

ELIN ELECTRONICS LIMITED
 Regd. Office - 143, Cotton Street, Kolkata -700007
 Tel: 033-22684329, Email id: rkc@elinindia.com, Website- elinindia.com
 CIN: U29304WB1982PLC034725

DIRECTORS' REPORT

To the members,
 Yours Directors have pleasure in presenting the 38th Annual Report along with audited financial statements of the Company for the Year ended 31st March 2020.

FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	31 st March 2020	31 st March 2019	31 st March 2020	31 st March 2019
Revenue from Operations	61146.08	61768.05	78558.38	82854.48
Profit before Finance Expenses, Depreciation and Taxes	4497.87	4351.16	5638.13	5824.35
Less: Finance Expenses	1039.62	1090.47	1165.91	1306.61
Depreciation, Amortization & Impairment	1751.46	1400.63	2027.02	1725.83
Profit before Taxes	1706.79	1860.06	2445.20	2791.91
Less: Provision for Current Tax	334.00	404.57	537.00	584.40
Provision for Deferred Tax	70.43	(49.84)	52.30	(54.14)
Income Tax for earlier years	(2.15)	(4.21)	(2.40)	(2.75)
Profit for the year	1304.51	1509.54	1858.30	2264.40
Add: Opening Surplus brought forward from previous year	9004.02	6361.05	11086.95	7715.73
Less: Reversal of share of post acquisition profits of ceased associates			--	26.61
Add: Reserve pursuant to scheme of amalgamation	--	1633.43	--	1633.43
Balance available for appropriation	10308.53	9504.02	12945.25	11586.95
Transfer to General Reserve	500.00	500.00	500.00	500.00
Surplus Carried Forward	9808.53	9004.02	12445.25	11086.95

AMALGAMATION

On 3rd November 2018, the Board approved a Scheme of Amalgamation ("Scheme") for amalgamation of Asian Magnetic Devices Pvt Ltd and Rosebud Holding Pvt Ltd (Transferor Companies) with the Company Elin Electronics Ltd. The 'Appointed Date'

under the Scheme is 1st April 2018. At the Meeting of the Shareholders of the Company held on 26th April 2019 pursuant to the Order of Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT"), the Scheme was approved unanimously by the Shareholders. By its Order dated 26th September 2019 ("Order"), the Hon'ble NCLT approved the Scheme. Certified copy of the Order was filed with the Registrar of Companies on 02nd November 2019 and accordingly 02nd November 2019 is the 'Effective Date' of the Scheme.

Consequent to the scheme becoming effective, the entire business and undertaking of transferor companies together with all the assets and liabilities, duties and obligations stand transferred to and vested in the Company with effect from 1st April, 2018, the Appointed Date. The Company has undertaken intensive and exhaustive initiatives for integration of the business of transferor companies with that of the Company.

INCREASE IN AUTHORISED SHARE CAPITAL

The Company's Authorized Share Capital stands increased from Rs. 7,50,00,000/- to Rs. 10,25,00,000/- divided into 10250000 equity shares of Rs.10 each by consolidating authorized share capital of Rs. 75,00,000/- of Asian Magnetic Devices Pvt Ltd and Rs. 2,00,00,000/- of Rosebud Holding Pvt Ltd pursuant to the amalgamation scheme.

ALLOTMENT OF SHARES PURSUANT TO THE SCHEME

Pursuant to the Amalgamation Scheme, 6,03,600 Shares held by Asian Magnetic Devices Pvt Ltd (ASIAN) and 4,38,400 Shares held by Rosebud Holding Pvt Ltd (ROSEBUD) in the Company and 1,00,000 shares of ASIAN held by the company stands cancelled.

The Company issued and allotted in aggregate, 18,50,000 equity shares of Rs. 10 each, to the other shareholders of ASIAN, in the ratio of 5 equity shares of Rs. 10 each fully paid up of the Company for every 1 equity share of ASIAN, and to all the shareholders of ROSEBUD, in the ratio of 1 equity share of Rs. 10 each fully paid up of the Company for every 4 Equity Shares of ROSEBUD, based on the shareholding as on the record date. With this allotment, the total paid up share capital of the company stands increased to Rs. 7,09,57,000/-.

DIVIDEND

In view of the need to conserve resources for diversification & expansion, your directors do not recommend any dividend for the year.

PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

During the year under review, the revenue from operations (Standalone) decreased by 1.01% to Rs. 61146.08 Lacs as against Rs. 61768.05 Lacs in the previous year. The net profit after tax decreased by 13.58% to Rs. 1304.51 Lacs as against Rs. 1509.54 Lacs in the previous year. The standalone financials include financials of Asian Magnetic Devices Pvt Ltd and Rosebud Holding Pvt Ltd amalgamated with the Company w.e.f. 1st April 2018, the appointed date.

The consolidated revenue from operations was Rs. 78558.38 Lacs as against Rs. 82854.48 Lacs in the previous year. The consolidated net profit after tax decreased by 17.93% to Rs. 1858.30 Lacs as against Rs. 2264.40 Lacs in the previous year.

MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and the date of this report.

COVID-19 Pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequently, Government of India declared a national lock down which has caused significant disturbance and slowdown of economic activity due to supply chain disruption, unavailability of personnel, closure of non-essential services for long or indefinite period of time. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information in assessing the recoverability and carrying values of its property, plant and equipment, trade receivables, investments and inventories and expects the carrying amount of these assets will be recovered and no material adjustment required in the financial statements. The Impact Assessment carried out by the Management of the Company does not indicate any adverse impact on its ability to continue as a going concern. The impact of COVID-19 on the Company's Standalone financial statements may differ from that estimated as at the date of approval of these Standalone financial statements due to uncertainties associated with its nature and duration and is highly dependent on future economic developments. The Company will continue to closely monitor any material changes to future economic conditions.

QUALITY CERTIFICATION

The company continued to have ISO 9001:2008 certification for 'Quality Management System Standard' and ISO 14001:2004 certification for 'Environment Management System Standard' and TS: 16949: 2009 quality certifications for automotive parts.

RISK MANAGEMENT POLICY

Board has assessed the risk that the organization faces such as Strategic, Financial, Credit, Market, Liquidity, and Security, IT, Legal and other risks and there is an adequate Risk Management infrastructure in place to address those risks.

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 material weakness in the design or operation were observed.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company had two Associate companies namely Elin Appliances Private Limited and Asian Magnetic Devices Private Limited. As a result of implementation of the Scheme of Amalgamation, the 'Asian Magnetic Devices Private Limited' got amalgamated with our company, and the 'Elin Appliances Private Limited', the subsidiary of Asian Magnetic Devices Private Limited, have now become the wholly owned subsidiary of our company.

A statement containing salient features of the financial statements of subsidiary as per the Act is provided as Annexure to the consolidated Financial Statements.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements prepared in compliance with the requirements of the Act, read with the Companies (Accounts) Rules, 2014 and applicable Accounting Standards forms part of the Annual Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of investments covered under section 186 of the Companies Act, 2013 are given in notes to the financial statements. No loans or guarantees were made during the year by the Company under Section 186 of the Act.

PUBLIC DEPOSITS

The company has not accepted any public deposits.

DIRECTORS

Mrs. Shilpa Baid was appointed as Woman Independent director of the company by the Board in their meeting held on 18th July 2019 effective from 16th August 2019 and her appointment was approved by shareholders in the 37th annual general meeting held on 28th September 2019.

During the year, Mr. Kamal Singh Baid was re-appointed as Independent director of the company for a second term of 5 years w.e.f. 30th March 2020, in the board meeting held on 20th March 2020, subject to the approval of shareholders in the ensuing Annual General Meeting.

Mr. Sumit Sethia has been appointed as an Additional director and Whole-time director (Chief Executive- Goa Works) w.e.f. 03rd June 2020 for a period of 5 years, subject to the approval of members in the ensuing Annual General Meeting.

Mr. Mangilall Sethia and Mr. Kamal Sethia, directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointments.

The company has received declarations from Mr. Kamal Singh Baid, and Mrs. Shilpa Baid, the independent directors of the company confirming that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013.

DIRECTOR RESPONSIBILITY STATEMENT

The directors hereby confirm that

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there have been no material departures from the same;
- b) the directors had 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 of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

MEETINGS OF THE BOARD

During the year Nine meetings of the Board were held on 30th April'19, 24th May'19, 14th June'19, 18th July'19, 29th August'19, 28th September'19, 26th November'19, 22nd January'2020 and 20th March'2020. Mr. M. L. Sethia and Mr. Vinay Kumar Sethia

attended all nine meetings, Mr. Kamal Sethia and Mr. Kamal Singh Baid, attended eight meetings, Mr. Kishor Sethia & Mr. Sanjeev Sethia attended seven meetings, and Mrs. Shilpa Baid, attended four meetings.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Kamal Singh Baid, independent director as Chairman, Mrs. Shilpa Baid, independent director as member and Mr. Kamal Sethia as its member. Three meetings of the audit committee were held during the year on 24th May'19, 14th June'19 and 26th November'19.

VIGIL MECHANISM

The company has in place a vigil mechanism for directors and employees to report genuine concerns and grievances. Adequate safeguards are provided against victimization of those who want to avail of the mechanism.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, as applicable. The company has not received any complaint under the same.

NOMINATION AND REMUNERATION POLICY

The Nomination and Remuneration Committee (NRC) comprises of Mr. Kamal Singh Baid, Non-Executive Independent Director as Chairman, Mrs. Shilpa Baid, Non-Executive Independent Woman Director as member and Mr. Kamal Sethia, wholetime director as member. Two meetings of the Nomination and Remuneration Committee (NRC) were held during the year dated 18th July,2019 and 20th March,2020.

The Nomination and Remuneration Policy as approved by Board contains the criteria for determining qualifications, positive attributes & independence of a director and their remuneration; 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 the policy; to recommend to the Board the appointment and removal of Directors and Senior Management. The appointment of Managing and wholetime directors shall not be for a period exceeding five years at a time. An Independent Director shall hold office for a term up to five consecutive years on the Board 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 five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. The Remuneration to be paid to Managing Director/ Whole-time Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company. The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Act.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility committee comprises of Mr. Kamal Sethia as Chairman; Mr. Sanjeev Sethia as member and Mr. Kamal Singh Baid, independent director as member. Three meetings of the CSR committee were held during the year on

14th June 2019, 29th August 2019 and 22nd January 2020. The CSR policy focuses on addressing critical, social, environmental and economic needs of the under privileged section of the Society of India and also undertake other need based initiatives in compliance with Schedule VII of the Act. The committee monitors the implementation of the CSR projects or programs or activities undertaken by the Company. Disclosure on CSR is annexed herewith as an **Annexure I** to this Report.

STATUTORY AUDITORS & AUDITORS' REPORT

M/s. Oswal Sunil & Company, Chartered Accountants (Firm Registration number 016520N) were appointed as the Statutory Auditors of the Company for a term of five consecutive years, at the 35th annual general meeting held on 29th September, 2017 till the conclusion of 40th AGM. They have confirmed that they are not disqualified from continuing as auditors of the Company.

Auditors' Report for the financial year 2019-20 does not contain any qualifications or adverse remarks.

COST AUDITORS

The Board has appointed M/s Bhavna Jaiswal & Associates, Cost Accountants (Firm Registration number 100608), as Cost Auditor for conducting the audit of cost records of the company for the financial year 2020-21. A proposal for ratification of remuneration of the Cost Auditors for the financial year 2020-21 is placed before the shareholders.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

The Board has appointed M/s Akshat Garg & Associates, Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report in form no. MR-3 for the financial year ended 31st March 2020 is annexed herewith as an **Annexure II** to this Report.

The Secretarial Auditor's remarks in the said Report are that Smt. Shilpa Baid was appointed as an Independent Woman director of the company w.e.f. 16th August 2019 to fill up vacancy caused by resignation of earlier Independent Woman director on 27th March 2019, i.e. in a gap of about 4.5 months as against requirement of maximum three months. The company was in search of suitable candidate and it took time and appointment was made in board meeting held on 18th July 2019, but allotment of DIN took almost a month. Hence, there was some delay in filling up the vacancy.

EXTRACT OF ANNUAL RETURN

Extract of the Annual Return in form no. MGT-9 is annexed herewith as an **Annexure III** to this Report.

TRANSACTIONS WITH RELATED PARTIES

All related party transactions entered during the financial year were in ordinary course of business and were on arm's length basis. The particulars of such related party transactions in form no. AOC-2 is as per **Annexure IV** to this Report.

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

A. CONSERVATION OF ENERGY:

Efforts are being made to use natural light and air flow as far as possible and by replacing conventional Tube light in to LED Light and by replacing conventional

Diesel Burner into PNG Burner to conserve the energy in all possible manners. The capital investment on energy conservation equipments during the year is NIL

B. TECHNOLOGY ABSORPTION:

Self reliance in new products, product development, improved production process for better productivity, import substitution and cost reduction attempts are made for sourcing of material and components for cost effectiveness. The input cost has been reduced and in some cases the quality has improved. Imported Technology (imported during the last 3 years) - NIL

EXPENDITURE ON RESEARCH AND DEVELOPMENT

During the financial year, expenditure on research and development including capital expenditure was Rs. 657 lacs as against Rs. 785.14 lacs in the previous year.

C. FOREIGN EXCHANGE EARNING & OUTGO

During the financial year, the foreign exchange earned in terms of actual inflows was Rs. 159.63 Lacs as against Rs. 254.75 lacs in the previous year and foreign exchange outgo in terms of actual outflows was Rs. 7302.01 lacs as against Rs. 9931.57 lacs in the previous year

ACKNOWLEDGEMENT

Your Directors wish to thank all Government Authorities and Company's Bankers State Bank of India and others for their continued help and support to the Company.

Your Directors also wish to place on record their deep appreciation for the services rendered by staff and workers of the company at all levels and for dedication to their work and loyalty.

For and on behalf of the Board
For Elin Electronics Limited

For Elin Electronics Limited



Authorised Signatory/Director
(M.L. SETHIA)

CHAIRMAN & MG. DIRECTOR
DIN: 00081367

Place: New Delhi
Date: 16th September 2020

ELIN ELECTRONICS LIMITED

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Tel: 033-22684329, Email id: rkc@elinindia.com, Website- elinindia.com

CIN: U29304WB1982PLC034725

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR THE YEAR 2019-20

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:
The CSR policy focuses on addressing critical, social, environmental and economic needs of the under privileged section of the Society of India. Company will also undertake other need based initiatives in compliance with Schedule VII of the Act.
2. The Composition of the CSR Committee:
The constitution of the CSR Committee during the year was Mr. Kamal Sethia, as chairman; Mr. Sanjeev Sethia, as member and Mr. Kamal Singh Baid, Independent director as member.
3. Average net profit of the company for last three financial years - Rs 1779.26 lacs
4. Prescribed CSR Expenditure (2% of the amount as in item 3 above) - Rs. 35.59 lacs
5. Details of CSR spent during the financial year.
 - a) Total amount to be spent for the financial year: Rs. 35.59 lacs
 - b) Amount unspent , if any: 6.48 lacs
 - c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken.	Amount outlay (budget) project or programs wise:	Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. (2) Over head s:	Cumul - alive expenditure upto to the report -ing period	Amount spent: Direct or through implementing agency
1.	Promotion of healthcare	Promotion of healthcare including preventive healthcare	Sujangarh, Dist - Churu, Rajasthan	1.40 lacs	1.40 lacs	1.40 lacs	Implementing agency- Shri Oswal Yuwak Sammelan, Rajasthan
2.	Construction of underground water tank at Govt. Preamsukh Bhamsaria Girls Higher Secondary School, Sujangarh (Rajasthan)	Promoting Education	Sujangarh, Dist - Churu, Rajasthan	2.61 lacs	2.61 lacs	2.61 lacs	Direct

3.	Renovation of school building and construction of new toilets at "Purav Madhyamik Vidhalaya, Subhas Nagar, Nagar Chetra, Ghaziabad"	Promoting Education	Subhas Nagar, Nagar Chetra, Ghaziabad	20.00 lacs	18.80 lacs	18.80 lacs	Direct
4.	Renovation of two village ponds and installation of Rainwater harvesting structure in village pond in Bamheta village, Govindpuram, Ghaziabad	Conservation of natural resources and maintaining quality of soil, air and water	Bamheta village, Govindpuram, Ghaziabad	25.00 lacs	6.00 lacs	6.00 lacs	Direct
5.	Plantation at Nalagarh Heritage Park (HP)	Ensuring environmental sustainability, ecological balance, agroforestry, conservation of natural resources	Nalagarh, Himachal Pradesh	0.30 lac	0.30 lac	0.30 lac	Direct
Total				49.31 lacs	29.11 lacs	29.11 lacs	


6. Reasons for not spending: During the year 2019-20, CSR spending was Rs. 29.11 lacs. There was shortfall of Rs. 6.48 lacs in the CSR spending during the year. In last month of the year, activities got curtailed due to Covid-19 lockdown, hence the amount could not be spent fully on one of the targeted projects. After March closing, the company hope to spend the shortfall in this year on the project in which shortfall was there.
7. CSR Committee Responsibility statement: The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

For and on behalf of the Board

For Elin Electronics Limited

For Elin Electronics Limited
For Elin Electronics Limited





Authorised Signatory/Director

Authorised Signatory/Director

Place: New Delhi

Date: 16.09.2020

M.L. SETHIA
Chairman & Mg. Director
DIN: 00081367

KAMAL SETHIA
Chairman CSR Committee
DIN: 00081116

AKSHAT GARG & ASSOCIATES

Secretarial, Legal & Corporate Advisory Services

Office: 430, 4th Floor, Angel Mega Mall, Kaushambi, Ghaziabad, U.P. – 201010
 Email ID: acs@acsadvisors.in; Phone: 0120-4573083; +91-9350546594
 MSME Registration No.: UP29D0018479



FORM No. MR-3
SECRETARIAL AUDIT REPORT

for the Financial Year ended 31.03.2020

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

To,
 The Members,
 Elin Electronics Limited
 Kolkata
 CIN U29304WB1982PLC034725

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Elin Electronics Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31st, 2020** 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31st, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**Not applicable to the Company during the Audit Period**);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (b) The Securities and Exchange Board of India (Depositories and participants) Regulations, 2018
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**
 - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/ 2015; **(Not applicable to the Company during the Audit Period)**
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
 - (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period);**
 - (g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
 - (h) (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**
- (vi) Other laws as may be applicable to the company,

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange. **(Company shares are not listed, hence not applicable)**

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors of the company except that Smt. Shilpa Baid was appointed as an Independent Woman Director of the company w.e.f. 16 August 2019 to fill up vacancy caused by resignation of earlier Independent Woman Director w.e.f. 27 March 2019 i.e. in a gap of about 4.5 months as against requirement of maximum *three months*. *As explained by the management, the company was not able to find out a suitable candidate for filling up the vacancy*



The appointment was made in board meeting held on 18th July 2019 but allotment of DIN took almost a month Hence, there was some delay in filling up the vacancy.

Adequate notice is given to all directors to schedule the Board Meetings, 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.

Majority decision is carried through and based on the information given by the company, I report there were no instances of any dissenting members' views being captured or recorded as part of the minutes.

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

I further report that during the audit period there are following specific events/actions having a major bearing on the Company' affairs in pursuance of the laws, rules, regulations, guidelines etc., referred to above:

Pursuant to the Order of Hon'ble NCLT, Kolkata Bench dated 26th September 2019, approving the scheme of amalgamation of Asian Magnetic Devices Private Limited and Rosebud Holding Private Limited with Elin Electronics Limited, the 'Asian Magnetic Devices Private Limited' (erstwhile associate company) got amalgamated with Elin Electronics Limited and 'Elin Appliances Private Limited' (erstwhile associate company), becomes wholly owned subsidiary the Company.

For Akshat Garg & Associates
(Company Secretaries)

Date: 15.09.2020
Place: Ghaziabad



(CS-Akshat Garg)

Prop.

C. P. No. 10655

M. No. F9161

UDIN: F009161B000712479

upto Rs. 1 lakh									
		12700	12700	0.20	17750	9200	26950	0.38	0.18
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh		1788000	1788000	28.44	2022075	468550	2490625	35.10	6.66
c) Others (specify)									
Sub-total(B)(2)		3451700	3451700	54.90	2039825	1086750	3126575	44.06	-10.84
Total Public Shareholding (B)=(B)(1)+(B)(2)		3451700	3451700	54.90	2039825	1086750	3126575	44.06	-10.84
C. Shares held by Custodian for GDR & ADR									
Grant Total (A+B+C)		6287700	6287700	100	5047125	2048575	7095700	100	-

(ii) Shareholding of Promoters-

SN	Shareholder's Name	Shareholding at the beginning of the year[as per closing balance of previous year MGT-9]			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mangi Lall Sethia	592900	9.43	-	621650	8.76	-	-0.67
2	Kundanmal M Lal(HUF)	60000	0.95	-	76250	1.07	-	0.12
3	Dhani Devi Sethia Trust	17500	0.28	-	17500	0.25	-	-0.03
4	Kamal Sethia	199500	3.17	-	219500	3.09	-	-0.08
5	Smt. Suman Sethia	247500	3.94	-	660000	9.30	-	5.37
6	Kamal Sethia & Sons	40000	0.64	-	44375	0.63	-	-0.01
7	Kishor Sethia	289400	4.60	-	314400	4.43	-	-0.17
8	Vasudha Sethia	133400	2.12	-	180150	2.54	-	0.42

10	Kanika Sethia	22500	0.36	-	25000	0.35	-	-0.01
11	Budh Singh Setia	199500	3.17	-	0	0	-	-3.17
12	Prem Lata Sethia	117000	1.86	-	467000	6.58	-	4.72
13	Ratni Devi Sethia	107000	1.70	-	0	0	-	-1.70
14	Sharad Sethia	78050	1.24	-	222050	3.13	-	1.89
15	Moti Lal Sethia & Sons	38600	0.61	-	38600	0.54	-	-0.07
16	Sanjeev Sethia	148100	2.36	-	152600	2.15	-	-0.20
17	Vijay Singh Sethia	101200	1.61	-	114700	1.62	-	0.01
18	Kanchan Sethia	80000	1.27	-	196250	2.77	-	1.49
19	Vijay Singh Sethia & Sons HUF	18000	0.29	-	22500	0.32	-	0.03
20	Vinay Kumar Sethia	57800	0.92	-	62050	0.87	-	-0.04
21	Santosh Sethia	77000	1.22	-	135875	1.91	-	0.69
22	Vikas Sethia	39000	0.62	-	43500	0.61	-	-0.01
23	Priyanka Sethia	38550	0.61	-	82300	1.16	-	0.55
24	Vinay Kumar Sethia & Sons (HUF)	0	0	-	1750	0.02	-	0.02
25	Kishor Sethia & Sons (HUF)	0	0	-	4375	0.06	-	0.06
	Total	2836000	45.10	-	3969125	55.94	-	10.84

(iii) Change in Promoters' Shareholding (please specify, if there is no change) -

SN	Particulars	Shareholding at the beginning of the year[as per closing balance of previous year MGT-9]		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mangi Lal Sethia				
	At the beginning of the year	592900	9.43	592900	9.43
	Allotment on 22.01.2020	28750	-0.67		
	At the end of the year	621650	8.76	621650	8.76
2.	Kundanmal M Lal(HUF)				
	At the beginning of the year	60000	0.95	60000	0.95
	Allotment on 22.01.2020	16250	+0.12		
	At the end of the year	76250	1.07	76250	1.07

3.	Dhani Devi Sethia Trust				
	At the beginning of the year	17500	0.28	17500	0.28
	Change in shareholding percentage due to increase in share capital	-	-0.03		
	At the end of the year	17500	0.25	17500	0.25
4.	Kamal Sethia				
	At the beginning of the year	199500	3.17	199500	3.17
	Allotment on 22.01.2020	20000	-0.08		
	At the end of the year	219500	3.09	219500	3.09
5.	Suman Sethia				
	At the beginning of the year	247500	3.94	247500	3.94
	Allotment on 22.01.2020	412500	5.37		
	At the end of the year	660000	9.30	660000	9.30
6.	Kamal Sethia & Sons				
	At the beginning of the year	40000	0.64	40000	0.64
	Allotment on 22.01.2020	4375	-0.01		
	At the end of the year	44375	0.63	44375	0.63
7.	Kishor Sethia				
	At the beginning of the year	289400	4.60	289400	4.60
	Allotment on 22.01.2020	25000	-0.17		
	At the end of the year	314400	4.43	314400	4.43
8.	Vasudha Sethia				
	At the beginning of the year	133400	2.12	133400	2.12
	Allotment on 22.01.2020	46750	0.42		
	At the end of the year	180150	2.54	180150	2.54
9.	Gaurav Sethia				
	At the beginning of the year	133500	2.12	133500	2.12
	Allotment on 22.01.2020	133250	1.64		
	At the end of the year	266750	3.76	266750	3.76
10.	Kanika Sethia				
	At the beginning of the year	22500	0.36	22500	0.36
	Allotment on 22.01.2020	2500	-0.01		
	At the end of the year	25000	0.35	25000	0.35
11.	Budh Singh Sethia				
	At the beginning of the year	199500	3.17	199500	3.17
	Transmission of shares to Smt. Premlata Sethia on 22.01.2020	-199500	-3.17		
	At the end of the year	0	0	0	0
12.	Premlata Sethia				
	At the beginning of the year	117000	1.86	117000	1.86
	Allotment of 150,500 shares on 22.01.2020 And transmission of 199,500 shares from Sh. Budh Singh Sethia on 22.01.2020	350000	4.72		

	At the end of the year	467000	6.58	467000	6.58
13.	Ratni Devi Sethia				
	At the beginning of the year	107000	1.70	107000	1.70
	Transmission of shares to Sh. Sharad Sethia on 22.01.2020	-107000	-1.70		
	At the end of the year	0	0	0	0
14.	Sharad Sethia				
	At the beginning of the year	78050	1.24	78050	1.24
	Allotment of 37000 shares on 22.01.2020 And transmission of 107,000 shares from Smt. Ratni Devi Sethia on 22.01.2020	144000	1.89		
	At the end of the year	222050	3.13	222050	3.13
15.	Moti Lal Sethia & Sons				
	At the beginning of the year	38600	0.61	38600	0.61
	Change in shareholding percentage due to increase in share capital	-	-0.07		
	At the end of the year	38600	0.54	38600	0.54
16.	Sanjeev Sethia				
	At the beginning of the year	148100	2.36	148100	2.36
	Allotment on 22.01.2020	4500	-0.20		
	At the end of the year	152600	2.15	152600	2.15
17.	Vijay Singh Sethia				
	At the beginning of the year	101200	1.61	101200	1.61
	Allotment on 22.01.2020	13500	0.01		
	At the end of the year	114700	1.62	114700	1.62
18.	Kanchan Sethia				
	At the beginning of the year	80000	1.27	80000	1.27
	Allotment on 22.01.2020	116250	1.49		
	At the end of the year	196250	2.77	196250	2.77
19.	Vijay Singh Sethia & Sons & HUF				
	At the beginning of the year	18000	0.29	18000	0.29
	Allotment on 22.01.2020	4500	0.03		
	At the end of the year	22500	0.32	22500	0.32
20.	Vinay Kumar Sethia				
	At the beginning of the year	57800	0.92	57800	0.92
	Allotment on 22.01.2020	4250	-0.04		
	At the end of the year	62050	0.87	62050	0.87
21.	Santosh Devi Sethia				
	At the beginning of the year	77000	1.22	77000	1.22
	Allotment on 22.01.2020	58875	0.69		
	At the end of the year	135875	1.91	135875	1.91

22.	Vikas Sethia				
	At the beginning of the year	39000	0.62	39000	0.62
	Allotment on 22.01.2020	4500	-0.01		
	At the end of the year	43500	0.61	43500	0.61
23.	Priyanka Sethia				
	At the beginning of the year	38550	0.61	38550	0.61
	Allotment on 22.01.2020	43750	0.55		
	At the end of the year	82300	1.16	82300	1.16
24.	Vinay Kumar Sethia & Sons (HUF)				
	At the beginning of the year	0	0	0	0
	Allotment on 22.01.2020	1750	0.02		
	At the end of the year	1750	0.02	1750	0.02
25.	Kishor Sethia & Sons (HUF)				
	At the beginning of the year	0	0	0	0
	Allotment on 22.01.2020	4375	0.06		
	At the end of the year	4375	0.06	4375	0.06

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [as per closing balance of previous year MGT-9]		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	CRB CORPORATION LTD.				
	At the beginning of the year	320000	5.09%	320000	5.09%
	Increase / Decrease during the year:	NIL	-0.58%	NIL	-0.58%
	At the end of the year	320000	4.51%	320000	4.51%
2.	Elin Appliances Pvt Ltd				
	At the beginning of the year	289000	4.60%	289000	4.60%
	Increase / Decrease during the year:	NIL	-0.53	NIL	-0.53
	At the end of the year	289000	4.07%	289000	4.07%
3.	RAKESH SETHIA				
	At the beginning of the year	170500	2.71%	170500	2.71%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	90575	0.97%	90575	0.97%
	At the end of the year	261075	3.68%	261075	3.68%
4.	MANJU SETHIA				
	At the beginning of the year	167600	2.67%	167600	2.67%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	60000	0.54%	60000	0.54%
	At the end of the year	227600	3.21%	227600	3.21%
5.	RAVI SETHIA				
	At the beginning of the year	193000	3.07%	193000	3.07%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	14575	-0.14%	14575	-0.14%

	At the end of the year	207575	2.93%	207575	2.93%
6.	PRADEEP SETHIA				
	At the beginning of the year	116000	1.84%	116000	1.84%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	46250	0.45%	46250	0.45%
	At the end of the year	162250	2.29%	162250	2.29%
7.	SUMIT SETHIA				
	At the beginning of the year	141700	2.25%	141700	2.25%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	2375	-0.22%	2375	-0.22%
	At the end of the year	144075	2.03%	144075	2.03%
8.	ALOK SETHIA				
	At the beginning of the year	80800	1.29%	80800	1.29%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	57500	0.66%	57500	0.66%
	At the end of the year	138300	1.95%	138300	1.95%
9.	DEEPAK SETHIA				
	At the beginning of the year	77000	1.22%	77000	1.22%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	58875	0.69%	58875	0.69%
	At the end of the year	135875	1.91%	135875	1.91%
10	SAJJAN SETHIA				
	At the beginning of the year	86700	1.38%	86700	1.38%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	42600	0.44%	42600	0.44%
	At the end of the year	129300	1.82%	129300	1.82%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [as per closing balance of previous year MGT-9]		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mangi Lall Sethia, Chairman & Managing Director				
	At the beginning of the year	592900	9.43%	592900	9.43%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	28750	-0.67%	28750	-0.67%
	At the end of the year	621650	8.76%	621650	8.76%
2	Vinay Kumar Sethia, Wholetime Director				
	At the beginning of the year	57800	0.92%	57800	0.92%
	Increase / Decrease during the year: (Allotment on 22.01.2020)	4250	-0.05%	4250	-0.05%
	At the end of the year	62050	0.87%	62050	0.87%

1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3600000	3840000	5478000	5214000	5247000	23379000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39600	39600	39600	39600	39600	198000
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission - as % of profit - others, specify...						
5	Others, please specify-						
	Total (A)	3639600	3879600	5517600	5253600	5286600	23577000
	Ceiling as per the Act	4800000	6000000	6000000	6000000	6000000	

B. Remuneration to other directors-

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		Kamal Singh Baid	Shilpa Baid	----	---	
1	Independent Directors					
	Fee for attending board committee meetings	32000	16000			48000
	Commission					
	Others, please specify					
	Total (1)	32000	16000			48000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	Total (2)					
	Total (B)=(1+2)	32000	16000			48000
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2123299		2123299
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		70542		70542
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		0		0
2	Stock Option				
3	Sweat Equity				

4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total		2193841		2193841

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY		NIL			
Penalty					
Punishment					
Compounding					
B. DIRECTORS		NIL			
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT		NIL			
Penalty					
Punishment					
Compounding					

On Behalf of the Board
For ELIN ELECTRONICS LIMITED

For Elin Electronics Limited



Authorised Signatory/Director
(M.L. SETHIA)

CHAIRMAN & MG. DIRECTOR

DIN: 00081367

PLACE: NEW DELHI
DATE: 16.09.2020

ELIN ELECTRONICS LIMITED

Regd. Office - 143, Cotton Street, Kolkata -700007

Tel: 033-22684329, Email id: rkc@elinindia.com, Website- elinindia.com

CIN: U29304WB1982PLC034725

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 arm's length transactions under third proviso thereto.

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

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

Name of Related party and Nature of Relationship	Nature of contract/ transactions	Duration of Contract/ transactions	Salient terms of contract/ transactions	Approval by the Board/ shareholder	Amount paid as advance, if any
<u>Elin Appliances Private Ltd.</u> , Subsidiary company	-Sale of goods -Purchase of goods -Rent payment	On-going contract	Regular commercial contracts	24 th May, 2019	Nil
<u>Kanchan Commercial Co. Pvt. Ltd.</u> , a company in which directors are interested	Rent payment	On-going contract	Regular commercial contracts	24 th May, 2019	Nil
<u>Magtronics Devices Pvt. Ltd.</u> , a company in which directors are interested.	Rent receipt	On-going contract	Regular commercial contracts	24 th May, 2019	Nil

For and on behalf of the Board

For Elin Electronics Limited

M.L. SETHIA

Authorised Signatory/Director

M.L. SETHIA
Chairman & Mg. Director

DIN: 00081367

Place: New Delhi

Date: 16.09.2020

**INDEPENDENT AUDITORS' REPORT****To the Members of Elin Electronics Limited****Report on the Audit of Standalone Financial Statements****Opinion**

We have audited the Standalone Financial Statements of **M/s Elin Electronics Limited** ("the Company") which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss and the statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- a. We draw attention to Note 27(j) of the standalone financial statements which describes the scheme of amalgamation ("the scheme") becoming effective on 2nd November 2019, the appointed date being 1st April 2018. We further refer to note 27(m) of the standalone financial statements which states that pursuant to the scheme, the audited standalone financial statement of the previous year ended 31st March 2019, issued on 14th June 2019, have been restated to give effect of the scheme.
- b. We draw attention to Note 27(k) of the standalone financial statements which describes management's assessment of the impact of the outbreak of COVID-19 pandemic on its business operations and financial results. The said assessment made by the management is highly dependent upon the circumstances as they evolve in subsequent period.

Our opinion is not modified in respect of above matters.

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 Board Report including Annexures to Board's Report but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do 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.

When we read the other information comprising the above documents, if we conclude that there is a material misstatement therein, 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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Audit of 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 in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of sub-section (11) of section 143 of the Companies Act, 2013, 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 Companies Act, 2013, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (f) With respect to the adequacy of the internal financial controls over financial reporting 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 / provided by the Company to its directors during the year is in accordance with the provisions of section 197 read with schedule V to the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position as referred in Note 27(a) of the Standalone Financial Statements.
 - ii. The Company has made provision, as required under the applicable law & accounting standards for material foreseeable losses, if any and as required under the long-term contracts. The Company does not have any derivative contracts.
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No. 016520N



CA Sunil Bhansali
Partner
M. No.: 054645
UDIN: 20054645AAAAAZ2558

Place: New Delhi
Dated: 16/09/2020

'ANNEXURE A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)



- i.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of Property Plant and Equipment (fixed assets).
 - b. The Company has a programme for the physical verification of Property Plant and Equipment (fixed assets) at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. No significant discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.
- ii. The inventories, except for stocks lying with certain third parties from whom confirmations have been obtained for stocks held as at the year end, have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies between the book stocks and physical stocks, which have been properly dealt with in the books of accounts, were not significant.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans and investments, etc., as provided in paragraph 3 (iv) of the Order.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under apply, or an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
 - a. The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods & services tax, Custom duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts were in arrears as at 31st March, 2020 for a period of more than six months from the date they become payable.
 - b. According to the information and explanations given to us, disputed statutory dues outstanding over six months as at 31-03-2020 aggregating to **Rs. 34,98,564/-** (Net of advance) that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	34,98,564	Oct 1995 – Sep 2011	High Court, Mumbai



- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any financial institution or banks. The Company has not issued any debentures and hence comment over repayment of dues to debentures holders does not arise.
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
- x. According to the information and explanation given to us and based on our examination, we report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion, the Company has complied with the provisions of section 197 read with schedule V of the Companies Act, 2013, with respect to the managerial remunerations, as provided in paragraph 3 (xi) of the Order.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Therefore, the provisions of paragraph 3 (xii) of the Order are not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, in our opinion, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares/debentures during the year and hence the reporting on compliance of section 42 of the Companies Act, 2013 under provisions of paragraph 3 (xiv) of the Order are not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3 (xvi) of the Order are not applicable.

For **Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No. 016520N



CA Sunil Bhansali
Partner
M. No.: 054645
UDIN: 20054645AAAAAZ2558

Place: New Delhi
Dated: 16/09/2020

'ANNEXURE B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **Elin Electronics Limited** ('the Company') as of 31st March, 2020 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 Board of Directors of the 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 ('ICAI'). 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 its 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by 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 over financial reporting was 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Standalone 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 Standalone Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

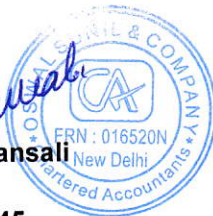
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as on 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No. 016520N


CA Sunil Bhansali
Partner



M. No.: 054645
UDIN: 20054645AAAAAZ2558

Place: New Delhi
Dated: 16/09/2020

ELIN ELECTRONICS LIMITED
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

	Notes	As At 31st March, 2020 ₹	As At 31st March, 2019 ₹
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	2	70,957,000	52,457,000
Share pending allotment pursuant to scheme	27 (j)	-	18,500,000
Reserves and Surplus	3	1,558,620,457	1,428,169,998
		<u>1,629,577,457</u>	<u>1,499,126,998</u>
<u>NON-CURRENT LIABILITIES</u>			
Long-Term Borrowings	4	390,238,659	390,473,631
Deferred Tax Liabilities (Net)	5	7,539,359	496,529
		<u>397,778,018</u>	<u>390,970,160</u>
<u>CURRENT LIABILITIES</u>			
Short-Term Borrowings	6	164,750,843	338,818,860
Trade Payables			
- Micro and Small Enterprises		85,111,506	35,211,525
- Others		465,853,207	691,938,123
Other Current Liabilities	7	168,553,211	123,339,818
Short-Term Provisions	8	42,474,236	44,543,332
		<u>926,743,003</u>	<u>1,233,851,658</u>
TOTAL		<u>2,954,098,478</u>	<u>3,123,948,816</u>
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property Plant and Equipments	9		
- Tangible Assets		1,127,157,310	991,227,461
- Intangible Assets		607,200	1,209,732
- Capital Work in Progress		278,689	4,094,495
Non Current Investments	10	20,100,000	20,600,000
Long-Term Loans and Advances	11	149,752,204	187,125,553
		<u>1,297,895,403</u>	<u>1,204,257,241</u>
<u>CURRENT ASSETS</u>			
Current Investments	12	136,917,135	122,869,463
Inventories	13	664,265,011	652,528,173
Trade Receivables	14	755,808,083	1,063,605,354
Cash and Cash Equivalents	15	38,567,727	31,992,910
Short-Term Loans and Advances	16	60,500,507	48,153,901
Other Current assets	17	144,612	541,774
		<u>1,656,203,075</u>	<u>1,919,691,575</u>
TOTAL		<u>2,954,098,478</u>	<u>3,123,948,816</u>
Significant Accounting Policies	1		
Additional Information	27		

As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Registration Number: 016520N

CA Sunil Bhansali
Partner
Membership No: 054645

Place : New Delhi
Dated : 16 SEP 2020

For and on behalf of the Board

M.L.SETHIA
Managing Director
DIN: 00081367

VINAY KUMAR SETHIA
Whole Time Director
DIN: 00082184

AVINASH KARWA
Company Secretary
Membership No: A20424

ELIN ELECTRONICS LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Notes	For the year ended 31st March, 2020 ₹	For the year ended 31st March, 2019 ₹
INCOME			
Revenue from Operations	18	6,114,608,056	6,176,804,981
Other Income	19	9,158,243	6,991,021
Total Revenue		6,123,766,299	6,183,796,002
EXPENSES			
Cost of Materials Consumed	20	4,100,722,179	4,290,804,946
Purchases of Stock-in-Trade		165,706,108	162,653,831
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	21	(55,217,500)	(23,202,905)
Employee Benefits Expenses	22	835,944,834	731,363,692
Finance Costs	23	103,961,554	109,047,274
Depreciation, Amortisation and Impairment Expenses	9	175,146,180	140,063,168
Research & Development Expenses	24	65,546,335	66,282,514
Other Expenses	25	561,277,963	520,777,243
Total Expenses		5,953,087,653	5,997,789,763
PROFIT BEFORE TAX		170,678,646	186,006,239
Tax Expenses			
Income Tax		33,400,000	40,457,307
Short / (Excess) Provision for Income Tax of earlier year		(214,643)	(420,650)
Deferred Tax		7,042,830	(4,984,263)
		40,228,187	35,052,394
PROFIT FOR THE YEAR		130,450,459	150,953,845
Earning per Equity Share (Face Value Rs. 10/- Per Share) Basic & Diluted (in Rs.)	26	18.38	21.27
Significant Accounting Policies	1		
Additional Information	27		



As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Registration Number: 016520N

CA Sunil Bhansali
Partner
Membership No: 054645

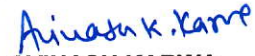


Place : New Delhi
Dated : 16 SEP 2020

For and on behalf of the Board



M.L. SETHIA **VINAY KUMAR SETHIA**
Managing Director Whole Time Director
DIN: 00081367 DIN: 00082184




AVINASH KARWA
Company Secretary
Membership No: A20424

ELIN ELECTRONICS LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxation	170,678,646	186,006,239
Adjustments for :		
Depreciation	175,146,180	140,063,168
Bad Debts Written Off	49,149,656	7,066,863
Provision for Diminution on Investment	4,952,328	(1,615,023)
(Profit) / Loss on Disposal of Property Plant and Equipments (Net)	(1,225,325)	(1,220,118)
Dividend Income from Current Investments	(3,569,302)	(4,530,989)
Interest Paid	100,971,162	106,108,323
Interest Received	(2,841,118)	(4,373,175)
(Profit) / Loss on Sale of Current Investments	(1,162,498)	3,073,882
Operating Profit Before Working Capital Changes	492,099,729	430,579,170
Adjustments For :		
Trade Payable	(176,184,935)	124,573,829
Other Current Liabilities	45,213,393	37,320,685
Short -Term Provisions	2,597,524	4,384,738
Long - Term Loans and Advances	37,373,349	(50,830,306)
Inventories	(11,736,838)	(126,009,903)
Trade Receivables	258,647,615	(242,782,258)
Short - Term Loans and Advances	(6,628,366)	51,563,998
Other Current Assets	397,162	(221,847)
Cash Generated from Operation	641,778,633	228,578,106
Less: Direct Taxes Paid (Net) (Including Tax Deducted at Source)	(43,570,217)	(41,954,981)
Net Cash from Operating Activities Total (A)	598,208,416	186,623,125
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipments	(310,577,371)	(276,330,389)
Sale Proceeds of Property Plant and Equipments	5,145,005	4,510,326
Purchase of Current & Non Current Investments	(45,000,000)	(43,749,844)
Sale Proceeds of Current & Non Current Investments	27,662,498	6,623,456
Dividend Received on Investment	3,569,302	4,530,989
Interest Received	2,841,118	4,373,175
Net Cash from Investing Activities Total (B)	(316,359,448)	(300,042,287)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of Payment)	(234,972)	71,348,684
Proceeds from Short Term Borrowings (Net of Payment)	(174,068,017)	63,345,279
Interest Paid	(100,971,162)	(106,108,323)
Net Cash from Financing Activities Total (C)	(275,274,151)	28,585,640
D. NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	6,574,817	(84,833,522)
Add : Cash and Cash Equivalents (Opening Balance)	31,992,910	108,061,300
Add: Adjustment on account of Amalgamation as per Scheme	-	8,765,132
Cash and Cash Equivalents (Closing Balance)	38,567,727	31,992,910

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statement
- Cash and bank balance includes the following, which are not available for use by the Company:

Fixed deposits pledged with banks	12,314,820	6,707,715
Fixed deposits pledged with others	241,166	205,939

As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Registration Number: 016520N

CA Sunil Bhansali
Partner
Membership No: 054645



For and on behalf of the Board

M.L. SETHIA
Managing Director
DIN: 00081367

VINAY KUMAR SETHIA
Whole-time Director
DIN: 00082184

Mus... *Vinay Kumar Sethia*



AVINASH KARWA
Company Secretary
Membership No: A20424

Place : New Delhi
Dated : 16 SEP 2020

1 Significant Accounting Policies**a Accounting Basis and Convention :**

The Standalone Financial Statements have been prepared under the Historical Cost convention in accordance with the generally accepted accounting principles and to comply with the Accounting Standards referred to in Section 133 of Companies Act 2013 read with Rule 7 of Company (Accounts) Rules, 2014 to the extent applicable. The Company follows mercantile system of accounting.

b Use of Estimates

The preparation of the Standalone financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

c Property Plant and Equipments (PPE):**i) Tangible Assets**

Tangible assets are stated at cost less accumulated depreciation & impairment, if any. The Company capitalizes all direct costs including taxes (Net of eligible Input Tax Credit), duties, freight and incidental expenses directly attributable to the acquisition and installation of assets for ready for use, as intended by the management.

ii) Intangible Assets

An Intangible asset is recognized, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured.

iii) Capital Work-in-Progress

All direct expenses incurred for acquiring, erecting and commissioning of Property Plant and Equipments, which are not ready for put into use, are shown under the head "Capital Work-in-Progress". Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as "Capital Advances" under Long Term Loans and Advances.

d Depreciation and Amortisation :

Depreciation is charged on the basis of useful life of the Property Plant and Equipments. The company has adopted useful life as given in Part "C" of Schedule II of Companies Act, 2013 in respect of all assets. The Company has adopted written down value method for computation of depreciation charged. The Company is amortising the leasehold Land over the period of lease life.

e Inventories :

Inventories are valued at lower of cost or net realisable value. The cost is determined using FIFO basis. Provision for obsolescence is made, wherever necessary.

f Investments :

Non Current Investments are stated at cost. Provision for diminution is made when there is permanent fall in valuation of Non Current investment. Current Investments comprising investment in Mutual Funds, are stated at lower of cost or Quoted / Fair value.

g Foreign Currency Transaction :**i) Conversion**

Foreign currency monetary items are reported using the closing rate. 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 the transaction.

ii) Exchange Differences

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous Standalone financial statement, are recognized as income or expense in the Statement of Profit and Loss.

h Impairment of assets:

The Carrying amount of the Company's Assets are reviewed periodically to determine whether there is any indication of impairment of assets. An impairment Loss is recognised whenever the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is greater of net selling price and value in use.

j Revenue Recognition :

Sales is recognized on transfer of property in goods to customers. Processing Income is recognized as and when such service are provided. Interest income and Rental Income are recognised on time proportion basis. Dividend Income is recognised when right to receive is established.

k Research & Development :

Revenue Expenditure on Research & Development activities are charged to Statement of Profit and Loss in the year in which it is incurred. Capital Expenditure on Research & Development is shown as addition to property plant and equipments.

l Retirement Benefits :

Contribution to Provident Fund and Family Pension Fund is made monthly and debited to the Statement of Profit and Loss . Liability in respect of gratuity payable to employees is funded through Elin Electronics Limited Employees Group Gratuity Fund under a policy scheme of Kotak Mahindra Old Mutual Life Insurance Limited, Bajaj Allianz Life Insurance Co. Ltd and Birla Sun Life Insurance Co. Ltd. The expenses is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Yearly contribution paid to the Fund is debited to Statement of Profit and Loss. The employees of the Company can encash unavailed leave during the period of service hence yearly provision is made for unavailed leave outstanding at the close of each Financial Year.

m Borrowing Costs :

Borrowing costs attributable to the acquisition/construction of qualifying assets are capitalised. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other Borrowing costs are recognised as expenses in the period in which they are incurred.



n Recognition of Grants and Subsidy :

Government Grants are recognized only when there is reasonable assurance that the company will comply with the conditions attached to them and that there is reasonable certainty that grants will be received. Government Grants/assistance related to property plant and equipments are adjusted in the carrying cost of such assets so that depreciation expenses are adjusted on systematic basis over the useful life of asset.

A government grant that becomes receivable for property plant and equipments already discarded or expenses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs, is recognized in Statement of Profit and Loss of the period in which it is actually received.

o Provision, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes.

Contingent liability is disclosed in case of:

- i a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- ii a present obligation arising from past events, when no reliable estimate is possible,
- iii a possible obligation arising from past events where the probability of outflow of resources is not remote. Contingent Assets are neither recognised nor disclosed in the Standalone financial statements.

p Tax on Income

Provision for current tax is made after taking into consideration of benefits admissible under the provision of the Income Tax Act, 1961. Deferred tax resulting from timing difference between book and taxable profits accounted for using the tax rates and law that have been enacted as on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent there is reasonable certainty that the assets will be realised in future.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company review the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in ₹)

2 SHARE CAPITAL

	As At 31st March,2020	As At 31st March,2019
AUTHORISED		
10250000 Equity Shares of Rs.10/- each (P.Y.10250000 Equity Shares of Rs.10/- each)*	102,500,000	102,500,000
	102,500,000	102,500,000
ISSUED, SUBSCRIBED & PAID UP		
7095700 Equity Shares of Rs.10/- each fully paid up (P.Y.5245700 Equity Shares of Rs.10/-each)	70,957,000	52,457,000
TOTAL	70,957,000	52,457,000

* Refer Note No 27 (j)(iii)

2.1 The details of shareholders holding more than 5% shares

Name of the Shareholder	As At 31st March,2020		As At 31st March,2019	
	No. of Shares	Percentage held	No of Shares #	Percentage held #
1 Suman Sethia	660,000	9.30%	660,000	9.30%
2 Mangilal Sethia	621,650	8.76%	621,650	8.76%
3 Prem Lata Sethia	467,000	6.58%	467,000	6.58%

No. of Shares and Percentage is based on Share Capital including "Shares pending for Allotment" pursuant to scheme

The company has one class of shares having a face value of Rs.10/- per share. Each shareholder is eligible for one vote per share held.

2.3 Reconciliation of Shares outstanding at the beginning and end of reporting period

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	5,245,700	52,457,000	6,287,700	62,877,000
Add: Shares issued pursuant to scheme*	1,850,000	18,500,000	-	-
Less: Shares eliminated pursuant to scheme*	-	-	1,042,000	10,420,000
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,095,700	70,957,000	5,245,700	52,457,000

*Refer Note 27 (j)(vi)

3 RESERVES & SURPLUS

	As At 31st March,2020	As At 31st March,2019
SECURITY PREMIUM RESERVE ACCOUNT		
As per last Balance Sheet	59,554,000	59,554,000
GENERAL RESERVE		
As per last Balance Sheet	468,213,716	555,113,306
Add : Reserve Pursuant to Scheme*	-	691,000
Less: Squared-off on cancellation of Share Capital pursuant to Scheme*	-	(137,590,590)
Add : Transferred from Surplus in the Statement of Profit and Loss	50,000,000	50,000,000
	518,213,716	468,213,716
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As per last Balance Sheet	900,402,282	636,104,998
Add : Reserve Pursuant to Scheme*	-	163,343,439
Add : Profit for the year	130,450,459	150,953,845
<u>Less : Appropriations</u>		
Transfer to General Reserve	50,000,000	50,000,000
	980,852,741	900,402,282
TOTAL	1,558,620,457	1,428,169,998

* Refer Note 27 (j)



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in ₹)

4 LONG TERM BORROWINGS

Secured
Term Loans

From Banks

Less : Shown in Current Maturities of Long-Term Debt (Refer Note 7)

(Secured by way of first pari passu charge over entire movable Property Plant and Equipments of the company and immovable Property Plant and Equipments of the company by equitable mortgage of properties situated at Ghaziabad and Goa. These are further secured by second pari passu charge on entire current assets of the company and personal guarantee of the four Directors of the Company)

(Terms of Repayment - Repayable in quarterly / monthly instalments. The amount will be fully paid by Mar, 2025)

	As At 31st March,2020	As At 31st March,2019
	484,831,026	429,385,144
	(94,592,367)	(38,911,513)
TOTAL	390,238,659	390,473,631

4.1 Particulars	Installments	Weighted Average Rate of Interest	Outstanding as at 31/03/2020	Annual Repayment Schedule		
				2020-21	2021-22	2022-23 to 2024-25
Term Loans	Quarterly / Monthly	7.61%	484,831,026	94,592,367	166,607,583	223,631,076

5 DEFERRED TAX LIABILITIES (NET)

	As At 31st March,2020	As At 31st March,2019
Deferred Tax Liabilities	7,539,359	496,529
TOTAL	7,539,359	496,529

5.1 The components of Deferred Tax Assets / (Liability) are as under :-

	Deferred Tax Assets (Liability) As on 01/04/2019	Current Year Charge / (Credit)	Deferred Tax Assets (Liability) As on 31/03/2020
Deferred Tax Assets			
Disallowances of provision for Bonus & Leave Encashment	13,934,519	(3,244,603)	10,689,916
Total (A)	13,934,519	(3,244,603)	10,689,916
Deferred Tax Liability			
Timing Differences on account of Change in Written Down Values as per Books of accounts and as per IT Act.	(14,431,048)	(3,798,227)	(18,229,275)
Total (B)	(14,431,048)	(3,798,227)	(18,229,275)
Deferred Tax Assets / (Liabilities) (net) (A-B)	(496,529)	(7,042,830)	(7,539,359)



ELIN ELECTRONICS LIMITED
 NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in ₹)

6 SHORT-TERM BORROWINGS

	As At 31st March,2020	As At 31st March,2019
<u>Secured</u>		
Loans Repayable on demand-Working Capital Loan		
- From Banks	164,750,843	338,818,860
(Secured by exclusive first pari passu charge on entire stock of Raw material, Work-in-Progress, Finished Goods, Consumable Stores, Book Debts and other current assets of the company, both present and future. These loans are further secured by second pari passu charge over the entire movable Property Plant and Equipments of the company, other and immovable Property Plant and Equipments of the company by equitable mortgage of properties situated at Ghaziabad and Goa.)		
TOTAL	<u>164,750,843</u>	<u>338,818,860</u>

7 OTHER CURRENT LIABILITIES

	As At 31st March,2020	As At 31st March,2019
Current Maturities of Long-Term Debts (Refer Note 4)		
- Term Loans	94,592,367	38,911,513
Advances from Customers	20,680,303	14,808,397
Statutory Liabilities Payable	9,859,632	17,435,631
Security Deposits	58,000	58,000
Liability for Expenses	43,362,909	52,126,277
TOTAL	<u>168,553,211</u>	<u>123,339,818</u>

8 SHORT-TERM PROVISIONS

	As At 31st March,2020	As At 31st March,2019
Provision For Employees Benefits		
- Bonus and Reward	32,229,137	29,847,227
- Leave Encashment	10,245,099	10,029,485
Provision for Income Tax [Net of advances Rs. Nil (PY:Rs.121,631,489/-)]	-	4,666,620
TOTAL	<u>42,474,236</u>	<u>44,543,332</u>



9 PROPERTY, PLANT AND EQUIPMENTS

Sl. No.	Particulars	Gross Block #				Depreciation				Net Block		
		As at 01/04/2019	Additions	Sales / Adjustments	Adjustment for Impairment of Assets \$	As at 31/03/2020	For the year	Sales / Adjustments	Adjustment for Impairment of Assets \$	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
A	Tangible Assets											
1	Leasehold Land	104,641,161	-	-	-	104,641,161	2,142,036	-	-	13,929,679	90,712,462	92,854,516
2	Buildings (Factory & Non Factory)	468,629,966	50,356,972	-	-	518,986,938	27,174,611	-	-	216,512,947	302,473,991	279,291,630
3	Plant & Machinery (including R & D Machinery)	1,053,496,890	193,952,892	18,398,401	-	1,228,051,381	109,692,666	16,328,343	-	641,996,462	587,054,919	504,864,751
4	Dies, Moulds & Tools	108,474,722	36,719,169	1,735,369	-	145,458,522	11,322,610	145,065	-	74,273,066	71,185,436	45,379,181
5	Electric Installations	116,128,649	19,646,790	403,195	-	135,372,244	11,274,710	383,035	-	90,604,179	44,768,065	36,416,145
6	Furniture & Fixtures	34,894,776	4,717,947	336,141	-	39,276,562	3,217,708	318,334	-	27,616,645	11,659,937	10,176,505
7	Office Equipments	28,104,956	3,869,776	365,939	-	31,608,783	4,063,704	347,642	-	26,146,786	5,462,007	5,674,232
8	Vehicles	49,039,838	3,129,631	2,334,153	-	49,835,316	5,655,603	2,130,099	-	35,994,843	13,840,473	16,570,499
	Total A	1,963,410,958	314,393,177	23,573,198	-	2,254,230,937	174,543,648	19,653,518	-	1,127,073,627	1,127,157,310	891,227,461
B	Intangible Assets											
1	Software	7,727,587	-	-	-	7,727,587	602,532	-	-	7,120,387	607,200	1,209,732
	Total B	7,727,587	-	-	-	7,727,587	602,532	-	-	7,120,387	607,200	1,209,732
	Total (A+B)	1,971,138,545	314,393,177	23,573,198	-	2,261,958,524 (*)	175,146,180 (**)	19,653,518	-	1,134,194,014	1,127,764,510	892,437,193
	Capital Work in Progress	-	-	-	-	-	-	-	-	-	278,689	4,094,495
	Previous Year	1,718,985,121	291,226,361	34,439,965	4,632,972	1,971,138,545 (*)	139,600,414 (**)	31,149,757	4,170,218	978,701,352	992,437,193	844,564,208

* Includes ₹ 76,745,494 /- (Previous Year ₹ 76,591,294/-) Assets Used for Research and Development Purposes
 ** Includes Depreciation ₹ 5,833,589/- (Previous Year ₹ 5,597,255/-) on Assets used for Research and Development Purposes
 \$ Refer to Additional Note No. 27(In)
 # For Assets charged / mortgaged as security, refer Note 4 and 6.



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in ₹)

10 NON CURRENT INVESTMENTS

	As At 31st March,2020	As At 31st March,2019
Investments in Equity Instruments - At Cost (Trade) Unquoted fully paid up In Subsidiary :-		
l) 2,00,000 (P.Y. 2,00,000) Equity Shares in Elin Appliances Pvt. Ltd. (extent of holding 100.00% (P.Y. 100.00%))	20,000,000	20,000,000
In Others :-		
l) 10,000 (P.Y. 10,000) Equity shares in ELCINA Elect.Mfg.Cluster Pvt. Ltd. (extent of holding 9.08% (P.Y. 9.08%))	100,000	100,000
SUB TOTAL	20,100,000	20,100,000
l) Life Insurance Corporation of India	-	500,000
SUB TOTAL	-	500,000
TOTAL	20,100,000	20,600,000

10-1 Aggregate amount of unquoted investments Rs.2,01,00,000/-(P.Y.Rs.2,06,00,000/-)

11 LONG TERM LOANS AND ADVANCES

	As At 31st March,2020	As At 31st March,2019
(Unsecured, considered good)		
Capital Advances	133,097,389	172,071,738
Security Deposits	16,654,815	15,053,815
TOTAL	149,752,204	187,125,553

12 CURRENT INVESTMENTS

	As At 31st March,2020	As At 31st March,2019
Investments in units of Mutual Fund - Unquoted (At Cost)		
i) 399,443 (P.Y. 399,443) units of HDFC Arbitrage Fund - Monthly-Dividend	4,326,367	4,326,367
ii) 82,403 (P.Y. 47,737) units of ICICI prudential Floating Interest Fund - Growth	23,095,647	13,095,647
iii) 435,100 (P.Y. 435,100) units of L&T Low Duration Fund- Growth	8,562,031	8,562,031
iv) 201,296 (P.Y. 201,296) units of L&T Tax Advantage Fund - Dividend payout	5,000,000	5,000,000
v) 5,526,363 (P.Y. 5,526,363) Units of Reliance Arbitrage Fund - Monthly Dividend	58,739,665	58,739,665
vi) Nil (P.Y. 304,335) Units of Reliance Balance Advantage Fund - Growth Plan Growth Option	-	26,000,000
vii) 96,347 (P.Y. 96,160) units of HDFC Group Unit Linked Plan option B	2,906,999	2,906,999
viii) 101,937 (P.Y. 101,937) units of L & T Tax Advantage Fund - Dividend	2,500,000	2,500,000
ix) 52,511 (P.Y. 52,511) units of L & T Tax Advantage Fund - Growth	2,900,000	2,900,000
x) 7,825 (P.Y. Nil) units of Axis Banking & PSU DBT Fund	14,500,000	-
xi) 165,234 (P.Y. Nil) units of Axis Bluechip Fund	5,000,000	-
xii) 114,480 (P.Y. Nil) units of ICICI Prudential Bluechip Fund	5,000,000	-
xiii) 535,643 (P.Y. Nil) units of ICICI Prudential Ultra Short Term Fund	10,500,000	-
	143,030,709	124,030,709
Less : Provision for Dimunation in Current Investments	6,113,574	1,161,246
TOTAL	136,917,135	122,869,463

12-1 Aggregate amount of unquoted Investments NAV Rs. 143,770,986/- (P.Y. Rs.127,832,337/-)

13 INVENTORIES

	As At 31st March,2020	As At 31st March,2019
(As taken valued and certified by the Management) (Valued at cost or net realisable value, whichever is lower)		
Raw Materials & Components	359,013,158	405,723,684
Goods-in-Transit	7,290,342	2,864,105
Work- in-Progress*	169,643,258	152,728,270
Finished Goods	108,655,114	70,300,434
Stock-in-Trade	-	52,168
Stores and Spares	19,663,139	20,859,512
*[Work-in-progress includes Rs. 9,787,775/- (P.Y. Rs.7,924,146/-) being materials lying with third parties for processing]		
TOTAL	664,265,011	652,528,173



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in ₹)

14	<u>TRADE RECEIVABLES</u> (Unsecured, considered good)		
		As At 31st March,2020	As At 31st March,2019
	Outstanding for a period exceeding six months from the date they become due	7,076,358	12,409,685
	Others	748,731,725	1,051,195,669
	TOTAL	755,808,083	1,063,605,354
14-1	Outstanding from Elin Appliances Private Limited as Subsidiary Company Rs.74,487,311/- (P.Y.38,125,901/-)		
15	<u>CASH AND CASH EQUIVALENTS</u>		
		As At 31st March,2020	As At 31st March,2019
	Cash on hand	2,112,729	2,236,304
	Cheques, Drafts on hand	50,000	1,852,045
	Balances with Banks		
	- In Current Accounts	23,206,833	20,582,681
	- In Fixed Deposits * (Includes Interest accrued Rs. 642,179/- P.Y. Rs.133,226/-)	13,198,165	7,321,880
	* Note :		
	(a) Includes FDR of Rs. 133,191/-(Previous Year Rs. 33,180/-) with maturity of more than 12 months.		
	(b) Out of above Rs. 12,314,820/- (P.Y. Rs.6,707,715/-) pledged with Bank as Margin and Rs. 241,166/- (P.Y. 205,939/-) with others as security		
	TOTAL	38,567,727	31,992,910
16	<u>SHORT TERM LOANS AND ADVANCES</u> (Unsecured, considered good)		
		As At 31st March,2020	As At 31st March,2019
	Loans and Advances to Staff & Workers	7,728,060	15,552,579
	Direct Tax Receivables [Net of Provision Rs.110,657,307/- (PY: Nil)]	5,718,240	-
	Indirect Taxes Receivables	15,748,713	3,709,356
	Commercial Taxes under Appeal	1,493,364	1,255,840
	Provident Fund under Appeal	1,166,188	1,166,188
	Goods and Service Tax Under Appeal	637,501	247,376
	Export Incentive Receivable	879,027	627,578
	Advances to Suppliers	27,129,414	25,594,984
	TOTAL	60,500,507	48,153,901
17	<u>OTHER CURRENT ASSETS</u> Prepaid Expenses		
	TOTAL	144,612	541,774
		144,612	541,774



18 **REVENUE FROM OPERATIONS**

	For the year ended 31st March,2020	For the year ended 31st March,2019
Manufactured Goods		
Export Sales		
LED Lights	19,444,483	14,397,339
Other Products	1,076,707	1,631,138
	20,521,190	16,028,477
Domestic Sales		
Electric Light Fittings(ELF)	90,852,085	261,124,042
LED Lights	2,308,379,900	2,398,749,782
Universal Motor/ Induction Motor/Cooler Motor/EFM	1,265,822,928	1,130,389,681
SYN Motor/ FBM/HBM/ Submersible Pump	133,646,245	72,828,703
Sheet Metal Parts	387,437,760	400,584,595
Plastic Moulded Items	614,720,368	718,041,335
LED Flash Light	352,289,207	361,209,551
Dies Tools & Moulds	88,761,366	109,692,185
Audio Products	39,918,484	62,995,523
Cartridge assy	42,316,284	-
Air Fans	69,702,720	-
Terminal Block	140,449,021	114,083,126
Other Product / Spare Parts	212,211,263	184,313,151
	5,746,507,631	5,814,011,674
Sale of scrap & waste / Empties	146,764,509	152,201,316
Sale of Traded goods		
Sound Bar	175,395,017	158,370,446
Dies Tools & Moulds	-	13,243,741
Others	833,097	848,290
	176,228,114	172,462,477
Processing Charges	23,455,085	21,193,441
Export Incentives	1,131,527	907,596
TOTAL (a to f)	6,114,608,056	6,176,804,981

19 **OTHER INCOME**

	For the year ended 31st March,2020	For the year ended 31st March,2019
Interest Income	2,841,118	4,363,519
Rental Income	360,000	240,000
Dividend on Current Investment	3,569,302	4,530,989
Net Profit / (Loss) on Sale of Current Investments	1,162,498	(3,073,882)
Profit on Sale of Property Plant and Equipments	1,225,325	930,395
TOTAL	9,158,243	6,991,021

20 **COST OF MATERIALS CONSUMED**

	For the year ended 31st March,2020	For the year ended 31st March,2019
Opening Stock	427,432,207	324,570,452
Add : Purchase during the year	4,050,128,384	4,393,666,701
	4,477,560,591	4,718,237,153
Less : Closing Stock	376,838,412	427,432,207
Material Consumed	4,100,722,179	4,290,804,946



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in ₹)

20.1	Material consumed comprises of :		
	CRCA/CRNGO Sheets	450,540,752	470,873,547
	Universal Motor Parts	455,548,766	336,786,350
	ELF / LED Components	1,538,333,552	1,585,705,659
	Copper Wire	298,418,034	270,759,447
	E-CU Copper Strips	92,969,886	86,189,942
	Plastic Granuals	523,364,373	632,819,980
	Battery (in set)	92,014,479	89,509,111
	LED	17,883,936	18,902,351
	Others*	631,648,401	799,258,559
	*Others includes raw materials, components and spare parts, none of which individually accounts for more than 10% of the total consumption.		
	TOTAL	4,100,722,179	4,290,804,946
21	<u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK- IN-PROGRESS AND STOCK IN TRADE</u>		
		For the year ended 31st March,2020	For the year ended 31st March,2019
	Opening Stock		
	Finished goods	70,300,434	66,360,094
	Work- in-progress	152,728,270	133,462,205
	Stock in Trade	52,168	55,668
		223,080,872	199,877,967
	Closing Stock		
	Finished goods	108,655,114	70,300,434
	Work- in-progress	169,643,258	152,728,270
	Stock in Trade	-	52,168
		278,298,372	223,080,872
	Changes in Inventories	(55,217,500)	(23,202,905)
	TOTAL		
22	<u>EMPLOYEE BENEFITS EXPENSES</u>		
		For the year ended 31st March,2020	For the year ended 31st March,2019
	Salaries and Incentives	766,331,170	670,311,322
	Contributions to :-		
	- Gratuity Fund	5,500,000	3,410,707
	- Provident and other Funds	48,417,405	42,820,936
	Staff Welfare Expenses	15,696,259	14,820,727
	TOTAL	835,944,834	731,363,692
23	<u>FINANCE COSTS</u>		
		For the year ended 31st March,2020	For the year ended 31st March,2019
	Interest Expenses	100,971,162	105,989,967
	Bank Charges and Other Borrowing costs	2,990,392	3,057,307
	TOTAL	103,961,554	109,047,274
24	<u>RESEARCH AND DEVELOPMENT EXPENSES</u>		
		For the year ended 31st March,2020	For the year ended 31st March,2019
	Revenue Expenditure		
	Salaries and Incentives	48,544,199	44,682,542
	Contribution to Provident and other Funds	3,576,686	3,171,496
	Staff Welfare Expenses	1,469,828	1,911,393
	Development Charges	4,764,394	9,373,767
	Power and Fuel	4,394,446	4,526,079
	Travelling and Conveyance Expenses	187,022	240,130
	Communication Expenses	127,445	264,788
	Vehicle Running & Maintenance	850,251	947,042
	(Profit) on Sale of Property Plant and Equipments	-	(289,723)
	Computer Expenses	1,632,064	1,455,000
	Total Revenue Expenditure	65,546,335	66,282,514
	Add :- Capital Expenditure incurred during the year	154,200	12,231,772
	Total Research & Development Expenses	65,700,535	78,514,286

25	<u>OTHER EXPENSES</u>	For the year ended 31st March,2020	For the year ended 31st March,2019
	<u>MANUFACTURING EXPENSES</u>		
	Power and Fuel	133,378,735	133,333,024
	Carriage & Octroi (Inward)	21,990,934	16,648,020
	Processing Charges	174,392,365	204,788,940
	Consumable Stores	24,952,777	17,727,030
	Testing & Calibration	2,012,070	-
	Repairs & Maintenance :		
	- Plant & Machinery	33,039,116	34,188,004
	- Building	11,760,095	14,237,763
	- Others	10,087,835	10,182,106
		<u>411,613,927</u>	<u>431,104,887</u>
	<u>SELLING AND DISTRIBUTION EXPENSES</u>		
	Advertisement & Sales Promotion Expenses	5,834,924	2,079,736
	Carriage Outwards	14,546,869	16,558,569
		<u>20,381,793</u>	<u>18,638,305</u>
	<u>ESTABLISHMENT EXPENSES</u>		
	Printing & Stationery Expenses	4,122,365	3,740,036
	Communication, Postage & Courier Expenses	2,021,187	2,345,051
	Computer Expenses	4,443,667	4,210,104
	Vehicles Running & Maintenance	13,817,241	15,231,277
	Travelling & Conveyance Expenses	17,144,560	15,504,292
	Rent Expenses	5,454,000	3,979,782
	Rates & Taxes	2,939,380	3,293,592
	Insurance Charges	8,026,543	4,182,963
	Legal & Professional Charges	8,303,313	6,169,404
	General Expenses	1,622,025	1,264,180
	Subscription & Membership Expenses	521,616	799,874
	Donation	120,000	606,000
	Auditors' Remuneration -		
	Statutory Audit	475,000	555,240
	Tax Audit	250,000	250,000
	Certification & Other Fee	483,500	522,500
	Miscellaneous expenses	245,863	412,406
	Bad Debt written off	49,149,656	7,066,863
	Training and Development Charges	132,414	584,186
	Directors Sitting Fees	48,000	42,480
	CSR Expenses (Refer Note no. 27 (i))	2,911,065	4,437,820
	Royalty Expenses	763,151	-
	Sundry Balances Written Back	613,682	(2,155,768)
	Net (Gain) / Loss on Exchange Rate Fluctuation	721,687	(393,208)
	Provision for Diminution on Current Investment	4,952,328	(1,615,023)
		<u>129,282,243</u>	<u>71,034,051</u>
	TOTAL	<u>561,277,963</u>	<u>520,777,243</u>

26	<u>EARNING PER SHARE (EPS)</u>	For the year ended 31st March,2020	For the year ended 31st March,2019
I	Net Profit after tax as per Statement of Profit And Loss attributable to Equity Shareholders	130,450,459	150,953,845
	Weighted average number of Equity Shares used		
II	as denominator for Calculating EPS *	7,095,700	7,095,700
III	Basic and Diluted EPS (in Rs.)	18.38	21.27
IV	Face value per Equity Shares (in Rs.)	10.00	10.00

* While calculating the EPS of previous year, equity shares issued subsequent to the year end as consideration for the amalgamation as referred to Note No. 27(j) have been included in the calculation of Weighted average number of equity shares.



27 Additional Information

(a) Contingent Liabilities and Commitments (to the extent not provided for)	As at 31st March 2020	As at 31st March 2019
	₹	₹
i Contingent Liabilities*		
(A) Claims against the company not acknowledged as debt		
- Commercial Taxes	1,421,897	1,184,373
- Labour Case	2,544,271	2,314,135
- Provident Fund	4,664,752	4,664,752
- Goods and Service Tax	637,501	247,376
(B) Letter of Credit	8,390,783	29,914,616
(C) Outstanding Bank Guarantees	2,433,000	2,433,000
	20,092,204	40,758,252
ii Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account	20,609,575	41,831,744
(B) Derivative contracts	-	-
	20,609,575	41,831,744
Total	40,701,779	82,589,996

* The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities / Statutory Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its Standalone financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.

(b) Foreign Transactions	Year ended 31st March 2020	Year ended 31st March 2019
	₹	₹
i Value of imports calculated on C.I.F basis in respect of –		
A. Raw material & Components	664,210,040	895,104,739
B. Capital goods	80,774,504	107,329,962
C. Machine spares	4,648,264	5,802,808
D. Trading Goods	-	6,865,564
	749,632,808	1,015,103,072
ii Expenditure in Foreign Currency		
A. Travelling Expenses	2,448,556	1,685,423
B. Royalty Expenses	763,151	-
	3,211,707	1,685,423
iii Earnings in foreign exchange		
-Export of goods calculated on F.O.B. basis	20,493,694	16,053,965

(c) Total value of all imported raw materials, spare parts and components consumed during the financial year and the total value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption;

Particular	Year ended 31st March 2020		Year ended 31st March 2019	
	Percentage	₹	Percentage	₹
A. Raw Materials and Components				
(I) Imported	18.13%	713,872,777	19.74%	812,791,257
(II) Indigenous	81.87%	3,223,631,855	80.26%	3,304,905,194
	100.00%	3,937,504,632	100.00%	4,117,696,451
B. Stores & Spares				
(I) Imported	13.67%	22,315,440	14.00%	24,235,881
(II) Indigenous	86.33%	140,902,107	86.00%	148,872,614
	100.00%	163,217,547	100.00%	173,108,495
C. Trading Goods				
(I) Imported	0.00%	-	4.59%	7,470,535
(II) Indigenous	100.00%	165,758,276	95.41%	155,186,796
	100.00%	165,758,276	100.00%	162,657,331
Total		4,266,480,455		4,453,462,277

(d) The Company has amounts remaining unpaid to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31 March 2020. The disclosure pursuant to the said Act is as under:

Particulars	As at 31st March 2020	As at 31st March 2019
	₹	₹
Principal amount remaining unpaid to suppliers under MSMED Act, 2006	85,111,506	35,211,525
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.



- (e) In the opinion of the Board, all assets (other than property plant and equipments and non current investments) have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.
- (f) **Segment Information for the Year Ended 31st March 2020:**
The Company is in the business of electronic products and components. Taking in to account the resembling nature of product mix, identical risks & returns and the internal financial reporting system, the business activities of the Company have been considered and reported as a single business segment. Also, the lower contribution of export vis-à-vis inland sales of the Company does not call for a reporting on geographical segments. Accordingly, no segment reporting is considered necessary as per accounting standard-17 'Segment Reporting' as prescribed by the Companies (Accounting Standards) Rules, 2006
- (g) As on Balance Sheet Date, the Company's net foreign currency exposure that is not hedged is as under :-

Particulars	Currency	As at 31st March 2020		As at 31st March 2019	
		Foreign	₹	Foreign	₹
Foreign Currency Receivable	USD	98,379	7,570,245	9,377	659,015
Foreign Currency Payable	USD	469,114	36,098,292	799,660	56,224,101
	CNY	40	430		
Net Foreign Exposure - Receivable/ (Payable)			(28,528,477)		(55,565,086)

- (h) In compliance with the Accounting Standard 28 on Impairment of Assets, the company has, given due consideration to the indications of evidence of obsolescence or physical damage of an asset, made an assessment of impairment loss. The impairment has been done for Rs. Nil (Previous Year: Rs. 462,754/-) and has been charged to Statement of Profit and Loss.
- (i) Details of expenditures incurred on Corporate Social Responsibility (CSR) activities and short fall in spending in CSR:

S. No.	Particulars	Amount spent in Current Year	Amount spent in Previous Year
1	On promoting education	2,141,035	240,000
2	On promoting health care including preventive health care and sanitation	140,000	4,197,820
3	On ensuring environmental sustainability, ecological balance, conservation of natural resources and maintaining quality of soil, air and water	630,030	-
	Total	2,911,065	4,437,820
Total amount to be spent on CSR activities as per the provision of section 135 of the Companies Act, 2013		3,558,527	3,848,204

(j) **Amalgamation of Asian Magnetic Devices Pvt Ltd and Rosebud Holding Pvt Ltd in Elin Electronics Limited :**

- i On 3rd Nov'2018, the Board had approved a Scheme of Amalgamation ("Scheme") for amalgamation of Asian Magnetic Devices Pvt Ltd ("ASIAN") and Rosebud Holding Pvt Ltd ("ROSEBUD") (hereinafter referred together as "Transferor Companies") with the Company Elin Electronics Limited ("EEL" or referred as "Transferee Company") in accordance with the provisions of Sections 230 – 232 read with other relevant provisions of the Companies Act, 2013.
- ii The Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT") approved and sanctioned the Scheme by its Order dated 26th September 2019. Certified copy of the Order of the Hon'ble NCLT was filed with the Registrar of Companies, West Bengal, on 2nd November 2019 and accordingly the Scheme became effective from the said date ("Effective Date").
- iii As provided for in the Scheme, the Authorised Share Capital of Rs.75,00,000/- of ASIAN and Rs. 2,00,00,000/- of ROSEBUD have been consolidated with the Authorised Share Capital of the Company and the Authorised Share Capital of the Company stands increased to Rs.10,25,00,000/-
- iv The amalgamation has been accounted for under the Pooling of Interest Method as prescribed in Accounting Standard (AS-14)-"Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules 2006 as amended from time to time.
- v Consequent to the Scheme becoming effective, the entire business and the undertaking of Transferor Companies together with all the assets and liabilities, duties and obligations including contingent liabilities stand transferred to and vested in the Company. The Appointed Date under the Scheme is 1st April 2018. Accordingly, accounting impact of the amalgamation has been given in the standalone financial statements for the year ended 31st March 2019. The difference between the book value of net assets of Transferor Companies transferred to the company and the par value of equity shares allotted by the company has been charged to General Reserve.
- vi Pursuant to the Scheme, 6,03,600 Shares held by ASIAN and 4,38,400 Shares held by ROSEBUD in the Company stand cancelled. Also, 1,00,000 shares of ASIAN held by the company out of its total shares of 400000, stands cancelled.
- vii On 22nd January 2020, the Board of Directors of the Company issued and allotted to the other shareholders of ASIAN, its shares in the ratio of 5 (five) equity shares of Rs. 10 each fully paid up of the Company for every 1 (one) equity share of ASIAN; and to all the other shareholders of ROSEBUD, its shares in the ratio of 1 (one) equity share of Rs. 10 each fully paid up of the Company for every 4 (four) Equity Shares of ROSEBUD, based on the shareholding as on the record date. In aggregate 18,50,000 equity shares of Rs. 10 each were allotted. These 18,50,000 shares have been shown as "Equity Share Capital Pending Allotment" in restated Balance sheet as on 31 March 2019.
- (k) In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down which has caused significant disturbance and slowdown of economic activity due to supply chain disruption, unavailability of personnel, closure of non-essential services for long or indefinite period of time. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these Standalone financial statements in assessing the recoverability and carrying values of its property, plant and equipment, trade receivables, investments and inventories. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and expects the carrying amount of these assets will be recovered and no material adjustment required in the Standalone financial statements. The Impact Assessment carried out by the Management of the Company does not indicate any adverse impact on its ability to continue as a going concern. The impact of COVID-19 on the Company's Standalone financial statements may differ from that estimated as at the date of approval of these Standalone financial statements due to uncertainties associated with its nature and duration and is highly dependent on future economic developments. The Company will continue to closely monitor any material changes to future economic conditions.



(i) Related Parties Disclosures

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of Related Parties (As identified by the Management) where control exists and transactions have taken place:

Subsidiary Company :

Elin Appliances Pvt. Ltd.

Key Management Personnel (Directors):

Sh. M.L. Sethia	(Chairman and Managing Director)
Sh. Vinay Kumar Sethia	(Whole Time Director- Commercial)
Sh. Kamal Sethia	(Whole Time Director - Marketing)
Sh. Kishor Sethia	(Whole Time Director - Works)
Sh. Sanjeev Sethia	(Whole Time Director - Production)

Enterprises over which Key Management Personnel have Significant Influence:

Kanchan Commercial Co. Pvt. Ltd.
Magtronic Devices Pvt. Ltd.
Sethia Oil Industries Limited

(ii) Transactions during the year with related parties :

Particulars	Subsidiary Company	Key Management Personnel	Enterprises over which Key Management Personnel have Significant Influence	Total
	₹	₹	₹	₹
Loan Given	- (7,500,000)	- -	- -	- (7,500,000)
Loan Received Back	- (37,500,000)	- -	- -	- (37,500,000)
Sales	384,110,066 (369,619,934)	- -	20,942 (33,110)	384,131,008 (369,653,044)
Purchase	1,466,441 (4,167,171)	- -	- -	1,466,441 (4,167,171)
Payment for Services	3,840,000 (2,400,000)	23,577,000 (23,577,000)	600,000 (600,000)	28,017,000 (26,577,000)
Purchase of Capital Assets	- (4,502,653)	- -	- -	- (4,502,653)
Receipt for Services/ Interest/Dividend	- (4,43,836)	- -	360,000 (240,000)	360,000 (683,836)
Closing Balance Receivable	73,402,716 (31,141,159)	- -	- -	73,402,716 (31,141,159)
Closing Balance Payable	- -	- -	- -	- -

- (m) The Company had previously issued its Standalone financial statements for the previous year ended March 31, 2019 as on Jun 14, 2019. On Scheme of Amalgamation becoming effective during the Current year as described in note 27(j) of the Standalone financial statements, after the issuance of Standalone financial statements for the previous year, the comparative numbers for the previous year ended March 31, 2019 have been restated after incorporating the Standalone financial statements of the erstwhile transferor companies according to the Scheme of Amalgamation.

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Registration Number: 016520N

CA Sunil Bhansali

Partner

Membership No: 054645

Place: New Delhi
Date: 18 SEP 2020



For and on behalf of the Board

M.L. Sethia *Vinay Kumar Sethia*

M.L. SETHIA
Managing Director
DIN: 00081367

VINAY KUMAR SETHIA
Whole-time Director
DIN: 00082184



Avinash K. Karwa
AVINASH KARWA
Company Secretary
Membership No: A20424

**INDEPENDENT AUDITOR'S REPORT****To the Members of Elin Electronics Limited****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of **Elin Electronics Limited** (hereinafter referred to as the "Parent") and its subsidiary (the parent company and its subsidiary together referred to as the "Group"), which comprising of the consolidated Balance Sheet as at 31st March, 2020, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated profit and their 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 Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statement.

Emphasis of Matter

- a. We draw attention to Note 27(j) of the consolidated financial statements which describes the scheme of amalgamation ("the scheme") becoming effective on 2nd November 2019, the appointed date being 1st April 2018. We further refer to note 27(o) of the consolidated financial statements which states that pursuant to the scheme and consequential effects thereof, the audited consolidated financial statement of the previous year ended 31st March 2019, issued on 14th June 2019, have been restated to give effect of the scheme.
- b. We draw attention to Note 27(k) of the consolidated financial statements which describes management's assessment of the impact of the outbreak of COVID-19 pandemic on its business operations and financial results. The said assessment made by the management is highly dependent upon the circumstances as they evolve in subsequent period.

Our opinion is not modified in respect of above matters.

Other Information

The Parent's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information comprising the above documents 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.

When we read the other information comprising the above documents, if we conclude that there is a material misstatement therein, we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements 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 Indian 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 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 consolidated financial statement 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 statement by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective board of directors of 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 Company 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 financial controls 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 Group has adequate internal financial controls system 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.
- Obtain sufficient and 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 consolidated financial statement of such entities included in the consolidated financial statement of which we are the independent auditors.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company 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

As required by Section 143(3) of the Act, based on our audit, 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.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors of the Parent and its Subsidiary Company, none of the directors of the company is disqualified as on 31st March, 2020 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 over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- 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, in respect of the Parent Company, the remuneration paid / provided by the Company to their directors are in accordance with the provisions of section 197 read with Schedule V to 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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note 27(a) to the consolidated financial statements.
 - ii. The Group have made provision, as required under the applicable law & accounting standards for material foreseeable losses, if any and as required under the long-term contracts. The Company does not have any derivative contracts.
 - iii. There has not been an occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For **Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No. 016520N


CA Sunil Bhansali
Partner
M. No.: 054645
UDIN: 20054645AAAABA1935



Place: New Delhi
Dated: 16.09.2020

'Annexure – A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph "f" under 'Report on the Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls 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 of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of **ELIN ELECTRONICS LIMITED** (herein after referred as the "Parent") and its subsidiary company (the parent company and its subsidiary together referred to as the "Group") as on that date.

Management's Responsibility for Internal Financial Controls

The respective board of the directors of the Parent Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the guidance note on Audit of Internal financial control 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 its business, including adherence to the respective 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the group's internal financial controls over financial reporting 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 as specified under Section 143 (10) of the companies act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by Institute of Chartered Accountants of India. 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 over financial reporting 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 control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, 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 consolidated financial statements in accordance with the 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; (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 consolidated financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Group have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the respective companies of the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No. 016520N


CA Sunil Bhansali
Partner
M. No.: 054645
UDIN: 20054645AAAABA1935



Place: New Delhi
Dated: 16.09.2020

ELIN ELECTRONICS LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

	Notes	As At 31st March, 2020 ₹	As At 31st March, 2019 ₹
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
Share Capital	2	68,067,000	49,567,000
Share pending allotment pursuant to scheme	27(j)	-	18,500,000
Reserves and Surplus	3	2,020,015,614	1,834,185,186
		<u>2,088,082,614</u>	<u>1,902,252,186</u>
<u>NON-CURRENT LIABILITIES</u>			
Long-Term Borrowings	4	401,454,905	414,240,015
Deferred Tax Liabilities (Net)	5	7,598,836	2,369,396
		<u>409,053,741</u>	<u>416,609,411</u>
<u>CURRENT LIABILITIES</u>			
Short-Term Borrowings	6	191,114,539	396,553,811
Trade Payables			
- Micro and Small Enterprises		102,630,397	74,689,368
- Others		578,966,036	845,836,477
Other Current Liabilities	7	207,758,256	159,032,881
Short-Term Provisions	8	53,251,936	59,665,183
		<u>1,133,721,164</u>	<u>1,535,777,720</u>
TOTAL		<u>3,630,857,519</u>	<u>3,854,639,317</u>
<u>ASSETS</u>			
<u>NON-CURRENT ASSETS</u>			
Property Plant and Equipment	9		
- Tangible Assets		1,338,348,954	1,222,188,414
- Intangible Assets		607,200	1,209,732
- Capital Work in Progress		278,689	4,094,495
Non Current Investments	10	300,000	800,000
Long-Term Loans and Advances	11	168,086,630	201,388,887
		<u>1,507,621,473</u>	<u>1,429,681,528</u>
<u>CURRENT ASSETS</u>			
Current Investments	12	241,217,135	126,869,463
Inventories	13	798,997,254	818,080,518
Trade Receivables	14	909,307,727	1,376,653,596
Cash and Cash Equivalents	15	104,382,292	34,259,322
Short-Term Loans and Advances	16	69,187,026	68,553,116
Other Current assets	17	144,612	541,774
		<u>2,123,236,046</u>	<u>2,424,957,789</u>
TOTAL		<u>3,630,857,519</u>	<u>3,854,639,317</u>
Significant Accounting Policies	1		
Additional Information	27		


As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Registration Number: 016520N

CA Sunil Bhansali
Partner
Membership No: 054645

Place : New Delhi
Dated : 16 SEP 2020

For and on behalf of the Board


M.L. SETHIA
Managing Director
DIN: 00081367


VINAY KUMAR SETHIA
Whole Time Director
DIN: 00082184




AVINASH KARWA
Company Secretary
Membership No: A20424

ELIN ELECTRONICS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	<u>Notes</u>	<u>For the year ended 31st March, 2020</u>	<u>For the year ended 31st March, 2019</u>
		<u>₹</u>	<u>₹</u>
<u>INCOME</u>			
Revenue from Operations	18	7,855,837,933	8,285,447,871
Other Income	19	9,954,086	8,278,181
Total Revenue		<u>7,865,792,019</u>	<u>8,293,726,052</u>
<u>EXPENSES</u>			
Cost of Materials Consumed	20	5,425,676,902	5,911,244,872
Purchases of Stock-in-Trade		167,888,183	177,990,649
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	21	(55,554,533)	(1,709,815)
Employee Benefits Expenses	22	1,058,057,109	944,458,823
Finance Costs	23	116,591,052	130,660,566
Research & Development Expenses	24	65,546,335	66,282,514
Depreciation, Amortisation and Impairment Expenses	9	202,701,556	172,582,707
Other Expenses	25	640,365,607	613,024,964
Total Expenses		<u>7,621,272,211</u>	<u>8,014,535,280</u>
PROFIT BEFORE TAX		244,519,808	279,190,772
Tax Expenses			
Income Tax		53,700,000	58,440,249
Short / (Excess) Provision for Income Tax of earlier year		(240,060)	(275,437)
Deferred Tax		5,229,440	(5,414,326)
		<u>58,689,380</u>	<u>52,750,486</u>
Profit for the year		<u>185,830,428</u>	<u>226,440,286</u>
Earning per Equity Share (Face Value Rs. 10/- Per Share) Basic & Diluted (in Rs.)	26	27.30	33.27
Significant Accounting Policies	1		
Additional Information	27		

As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Registration Number: 016520N

CA Sunil Bhansali
Partner
Membership No: 054645

Place : New Delhi
Dated : 16 SEP 2020

For and on behalf of the Board


M.L. SETHIA
Managing Director
DIN: 00081367


VINAY KUMAR SETHIA
Whole Time Director
DIN: 00082184


AVINASH KARWA
Company Secretary
Membership No: A20424

ELIN ELECTRONICS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	Year Ended 31st March, 2020	Year Ended 31st March, 2019
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Taxation	244,519,808	279,190,772
Adjustments for :		
Depreciation	202,701,556	172,582,707
Bad Debts Written Off	49,149,656	7,066,863
Provision for Doubtful Receivables	5,827,928	-
Provision for Diminution on Investment	4,952,328	(1,615,023)
(Profit) / Loss on Disposal of Property Plant and Equipment (Net)	(1,122,829)	(2,561,907)
Dividend Income from Current Investments	(3,604,302)	(4,530,989)
Interest Paid	113,392,363	127,942,084
Interest Received	(3,698,050)	(4,514,942)
(Profit) / Loss on Sale of Current Investments	(1,168,905)	2,876,442
Operating Profit Before Working Capital Changes	610,949,553	576,436,007
Adjustments For :		
Trade Payable	(196,667,856)	98,776,904
Other Current Liabilities	48,725,375	16,624,695
Short -Term Provisions	3,636,310	5,413,577
Long - Term Loans and Advances	37,373,349	(50,830,306)
Inventories	19,083,264	(35,507,602)
Trade Receivables	375,934,657	(332,833,781)
Short - Term Loans and Advances	(6,428,573)	54,135,416
Other Current Assets	397,162	(221,847)
Cash Generated from Operation	893,003,241	331,993,063
Less: Direct Taxes Paid (Net) (Including Tax Deducted at Source)	(63,542,761)	(58,324,142)
Net Cash from Operating Activities Total (A)	829,460,480	273,668,921
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property Plant and Equipment	(330,309,055)	(301,155,641)
Sale Proceeds of Property Plant and Equipment	7,917,034	10,592,324
Capital Subsidy Received	5,000,000	-
Purchase of Current & Non Current Investments	(145,300,000)	(45,449,844)
Sale Proceeds of Current & Non Current Investments	27,668,905	8,320,896
Dividend Received on Investment	3,604,302	4,530,989
Interest Received	3,698,050	4,514,942
Net Cash from Investing Activities Total (B)	(427,720,764)	(318,646,334)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net of Payment)	(12,785,110)	27,908,829
Proceeds from Short Term Borrowings (Net of Payment)	(205,439,272)	56,876,825
Interest Paid	(113,392,363)	(127,942,084)
Net Cash from Financing Activities Total (C)	(331,616,745)	(43,156,430)
D. NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	70,122,970	(88,133,843)
Add : Cash and Cash Equivalents (Opening Balance)	34,259,322	108,061,300
Add: Adjustment on account of Amalgamation as per Scheme	-	8,765,132
Add: Adjustment on account of Consolidation	-	5,566,733
Cash and Cash Equivalents (Closing Balance)	104,382,292	34,259,322

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statement
- Cash and bank balance includes the following, which are not available for use by the Company:

Fixed deposits pledged with banks	12,314,820	6,707,715
Fixed deposits pledged with others	391,166	355,939

As per our report of even date attached
For Oswal Sunil & Company
Chartered Accountants
Firm Registration Number: 016520N

CA Sunil Bhasali
Partner
Membership No: 054645



For and on behalf of the Board

M.L. Sethia *Vinay Kumar Sethia*

M.L. SETHIA VINAY KUMAR SETHIA
Managing Director Whole-time Director
DIN: 00081367 DIN: 00082184



Avinash K. Karwa
AVINASH KARWA
Company Secretary
Membership No: A20424

Place : New Delhi
Dated : 16 SEP 2020

1 Significant Accounting Policies**I PRINCIPLES OF CONSOLIDATION**

The Consolidated financial statements relate to ELIN ELECTRONICS LIMITED (hereinafter referred to as the "Parent Group" or "Holding Group") and its subsidiary (these group entity and the Parent Group hereinafter collectively referred to as "the Group"). In the preparation of these consolidated financial statements, investments in Subsidiaries have been accounted for in accordance with AS 21 (Consolidated Financial Statements) referred to in Section 133 of Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules, 2014. The Consolidated financial statements are prepared on the following basis -

- i. Subsidiary companies are consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses after eliminating all significant intra-group balances and intra-group transactions and also unrealized profits or losses, except where cost cannot be recovered.
- ii. The results of operations of a subsidiary with which Parent – Subsidiary relationship cease to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship.
- iii. All the Subsidiary Companies, the Companies, in which ELIN ELECTRONICS LTD. has an ownership of more than one half of voting power or otherwise has power to exercise control over the operations to obtain economic benefits are considered for consolidation except where the control is intended to be temporary because the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future. Where a subsidiary is acquired and held exclusively with a view to its subsequent disposal, the investment in the subsidiary is accounted for in accordance with Accounting Standard 13 "investments" which require that current investments should be valued at lower of cost or their fair value.
- iv. The difference between the cost to the Parent Group of investment in Subsidiaries and the proportionate share in the equity of the subsidiaries as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.
- v. Minorities' interest in net profits, if any, of consolidated subsidiaries for the Financial Year ended March 31st, 2020 is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Parent Group. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately.
- vi. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Parent Group's stand-alone financial statements. Differences in accounting policies are disclosed separately.
- vii. The Consolidated financial statements of the entities used for the purpose of consolidation are drawn up to reporting date as that of the Parent Group i.e. 31st March 2020.
- viii. As per Accounting Standard Interpretation (ASI)-15 on Notes to the Consolidated financial statements, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate consolidated financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

ix. Information of Subsidiary Companies

The following is the list of subsidiary/associate companies along with the proportion of voting powers held:

Name of Companies	% of shares held	Incorporated in	Country of incorporation and other particulars
Elin Appliances Private Limited	100%	India	Company was incorporated in on 21/08/2002 and having its registered office at Himachal Pradesh.
	(Subsidiary)		

II SIGNIFICANT ACCOUNTING POLICIES**a Accounting Basis and Convention :**

The Consolidated Financial Statements have been prepared under the Historical Cost convention in accordance with the generally accepted accounting principles and to comply with the Accounting Standards referred to in Section 133 of Companies Act 2013 read with Rule 7 of Company (Accounts) Rules, 2014 to the extent applicable. The Company follows mercantile system of accounting.

b Use of Estimates

The preparation of the consolidated financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

c Property Plant and Equipments (PPE):**i) Tangible Assets**

Tangible assets are stated at cost less accumulated depreciation & impairment, if any. The Company capitalizes all direct costs including taxes (Net of eligible Input Tax Credit), duties, freight and incidental expenses directly attributable to the acquisition and installation of assets for ready for use, as intended by the management.

ii) Intangible Assets

An Intangible asset is recognized, where it is probable that the future economic benefits attributable to the assets will flow to the enterprise and where its cost can be reliably measured.

iii) Capital Work-in-Progress

All direct expenses incurred for acquiring, erecting and commissioning of Property Plant and Equipments, which are not ready for put into use, are shown under the head "Capital Work-in-Progress". Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as "Capital Advances" under Long Term Loans and Advances.



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

d Depreciation and Amortisation :

Depreciation is charged on the basis of useful life of the Property Plant and Equipments. The company has adopted useful life as given in Part "C" of Schedule II of Companies Act, 2013 in respect of all assets. The Company has adopted written down value method for computation of depreciation charged. The Company is amortising the leasehold Land over the period of lease life.

e Inventories :

Inventories are valued at lower of cost or net realisable value. The cost is determined using FIFO basis. Provision for obsolescence is made, wherever necessary.

f Investments :

Non Current Investments are stated at cost. Provision for diminution is made when there is permanent fall in valuation of Non Current investment. Current Investments comprising investment in Mutual Funds, are stated at lower of cost or quoted / fair value.

g Foreign Currency Transaction :

i) Conversion

Foreign currency monetary items are reported using the closing rate. 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 the transaction.

ii) Exchange Differences

Exchange differences arising on the settlement or reporting of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statement, are recognized as income or expense in the Consolidated Statement of Profit and Loss.

h Impairment of assets:

The Carrying amount of the Company's Assets are reviewed periodically to determine whether there is any indication of impairment of assets. An impairment Loss is recognised whenever the carrying amount of an assets exceeds its recoverable amount. The recoverable amount is greater of net selling price and value in use.

Revenue Recognition :

Sales is recognized on transfer of property in goods to customers. Processing Income is recognized as and when such service are provided. Interest income and Rental Income are recognised on time proportion basis. Dividend Income is recognised when right to receive is established.

j Research & Development :

Revenue Expenditure on Research & Development activities are charged to Consolidated Statement of Profit and Loss in the year in which it is incurred. Capital Expenditure on Research & Development is shown as addition to Property Plant and Equipment.

k Retirement Benefits :

Contribution to Provident Fund and Family Pension Fund is made monthly and debited to the Consolidated Statement of Profit and Loss . Liability in respect of gratuity payable to employees is funded through Elin Electronics Limited Employees Group Gratuity Fund under a policy scheme of Kotak Mahindra Old Mutual Life Insurance Limited, Bajaj Allianz Life Insurance Co. Ltd and Birla Sun Life Insurance Co. Ltd. The expenses is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Yearly contribution paid to the Fund is debited to Consolidated Statement of Profit and Loss. The employees of the Company can encash unavailed leave during the period of service hence yearly provision is made for unavailed leave outstanding at the close of each Financial Year.

l Borrowing Costs :

Borrowing costs attributable to the acquisition/construction of qualifying assets are capitalised. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Other Borrowing costs are recognised as expenses in the period in which they are incurred.

m Recognition of Grants and Subsidy :

Government Grants are recognized only when there is reasonable assurance that the company will comply with the conditions attached to them and that there is reasonable certainty that grants will be received. Government Grants/assistance related to fixed assets are adjusted in the carrying cost of such assets so that depreciation expenses are adjusted on systematic basis over the useful life of asset.

A government grant that becomes receivable for fixed assets already discarded or expenses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs, is recognized in Consolidated Statement of Profit and Loss of the period in which it is actually received.

n Provision, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes.

Contingent liability is disclosed in case of:

- i a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- ii a present obligation arising from past events, when no reliable estimate is possible,

- iii a possible obligation arising from past events where the probability of outflow of resources is not remote. Contingent Assets are neither recognised nor disclosed in the consolidated financial statements.

p Tax on Income

Provision for current tax is made after taking into consideration of benefits admissible under the provision of the Income Tax Act, 1961. Deferred tax resulting from timing difference between book and taxable profits accounted for using the tax rates and law that have been enacted as on the Consolidated Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent there is reasonable certainty that the assets will be realised in future.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company review the same at each Consolidated Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

2 **SHARE CAPITAL**

AUTHORISED

10250000 Equity Shares of Rs.10/- each
(P.Y.10250000 Equity Shares of Rs.10/- each)*

ISSUED, SUBSCRIBED & PAID UP

6806700 Equity Shares of Rs.10/- each fully paid up
(P.Y.4956700 Equity Shares of Rs.10/-each)

TOTAL

	As At 31st March,2020	As At 31st March,2019
10250000 Equity Shares of Rs.10/- each (P.Y.10250000 Equity Shares of Rs.10/- each)*	102,500,000	102,500,000
ISSUED, SUBSCRIBED & PAID UP		
6806700 Equity Shares of Rs.10/- each fully paid up (P.Y.4956700 Equity Shares of Rs.10/-each)	68,067,000	49,567,000
TOTAL	68,067,000	49,567,000

* Refer Note No 27(i)(iii)

2.1 **The details of shareholders holding more than 5% shares**

Name of the Shareholders	As At 31st March,2020		As At 31st March,2019	
	No. of Shares	Percentage held	No of Shares #	Percentage held #
1 Suman Sethia	660,000	9.70%	660,000	9.70%
2 Prem Lata Sethia	467,000	6.86%	467,000	6.86%
3 Mangilall Sethia	621,650	9.13%	621,650	9.13%

No. of Shares and Percentage is based on Share Capital including "Shares pending for Allotment" pursuant to scheme

2.2 The company has one class of shares having a face value of Rs.10/- per share. Each shareholder is eligible for one vote per share held.

2.3 **Reconciliation of Shares outstanding at the beginning and end of reporting period**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	4,956,700	49,567,000	6,287,700	62,877,000
Less: Shares eliminated pursuant to scheme*	-	-	1,042,000	10,420,000
Less: Shares eliminated on consolidation of Subsidiary	-	-	289,000	2,890,000
Add: Shares issued pursuant to scheme*	1,850,000	18,500,000	-	-
Shares outstanding at the end of the year	6,806,700	68,067,000	4,956,700	49,567,000

*Refer Note 27(j)(vi)

3 **RESERVES & SURPLUS**

SECURITY PREMIUM

As per last Balance Sheet

CAPITAL RESERVE ON CONSOLIDATION

GENERAL RESERVE

As per last Balance Sheet

Add : Reserve Pursuant to Scheme*

Less: Squared-off on cancellation of Share Capital pursuant to Scheme*

Less: Squared-off on cancellation of Share Capital on Consolidation

Add : Transferred from Surplus in the Statement of Profit and Loss

SURPLUS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

As per last Balance Sheet

Less: Reversal of Share of Post Acquisition Profits of ceased Associates

Add : Reserve Pursuant to Scheme*

Add: Profit for the year

Less : Appropriations

Transfer to General Reserve

TOTAL

	As At 31st March,2020	As At 31st March,19
SECURITY PREMIUM		
As per last Balance Sheet	59,554,000	59,554,000
CAPITAL RESERVE ON CONSOLIDATION	212,169,669	212,169,669
GENERAL RESERVE		
As per last Balance Sheet	453,766,537	555,113,306
Add : Reserve Pursuant to Scheme*	-	691,000
Less: Squared-off on cancellation of Share Capital pursuant to Scheme*	-	(137,590,590)
Less: Squared-off on cancellation of Share Capital on Consolidation	-	(14,447,179)
Add : Transferred from Surplus in the Statement of Profit and Loss	50,000,000	50,000,000
	503,766,537	453,766,537
SURPLUS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS		
As per last Balance Sheet	1,108,694,980	771,572,553
Less: Reversal of Share of Post Acquisition Profits of ceased Associates	-	(2,661,298)
Add : Reserve Pursuant to Scheme*	-	163,343,439
Add: Profit for the year	185,830,428	226,440,286
	1,294,525,408	1,158,694,980
Less : Appropriations		
Transfer to General Reserve	50,000,000	50,000,000
	1,244,525,408	1,108,694,980
TOTAL	2,020,015,614	1,834,185,186

* Refer Note 27 (j)



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

4 LONG TERM BORROWINGS

	As At 31st March,2020	As At 31st March,2019
<u>Secured</u>		
<u>Term Loans</u>		
From Banks	508,605,790	466,437,531
Less : Shown in Current Maturities of Long-Term Debt (Refer Note 7)	(107,150,885)	(52,197,516)

(Secured by way of first pari passu charge over entire movable Property Plant and Equipments of the company and immovable Property Plant and Equipments of the company by equitable mortgage of properties situated at Ghaziabad and Goa. These are further secured by second pari passu charge on entire current assets of the company and personal guarantee of the four Directors of the Company)

(Terms of Repayment - Repayable in quarterly / monthly instalments. The amount will be fully paid by Mar, 2025)

TOTAL	401,454,905	414,240,015
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Particulars	Installments	Weighted Average Rate of Interest	Outstanding as at 31/03/2020	Annual Repayment Schedule		
				2020-21	2021-22	2022-23 to 2024-25
Term Loans	Quarterly / Monthly	7.70%	508,605,790	107,156,154	175,765,180	225,684,456

5 DEFERRED TAX LIABILITIES (NET)

	As At 31st March,2020	As At 31st March,2019
Deferred Tax Liabilities	7,598,836	2,369,396
TOTAL	7,598,836	2,369,396

5.1 The components of Deferred Tax Assets / (Liability) are as under :-

	Deferred Tax Assets (Liability) As on 01/04/2019	Current Year Charge / (Credit)	Deferred Tax Assets (Liability) As on 31/03/2020
Deferred Tax Assets			
Disallowances of provision for Bonus & Leave Encashment	16,504,153	(2,955,613)	13,548,540
Provision for Doubtful Receivables	-	1,621,330	1,621,330
Total (A)	16,504,153	(1,334,283)	15,169,870
Deferred Tax Liability			
Timing Differences on account of Change in Written Down Values as per Books of accounts and as per IT Act.	(18,873,549)	(3,895,157)	(22,768,706)
Total (B)	(18,873,549)	(3,895,157)	(22,768,706)
Deferred Tax Assets / (Liabilities) (net) (A-B)	(2,369,396)	(5,229,440)	(7,598,836)



ELIN ELECTRONICS LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

6 SHORT-TERM BORROWINGS

	As At 31st March,2020	As At 31st March,2019
<u>Secured</u>		
Loans Repayable on demand-Working Capital Loan - From Banks	191,114,539	396,553,811
<p>(Secured by exclusive first pari passu charge on entire stock of Raw material, Work-in-Progress, Finished Goods, Consumable Stores, Book Debts and other current assets of the company, both present and future. These loans are further secured by second pari passu charge over the entire movable Property Plant and Equipments of the company and immovable Property Plant and Equipments of the company by equitable mortgage of properties situated at Ghaziabad and Goa.)</p>		
TOTAL	<u>191,114,539</u>	<u>396,553,811</u>

OTHER CURRENT LIABILITIES

	As At 31st March,2020	As At 31st March,2019
Current Maturities of Long-Term Debts (Refer Note 4) - Term Loans	107,150,885	52,197,516
Advances from Customers	24,025,406	14,808,397
Statutory Liabilities Payable	22,600,349	27,708,498
Security Deposits	58,000	58,000
Liability for Expenses	53,923,616	64,260,470
TOTAL	<u>207,758,256</u>	<u>159,032,881</u>

8 SHORT-TERM PROVISIONS

	As At 31st March,2020	As At 31st March,2019
Provision For Employees Benefits - Bonus and Reward	39,854,500	36,696,696
- Leave Encashment	12,895,163	12,416,657
Provision for Income Tax [Net of advances Rs.130,455,034/- (PY:Rs.135,646,279/-)]	502,273	10,551,830
TOTAL	<u>53,251,936</u>	<u>59,665,183</u>



9. PROPERTY PLANT AND EQUIPMENT

Sl. No.	Particulars	Gross Block #						Depreciation				Net Block	
		As at 01/04/2019	Additions	Sales / Adjustments	Adjustment for Impairment of Assets \$	As at 31/03/2020	As at 01/04/2019	For the year	Sales / Adjustments	Adjustment for Impairment of Assets \$	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
	Tangible Assets												
1	Leasehold Land	125,938,312	-	-	-	125,938,312	11,786,643	2,142,036	-	13,928,679	112,009,633	114,151,669	
2	Buildings (Factory & Non Factory)	687,695,840	50,356,972	-	-	738,052,812	295,769,683	37,853,758	-	333,623,441	404,429,371	391,926,157	
3	Plant & Machinery (including R & D Machinery)	1,191,125,227	202,144,163	23,876,609	-	1,369,392,781	620,452,336	118,827,981	16,697,970	722,682,347	646,810,434	570,672,891	
4	Dies, Moulds & Tools	147,708,176	44,151,150	4,635,186	-	187,221,140	79,919,093	15,628,924	336,821	95,211,196	92,009,944	67,789,083	
5	Electric Installations	134,044,461	20,335,915	1,229,212	-	155,151,164	93,939,385	12,368,211	1,167,703	105,139,893	48,011,271	40,105,076	
6	Furniture & Fixtures	42,969,731	4,717,947	336,141	-	47,351,537	30,974,416	3,695,940	319,334	34,351,022	13,000,515	11,995,315	
7	Office Equipments	37,416,547	5,217,991	636,615	-	41,997,923	30,095,159	5,396,952	604,784	34,887,327	7,110,596	7,321,388	
8	Vehicles	51,650,733	3,129,631	2,334,153	-	52,446,211	33,423,888	6,185,222	2,130,099	37,479,021	14,987,190	18,226,835	
	Total A	2,418,649,027	330,063,769	33,060,916	-	2,715,551,880	1,196,360,613	202,099,024	21,266,711	1,377,202,926	1,338,348,954	1,222,188,414	
	Intangible Assets												
1	Software	7,727,587	-	-	-	7,727,587	6,517,855	602,532	-	7,120,387	607,200	1,209,732	
	Total B	7,727,587	-	-	-	7,727,587	6,517,855	602,532	-	7,120,387	607,200	1,209,732	
	Total (A+B)	2,426,276,614	330,063,769	33,060,916	-	2,723,279,467 (*)	1,202,878,468	202,701,556 (**)	21,266,711	1,384,323,313	1,338,956,154	1,223,398,146	
	Capital Work in Progress										278,689	4,094,495	
	Previous Year	2,161,076,177	315,860,006	46,026,596	4,632,972	2,426,276,614 (*)	1,072,924,912	172,119,953 (**)	37,996,179	1,202,878,468	1,223,398,146	1,088,151,265	

* Includes ₹ 76,745,494 /- (Previous Year ₹ 76,591,294/-) Assets Used for Research and Development Purposes

** Includes Depreciation ₹ 5,833,589/- (Previous Year ₹ 5,597,255/-) on Assets used for Research and Development Purposes

\$ Refer to Additional Note No. 27(h)

For Assets charged / mortgaged as security, refer Note 4 and 6.



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

10 NON CURRENT INVESTMENTS

	As At 31st March,2020	As At 31st March,2019
Investments in Equity Instruments - At Cost (Trade) Unquoted fully paid up		
I) 20000 (P.Y. 20000) Equity shares in Shivalik Solid Waste Management Ltd. (extent of holding 0.19% (P.Y. 0.19%))	200,000	200,000
II) 10000 (P.Y. 10000) Equity shares in ELCINA Elect.Mfg.Cluster Pvt. Ltd. (extent of holding 9.08% (P.Y. 9.08%))	100,000	100,000
In Others :-		
I) Life Insurance Corporation of India	-	500,000
SUB TOTAL	300,000	800,000
TOTAL	300,000	800,000
10-1 Aggregate amount of unquoted investments Rs.300,000/-(P.Y.Rs.800,000/-)		

11 LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

	As At 31st March,2020	As At 31st March,2019
Capital Advances	150,326,815	185,230,072
Security Deposits	17,759,815	16,158,815
TOTAL	168,086,630	201,388,887

12 CURRENT INVESTMENTS

	As At 31st March,2020	As At 31st March,2019
Investments in units of Mutual Fund - Unquoted (At Cost)		
i) 399,443 (P.Y. 399,443) units of HDFC Arbitrage Fund - Monthly-Dividend	4,326,367	4,326,367
ii) 82,403 (P.Y. 47,737) units of ICICI prudential Floating Interest Fund - Growth	23,095,647	13,095,647
iii) 435,100 (P.Y. 435,100) units of L&T Low Duration Fund- Growth	8,562,031	8,562,031
iv) 201,296 (P.Y. 201,296) units of L&T Tax Advantage Fund - Dividend payout	5,000,000	5,000,000
v) 5,526,363 (P.Y. 5,526,363) Units of Reliance Arbitrage Fund - Monthly Dividend	58,739,665	58,739,665
vi) Nil (P.Y. 304,335) Units of Reliance Balance Advantage Fund - Growth Plan Growth Option	-	26,000,000
vii) 159,721 (P.Y. 154,654) units of HDFC Group Unit Linked Plan option B	5,506,999	5,206,999
viii) 611 (P.Y. 611) units of Nippon India Ultra Short Duration Fund- Growth Option-Growth Plan	1,700,000	1,700,000
ix) 101,937 (P.Y. 101,937) units of L & T Tax Advantage Fund - Dividend	2,500,000	2,500,000
x) 52,511 (P.Y. 52,511) units of L & T Tax Advantage Fund - Growth	2,900,000	2,900,000
xi) 7825 (P.Y. Nil) units of Axis Banking & PSU DBT Fund	14,500,000	-
xii) 165,234 (P.Y. Nil) units of Axis Bluechip Fund	5,000,000	-
xiii) 114,480 (P.Y. Nil) units of ICICI Prudential Bluechip Fund	5,000,000	-
xiv) 535,643 (P.Y. Nil) units of ICICI Prudential Ultra Short Term Fund	10,500,000	-
xv) 52,941 (P.Y. Nil) Units of Axis Banking & Psu Debt Fund-Regular Growth	100,000,000	-
	247,330,709	128,030,709
Less : Provision for Dimunation in Current Investments	6,113,574	1,161,246
TOTAL	241,217,135	126,869,463

12-1 Aggregate amount of unquoted Investments NAV Rs. 250,799,398/- (P.Y. Rs.133,080,286/-)



ELIN ELECTRONICS LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

13 INVENTORIES

(As taken valued and certified by the Management)
(Valued at cost or net realisable value, whichever is lower)

	As At 31st March,2020	As At 31st March,2019
Raw Materials & Components	455,553,340	533,785,330
Goods-in-Transit	9,106,230	4,315,664
Work- in-Progress*	186,933,880	166,268,078
Finished Goods	127,740,665	92,799,766
Stock-in-Trade	-	52,168
Stores and Spares	19,663,139	20,859,512
*[Work-in-progress includes Rs. 10,379,092/- (P.Y. Rs.8,136,532/-) being materials lying with third parties for processing]		
TOTAL	798,997,254	818,080,518

14 TRADE RECEIVABLES

(Unsecured, considered good)

	As At 31st March,2020	As At 31st March,2019
Outstanding for a period exceeding six months from the date they become due	7,125,424	12,446,079
Others	902,182,303	1,364,207,517
TOTAL	909,307,727	1,376,653,596

15 CASH AND CASH EQUIVALENTS

	As At 31st March,2020	As At 31st March,2019
Cash on hand	2,221,203	2,302,241
Cheques, Drafts on hand	194,781	1,852,045
Balances with Banks		
- In Current Accounts	88,573,196	22,602,197
- In Fixed Deposits * (Includes Interest accrued Rs. 687,126/- P.Y. Rs.164,185/-)	13,393,112	7,502,839
* Note :		
(a) Includes FDR of Rs. 283,191/-(Previous Year Rs.183,180/-) with maturity of more than 12 months.		
(b) Out of above Rs. 12,314,820/- (P.Y. Rs.6,707,715/-) pledged with Bank as Margin and Rs. 391,166/- (P.Y. 355,939/-) with others as security		
TOTAL	104,382,292	34,259,322

16 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

	As At 31st March,2020	As At 31st March,2019
Loans and Advances to Staff & Workers	9,244,158	17,143,156
Indirect Taxes Receivables	17,263,537	4,421,340
Income Tax under Appeal	2,168,079	2,168,079
Commercial Taxes under Appeal	1,493,364	1,255,840
Provident Fund under Appeal	1,166,188	1,166,188
Goods and Service Tax Under Appeal	637,501	247,376
Export Incentive Receivable	2,439,330	1,893,673
MAT Credit Entitlement	6,804,287	6,771,022
Advances to Suppliers	27,970,582	28,046,073
Inter Corporate Loan (Doubtful)	5,827,928	5,440,369
Less- Provision for Doubtful Receivable (Refer Note 27 (I))	(5,827,928)	-
TOTAL	69,187,026	68,553,116

17 OTHER CURRENT ASSETS

Prepaid Expenses

	As At 31st March,2020	As At 31st March,2019
Prepaid Expenses	144,612	541,774
TOTAL	144,612	541,774



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REVENUE FROM OPERATIONS

		For the year ended 31st March,2020	For the year ended 31st March,2019
Manufactured Goods			
Export Sales			
Electric Iron		54,751,895	70,898,155
LED Lights		19,444,483	14,397,339
Other Products/ Sub assembled goods & spares		1,088,857	4,551,813
	(a)	<u>75,285,235</u>	<u>89,847,307</u>
Domestic Sales			
Electric Iron		741,202,351	919,672,315
Electric Light Fittings(ELF)		112,881,831	282,294,342
LED Lights		2,308,100,090	2,398,650,379
Bar Blender		81,917,655	89,847,399
Switch		42,820,585	46,491,199
Socket		31,608,836	32,298,503
Mixer Grinder, Juicer Mixer Grinder		635,611,922	680,662,005
Electric Toaster		15,723,991	24,752,911
Fan Regulator, Controller, Connector		16,305,001	8,460,716
Mounting Grid, Cover Frame		34,022,214	12,231,808
Hair Dryer		183,691,537	260,713,038
Hair Straightner		234,891,207	249,233,581
Sub assembled goods & spares Sales		19,294,946	27,230,018
Universal Motor/ Induction Motor/Cooler Motor/EFM		1,068,679,789	954,484,680
SYN Motor/ FBM/HBM/ Submersible Pump		133,646,245	72,828,703
Sheet Metal Parts		362,982,164	374,495,446
Plastic Moulded Items		614,690,025	717,784,930
LED Flash Light		352,289,207	361,209,551
Dies Tools & Moulds		87,740,048	107,486,185
Audio Products		39,918,484	62,995,523
Cartridge assy		42,316,284	-
Air Fans		69,702,720	-
Terminal Block		140,449,021	114,083,126
Other Products / Spare Parts		52,645,463	23,431,431
	(b)	<u>7,423,131,616</u>	<u>7,821,337,789</u>
Sale of scrap & waste / Empties	(c)	<u>149,554,905</u>	<u>156,457,971</u>
Sale of Traded goods			
Sound Bar		175,395,017	158,370,446
Dies Tools & Moulds		-	13,243,741
Others Products and parts		3,253,344	18,594,515
	(d)	<u>178,648,361</u>	<u>190,208,702</u>
Processing Charges		25,359,130	22,842,105
	(e)	<u>25,359,130</u>	<u>22,842,105</u>
Export Incentives		3,858,686	4,753,997
	(f)	<u>3,858,686</u>	<u>4,753,997</u>
TOTAL (a to f)		<u>7,855,837,933</u>	<u>8,285,447,871</u>

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OTHER INCOME

		For the year ended 31st March,2020	For the year ended 31st March,2019
Interest Income		3,698,050	4,061,450
Rental Income		360,000	240,000
Dividend on Current Investment		3,604,302	4,580,989
Net Profit / (Loss) on Sale of Current Investments		1,168,905	(2,876,442)
Profit on Sale of Property Plant and Equipment		1,122,829	2,272,184
TOTAL		<u>9,954,086</u>	<u>8,278,181</u>



20 COST OF MATERIALS CONSUMED

	For the year ended 31st March,2020	For the year ended 31st March,2019
Opening Stock	555,493,853	512,713,900
Add : Purchase during the year	<u>5,343,561,643</u>	<u>5,954,024,825</u>
	5,899,055,496	6,466,738,725
Less : Closing Stock	<u>473,378,594</u>	<u>555,493,853</u>
Material Consumed	<u>5,425,676,902</u>	<u>5,911,244,872</u>

20.1 Material consumed comprises of :

CRCA/CRNGO Sheets	450,540,752	470,873,547
Universal Motor Parts	455,548,766	336,786,350
ELF / LED Components	1,538,333,552	1,585,705,659
Copper Wire	298,418,034	270,759,447
Sole Plates & Alluminium alloy	141,527,096	179,942,699
E-CU Copper Strips	92,969,886	86,189,942
Plastic Granuals	634,720,549	768,594,775
Mains Cord	174,322,547	213,016,394
Motor (JMG, MG, Bar Blender)	228,569,663	250,234,051
Battery (in set)	92,014,479	89,509,111
LED	17,883,936	18,902,351
Others*	1,300,827,642	1,640,730,546

*Others includes raw materials, components and spare parts, none of which individually accounts for more than 10% of the total consumption.

TOTAL	<u>5,425,676,902</u>	<u>5,911,244,872</u>
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**21 CHANGES IN INVENTORIES OF FINISHED GOODS,
 WORK- IN-PROGRESS AND STOCK IN TRADE**

	For the year ended 31st March,2020	For the year ended 31st March,2019
Opening Stock		
Finished goods	92,799,766	112,006,068
Work- in-progress	166,268,078	145,348,461
Stock in Trade	52,168	55,668
	<u>259,120,012</u>	<u>257,410,197</u>
Closing Stock		
Finished goods	127,740,665	92,799,766
Work- in-progress	186,933,880	166,268,078
Stock in Trade	-	52,168
	<u>314,674,545</u>	<u>259,120,012</u>
Changes in Inventories	<u>(55,554,533)</u>	<u>(1,709,815)</u>
TOTAL		



22 EMPLOYEE BENEFITS EXPENSES

	For the year ended 31st March,2020	For the year ended 31st March,2019
Salaries and Incentives	962,893,955	856,039,470
Contributions to :-		
- Gratuity Fund	8,600,000	10,410,707
- Provident and other Funds	62,947,769	56,261,033
Staff Welfare Expenses	23,615,385	21,747,613
TOTAL	1,058,057,109	944,458,823

23 FINANCE COSTS

	For the year ended 31st March,2020	For the year ended 31st March,2019
Interest Expenses	113,392,363	127,379,892
Bank Charges and Other Borrowing costs	3,198,689	3,280,674
TOTAL	116,591,052	130,660,566

24 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended 31st March,2020	For the year ended 31st March,2019
Revenue Expenditure		
Salaries and Incentives	48,544,199	44,682,542
Contribution to Provident and other Funds	3,576,686	3,171,496
Staff Welfare Expenses	1,469,828	1,911,393
Development Charges	4,764,394	9,373,767
Power and Fuel	4,394,446	4,526,079
Travelling and Conveyance Expenses	187,022	240,130
Communication Expenses	127,445	264,788
Vehicle Running & Maintenance	850,251	947,042
(Profit) on Sale of Property Plant and Equipment	-	(289,723)
Computer Expenses	1,632,064	1,455,000
Total Revenue Expenditure	65,546,335	66,282,514
Add : - Capital Expenditure incurred during the year	154,200	12,231,772
Total Research & Development Expenses	65,700,535	78,514,286



25	<u>OTHER EXPENSES</u>	<u>For the year ended 31st March,2020</u>	<u>For the year ended 31st March,2019</u>
	<u>MANUFACTURING EXPENSES</u>		
	Power and Fuel	147,587,291	149,111,844
	Carriage & Octroi (Inward)	24,667,801	19,667,428
	Processing Charges	189,586,576	222,941,717
	Consumable Stores	28,444,510	22,268,387
	Tasting & Calibration Charges	3,392,165	2,101,351
	ISI Charges	5,477,465	6,060,446
	Repairs & Maintenance :		
	- Plant & Machinery	36,664,568	40,584,611
	- Building	15,896,674	19,057,034
	- Others	13,481,659	18,371,465
		465,198,709	500,164,283
	<u>SELLING AND DISTRIBUTION EXPENSES</u>		
	Advertisement & Sales Promotion Expenses	6,352,866	2,730,205
	Carriage Outwards	16,608,915	20,441,092
		22,961,781	23,171,297
	<u>ESTABLISHMENT EXPENSES</u>		
	Printing & Stationery Expenses	4,829,657	4,616,361
	Communication, Postage & Courier Expenses	2,639,192	2,902,190
	Computer Expenses	4,850,973	4,556,578
	Vehicles Running & Maintenance	15,627,812	17,183,462
	Travelling & Conveyance Expenses	24,870,516	24,972,566
	Rent Expenses	3,878,000	3,948,532
	Rates & Taxes	3,306,637	3,729,411
	Insurance Charges	10,040,483	5,139,983
	ISO Expenses	18,000	12,000
	Legal & Professional Charges	9,005,358	7,156,489
	General Expenses	3,634,949	2,472,413
	Subscription & Membership Expenses	919,921	1,080,329
	Donation	120,000	657,000
	Auditors' Remuneration -		
	Statutory Audit	775,000	825,240
	Tax Audit	300,000	330,000
	Certification & Other Fee	727,000	713,500
	Miscellaneous expenses	245,863	412,406
	Bad Debt written off	49,149,656	7,066,863
	Provision for Doubtful Receivable (Refer note no. 23 (I))	5,827,928	-
	Training and Development Charges	132,414	584,186
	Directors Sitting Fees	48,000	42,480
	CSR Expenses (Refer Note no. 27 (i))	4,535,265	5,561,787
	Royalty Expenses	763,151	-
	Sundry Balances Written Back	613,682	(2,155,768)
	Net (Gain) / Loss on Exchange Rate Fluctuation	393,332	(503,601)
	Provision for Diminution on Current Investment	4,952,328	(1,615,023)
		152,205,117	89,689,384
	TOTAL	640,365,607	613,024,964
	26		
	<u>EARNING PER SHARE (EPS)</u>	<u>For the year ended 31st March,2020</u>	<u>For the year ended 31st March,2019</u>
	I Net Profit after tax as per Statement of Profit And Loss attributable to Equity Shareholders	185,830,428	226,440,286
	II Weighted average number of Equity Shares used as denominator for Calculating EPS *	6,806,700	6,806,700
	III Basic and Diluted EPS (in Rs.)	27.30	33.27
	IV Face value per Equity Shares (in Rs.)	10.00	10.00

* While calculating the EPS of previous year, equity shares issued subsequent to the year end as consideration for the amalgamation as referred to Note No. 27(j) have been included in the calculation of Weighted average number of equity shares.



27 Additional Information

(a) Contingent Liabilities and Commitments (to the extent not provided for)	As at 31st March 2020	As at 31st March 2019
	₹	₹
i Contingent Liabilities*		
(A) Claims against the company not acknowledged as debt		
- Commercial Taxes	1,421,897	1,184,373
- Labour Case	2,544,271	2,314,135
- Provident Fund	4,664,752	4,664,752
- Goods and Service Tax	637,501	247,376
(B) Letter of Credit	8,390,783	29,914,616
(C) Outstanding Bank Guarantees	2,433,000	2,433,000
(D) Demand raised in Income Tax Assessments	10,840,383	10,840,383
	30,932,587	51,598,635
ii Commitments		
(A) Estimated amount of contracts remaining to be executed on capital account	24,959,875	41,973,525
(B) Derivative contracts	-	-
	24,959,875	41,973,525
Total	55,892,462	93,572,160

* The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities / Statutory Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its consolidated financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.

(b) Foreign Transactions	Year ended 31st March 2020	Year ended 31st March 2019
	₹	₹
i Value of imports calculated on C.I.F basis in respect of –		
A. Raw material & Components	862,680,353	1,112,405,380
B. Capital goods	85,427,202	115,577,080
C. Machine spares	4,648,264	5,802,808
D. Trading Goods	604,769	8,379,831
	953,360,588	1,242,165,098
ii Expenditure in Foreign Currency		
A. Travelling Expenses	2,706,316	3,262,152
B. Royalty Expenses	763,151	-
	3,469,467	3,262,152
iii Earnings in foreign exchange		
-Export of goods calculated on F.O.B. basis	75,239,766	89,804,983

Particular	Year ended 31st March 2020		Year ended 31st March 2019	
	Percentage	₹	Percentage	₹
A. Raw Materials and Components				
(I) Imported	18.06%	948,818,345	19.02%	1,089,392,781
(II) Indigenous	81.94%	4,306,227,026	80.98%	4,638,058,320
	100.00%	5,255,045,371	100.00%	5,727,451,101
B. Stores & Spares				
(I) Imported	13.08%	22,315,440	13.19%	24,235,881
(II) Indigenous	86.92%	148,316,091	86.81%	159,557,890
	100.00%	170,631,531	100.00%	183,793,771
C. Trading Goods				
(I) Imported	0.48%	814,370	5.18%	9,215,486
(II) Indigenous	99.52%	167,125,981	94.82%	168,778,663
	100.00%	167,940,351	100.00%	177,994,149
Total		5,593,617,253		6,089,239,021



- (d) The Company has amounts remaining unpaid to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31 March 2020. The disclosure pursuant to the said Act is as under:

Particulars	As at 31st March 2020	As at 31st March 2019
	₹	₹
Principal amount remaining unpaid to suppliers under MSMED Act, 2006	102,630,397	74,689,368
Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	-	-
Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act (Section 16)	-	-
Interest due and payable towards suppliers under MSMED Act for payments already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-

Note: The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

- (e) In the opinion of the Board, all assets (other than Property Plant and Equipment and Non Current Investments) have a realisable value in the ordinary course of business which is not different from the amount at which it is stated.

(f) **Segment Information for the Year Ended 31st March 2020:**

The Company is in the business of electronic products and components. Taking in to account the resembling nature of product mix, identical risks & returns and the internal financial reporting system, the business activities of the Company have been considered and reported as a single business segment. Also, the lower contribution of export vis-à-vis inland sales of the Company does not call for a reporting on geographical segments. Accordingly, no segment reporting is considered necessary as per accounting standard-17 'Segment Reporting' as prescribed by the Companies (Accounting Standards) Rules, 2006

- (g) As on Balance Sheet Date, the Company's net foreign currency exposure that is not hedged is as under :-

Particulars	Currency	As at 31st March 2020		As at 31st March 2019	
		Foreign	₹	Foreign	₹
Foreign Currency Receivable	USD	185,950	14,308,849	175,223	12,319,641
Foreign Currency Payable	USD	545,609	41,984,605	998,096	70,176,107
	CNY	40	430		
		545,649	41,985,035	998,096	70,176,107
Net Foreign Exposure - Receivable/ (Payable)			(27,676,186)		(57,856,466)

- (h) In compliance with the Accounting Standard 28 on Impairment of Assets, the company has, given due consideration to the indications of evidence of obsolescence or physical damage of an asset, made an assessment of impairment loss. The impairment has been done for Rs. Nil/- (Previous Year: Rs. 462,754/-) and has been charged to Statement of Profit and Loss.

- (i) Details of expenditures incurred on Corporate Social Responsibility (CSR) activities and short fall in spending in CSR:

S. No.	Particulars	Amount spent in Current Year	Amount spent in Previous Year
1	On promotion of Education	2,141,035	240,000
2	On promoting health care including preventive health care and sanitation	1,764,200	5,321,787
3	Ensuring environmental sustainability, ecological balance, maintaining quality of soil, air & water	630,030	-
	Total	4,535,265	5,561,787
Total amount to be spent on CSR activities as per the provision of section 135 of the Companies Act, 2013		4,944,888	5,110,800

(j) **Amalgamation of Asian Magnetic Devices Pvt Ltd and Rosebud Holding Pvt Ltd in Elin Electronics Limited :**

- i On 3rd Nov'2018, the Board had approved a Scheme of Amalgamation ("Scheme") for amalgamation of Asian Magnetic Devices Pvt Ltd ("ASIAN") and Rosebud Holding Pvt Ltd ("ROSEBUD") (hereinafter referred together as "Transferor Companies") with the Company Elin Electronics Limited ("EEL" or referred as "Transferee Company") in accordance with the provisions of Sections 230 – 232 read with other relevant provisions of the Companies Act, 2013.
- ii The Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT") approved and sanctioned the Scheme by its Order dated 26th September 2019. Certified copy of the Order of the Hon'ble NCLT was filed with the Registrar of Companies, West Bengal, on 2nd November 2019 and accordingly the Scheme became effective from the said date ("Effective Date").
- iii As provided for in the Scheme, the Authorised Share Capital of Rs.75,00,000/- of ASIAN and Rs. 2,00,00,000/- of ROSEBUD have been consolidated with the Authorised Share Capital of the Company and the Authorised Share Capital of the Company stands increased to Rs.10,25,00,000/-
- iv The amalgamation has been accounted for under the Pooling of Interest Method as prescribed in Accounting Standard (AS-14)-"Accounting for Amalgamations" notified under the Companies (Accounting Standards) Rules 2006 as amended from time to time.
- v Consequent to the Scheme becoming effective, the entire business and the undertaking of Transferor Companies together with all the assets and liabilities, duties and obligations including contingent liabilities stand transferred to and vested in the Company. The Appointed Date under the Scheme is 1st April 2018. Accordingly, accounting impact of the amalgamation has been given in the consolidated financial statements for the year ended 31st March 2019. The difference between the book value of net assets of Transferor Companies transferred to the company and the par value of equity shares allotted by the company has been charged to General Reserve.
- vi Pursuant to the Scheme, 6,03,600 Shares held by ASIAN and 4,38,400 Shares held by ROSEBUD in the Company stand cancelled. Also, 1,00,000 shares of ASIAN held by the company out of its total shares of 400000, stands cancelled.
- vii On 22nd January 2020, the Board of Directors of the Company issued and allotted to the other shareholders of ASIAN, its shares in the ratio of 5 (five) equity shares of Rs. 10 each fully paid up of the Company for every 1 (one) equity share of ASIAN; and to all the other shareholders of ROSEBUD, its shares in the ratio of 1 (one) equity share of Rs. 10 each fully paid up of the Company for every 4 (four) Equity Shares of ROSEBUD, based on the shareholding as on the record date. In aggregate 18,50,000 equity shares of Rs. 10 each were allotted. These 18,50,000 shares have been shown as "Equity Share Capital Pending Allotment" in restated Balance sheet as on 31 March 2019.

(k) In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down which has caused significant disturbance and slowdown of economic activity due to supply chain disruption, unavailability of personnel, closure of non-essential services for long or indefinite period of time. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements in assessing the recoverability and carrying values of its property, plant and equipment, trade receivables, investments and inventories. The Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis and expects the carrying amount of these assets will be recovered and no material adjustment required in the financial statements. The Impact Assessment carried out by the Management of the Company does not indicate any adverse impact on its ability to continue as a going concern. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements due to uncertainties associated with its nature and duration and is highly dependent on future economic developments. The Company will continue to closely monitor any material changes to future economic conditions.

(l) **In respect of Subsidiary Company**

The Company had given an Inter Corporate Loan of Rs. 58,27,928/- (including accumulated interest) to a party on a short term basis. On the request of the borrower, the period for its repayment had been extended from time to time. The Interest chargeable on loan which were due for annual payment along with principal outstanding has not been repaid by the borrower. Pending such uncertainty in recovery, the company has provided full provision against such doubtful receivable outstanding. Hence, considering the principle of prudence, provision of interest on such loan amounting to Rs. 6,99,351/- has not been made during the current year

(m) **Related Parties Disclosures**

As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:

(i) List of Related Parties (As identified by the Management) where control exists and transactions have taken place:

Key Management Personnel (Directors):

Sh. M.L. Sethia	(Chairman and Managing Director)
Sh. Vinay Kumar Sethia	(Whole Time Director- Commercial)
Sh. Kamal Sethia	(Whole Time Director - Marketing)
Sh. Kishor Sethia	(Whole Time Director - Works)
Sh. Sanjeev Sethia	(Whole Time Director - Production)
Sh. Vikas Sethia	(Director of Subsidiary Company)
Sh. Sharad Sethia	(Director of Subsidiary Company)

Enterprises over which Key Management Personnel have Significant Influence:

Kanchan Commercial Co. Pvt. Ltd.
Magtronic Devices Pvt. Ltd.
Sethia Oil Industries Limited



(ii) Transactions during the year with related parties :

Particulars	Key Management Personnel	Enterprises over which Key Management Personnel have Significant Influence	Total
	₹	₹	₹
Sales	-	20,942	20,942
	-	(33,110)	(33,110)
Purchase	-	-	-
	-	-	-
Payment for Services	38,671,000	600,000	39,271,000
	(37,049,000)	(600,000)	(37,649,000)
Receipt for Services/ Interest/Dividend	-	360,000	360,000
	-	(240,000)	(240,000)
Closing Balance Receivable	-	-	-
	-	-	-
Closing Balance Payable	-	-	-
	-	-	-

(iii) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary /Associates / Joint Ventures.

Name of the Enterprises	Relationship	Net Assets i.e. total assets minus total liabilities		Share in Profit or Loss	
		As % of total consolidated net assets	Amounts	As % of total consolidated Profit or Loss	Amounts
			(In Rs)		(In Rs)
Elin Appliances Private Limited	100.00% (Subsidiary)	23.75%	495,842,336	29.80%	55,379,969

(iv) The group had previously issued its financial statements for the previous year ended March 31, 2019 as on Jun 14, 2019. On Scheme of Amalgamation becoming effective during the year as described in note 27(j) of the consolidated financial statements, after the issuance of financial statements for the previous year, the comparative numbers for the previous year ended March 31, 2019 have been restated after incorporating the financial statements of the subsidiary company according to the Scheme of Amalgamation.

For Oswal Sunil & Company
Chartered Accountants
Firm Registration Number: 016520N

Sunil Bhansali
Partner
Membership No: 054645

Place: New Delhi
Date: 16 SEP 2020

For and on behalf of the Board

M.L. SETHIA, VINAY KUMAR SETHIA

M.L. SETHIA
Managing Director
DIN: 00081367

VINAY KUMAR SETHIA
Whole-time Director
DIN: 00082184



AVINASH K. KARWA
Company Secretary
Membership No: A20424