (0.25)	-	-	-	-	-	-	-	-	3.58 (1.15)
9	Club fees	-	-	-	-	-	-	0.27 (0.22)	1.08 (0.65)	-	-	-	-	-	1.35 (0.87)
10	Consultancy	-	-	11.42 (10.48)	-	-	-	-	-	-	-	-	-	-	11.42 (10.48)
Balances outstanding at year end															
1	Trade receivables	3,089.55 (3,027.55)	-	-	-	-	-	-	-	-	-	-	-	-	3,089.55 (3,027.55)
2	Trade payables	-	304.85 (193.54)	-	-	-	-	4.94 (2.57)	2.08 (1.26)	-	-	1.45 (0.79)	1.45 (0.79)	-	319.89 (200.74)

Notes:

- a. Figures in brackets pertain to previous year.
 b. All transactions with the related parties and made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances of the year-end are concerned 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 incurred during the current year in respect of bad or doubtful debts/doubts and further no specific provision for doubtful debts/doubts has been made in respect of outstanding balances.
 c. Remuneration does not include expense in respect of goods as the same is determined on an incurred basis for the Company as a whole.

38 CSR expenditure

(Amount in 'Rupees Lakhs' unless otherwise stated)

(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. 78.43 (March 31, 2022: Rs. 58.02).

(b)

Purpose for which expenditure incurred	Remarks	Amount spent	Amount to be spent
Year ended March 31, 2023			78.43
Construction/acquisition of any asset			
On purposes other than above:	(i) YES5 Charitable Trust #	1.50	
	(ii) B.Bhogwan Singh Elofic Charitable Trust #	2.00	
	(iii) Prime Minister's National Relief Fund	133.00	
	Total	136.50	
Year ended March 31, 2022			58.02
Construction/acquisition of any asset			
On purposes other than above:	(i) YES5 Charitable Trust #	1.50	
	(ii) B.Bhogwan Singh Elofic Charitable Trust #	6.25	
	(iii) Prime Minister's National Relief Fund	38.05	
	Total	45.80	

Yes5 Charitable Trust and B.Bhogwan Singh Elofic Charitable Trust are related parties as per Accounting Standard (AS) 18.

	Year ended March 31, 2023
Gross obligation	
Unspent obligation till April 1, 2022	58.02
Gross amount required to be spent by the Company during the year	78.43
	136.45
Amount spent during the year	
For previous year restricted upto the obligation of the previous year	58.02
For current year	78.43
	136.50
Unspent obligation / (excess spent) as at March 31, 2023	(0.05)

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

Financial year	Capital expenses	Revenue expenses
2009-10	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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

40 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-2022	HDFC Bank Ltd. and HSBC	Debtors	5,278.41	5,278.41	-
Apr-2022	HDFC Bank Ltd. and HSBC	Stock	4,918.94	4,918.94	-
May-2022	HDFC Bank Ltd. and HSBC	Debtors	5,789.18	5,789.18	-
May-2022	HDFC Bank Ltd. and HSBC	Stock	4,989.66	4,989.66	-
June-2022	HDFC Bank Ltd.	Debtors	6,485.43	6,485.43	-
June-2022	HDFC Bank Ltd.	Stock	4,711.22	4,711.22	-
July-2022	HDFC Bank Ltd.	Debtors	5,915.21	5,915.21	-
July-2022	HDFC Bank Ltd.	Stock	5,079.38	5,079.38	-
August-2022	HDFC Bank Ltd.	Debtors	5,405.14	5,405.14	-
August-2022	HDFC Bank Ltd.	Stock	5,382.31	5,382.31	-
September-2022	HDFC Bank Ltd.	Debtors	5,703.07	5,703.07	-
September-2022	HDFC Bank Ltd.	Stock	5,323.32	5,323.32	-
October-2022	HDFC Bank Ltd.	Debtors	5,604.25	5,604.25	-
October-2022	HDFC Bank Ltd.	Stock	5,111.51	5,111.51	-
November-2022	HDFC Bank Ltd.	Debtors	5,199.44	5,199.44	-
November-2022	HDFC Bank Ltd.	Stock	5,128.02	5,128.02	-
December-2022	HDFC Bank Ltd.	Debtors	6,000.58	6,000.58	-
December-2022	HDFC Bank Ltd.	Stock	4,999.50	4,999.50	-
January-2023	HDFC Bank Ltd.	Debtors	6,090.16	6,090.16	-
January-2023	HDFC Bank Ltd.	Stock	4,654.29	4,654.29	-
February-2023	HDFC Bank Ltd.	Debtors	6,382.72	6,382.72	-
February-2023	HDFC Bank Ltd.	Stock	4,672.65	4,672.65	-
March-2023*	HDFC Bank Ltd.	Debtors	5,865.81	5,934.26	68.45
March-2023**	HDFC Bank Ltd.	Stock	4,393.12	4,397.38	4.26

Reasons for material discrepancies in the month of March 31, 2023

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, 2023, where differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements as follows; the differences were in case of trade receivables amounting to Rs. 68.45 (amount reported Rs. 5,865.81 vs amount as per books of account Rs. 5,934.26) and inventories had a difference of Rs. 4.26 lakhs (amount reported Rs. 4,393.12 vs amount as per books of account Rs. 4,397.38). The difference is mainly due to actualisation of provisions for expenses, goods in transit and cut-off adjustments at the year end.

41 Disclosure of financial ratios

Particulars	Numerator	Denominator	As at 31 March 2023	As at 31 March 2022	Variance %
a. Current ratio	Current assets	Current liabilities	4.47	3.46	29.19%
b. Debt equity ratio	Total debt	Equity shareholder's fund	-	0.001	-100.00%
c. Debt service coverage ratio	Net operating income	Total debt service	3,254.83	477.65	581.43%
d. Return on equity ratio	Net income	Equity shareholder's fund	0.18	0.23	-21.74%
e. Inventory turnover ratio	Cost of goods sold	Average inventories	5.03	4.68	7.48%
f. Trade receivables turnover ratio	Net sales	Average trade receivables	5.77	5.88	-1.87%
g. Trade payables turnover ratio	Net purchases	Average trade payables	4.85	4.18	16.03%
h. Net capital turnover ratio	Net sales	Working capital	2.44	2.69	-9.29%
i. Net profit ratio	Net profit	Net sales	0.12	0.14	-14.29%
j. Return on capital employed	Earning before interest and tax	Capital employed	0.25	0.32	-21.88%
k. Return on investment	Earning on investments	Average investments	34.70%	30.04%	-15.51%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Working of the ratios Basis of ratios	Year ended 31 March 2023 Rs. Lakhs	Ratio	Year ended 31 March 2022 Rs. Lakhs	Ratio
a. Current ratio				
Current assets	17,667.04	4.47	16,152.22	3.46
Current liability	3,948.09		4,674.36	
b. Debt equity ratio				
Total debt (Long term debt + Short term debt + Capital lease obligation)	1.53		10.70	0.001
Equity shareholder's fund (Share capital + Reserves and surplus)	22,421.48		18,531.72	
c. Debt service coverage ratio				
Net operating income (PAT + Dep. + Int.)	4,979.89	3,254.83	5,110.81	477.65
Total debt service (Long term debt + Short term debt + Capital lease obligation)	1.53		10.70	
d. Return on equity ratio				
Net operating income (PAT)	3,965.67	0.18	4,206.45	0.23
Equity shareholder's fund (Share capital + Reserves and surplus)	22,421.48		18,531.72	
e. Inventory turnover ratio				
Cost of goods sold (Total sales - Gross profit)	22,740.86	5.03	19,851.90	4.68
Average inventory = (Opening stock + Closing stock) / 2	4,517.64		4,245.62	
f. Trade receivables turnover ratio				
Net sales (Total sales - Sales return)	33,484.18	5.77	30,856.56	5.88
Average trade receivables = (Opening debtors + Closing debtors) / 2	5,807.89		5,248.21	
g. Trade payables turnover ratio				
Total purchases (Net of purchase return)	16,695.46	4.85	15,638.86	4.18
Average trade payables = (Opening creditors + Closing creditors) / 2	3,439.14		3,742.93	
h. Net capital turnover ratio				
Net sales (Total sales - Sales return)	33,484.18	2.44	30,856.56	2.69
Working capital = Current assets - Current liabilities	13,718.95		11,477.86	
i. Net profit ratio				
Net profit	3,965.67	0.12	4,206.45	0.14
Net sales (Total sales - Sales return)	33,484.18		30,856.56	
j. Return on capital employed				
Earnings before interest and tax	5,618.51	0.25	5,946.07	0.32
Capital employed = Total assets - Current liabilities	22,453.21		18,542.22	
k. Return on investment		34.70%		30.04%
Closing investments	1,011.59		800.72	
Opening investments	800.72		634.87	
Average investments	906.16		717.80	
Earnings on investments	314.48		215.66	

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.

42 Events occurring after balance sheet date

(a) Dividend paid and proposed Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(i) Declared and paid during the year Final dividend for the year 2021-22: Rs 3.00 per share (2020-21: Rs 2.00 per share)	75.25	50.17
(ii) Proposed for approval at the Annual General Meeting (not recognized as a liability) Final dividend for the year 2022-23: Rs 3.00 per share (2021-22: Rs 3.00 per share)	75.25	75.25
(a) There are no other matters after the balance sheet date which are required to be disclosed in the financial statements.		

43 During the current year, the Company has changed its inventory valuation method from First-In-First-Out (FIFO) to Weighted Average. As a result of this change, the value of inventories have increased by Rs. 18.29, the cost of goods sold have decreased by Rs. 18.29, and the profit before tax has also increased by Rs. 18.29.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

44. 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, 2023.
- 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.

45 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 17, 2023

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 17, 2023

M. B. Sahni
Managing Director
DIN: 00906251
Place: Faridabad
Date: June 17, 2023

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060
Place: Faridabad
Date: June 17, 2023

Adish Suri
Vice President - Finance
Place: Faridabad
Date: June 17, 2023

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, 2023, 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, 2023, of the consolidated profit and its consolidated cash flows for the year ended on that date

Basis for Opinion

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

Management's Responsibility for the Consolidated Financial Statements

reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 4,347.64 lakhs as at March 31, 2023, total revenues (after eliminating intra-group transactions) of Rs. 9,256.07 lakhs and net cash outflows amounting to Rs. 82.39 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

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(xii) 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, 2023 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, 2023 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 28 (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 28 (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 28 (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. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable for the Holding Company and its subsidiary company incorporated in India only with effect from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, is not applicable.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN: 23096985BGXFZK2124

Place: Gurugram

Date: June 17, 2023

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, 2023)

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, 2023, 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to 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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

As per the information provided to us, reporting on internal financial controls over financial reporting was not applicable for one subsidiary, as it is a foreign entity. The financial statements of this subsidiary have 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: 23096985BGXFZK2124

Place: Gurugram

Date: June 17, 2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
I Equity and liabilities			
Shareholders' funds			
(a) Share capital	3	250.84	250.84
(b) Reserves and surplus	4	20,670.13	16,905.30
		20,920.97	17,156.14
Non-current liabilities			
(a) Long term borrowings	5	-	-
(b) Deferred tax liabilities (Net)	6	31.47	9.83
(c) Long term provisions	7	0.26	0.67
		31.73	10.50
Current liabilities			
(a) Short term borrowings	8	-	9.60
(b) Trade payables	9		
(i) Total outstanding dues of micro enterprises and small enterprises		521.77	10.56
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,639.27	3,841.54
(c) Other current liabilities	10	514.25	595.85
(d) Short term provisions	7	307.51	316.97
		3,982.80	4,774.52
		24,935.50	21,941.16
II Assets			
Non-current assets			
(a) Property, plant and equipment and intangible assets			
(i) Property, plant and equipment	11	5,646.17	4,825.48
(ii) Intangible assets	11	17.33	24.44
(iii) Capital work-in-progress	11	563.29	1,062.66
(iv) Intangible assets under development	11	136.35	59.41
(c) Long-term loans and advances	13	278.64	222.68
(d) Other non-current assets	14	1,100.89	88.97
		7,742.67	6,283.64
Current assets			
(a) Current investments	12	20.00	20.00
(b) Inventories	15	5,677.30	5,910.93
(c) Trade receivables	16	4,170.70	3,811.71
(d) Cash and bank balances	17	5,221.85	3,488.43
(e) Short-term loans and advances	13	1,653.20	1,923.78
(f) Other current assets	14	449.78	502.67
		17,192.83	15,657.52
		24,935.50	21,941.16

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/h500045

Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 17, 2023

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 17, 2023

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

Place: Faridabad
Date: June 17, 2023

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 17, 2023

Adish Suri
Vice President - Finance

Place: Faridabad
Date: June 17, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I Revenue from operations	18	35,972.17	33,001.54
II Other income	19	201.67	168.67
III Total Income (I + II)		36,173.84	33,170.21
IV Expenses			
(a) Cost of materials consumed	20	17,123.80	14,984.05
(b) Purchases of stock-in-trade	21	583.26	581.98
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(328.46)	(335.47)
(d) Employee benefits expense	23	4,740.64	4,261.52
(e) Finance costs	24	34.11	25.00
(f) Depreciation and amortization expense	11	980.11	879.36
(g) Other expenses	26	7,665.29	7,106.68
Total expenses		30,798.75	27,503.12
V Profit before tax (III - IV)		5,375.09	5,667.09
VI Tax expense			
(a) Current tax		1,597.09	1,724.80
(b) Deferred tax		21.64	(10.18)
Net tax expense		1,618.73	1,714.62
VII Profit after tax for the year (V-VI)		3,756.36	3,952.47
VIII Earnings per equity share (Face value of Rs. 10 per share)			
(a) Basic	27	149.75	157.57
(b) Diluted	27	149.75	157.57

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 17, 2023

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 17, 2023

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 17, 2023

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

Place: Faridabad
Date: June 17, 2023

Adish Suri
Vice President - Finance

Place: Faridabad
Date: June 17, 2023

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities			
Net profit before tax		5,375.09	5,667.09
Adjustment for			
Depreciation and amortization expense		980.11	879.36
Finance costs		34.11	25.00
Interest income		(176.51)	(93.63)
(Profit)/ loss on sale of property, plant and equipment		0.82	(2.85)
Income of deferred government grant		(0.65)	(0.80)
Sundry balances written back		(4.36)	(52.04)
Net (gain) / Loss on foreign currency transactions and translation		(47.47)	(93.08)
Balances written off		5.12	26.43
Operating profit before working capital changes		6,166.26	6,355.48
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		442.15	(735.63)
Trade receivables		(226.48)	(704.10)
Long-term loans and advances		0.59	0.99
Short-term loans and advances		270.92	(1,080.14)
Other assets		49.16	(129.82)
Adjustments for increase / (decrease) in operating liabilities:			
Long term provisions		(0.41)	(0.34)
Trade payables		(899.44)	(24.61)
Other current liabilities		(82.75)	1.52
Short term provisions		18.10	10.84
Cash generated from operations		5,736.10	3,694.19
Income taxes paid (Net)		(1,632.42)	(1,714.39)
Net cash generated from / (used) in operating activities (A)		4,103.68	1,979.80
Cash flow from investing activities			
Purchase of property, plant and equipment/ intangible assets including capital work-in-progress		(1,425.31)	(2,075.29)
Proceeds from sale of property, plant and equipment		4.79	5.52
Bank balances not considered as cash and cash equivalents (net)		(2,485.06)	(63.49)
Interest received		156.77	93.71
Net cash generated from / (used) in investing activities (B)		(3,748.81)	(2,039.55)
Cash flow from financing activities			
Repayment of long-term borrowings			(9.60)
Repayment of short-term borrowings		(9.60)	(8.13)
Interest paid		(33.30)	(26.05)
Dividend paid		(75.25)	(50.17)
Net cash generated from / (used) in financing activities (C)		(118.15)	(93.95)
Net increase/(decrease) in cash and cash equivalents	17	236.72	(153.70)
Cash and cash equivalents at the beginning of the year		258.92	408.49
Effect of exchange differences on balances with banks in foreign currency		0.09	4.13
Cash and cash equivalents at the end of the year		495.73	258.92
Cash and cash equivalents at the end of the year comprises			
Cash on hand		0.25	1.17
Balance with banks in current accounts		495.48	257.75
		495.73	258.92

Note:

The Company has an EEFC account which has a balance of USD 2.92 (March 31, 2022: USD 0.61) equivalent to Rs. 240.25 (March 31, 2022: Rs. 46.04)

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/H500045

Bhaskar Sen

Partner

Membership No.: 096985

Place: Gurugram

Date: June 17, 2023

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 17, 2023

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

Director

DIN: 08583060

Place: Faridabad

Date: June 17, 2023

M. B. Sahni

Managing Director

DIN: 00906251

Place: Faridabad

Date: June 17, 2023

Adish Suri

Vice President -

Finance

Place: Faridabad

Date: June 17, 2023

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

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

2. Significant accounting policies

2.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply 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 except for a change in the method of valuation of inventories, the impact of which has been disclosed in Note 37 to the consolidated financial statements.

2.2 Basis of consolidation

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

Details of entities considered in consolidated financial statements

Name of enterprises	Country of incorporation	% of voting power held as at March 31, 2023
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, 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 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

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 extraordinary 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, 2023		As at March 31, 2022	
	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

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Balance of shares at the beginning of the year	2,508,370	250.84	2,508,370	250.84
Add: Addition 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 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, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	713,535	28.45	713,435	28.44
Kamwal Deep Sahni	751,385	29.96	751,285	29.95
Satinder Sahni	172,800	6.89	172,800	6.89
Saheb Sahni	159,600	6.36	159,600	6.36
Karam Sahni	159,600	6.36	159,600	6.36
Mahinder 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, 2023		As at March 31, 2022		% of change
		No. of shares	% of holding	No. of shares	% of Holding	
1	Mohan Bir Sahni	713,535	28.45	713,435	28.44	0.00
2	Kamwal Deep Sahni	751,385	29.96	751,285	29.95	0.00

There is a change in the promoters shareholding during the year.

e. Proposed dividend

For the year ended March 31, 2023, the Board of Directors has proposed dividend of Rs. 3 (March 31, 2022: Rs. 3) for distribution to shareholders.

4 Reserves and surplus

	As at March 31, 2023	As at March 31, 2022
Securities premium account	64.78	64.78
Deferred Government Grant		
Balance at the beginning of the year	3.45	4.25
Less: Utilized during the year (See Note 19)	0.65	0.80
Balance at the end of the year	2.80	3.45
Foreign Currency Transaction Reserve		
Balance at the beginning of the year	147.42	120.79
Add: Addition during the year	84.38	26.63
Balance at the end of the year	231.80	147.42
General reserve		
Balance at the beginning of the year	1,693.14	1,297.89
Add: Addition during the year	375.64	395.25
Balance at the end of the year	2,068.78	1,693.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Surplus in the Statement of Profit and Loss

Balance at the beginning of the year	14,996.50	11,489.46
- Profit for the year	3,756.36	3,952.47
Less: Appropriations during the year		
- Transfer to general reserve	375.64	395.25
- Dividends distributed to equity shareholders (Rs. 3 per share) (Previous year Rs. 2 per share)	75.25	50.17
Balance at the end of the year	18,301.97	14,996.50
Total reserves and surplus	20,670.13	16,905.30

5 Long-term borrowings

	Non-current As at March 31, 2023	March 31, 2022	Current maturities As at March 31, 2023	March 31, 2022
Term loan from banks (Secured)				
Vehicle loan (Refer sub-note 'a' below)	-	-	-	9.60
	-	-	-	9.60
Less: Amount disclosed under "Short-term borrowings" (Refer Note 8)	-	-	-	9.60
	-	-	-	-

Note:

Term and securities

Vehicle loans are secured against hypothecation of respective vehicles and carries 8.5% to 10% (Reducing) rate of interest p.a. Borrowings is repayable in 36 to 60 installments as per the term of repayments.

During the year, the Group has repaid all borrowings and there are no outstanding borrowings as at March 31, 2023.

The Group has used the borrowings for the purpose it has obtained. During the current year, no additional borrowings have been made by the Group.

The charges which are yet to be satisfied with Registrar of Companies (ROC) as at March 31, 2023 are as follows:

Brief description of charge	Location of ROC	Amount	Date of creation	Reason for delay in registration
Book debts	New Delhi	1,966.93	14.07.1999	See note below
Immovable properties	New Delhi	1,966.93	16.05.2008	
Immovable properties	New Delhi	300.00	14.03.1997	

Note:

The Group has not received the requisite documents from the banks for the satisfaction of charge. The Group is in the process of obtaining the requisite documents and will update the same on receipt of the documents.

6 Deferred tax liabilities (Net)

	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	133.62	103.88
Total A	133.62	103.88
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	95.99	89.57
Provision for doubtful debts/advances	6.09	6.09
Others	0.02	(1.61)
Total B	102.15	94.05
Deferred tax liability (Net) (A-B)	31.47	9.83
Amount charge to / (credit in) Statement of Profit and Loss	21.64	(10.18)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
7 Provisions				
Provision for employee benefits				
Gratuity (Refer note 29)	-	-	5.07	-
Compensated absence (Refer sub-note Y below)	-	-	142.13	129.94
Other provisions				
Leave equalization reserve	0.26	0.67	1.27	0.43
Provision for income tax	-	-	159.04	186.60
(Net of advance tax of Rs.1,452.93 (March 31, 2022 : Rs. 1,541.80))				
	0.26	0.67	307.51	316.97

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.

8 Short-term borrowings

	As at March 31, 2023	As at March 31, 2022
Current maturities of long-term borrowings (Refer note 5)	-	9.60
	-	9.60
The above amount includes		
Secured borrowings	-	9.60
Unsecured borrowings	-	-

Notes:

- a. Cash Credit facility from HDFC Bank is secured primarily by hypothecation of stock and book debts under first passu charge and collaterally secured by first passu charge on factory land and building located at 14/4, Mathura Road, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating at MCLR + 0.85% (March 31, 2022: MCLR + .85%)
- b. The Group has used the borrowings for the purpose it has obtained. During the current year, no additional borrowings have been made by the Group.

9 Trade payables

	As at March 31, 2023	As at March 31, 2022
a. Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer Note i below)	521.77	10.56
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,639.27	3,841.54
	3,161.04	3,852.10

Trade payables ageing schedule

As at March 31, 2023	Outstanding for following periods from					Total
	Accruals	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, Small and Medium Enterprises Development (MSME)	-	521.44	0.10	-	0.23	521.77
Trade payables other than Micro Enterprises and Small Enterprises	819.06	1,790.27	1.97	1.63	26.34	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	26.57	3,161.04

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Trade payables ageing schedule As at March 31, 2022

	Outstanding for following periods from					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, Small and Medium Enterprises Development (MSME)	-	10.56	-	-	-	10.56
Trade payables other than Micro Enterprises and Small Enterprises	919.82	2,879.63	5.42	4.13	32.54	3,841.54
Disputed dues - Micro, Small and Medium Enterprises Development (MSME)	-	-	-	-	-	-
Disputed dues - Trade payables other than Micro Enterprises and Small Enterprises	-	-	-	-	-	-
	919.82	2,890.19	5.42	4.13	32.54	3,852.10

Note:

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

(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:

- Principal	521.77	10.56
- Interest due thereon	1.32	0.45

(ii) Payments made to suppliers beyond the appointed day during the year:

- Principal amount	10.56	250.97
- Interest	0.45	1.37

(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	0.45
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(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

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

10 Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	-	0.06
Interest accrued on trade payables	1.32	0.45
Deposits from dealers (Refer sub-note below)	316.66	293.71
Unpaid dividends	11.28	11.73
Statutory dues payable	106.46	126.36
Advances from customers	10.43	95.78
Payables on purchase of property, plant and equipment	68.10	67.76
	514.25	595.85

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

11 Property, plant and equipment and intangible assets

Particulars	Gross block		Depreciation and amortization		Net block	
	As at April 1, 2022	Additions during the year	Deletions/adjustments during the year	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
A. Tangible assets						
Land - Freehold	226.60 (226.60)	-	-	226.60 (226.60)	-	226.60 (226.60)
Land - Leasehold	7.75 (7.75)	-	-	7.75 (7.75)	0.16 (0.17)	4.71 (4.87)
Building - Factory	1,289.82 (1,183.63)	39.59 (106.19)	-	1,319.41 (1,289.82)	43.75 (42.35)	437.47 (451.63)
Building - Administrative	136.68 (136.68)	-	-	136.68 (136.68)	3.65 (3.83)	64.54 (60.89)
Plant and equipment	11,751.53 (10,959.63)	1,638.42 (808.36)	43.58 (16.46)	13,326.37 (11,751.53)	843.25 (759.43)	4,664.86 (3,874.91)
Furniture and fixtures	215.28 (209.74)	12.37 (5.54)	0.79 (0.79)	226.86 (215.28)	15.52 (12.24)	190.66 (175.89)
Vehicles	434.30 (416.46)	36.58 (23.22)	-	470.88 (434.30)	28.77 (27.14)	93.05 (85.24)
Office equipment	168.76 (163.60)	16.24 (5.16)	1.81 (0.79)	183.19 (168.76)	8.46 (6.24)	159.47 (152.67)
Electrical installation	193.69 (192.19)	48.91 (1.50)	-	242.60 (193.69)	15.43 (5.96)	183.53 (168.10)
Computers	225.09 (208.87)	16.09 (16.22)	2.03 (0.79)	239.15 (225.09)	12.91 (11.38)	210.80 (199.72)
Total tangible asset	14,649.50 (13,707.15)	1,798.20 (966.19)	68.21 (23.84)	16,379.49 (14,649.50)	971.90 (868.74)	10,733.32 (9,824.02)
B. Intangible assets						
Computer software	161.65 (151.99)	1.10 (9.66)	-	162.75 (161.65)	8.21 (10.62)	145.42 (137.21)
Total intangible asset	161.65 (151.99)	1.10 (9.66)	- -	162.75 (161.65)	8.21 (10.62)	145.42 (137.21)

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. 0.16 (March 31, 2022 : Rs. 7.01) 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 intangible asset for the properties under the Benami Transactions (Prohibition) Act, 1998 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, 2023	As at March 31, 2022
Electrical installation	140.81	137.63
Building: Factory	88.85	72.32
Plant and equipment	333.63	852.71
Total	563.29	1,062.66

Notes

i. 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

Capital work-in-progress ageing schedule as at March 31, 2022

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	1,062.66	-	-	-	1,062.66

D. Intangible assets under development

Particulars	As at March 31, 2023	As at March 31, 2022
Computer software	136.35	59.41
	136.35	59.41

Notes

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

i. Intangible assets under development ageing schedule as at March 31, 2022

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	59.41	-	-	-	59.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

12 Investments	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current investments (Valued at cost, unless stated otherwise)				
Current investments (At lower of cost or market value)				
- Investment in mutual funds	-	-	20.00	20.00
Total investments (A+B)	-	-	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	-	-	22.03	20.89
Aggregate provision for diminution in value of investment	-	-	-	-
13 Loans and advances (Unsecured, considered good, unless otherwise stated)	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances	138.57	89.79	-	-
Advances to suppliers	-	-	-	-
- Unsecured - considered good	-	-	84.22	160.91
- Unsecured - considered doubtful	-	-	4.57	4.57
Less: Provision for doubtful advances	-	-	88.79	165.48
	-	-	4.57	4.57
Advances recoverable in cash or in kind	-	-	84.22	160.91
- Unsecured - considered good	-	-	-	-
- Unsecured - considered doubtful	-	-	6.89	27.99
Less: Provision for doubtful advances	-	-	7.37	7.77
	-	-	14.26	35.76
	-	-	7.77	7.77
	-	-	6.49	27.99
Advance income tax (Net of provisions of Rs. 5,704.71 lakhs) (March 31, 2022: Rs. 3,976.31 lakhs)	112.76	104.99	-	-
Prepaid expenses	0.01	0.60	47.67	39.87
Gratuity fund recoverable (net) (Refer note 29)	-	-	-	5.42
Loans to employees	-	-	6.74	6.99
Balances with government authorities	-	-	-	-
- Unsecured - considered good	27.30	27.30	1,508.08	1,682.60
- Unsecured - considered doubtful	6.71	6.71	-	-
Less: Provision for doubtful balances	34.01	34.01	1,508.08	1,682.60
	6.71	6.71	-	-
	27.30	27.30	1,508.08	1,682.60
	278.64	222.68	1,653.20	1,923.78
14 Other assets (Unsecured, considered good unless stated otherwise)	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current bank balances	988.88	0.43	-	-
Interest accrued	-	-	-	-
- on fixed deposits with banks	19.79	0.05	109.40	18.10
- on investment / others	-	-	0.18	0.18
Export incentive recoverable	-	-	326.53	470.68
Security deposits	92.22	88.49	3.59	4.24
Insurance claim recoverable	-	-	10.08	9.47
	1,100.89	88.97	449.78	502.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

15 Inventories

(At lower of cost and net realizable value)

	As at March 31, 2023	As at March 31, 2022
Raw materials	2,456.45	3,052.38
Raw materials - Goods-in-transit	-	37.28
	2,456.45	3,089.66
Work in progress	677.51	1.27
Finished goods	2,400.99	2,650.21
Finished goods - Goods-in-transit	-	105.76
	2,400.99	2,755.97
Stock-in-trade (acquired for trading)	34.43	27.23
Stores and spares	68.57	16.92
Packing materials	39.35	19.88
	5,677.30	5,910.93

Note:

During the current year, the Holding Company has changed its inventory valuation method from First-In-First-Out (FIFO) to Weighted Average. Refer Note 37.

16 Trade receivables

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

	As at March 31, 2023	As at March 31, 2022
Secured, considered good	3.08	0.90
Unsecured, considered good	66.81	83.73
Unsecured, considered doubtful	16.33	16.33
	86.22	100.96
Less: Allowance for doubtful receivables	16.33	16.33
	69.89	84.63
Other trade receivables		
Secured, considered good	139.12	112.35
Unsecured, considered good	3,961.69	3,614.73
	4,100.81	3,727.08
	4,170.70	3,811.71

Trade receivables ageing schedule

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	-	-	30.71	4,187.03
(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	-	-	14.38	4,170.70
As at March 31, 2022						
(i) Undisputed trade receivables - considered good	3,725.39	9.72	28.08	21.92	42.93	3,828.04
(ii) Undisputed trade receivables - considered doubtful	-	-	-	-	16.33	16.33
(iii) Disputed trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed trade receivables - considered doubtful	-	-	-	-	-	-
	3,725.39	9.72	28.08	21.92	26.60	3,811.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

17 Cash and bank balances

Cash and cash equivalents

Balances with banks
in current accounts
Cash on hand

As At
March 31, 2023

As At
March 31, 2022

495.48 257.73

0.25 1.17

495.73 258.92

Other bank balances

Unpaid dividend accounts
Deposit having original maturity more than 3 months (see note below)

11.28 11.23

4,714.84 3,217.78

4,726.12 3,229.51

5,221.85 3,488.43

Of the above, the balances that meet the definition of cash and cash equivalents as per Accounting Standard 3, 'Cash Flow Statements' is

495.73 258.92

a) Out of total fixed deposits, Rs. 4.86 (March 31, 2022: Rs. 4.14) are pledged as security for margin money with the banks.

b) The Company has an EEFC account which has a balance of USD 2.92 (March 31, 2022: USD 0.61) equivalent to Rs. 240.25 (March 31, 2022: Rs. 46.04)

18 Revenue from operations

i. Sale of products

a. Finished goods (Refer sub-note 'a' below)
b. Traded goods (Refer sub-note 'b' below)

34,414.04 31,353.26

259.15 258.62

34,673.19 31,611.88

ii. Other operating revenues

a. Export incentives
b. Sale of scrap
c. Others

390.14 606.11

785.15 617.83

123.69 165.72

1,298.98 1,389.66

35,972.17 33,001.54

Notes:

a. Sale of products comprises:

Manufactured goods
- Filter and tubes

34,414.04 31,353.26

34,414.04 31,353.26

b. Traded goods

- Coalants

259.15 258.62

259.15 258.62

19 Other income

Interest income

- From banks on deposits
- On electricity deposits

176.29 93.63

0.22

Other non-operating income

- Sundry balances written back
- Profit on sale of property, plant and equipment
- Income of deferred government grant (Refer Sub-note 'a' below)
- Miscellaneous income

4.36 57.04

- 2.85

0.65 0.80

20.15 19.35

201.67 168.67

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 Nalagarh Plant. Out of this Rs. 0.65 (March 31, 2022: Rs. 0.80) is being recognized as income in the Statement of Profit and Loss and Rs. 2.80 (March 31, 2022: Rs. 3.45) is considered as deferred Government grant under 'Reserves and Surplus' in note 4 of consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

20 Cost of raw materials consumed

Inventory at the beginning of the year
Add: Purchases during the year

Less: Inventory at the end of the year
Cost of materials consumed

Note:

Details of raw materials consumed

	Year ended March 31, 2023	Year ended March 31, 2022
Inventory at the beginning of the year	3,089.66	2,610.22
Add: Purchases during the year	16,490.59	15,463.49
	19,580.25	18,073.71
Less: Inventory at the end of the year	2,456.45	3,089.66
Cost of materials consumed	17,123.80	14,984.05
Filter paper	2,152.12	1,531.53
Iron sheet	5,508.36	4,819.21
Rubber item	1,453.31	1,118.30
Packaging	1,719.18	1,365.82
Plastic	962.50	995.07
Others	5,328.33	5,154.12
	17,123.80	14,984.05

21 Purchases of stock-in-trade (traded goods)

Coolants	583.26	581.98
	583.26	581.98

22 Increase/(decrease) in inventories

Inventories at the beginning of the year

- Finished goods (including in transit)	2,755.97	2,409.74
- Work in progress	1.27	-
- Traded goods	27.23	39.26
	2,784.47	2,449.00

Inventories at the end 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
	3,112.93	2,784.47

Note:

The inventory comprises:

Finished goods

Filters and tubes	2,400.99	2,755.97
	2,400.99	2,755.97

Traded goods

Coolants	34.43	27.23
	34.43	27.23

23 Employee benefits expense

Salaries, wages and bonus	4,326.88	3,869.57
Contribution to provident and other funds	281.77	282.14
Gratuity expense (Refer Note: 29)	65.49	65.87
Staff welfare expenses	66.50	43.94
	4,740.64	4,261.52

24 Finance costs

Interest expense		
- On term loans	0.24	1.65
- On cash credits/other facilities	-	0.04
- On security deposits from dealers	16.44	17.03
- On others	1.58	0.82
Interest on delayed payment of advance taxes	14.88	3.60
Other borrowing costs	0.97	1.86
	34.11	25.00

25 Depreciation and amortization expense

Depreciation and amortization for the year on tangible assets as per Note 11 A	971.90	868.74
Amortization for the year on intangible assets as per Note 11 B	8.21	10.62
	980.11	879.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees Lakhs unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
26 Other expenses		
Consumption of stores and spare parts	221.13	198.58
Consumption of packing materials	612.40	543.71
Jobwork charges	1,242.45	1,071.52
Power and fuel	854.10	737.23
Rent including lease rentals	368.57	275.12
Repairs and maintenance		
- Buildings	86.41	32.77
- Plant and machinery	504.34	339.69
- Others	152.17	109.29
Insurance	76.48	73.44
Fees and taxes	15.74	47.98
Legal and professional	67.29	63.39
Travelling and conveyance	157.99	42.26
Freight outward	620.88	560.59
Shipping and forwarding	1,069.13	1,601.87
License fee	176.60	166.84
Postage and courier	21.04	11.68
Printing and stationery	15.47	13.96
Communication expenses	14.30	13.10
Sales promotion	326.74	251.21
Payment to auditors (Refer note 'a' below)	9.35	9.33
Research and development expenses (Refer note 'b' below)	285.10	258.07
Cash discount	338.19	342.47
Bank charges	13.74	11.90
CSR expenses	136.50	45.80
Warranty expenses	10.25	5.05
Conventions and exhibitions	26.93	-
Net loss on foreign currency transactions and translation	99.87	163.48
Loss on sale of property, plant and equipment	0.82	-
Balance written off	5.12	26.43
Miscellaneous expenses	136.19	94.98
	7,645.29	7,106.68
Notes		
a. Payment to auditors		
As auditors:		
For audit	7.50	7.50
For tax audit	1.50	1.50
For certification	0.15	0.15
Reimbursement of expenses	0.20	0.18
	9.35	9.33
b. Research and development expenditure		
Revenue expenditure		
Salaries	254.14	218.90
Repairs and maintenance	24.80	33.01
Consumables and samples	1.63	1.52
Travelling	0.90	0.44
Miscellaneous	3.61	4.20
	285.10	258.07
Capital expenditure		
Plant and machinery	0.16	7.01
	0.16	7.01
27 Earnings per share		
Profit for the year	3,754.34	3,952.47
Weighted average number of equity shares	2,508,370	2,508,370
Per value per share	10	10
Basic earnings per share	149.75	157.57
Diluted earnings per share	149.75	157.57
28 Contingent liabilities and commitments (to the extent not provided for)	As at March 31, 2023	As at March 31, 2022
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. 138.57 (March 31, 2022: Rs. 89.79))	376.05	290.92
b. Contingent liabilities		
i. Claims against the Group not acknowledged as debt (gross)		
Excise duty	14.43	14.43
	14.43	14.43
Future cash outflows in respect of the above matters are determinable only on receipt of judgments /decisions pending at various forums /authorities. The Group has disputed the above demands.		
Amount paid under protest		
Excise duty	2.50	2.50
	2.50	2.50
5. Letter of credit and bank guarantee		
Bank guarantee (Margin money: Rs. 4.86 (March 31, 2022: Rs. 4.14))	48.64	41.45
	48.64	41.45

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

- 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.

19. Employee benefit plans

(i) Defined contribution plan

The Group 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 Group contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage income of Employee State Insurance.

	Year ended March 31, 2023	Year ended March 31, 2022
Provident Fund	225.01	222.95
Employee State Insurance	51.86	54.27
Labour Welfare Fund	4.90	4.92
	281.77	282.14

(ii) Defined benefit plan

Defined benefit plans include Gratuity (funded).

Gratuity is a funded defined benefit plan for qualifying employees. Employees' Gratuity Fund scheme is managed by Elofic Industries Limited Employee Gratuity Fund Trust. The present value of defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet.

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, 2023	Year ended March 31, 2022
Current service cost	50.51	51.94
Post service cost	-	-
Interest cost on benefit obligation	37.61	34.98
Expected return on plan assets	(39.32)	(38.69)
Actuarial (gain)/loss recognized in the year	16.69	17.64
Net expense / (benefit)	65.49	65.87

Actual contribution and benefit payments for the year

Actual benefit payments	60.29	57.35
Actual contributions	55.00	20.00

Net asset / (liability) recognized in the Balance Sheet

Present value of defined benefit obligation	550.62	518.80
Fair value of plan assets	545.55	524.22
Funded status (Surplus / Deficit)	(5.07)	5.42
Net asset / (liability) recognized in the Balance Sheet	(5.07)	5.42

Change in defined benefit obligations (DBO) during the year

	Year ended March 31, 2023	Year ended March 31, 2022
Defined benefit obligation at the beginning of the year	518.80	492.44
Interest cost	37.61	34.98
Current service cost	50.51	51.94
Benefits paid	(60.29)	(57.35)
Actuarial (gain)/loss on obligation	3.99	6.79
Defined benefit obligation at the end of the year	550.62	518.80

Change in fair value of assets during the year

	Year ended March 31, 2023	Year ended March 31, 2022
Fair value of plan assets at beginning of the year	524.22	535.73
Expected return on plan assets	39.32	38.69
Contribution by employer	55.00	20.00
Benefits paid	(60.29)	(57.35)
Actuarial gain/(loss) on plan assets	(12.70)	(10.85)
Fair value of plan assets at end of the year	545.55	524.22

Actual return on plan assets:

Composition of the plan assets is as follows:

Elofic Industries Limited Employee Gratuity Fund Trust	100%	100%
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Reconciliation of fair value of assets and obligations

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	(550.62)	(518.80)	(482.44)
Fair value of plan assets	545.55	524.22	533.73
Net assets/(liability) recognised in the Balance Sheet	(5.07)	5.42	51.29

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	(494.77)	(383.49)
Fair value of plan assets	494.49	356.50
Net assets/(liability) recognised in the Balance Sheet	(0.28)	(26.99)

Actuarial assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
	Gratuity (funded)	Gratuity (funded)
Discount rate (per annum)	7.50%	7.25%
Future increase in compensation	5.00%	5.00%
Actual return on plan assets	7.50%	7.25%
In service mortality	ILM 2012-14	ILM 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 Group, a provision of Rs. 142.13 (March 31, 2022: Rs. 129.94) is outstanding as at March 31, 2023.		
Estimated contribution for next year is Rs. 60.99.		

30 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 7 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, 2023	Year ended March 31, 2022
Rent including lease rentals	368.57	270.12
Future minimum lease payments	368.57	270.12
Not later than one year	45.19	10.58
Later than one year and not later than five years	34.92	18.64
	100.11	29.42

31 Related party transactions

a. Details of related parties

Description of relationship

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

- ii. Key Management Personnel

- iii. Relatives of Key Management Personnel

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in Rupees Lakhs unless otherwise stated)

a. 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	Sahab Sahni	Koram Sahni	Ashwin Sahni	
Transactions during the year															
1	Rent paid		179.33 (164.78)	0.31 (0.31)	-	-	0.26 (0.26)	-	-	-	2.10 (6.79)	-	-	-	182.00 (171.64)
2	License fees		176.60 (166.04)	-	-	-	-	-	-	-	-	-	-	-	176.60 (166.04)
3	Remuneration paid		-	-	-	-	-	144.44 (119.70)	144.44 (119.70)	46.77 (43.59)	-	25.66 (13.81)	25.32 (13.83)	-	366.63 (310.63)
4	Donation given		-	-	1.50 (1.50)	2.00 (6.29)	-	-	-	-	-	-	-	-	3.50 (7.78)
5	Club fees		-	-	-	-	-	0.27 (0.22)	1.06 (0.60)	-	-	-	-	-	1.33 (0.87)
6	Consultancy		-	11.42 (10.46)	-	-	-	-	-	-	-	-	-	-	11.42 (25.09)
Balances outstanding as at year end															
1	Trade payables		204.85 (193.54)	-	-	-	-	4.94 (2.57)	4.94 (2.57)	2.06 (1.35)	-	1.45 (0.79)	1.45 (0.79)	-	219.69 (202.74)

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 has been recognised during the current year in respect of bad or doubtful debts/doubtful 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)

32. Disclosure of additional information as required by the Schedule III

a) 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
		22,653.28		4,224.20
Elimination on consolidation		(1,732.31)		(867.84)
Total		20,920.97		3,756.34

b) As at and for the year ended March 31, 2022

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	108.02%	18,531.72	106.43%	4,206.45
Foreign Subsidiary				
Elofic USA LLC	0.86%	147.42	5.20%	205.65
		18,679.14		4,412.10
Elimination on consolidation		(1,523.00)		(459.63)
Total		17,156.14		3,952.47

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

Financial year	Capital expenses	Revenue expenses
2009-10	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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

34 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-2022	HDFC Bank Ltd. and HSBC	Debtors	5,278.41	5,278.41	-
Apr-2022	HDFC Bank Ltd. and HSBC	Stock	4,918.94	4,918.94	-
May-2022	HDFC Bank Ltd. and HSBC	Debtors	5,789.18	5,789.18	-
May-2022	HDFC Bank Ltd. and HSBC	Stock	4,989.66	4,989.66	-
June-2022	HDFC Bank Ltd.	Debtors	6,485.43	6,485.43	-
June-2022	HDFC Bank Ltd.	Stock	4,711.22	4,711.22	-
July-2022	HDFC Bank Ltd.	Debtors	5,915.21	5,915.21	-
July-2022	HDFC Bank Ltd.	Stock	5,079.38	5,079.38	-
August-2022	HDFC Bank Ltd.	Debtors	5,405.14	5,405.14	-
August-2022	HDFC Bank Ltd.	Stock	5,382.31	5,382.31	-
September-2022	HDFC Bank Ltd.	Debtors	5,703.07	5,703.07	-
September-2022	HDFC Bank Ltd.	Stock	5,323.32	5,323.32	-
October-2022	HDFC Bank Ltd.	Debtors	5,604.25	5,604.25	-
October-2022	HDFC Bank Ltd.	Stock	5,111.51	5,111.51	-
November-2022	HDFC Bank Ltd.	Debtors	5,199.44	5,199.44	-
November-2022	HDFC Bank Ltd.	Stock	5,128.02	5,128.02	-
December-2022	HDFC Bank Ltd.	Debtors	6,000.58	6,000.58	-
December-2022	HDFC Bank Ltd.	Stock	4,999.50	4,999.50	-
January-2023	HDFC Bank Ltd.	Debtors	6,090.16	6,090.16	-
January-2023	HDFC Bank Ltd.	Stock	4,654.29	4,654.29	-
February-2023	HDFC Bank Ltd.	Debtors	6,382.72	6,382.72	-
February-2023	HDFC Bank Ltd.	Stock	4,672.65	4,672.65	-
March-2023*	HDFC Bank Ltd.	Debtors	5,865.81	5,934.26	68.45
March-2023**	HDFC Bank Ltd.	Stock	4,393.12	4,397.38	4.26

Reasons for material discrepancies in the month of March 31, 2023

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, 2023, where differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements as follows; the differences were in case of trade receivables amounting to Rs. 68.45 (amount reported Rs. 5,865.81 vs amount as per books of account Rs. 5,934.26) and Inventories had a difference of Rs. 4.26 (amount reported Rs. 4,393.12 vs amount as per books of account Rs. 4,397.38). The difference is mainly due to actualisation of provisions for expenses, goods in transit and cut-off adjustments at the year end.

35 Disclosure of financial ratios

Particulars	Numerator	Denominator	As at 31 March, 2023	As at 31 March, 2022	Variance %
a. Current ratio	Current assets	Current liabilities	4.32	3.28	31.71%
b. Debt equity ratio	Total debt	Equity shareholder's fund	-	0.001	-100.00%
c. Debt service coverage ratio	Net operating Income	Total debt service	3,118.00	453.91	586.93%
d. Return on equity ratio	Net income	Equity shareholder's fund	0.18	0.23	-21.74%
e. Inventory turnover ratio	Cost of goods sold	Average inventories	3.99	3.68	8.42%
f. Trade receivables turnover ratio	Net sales	Average trade receivables	8.69	9.26	-6.16%
g. Trade payables turnover ratio	Net purchases	Average trade payables	4.87	4.17	16.79%
h. Net capital turnover ratio	Net sales	Working capital	2.62	2.90	-9.66%
i. Net profit ratio	Net profit	Net sales	0.11	0.13	-15.38%
j. Return on capital employed	Earning before interest and tax	Capital employed	0.26	0.33	-21.21%
k. Return on investment	Earning on investments	Average investments	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Working of the ratios				
Basis of ratios	Year ended 31 March 2023 Rs. Lakhs	Ratio	Year ended 31 March 2022 Rs. Lakhs	Ratio
a. Current ratio				
Current assets	17,192.83	4.32	15,657.52	3.28
Current liability	3,982.80		4,774.52	
b. Debt equity ratio				
Total debt (Long term debt + Short term debt + Capital lease obligation)	1.53	-	10.70	0.001
Equity shareholder's fund (Share capital + Reserves and surplus)	20,920.97		17,156.14	
c. Debt service coverage ratio				
Net operating income (PAT + Dep. + Int.)	4,770.58	3,118.03	4,856.83	453.91
Total debt service (Long term debt + Short term debt + Capital lease obligation)	1.53		10.70	
d. Return on equity ratio				
Net operating income (PAT)	3,756.36	0.18	3,952.47	0.23
Equity shareholder's fund (Share capital + Reserves and surplus)	20,920.97		17,156.14	
e. Inventory turnover ratio				
Cost of goods sold (Total sales - Gross profit)	23,119.67	3.99	20,226.19	3.68
Average inventory = (Opening stock + Closing stock) / 2	5,794.12		5,498.88	
f. Trade receivables turnover ratio				
Net sales (Total sales - Sales return)	34,673.19	8.69	31,611.88	9.26
Average trade receivables = (Opening debtors + Closing debtors) / 2	3,991.21		3,413.92	
g. Trade payables turnover ratio				
Total purchases (Net of purchase return)	17,073.85	4.87	16,045.47	4.17
Average trade payables = (Opening creditors + Closing creditors) / 2	3,506.57		3,844.99	
h. Net capital turnover ratio				
Net sales (Total sales - Sales return)	34,673.19	2.62	31,611.88	2.90
Working capital = Current assets - Current liabilities	13,210.03		10,883.00	
i. Net profit ratio				
Net profit	3,756.36	0.11	3,952.47	0.13
Net sales (Total sales - Sales return)	34,673.19		31,611.88	
j. Return on capital employed				
Earnings before interest and tax	5,409.20	0.26	5,692.09	0.33
Capital employed = Total assets - Current liabilities	20,952.70		17,166.64	
k. Return on investment				
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.

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

Final dividend for the year 2021-22: Rs 3.00 per share (2020-21: Rs 2.00 per share)

75.25

50.17

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

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

75.25

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 CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

37. During the current year, the Holding Company has changed its inventory valuation method from First-In-First-Out (FIFO) to Weighted Average. As a result of this change, the value of inventories have increased by Rs. 18.29 lakhs, the cost of goods sold have decreased by Rs. 18.29 lakhs, and the profit before tax has also increased by Rs. 18.29 lakhs.

38. Other statutory information

- a. 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.
- b. No penalties were imposed by the regulator during the year during the financial year ended March 31, 2023.
- 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 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).
- e. The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- f. 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
- g. 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.
- h. The Group has not been declared as wilful defaulter by any of banks, financial institution or any other lender.
- i. The Group has not entered into any scheme of arrangement during the current financial year.
- j. The Group has complied with number of layers prescribed as per Section 2(87) of the Companies Act, 2013, read with relevant rules.

39. 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	18,459.23 (16,970.23)	16,213.96 (14,641.65)	34,673.19 (31,611.88)
Other operating revenues	466.11 (363.07)	832.87 (1,026.59)	1,298.98 (1,389.66)
Other income	25.16 (75.04)	-	25.16 (75.04)
Total revenue	18,950.50 (17,408.34)	17,046.83 (15,668.24)	35,997.33 (33,076.58)
Segment result	1,961.31 (2,464.69)	3,271.38 (3,133.77)	5,232.69 (5,598.46)
Unallocable expenses (net)			34.11 (25.00)
Operating income			5,198.58 (5,573.46)
Other income (net)			176.51 (93.63)
Profit before tax			5,375.09 (5,667.09)
Tax expense			1,618.73 (1,714.62)
Profit after tax for the year			3,756.36 (3,952.47)
Segment assets	19,108.98 (16,462.54)	5,693.76 (5,353.63)	24,802.74 (21,816.17)
Unallocated assets			132.76 (124.99)
Total assets			24,935.50 (21,941.16)
Segment liabilities	3,577.04 (4,097.48)	234.38 (469.27)	3,811.42 (4,566.75)
Unallocated liabilities			203.11 (218.27)
Total liabilities			4,014.53 (4,785.02)
Depreciation and amortization expense (see note 'e' below)	540.32 (483.62)	439.79 (395.74)	980.11 (879.36)
Cost to acquire tangible and intangible fixed assets	2,498.94 (2,097.92)	- (-)	2,498.94 (2,097.92)
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

40 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.: 098965

Place: Gurugram
Date: June 17, 2023

K. D. Sahni
Joint Managing Director
DIN: 00901216
Place: Faridabad
Date: June 17, 2023

M. B. Sahni
Managing Director
DIN: 00906251
Place: Faridabad
Date: June 17, 2023

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583080
Place: Faridabad
Date: June 17, 2023

Adish Suri
Vice President -
Finance
Place: Faridabad
Date: June 17, 2023

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 50th Annual General Meeting of the company, to be held on 28th day of July, 2023, at 3:00 P.M. at Hotel Delite 17-18, Neelam Bata Road, N.I.T Faridabad – 121001, Haryana and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Particulars
1.	To consider and adopt; (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2023 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, 2023 and the report of Auditors thereon.
2.	To Declare Dividend for the financial year ended 31 st March, 2023.
3.	To appoint Director in place of Mr. Mohan Bir Sahni (DIN: 00906251) who is retiring by rotation and being eligible offer himself for reappointment.
4.	Ratification of the remuneration of cost auditors
5.	Continuation of Mr. Mohan Bir Sahni (DIN: 00906251) as Whole Time Director upon attaining age of Seventy years
6.	To approve the increase in the remuneration of Maj. Gen. Jatinder Singh Bedi (Retd.), whole time director of the company (DIN: 08583060)

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

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

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 50th Annual General Meeting of Elofic Industries Limited on 28th day of July 2023, at 3:00 P.M. at Hotel Delite 17-18, Neelam Bata Road, N.I.T Faridabad – 121001, Haryana.

Folio No./DP ID-Client ID _____

Full Name of the Shareholder in Block Letters: _____

No. of Shares held: _____

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

Signature of the
Shareholder/Proxy/Representative*

* Strike out whichever is not applicable.



 **elofic** - Engineering Purity



Domains of Excellence

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





“What is a life worth, that cannot bring comfort to others”

-Our Founder, Late Sh. Mohinder Singh Sahni



PLATINUM
DECADE
Since 1951

ELOFIC INDUSTRIES LIMITED

14/4, Mathura Road, Faridabad -121003, India

www.elofic.com