Elin
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INNOVATION + INTEGRATION

# = SUSTAINABLE GROWTH

ELIN ELECTRONICS LIMITED

ANNUAL REPORT
2022-23

*Across*

# THE PAGES

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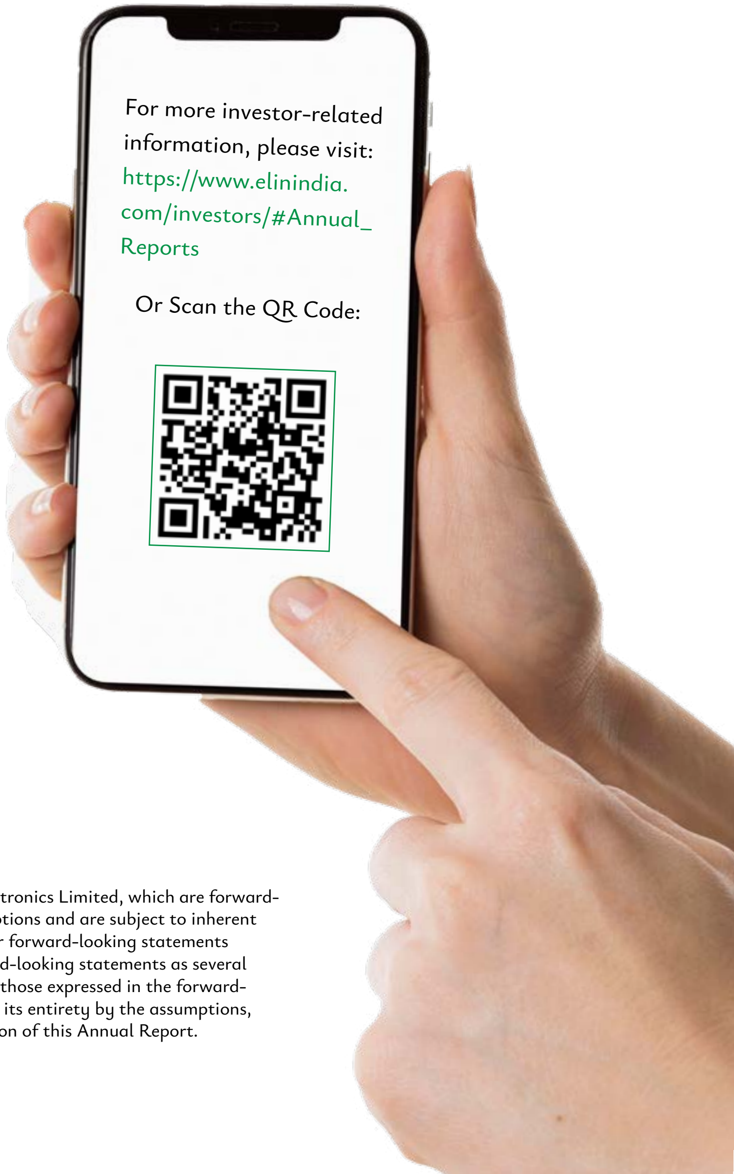
## Investor Information

| | |
|---|---|
| Market Capitalisation (as of 31st March, 2023) | : ₹ 5,996.35 Millions |
| CIN | : L29304WB1982PLC034725 |
| BSE Code | : 543725 |
| NSE Symbol | : ELIN |
| Dividend Declared | : ₹ 1 per share |
| AGM Date | : 30th September, 2023 |
| Deemed AGM Venue | : Registered Office- 143, Cotton Street, Kolkata - 700 007, West Bengal |




**Disclaimer:**
This document contains statements about expected future events and financials of Elin Electronics Limited, which are forward-looking. By their nature, forward-looking statements require our Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

# *INNOVATION + INTEGRATION =* SUSTAINABLE GROWTH

Integrating innovation into a business strategy is crucial for long-term success. A well-crafted innovation strategy that aligns with corporate objectives, regulates processes and optimises resource utilisation is essential for sustainable growth and gaining a competitive edge. It is important for businesses to assemble the right components tailored to their unique context. Cultivating a culture of continuous innovation enables businesses to thrive in the ever-changing business landscape.

In this light, at Elin Electronics, our comprehensive approach, centered on 'Innovation + Integration = Sustainable Growth,' ensures seamless solutions for customers from global sourcing. Backward integration enhances cost efficiency, minimising reliance on external suppliers, while ensuring superior component quality, propelling our Company's competitiveness. The harmony between innovation and integration allows us to swiftly adapt to changing market dynamics, industry standards, and consumer preferences, solidifying its reputation for reliability and excellence.

Moreover, our Company integrates sustainable practices with strong brand image, thereby attracting eco-conscious customers and driving long-term growth in an environmentally-aware market. This strategic synergy empowers our Company to thrive, secure customer loyalty, and pave the way towards sustainable growth.

***₹ 10,754*** *Million*

Revenue

***₹ 674*** *Million*

EBITDA

***₹ 268*** *Million*

PAT

# *Elin Electronics:*
# INTEGRATING INNOVATION SINCE 1969

Elin Group's flagship company Elin Electronics Limited ('We', 'Elin Electronics', or 'Our Company'), founded by the esteemed 'Sethia' family in 1969 in Delhi-NCR, is a renowned leader in the field of electronics manufacturing services (EMS). With a strong focus on providing comprehensive product solutions, our Company caters to both international and national consumer electronics brands. We are a reliable, one-stop solution providers of diverse offerings including EMS, design and manufacturing of electric motors, tools/moulds/dies, domestic kitchen appliances, personal care products, lighting products and automotive components, making us a reliable one-stop solution provider.

Elin Appliances Private Limited (EAPL), a 100% subsidiary of Elin Electronics, founded on 21st August, 2002, specialises in manufacturing of small appliances and personal care products. This includes a diverse array of home appliances like toasters, juicers, irons, ovens, white goods, other home appliances, and in personal care it includes hair straighteners, hair brushes, hair dryers and trimmers.

With a rich history of 20 years, we have been India's largest manufacturer of fractional horsepower (FHP) motors, catering to diverse products such as mixer grinders, juicer mixer grinders, hand blenders, ventilation fans, table pedestal wall fans, kitchen chimneys, wet grinders, air conditioners and air cooler (synchronous motors), personal fans, and room heaters. We aim to further expand our motors manufacturing capabilities to include air conditioners - indoor and outdoor motors, nebulizer motors, and motors/pumps for water purifiers, among other products.

With an impressive annual capacity of 10 Million motors, we take pride in being India's leading FHP motors manufacturer and supplier. Throughout the years, our Company has been at the forefront of design, development, and manufacturing excellence when it comes to FHP motors.

*One of the Leading Providers of Electronics Manufacturing Services*

*One of the Largest Fractional Horsepower Motor Manufacturers in India*

### Our Distinct Operating Model

Our Company serves customers under two distinct business models: original equipment manufacturer (OEM) and original design manufacturer (ODM).

- **OEM:** In this model, we manufacture and supply products based on designs provided by our customers. These products are then distributed under the customers' brands.
- **ODM:** Under the ODM model, our Company takes charge of conceptualising and designing products, which are marketed to our potential customers under their brands. We have established ODM capabilities, particularly in small appliances and lighting products.

**50+** *Years*

Industry Experience

**370**

Customers

**5,151**

Workforce Strength

**3**

Manufacturing Plants

## Our Certifications and Standards

- ISO 9001:2015 & ISO 14001:2015 and IATF 16949:2016
- IS 302: Part 2: Sec 3:2007 (Electric Irons)
- IS 302: Part 2: Sec14:2009 (Bar-Blenders)
- IS 366:1991 (Performance of Electric Irons)
- IS 3854: 1997- Switches
- IS 1293: 2005- Socket and Plug
- IS 11037: 1984- Fan Regulator
  - IS 16102 - LED Light
  - IS-15885 - LED Light
  - IS-10322 - LED Light
- IEC – 60335
- IS-4250 Mixer Grinders
- Manufacturer's Licence / Quality Certificate (Toasters, Hair Dryers, Hair Straighteners)
- We follow OHSAS-45001 Guidelines
- Social Accountability at Work Place as per SA – 8000/2014
- Sustainability as per RBA Code of Conduct (Green Supplier)
- Corporate Social Responsibility ISO-26000


A first: Baddi unit attains ZED certification


# *Industries Elin Serve*

- Personal Care Appliances
- Moulded and Sheet Metal Parts and Components
- Automotive
- Domestic Appliances
- Medical Diagnostic Cartridges
- Motors
- Electronics
- Tooling
- Lighting

## Our Vision

To become the leading and most preferred manufacturing company in our product line.

- Customer-focussed
- Innovation
- Excellence and Efficiency
- Team Work
- Continuous Improvement
- Ethical & Honest
- Responsible and Sustainable
- Motivation & Recognition

## Our Mission

To provide the highest quality and excellence service to customer through Innovation, Excellence Team work and Continuous Improvement. To have an Ethical and Sustainable impact on our Environment, Customers, Shareholders, Business Associates and the community.

## Design Capabilities

Elin team works on ODM concept and offers design and development services of domestic kitchen appliances, led lights, motors, tools & other products. With over 50 years of existence, the Company offers cost-effective design solutions & supplies various finished products by utilising an experienced team and modern software tools & infrastructure facilities.

# *The Pulse* OF ELIN

## Established market position in key verticals, including leadership in fractional horsepower (FHP) motors

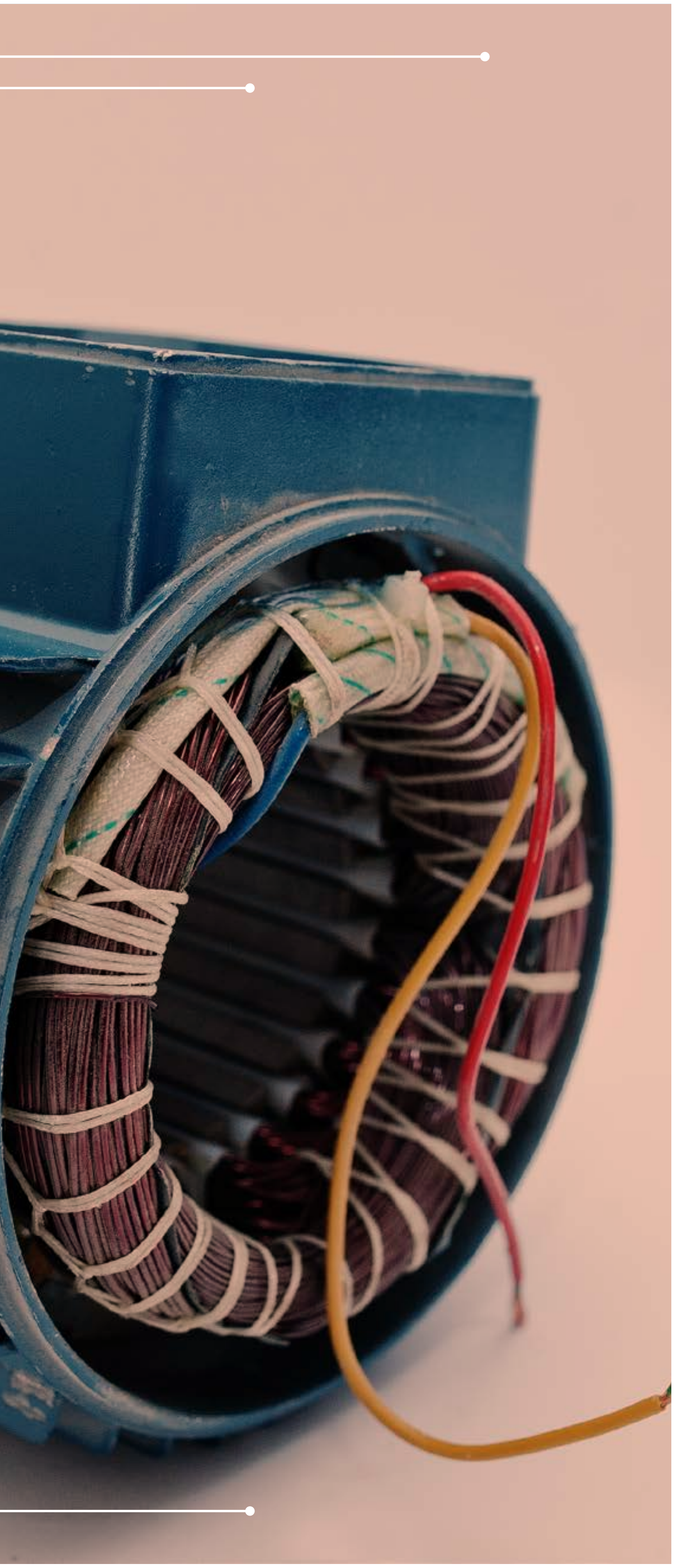
- We hold a dominant market position in fractional horsepower (FHP) motors
- We are one of the leading electronics manufacturing services (EMS) providers
- Our robust R&D capabilities enable the design, manufacturing, and supply of high-quality FHP motors to multiple industries. With substantial backward integration, we are well-equipped to meet the rising demand for motor-driven appliances in India

## Diversified products resulting in a de-risked business model

- Our Company boasts a de-risked business model due to a diversified product portfolio and customer base
- With customers like Philips, Bosch, and Panasonic in both FHP motors and small appliances verticals, we serve multiple product segments
- Our diverse products, product verticals, and customer base allow us to mitigate risks and tailor custom designs through our ODM capabilities, meeting specific customer requirements

## Entrenched relationships with a marquee customer base

- Our strength lies in our deeply entrenched relationships with prestigious domestic and multinational customers, including industry leaders like Philips, Signify, Panasonic, Havells, Crompton, and Eveready
- Our outstanding customer retention is a testament to our one-stop-shop facilities, manufacturing excellence, and punctual deliveries
- Notably, 11 of our top 20 customers have been served for 10 years, underscoring our commitment to encourage enduring partnerships and customer loyalty



## High degree of backward integration resulting in higher efficiencies, enhanced quality of products, and customer retention capability

- The high degree of backward integration at Elin Electronics has led to multiple benefits, including improved efficiencies, enhanced product quality, and increased customer retention capability
- With the focus on expanding our technological expertise in manufacturing and integrating services, we have become an ideal partner for customers, staying ahead of competitors
- Our in-house PCB assembly using surface mount technology (SMT) is vital to our manufacturing prowess, with six fully automatic lines operating at 304,000 CPH capacity per hour
- Additionally, we also have captive manufacturing of FHP motors and other products such as sheet metal, plastic moulding parts, tools and dies, sole plates for irons, stainless steel blades for mixer grinder etc., for usage in our other product verticals such as small appliances

## Consistent and strong track record of financial performance

- Our Company's financial performance can be attributed to several factors Our strategic presence in product segments with growing demand, along with a marquee customer base, has contributed to steady revenue streams
- By maintaining a strong balance sheet and prudent utilisation of resources, we have been able to fund our expansions through a mix of internal accruals and debt
- Our revenue from ODM has also played a significant role in driving our financial success, positioning us to capitalise on growth opportunities in the OEM and ODM industry in India

*Experience Excellence through*

# OUR INNOVATIVE PRODUCT PORTFOLIO

## Electronics Manufacturing Services (EMS)

*77.93%*

Revenue Contribution

### LED Lighting, Fans, and Switches

**Products Manufactured**

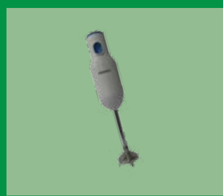
- LED Lighting
- LED Flashlights
- Fans - Ceiling, Fresh Air, TPW, etc.
- Modular Switches and Sockets



### Small Appliances

**Products Manufactured**

- Dry and Steam Irons
- Toasters
- Hand Blenders
- Mixer Grinders


### Personal care

**Products Manufactured**

- Hair Dryers
- Hair Straighteners
- Heated Straightening Brush
- Trimmer



## Fractional Horsepower Motors Used In

- Mixer Grinder
- Hand Blender
- Wet Grinder
- Chimney
- Air Conditioner
- Heat Convector
- TPW Fans



# Non-EMS

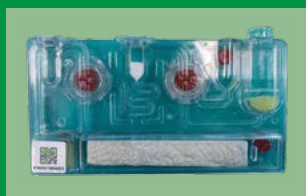
*22.07%*

Revenue Contribution

## Medical Diagnostic Cartridges

**Products Manufactured**

- Medical Diagnostic Cartridges for Use in Diagnostic Devices

## Moulded and Sheet Metal Parts and Components

**Products Manufactured**

- Plastic Moulded and Sheet Metal Parts and Components, Largely for Customers in the Auto Ancillary and Consumer Durables Sectors



*Cherishing*
# OUR MILESTONES

**1969**
*Establishment of Elin Electronics*

**1973**
*Commenced manufacturing of tape deck mechanism for use in audio cassette players*

**1977**
*Commenced manufacturing of motors as a backward integration*

**1996**
*Established plant in Goa for manufacturing appliances for Philips*

**2001**
*Commenced manufacturing of LED lighting*
*Extended relationship with Philips, manufacturing radios and luminaires*

**2002**
*Started relationship with Signify (erstwhile Philips)*

## 2023
*Started manufacturing of heated hair brush & TPW Fans*

## 2022
*Listed on BSE and NSE*

## 2020
*Started relationship with Bosch*

## 2019
*Started manufacturing fans*

*Started manufacturing medical diagnostic cartridges*

## 2014
*Started relationship with Usha*

## 2007
*Progressed into manufacturing of flashlights for Eveready*

*Started relationship with Panasonic*

## 2004
*Inaugurated a plant in Baddi for manufacturing appliances*

*Message from*

# THE MANAGING DIRECTOR

> *Our journey from a vision to a publicly traded company has been an exhilarating adventure, made possible by the support of our Board members, shareholders, partners, and the collective efforts of our passionate team."*

## Dear Shareholders, Partners, and Valued Stakeholders,

I extend my warmest greetings to each one of you.

With immense pride and gratitude, as the Managing Director of Elin Electronics, I am delighted to celebrate a momentous milestone in our history - the successful listing of Elin Electronics on the stock exchange. This joyous occasion marks the unveiling of our 1st Annual Report following the successful listing on the stock exchanges, BSE Limited and National Stock Exchange of India Limited.

With a rich legacy spanning 54 (2023 – 1969) years, we take pride in being an integrated manufacturing Company that produces not only the finished goods but also the components and sub-assemblies required to manufacture them. We started in 1969, and our journey began with Phillips as our first customer. I am proud to share that they are our largest customer even today. Today, we stand as a backward-integrated manufacturing entity serving several brands. At Elin Electronics, we navigated through challenges and remained resilient, one that embodies our core belief in the equation of 'Innovation + Integration = Sustainable Growth.' We are driven to broaden our customer base, diversify our revenue profile, ensure strong backward integration, and fortify our ODM and EMS businesses.. This strategic shift will lead us to a leaner, stronger future, with a firm promise to innovation.

### Macro overview

The global EMS market is on track to reach USD 790 Billion by 2030, with a stable 6% CAGR forecasted from 2022 to 2030. In India is anticipated to surge to USD 135 Billion by 2025-26 at a remarkable rate of 30.3% CAGR. The growth is propelled by factors like urbanisation, e-tail boom, tech advancements, favourable policies, Make in India, China + 1 and advantages of the EMS model. With a focus on domestic manufacturing and collaborative efforts, we contribute to India's prominence in electronic system design and manufacturing (ESDM). Additionally, the prosperity of this sector is enhanced by positive Government policies and a thriving manufacturing sector. Initiatives like 'Make in India', PM Gati Shakti, and Production-Linked Incentive (PLI) programmes drive innovation and progress in the nation.

### Financial performance

Our Company is a manufacturer of end-to-end products and solutions for major brands. Our consolidated figures reveal revenues of ₹ 10,754 Million as of 2022-23.

Our EBITDA was ₹ 674 Million in 2022-23 and ₹ 799 Million in 2021-22 and PAT was ₹ 268 Million in 2022-23 and ₹ 392 Million in 2021-22. However, the EBITDA margin was impacted by certain one-offs and non-recurring charges. We made additional provisions for warranty (~₹ 15 Million) and slow/non-moving inventory (~₹ 30 Million), both of which were non-cash adjustments. Additionally, we incurred one-time revenue expenditure of ~₹ 5 Million due to the introduction of SAP, and legal and professional charges of ~₹ 30 Million related to the IPO.

The decline in revenue stems from consumption slowdown and fan regulation changes as Bureau of Energy Efficiency (BEE) norms for energy efficiency. Our Company's proactive measures include achieving debt-free status, controlled working capital, and substantial capex investments marks one of our highest annual investments ever, reflecting our strong commitment to growth and expansion. Despite challenges, we prioritise innovation, efficiency, and new product introductions, ensuring profitability and sustainable progress.

**₹ 10,754** *Million*

Revenues for 2022-23

**USD 135** *Billion*

India EMS Market Forecast by 2025-26

## People's energy is our driving force

At Elin Electronics, we prioritise employee development and well-being as part of our robust HR system, which helps us propel through challenges. We foster a diverse, inclusive environment, ensuring equal opportunities for growth. Health and safety of our employees is paramount for us, and supported by advanced measures and medical assistance. Our training programmes are aimed at nurturing talent, while our leadership development drives progress. Our focus on integration and positive work culture fuels collective success. In 2022-23, we offer dedicated training of 1,340 hours (Goa Plant), 933.2 hours (Baddi Plant) and 1,846 hours (Ghaziabad Plant) before deploying skilled workers to assembly lines, ensuring peak production efficiency. In 2023-24, we aim to achieve our organisational goals, promote team integration, and empower our workforce towards continuous growth.

## Our efficient sustainability approaches

At Elin Electronics, our commitment to sustainability drives our state-of-the-art facilities. By investing in top-quality machinery from Japan and Germany, and ensuring full power backup with 33 kVA line at Ghaziabad Plant, we achieve 100% capacity without interruption. As responsible corporate citizens, we embrace sustainability with solar panels for cleaner and cheaper power. We have embarked on a significant solar initiative, installing approximately 40 solar lights around our factory premises. By 2030, we aim to transition the remaining electricity consumption from the grid to solar energy, with an estimated investment of around ₹ 6 Crores. The versatility of our assembly lines ensures efficiency, while rigorous safety training guarantees high-quality production. Additionally, an in-built checking system and robotic automation further optimise product quality at optimal costs. Additionally, our Company implemented SAP on 1st January, 2023, the Data Warehouse Cloud. This will promote data integration, collaborative sharing, advanced analytics, and data governance, reducing IT overhead and promoting data-driven decision-making.

Elin Electronics stands as an environmental steward with green initiatives that leave a lasting impact. Waste management initiatives, electronic recycling, and plastic reduction emphasise our dedication to a greener future. Water-saving measures and energy-efficient practices further underscore our sustainability efforts, reducing $CO_2$ emissions, and conserving valuable resources. Our vision is to embrace technology integration and solar-powered solutions, empowering efficiency and environmental consciousness. Our Company continues to lead with environmental responsibility by adhering to certifications and standards.

## Responsible towards community

At Elin Electronics, we prioritise social responsibility with impactful CSR initiatives, promoting environmental preservation, health, education, livelihood, and community development. From health check-ups to tree plantations, we nurture positive change and help in the creation of a brighter, sustainable future for all.

## Big picture

At Elin Electronics, we envision a promising future driven by diversified revenue and strengthening our ODM and EMS businesses. Our upcoming product launches, including BLDC and TPW fans, heated hair-brush, electric steriliser, Trimmer, oil-filled radiator, chimney, OTG, BLDC MG motor, and AC ODU motor, will pave the way for growth. On average, we should see a new product category launch every quarter for the next two years. Our key priorities for 2023-24 include diversifying revenue through customers and products, fortifying the ODM and EMS businesses, and optimising lean manufacturing for cost efficiency. With strong roots and legacy, we embark on a journey of excellence and boundless possibilities.

## Closing note

Our journey from a vision to a publicly traded company has been an exhilarating adventure, made possible by the support of our Board members, shareholders, partners, and the collective efforts of our passionate team.

With excitement in our hearts and determination in our minds, let us move forward together. As we march ahead, we carry the legacy of Elin Electronics Limited, one that is shaped by our shared commitment to a brighter, tech-driven future.

Thank you for being an integral part of our journey, and here's to many more years of success, growth, and transformative impact.

Best wishes,

**Kamal Sethia**
**Managing Director**
**Elin Electronics Limited**

*Forward-Thinking Strategies*

# SUSTAINABLE GROWTH

## Enhance customer base and relationships through cross-selling and product development

- At Elin Electronics, we aim to enhance our customer base and relationships through cross-selling and product development strategies. By increasing cross-selling efforts and expanding into new product verticals with existing customers, our Company anticipates strengthening its market presence.
- Partnering with renowned brands like Philips, USHA, Signify, Bosch, Faber and Panasonic, our Company's cross-selling expansion has propelled revenue growth. We have a steadily increasing customer base and we served 327,387, 342 and 370 customers in 2020, 2021, 2022 and 2023 respectively.

## Expand ODM share of the business

- At Elin Electronics, we are strategically expanding the ODM share of our business to meet the growing customer demand for manufacturing partners with ODM capabilities.
- Our Company excels in ODM for lighting products (baton lights, down lights, flashlights, wall lights, and linear lights) and small appliances (irons and mixer grinders), leveraging our OEM experience and strong R&D setup to attract new customers and diversify our product portfolio.

## Augmenting our R&D capabilities

- At Elin Electronics, we prioritise R&D in engineering, product, die and mould designing, electronic circuit designing, and prototype designing to enhance our capabilities and leverage our manufacturing experience.
- Our Company focusses on continuous innovation and updates to meet customer preferences, aiming to become the preferred supplier known for superior comfort and quality.

## Focus on one-stop-shop facility with an increased degree of backward integration

- At Elin Electronics, we aim to establish a comprehensive one-stop-shop facility with a heightened degree of backward integration.
- To achieve this, our Company plans to acquire equipment, enhance moulding capacity, and automate processes, including motor assembly and sheet metal production.

# *Financial* HIGHLIGHTS

### *Revenue* (₹ in Million)

| | |
|---|---|
| 2018-19 | 8,285 |
| 2019-20 | 7,856 |
| 2020-21 | 8,624 |
| 2021-22 | 10,937 |
| 2022-23 | 10,754 |

### *EBITDA* (₹ in Million)

| | EBITDA Margin | |
|---|---|---|
| 2018-19 | 7.0% | 582 |
| 2019-20 | 7.2% | 562 |
| 2020-21 | 8.0% | 690 |
| 2021-22 | 7.3% | 799 |
| 2022-23 | 6.3% | 674 |

### *PAT* (₹ in Million)

| | PAT Margin | |
|---|---|---|
| 2018-19 | 3.5% | 291 |
| 2019-20 | 3.5% | 276 |
| 2020-21 | 4.0% | 349 |
| 2021-22 | 3.6% | 392 |
| 2022-23 | 2.5% | 268 |

### *Net Worth* (₹ in Million)

| | |
|---|---|
| 2018-19 | 1,989 |
| 2019-20 | 2,278 |
| 2020-21 | 2,623 |
| 2021-22 | 3,031 |
| 2022-23 | 4,931 |

### *Debt Equity Ratio* (in X)

| | |
|---|---|
| 2018-19 | 0.42 |
| 2019-20 | 0.27 |
| 2020-21 | 0.42 |
| 2021-22 | 0.32 |
| 2022-23 | 0.16 |

### *Working Capital* (₹ in Million)

| | |
|---|---|
| 2018-19 | 905 |
| 2019-20 | 1,026 |
| 2020-21 | 1,255 |
| 2021-22 | 1,368 |
| 2022-23 | 2,716 |

### *Diversified Product Profile-Revenue Break-up* (₹ in Million)

| | Total EMS | Total Non-EMS |
|---|---|---|
| 2020-21 | 6,632 | 1,992 |
| 2021-22 | 8,555 | 2,382 |
| 2022-23 | 8,380 | 2,374 |

*Integrating Quality:*

# OUR PRESENCE AND MANUFACTURING PLANTS

*Our in-house manufacturing capabilities encompass die and mould, sheet metal components, plastic moulded components, aluminium die casting, and surface coating. This backward integration plays a pivotal role in supporting all our product verticals. Strategically located in Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh), and Verna (Goa), our modern manufacturing facilities boast high-quality machinery, assembly lines, and full power backup, ensuring timely delivery of top-notch products. Energy sourcing from local utilities and DG sets, as well as water from ground sources and local utilities, further strengthen our manufacturing operations. Additionally, we have been allotted land for extended future expansion in Bhiwadi (Rajasthan) and Noida (Uttar Pradesh).*

## Elevating Excellence: Embracing Backward Integration

We embark on a voyage of backward integration, encompassing captive manufacturing of FHP motors and diverse components—sheet metal, plastic moulding, tools, dies, sole plates, stainless steel blades—aligning with various product verticals, including small appliances.

=

Resulting in amplified control over manufacturing, quality, and cost efficiencies, fortifying margins. Simultaneously, reducing reliance on third parties, enhancing component quality control, design dominance, and operational finesse.

## Baddi (Himachal Pradesh)

**Area (in square metre):** 20,882.00

**Year of commencing operations:** 2004

**Products manufactured:** Small appliances, Personal Care Products and LED Flash Light

**Key machinery/equipment:** Die casting machinery, plastic moulding machinery, sheet metal fabrication machinery, and product assembly lines

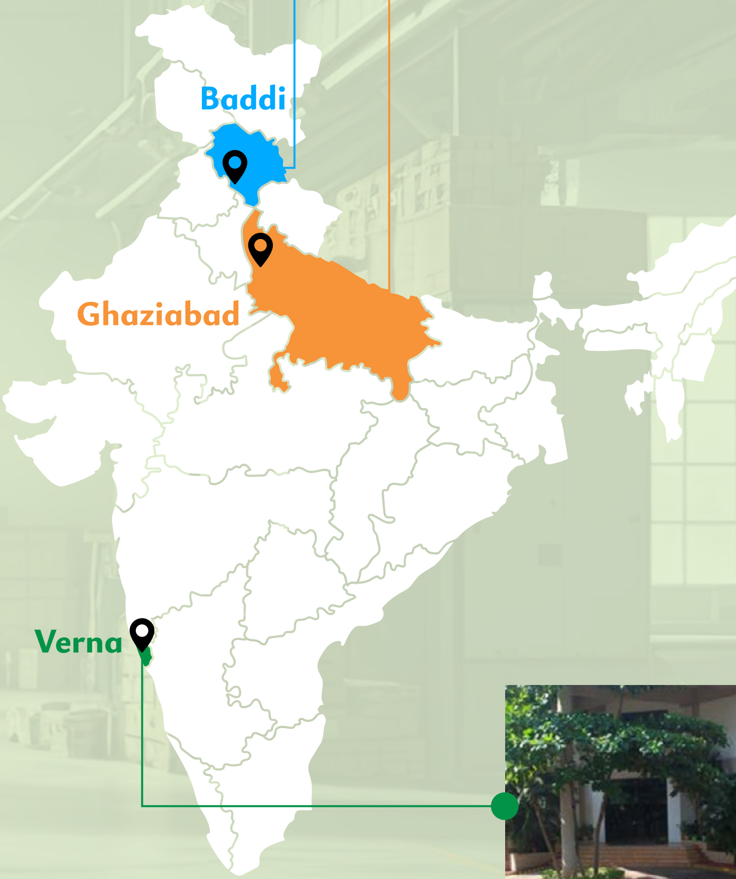
## Ghaziabad (Uttar Pradesh)

**Area (in square metre):** 19,868.89

**Year of commencing operations:** 1970

**Products manufactured:** FHP motors, LED lighting, fans, plastic moulded parts, and sheet metal components

**Key machinery/equipment:** Tool manufacturing machinery, plastic moulding machinery, sheet metal fabrication machinery, product assembly lines, and PCB manufacturing SMT lines




## Verna (Goa)

**Area (in square metre):** 7,500.00

**Year of commencing operations:** 1995

**Products manufactured:** Medical diagnostic cartridges and plastic moulded parts

**Key machinery/equipment:** plastic moulding machinery, and product assembly lines

## Capabilities: Where Equipment Meets Excellence


Assembly Belts


Electronics Manufacturing Services


Development and Engineering

Die Casting

Injection Moulding


Press Shop

Motors Manufacturing


Tools Manufacturing

# *Elin Electronics:*
# WHERE PEOPLE GROW

*At Elin Electronics, our resilient HR system and dedication to employee development and well-being have played a pivotal role in navigating the challenges posed by the ever-changing business landscape. We are creating an environment where employees can shape their careers, reach their fullest potential, and contribute to our Company's collective success. As we continue to adapt and grow, we remain firm in our mission to be a leading force in the electronics industry, driven by the strength of our people.*

## This is What Keeps us Going

- Embracing Diversity
- Safe Workplace
- Transparent Culture
- Career Development
- Cost Optimisation
- Tackling Challenges
- Employee Empowerment
- Workplace Engagement
- Leadership Development

**5,151**

No. of Workforce (Payroll/Contractual)

## Key Highlights for 2022-23

- Fostered diversity and provided equal opportunities to all individuals, enriching our talent pool
- Went live with SAP Data Warehouse Cloud on 1st January, 2023; this reflects on efficiencies in inventory reduction and manpower planning through real-time data availability
- Enabled a more agile and productive future for our Company with streamlined processes
- Ensured a secure work environment and offered competitive terms of employment for our valued team
- Cultivated an open culture of trust and fairness, promoting transparent dealings with employees
- Empowered employees with progressive HR and training arrangements, supporting their personal growth
- Targeted manpower cost reduction through innovative strategies, ensuring efficiency and sustainability

## Well-Being First

Employee health and well-being are paramount at Elin Electronics. Our robust health-management initiatives include annual medical examinations, periodic tests for critical roles, and mandatory Covid-19 vaccination. Advanced safety measures, PPE usage, and regular OHS training ensure a secure workplace. We have a dedicated on-site nurse and 24/7 ambulance in place, ensuring immediate medical assistance. We prioritise our employees' health and have enabled a caring environment for their overall prosperity.

## Training and Development

At Elin Electronics, we prioritise employee training and development to cultivate a nurturing work culture and minimise attrition. We ensure professional growth through skill-based training and career-oriented programmes, example: Education support: Career advancement programmes like CIPET diploma, skill enhancement for operators to supervisors, and stimulating a supportive environment with equal benefits for all. Our focus on leadership development promotes upward mobility, with opportunities to progress from worker to supervisor positions. Our on-roll contractual workers gain permanent roles after two years, while a conducive work environment fuels innovation and shapes their career. We also conduct regular senior management interactions, townhalls, and committee meetings for open communication and continuous improvement.

### Women's Empowerment Workshops

- Self-defence training by external experts
- Inclusion of women in employee engagement committees
- Priority for women's promotion to higher roles
- Prevention of sexual harassment training at work place

## Diversity and Inclusion (D&I)

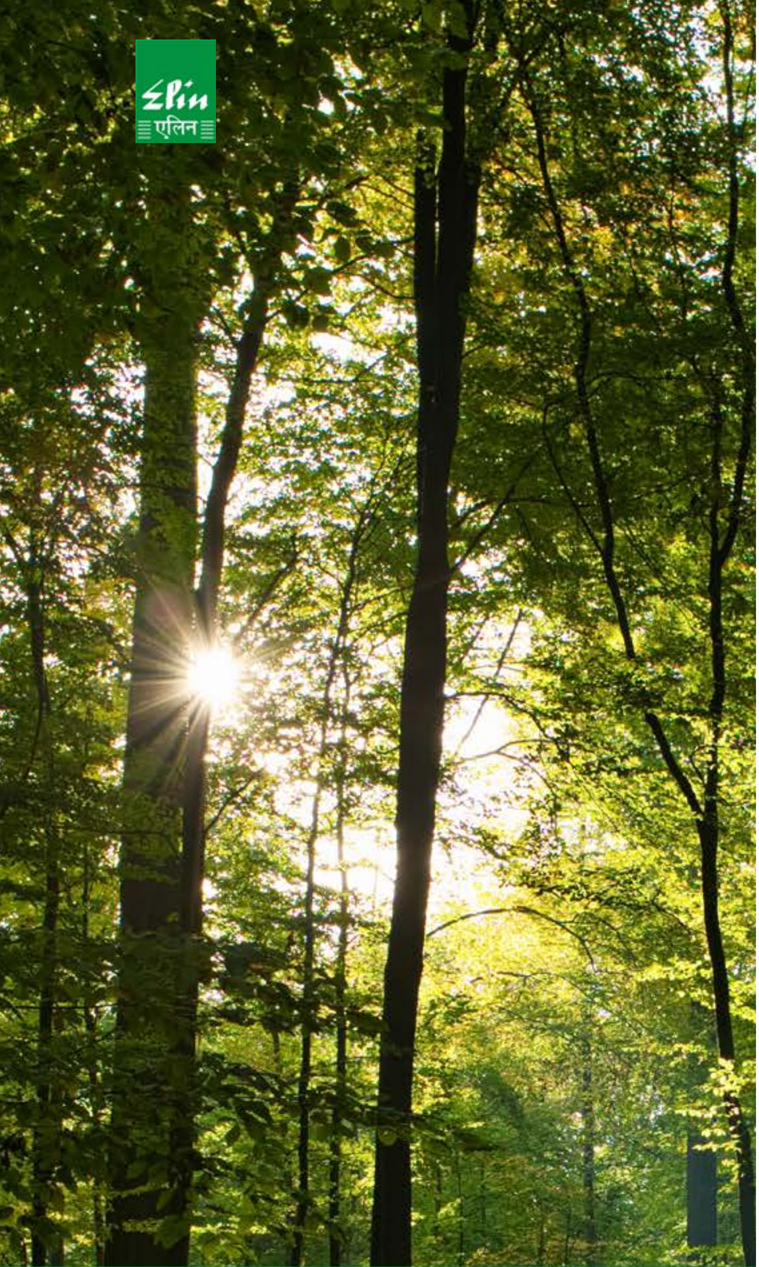
With a well-defined organisational structure and management policies, our Company promotes an inclusive workplace. We have a strong HR policy with clear objectives that promote growth and development. The absence of gender bias guarantees equal opportunities for all, nurturing a harmonious environment. The innovative mini-companies within the organisation drive continuous improvement through poka-yoke, kaizens, and other schemes, propelling us towards excellence.

We strongly believe in celebrating unique backgrounds, views, and skills and cultivating an inclusive environment that sparks creativity. Together, we break barriers, surpass limits, and redefine success. From diverse backgrounds to equal opportunities, we are paving the way for diversity and inclusion.

## Priorities for 2023-24

Our key priorities for the year ahead include achieving organisational goals, team integration, and building a positive work culture for employee motivation and empowerment. Through skill upgradation programmes like OJT, other training programmes, and effective retention strategies, we aim to create a cohesive and thriving workforce, driving our collective success.

## Events and Meetups



*Eco-consciousness and Sustainability:*

## Our Guiding Light

*Our Company exemplifies environmental stewardship through energy-saving measures, water recycling, and renewable energy adoption. We are dedicated to responsible waste management and are striving for a greener future.*

### Waste Management Initiatives

At Elin Electronics, we prioritise eco-friendly materials and responsible e-waste disposal to reduce environmental impact.

- **Waste Management:** The replacement of paper corrugation with PP corrugation led to an 80% reduction in waste generation. This is because PP corrugation can be reused up to 100 times, promoting sustainability.
- **Electronic Waste Management:** Our Company possesses COP for e-waste management, allowing them to collect, store, and recycle electronic waste until 31st March 2025.
- **Initiatives Against Single-Use Plastic:** At Elin Electronics, we have successfully implemented compostable sleeves, biodegradable bags, and eco-friendly paper packing, effectively replacing single-use plastic items.

### Water-Saving Initiatives

Our Company's innovative water-saving initiatives reflect our dedication to a greener tomorrow. We actively recycle and reuse wastewater, diligently adhering to environmental acts and ISO 26000 standards. We also prioritise restoration of water bodies and replacement of surface water.

## Energy-Saving Initiatives

Through energy-saving initiatives, our Company has achieved a remarkable 231-metric-tonne reduction in $CO_2$ emissions and leaving a positive impact on the environment.

- **Energy-Efficient Machinery:** Adopted fully high electrical plastic injection moulding machines, reducing electricity consumption by 58,780 KWH/year and cutting $CO_2$ emissions by 13 metric tonne; implemented all-electric plastic injection moulding machines powered by servo motors, eliminating the need for oil and resulting in a 400-litre reduction in fluid usage compared to traditional hydraulic machines
- **Sustainable Packaging:** Reduced cardboard box consumption from 80k to 22k through 100 times reuse; with this carbon emissions decreased by 4.46 kg of $CO_2$-eq per use, and we saved 134.7 metric tonne in total
- **Supply Chain Commitment:** Partnered with suppliers using 100% recycled materials for packaging, saving 1.54 kg of $CO_2$-eq per use
- **Forest Development:** Planted 19,875 trees, one tree absorbs 11.76 kg of $CO_2$ per year
- **Green Fleet and Carpooling:** Shifted 1 vehicle to CNG, lowering carbon emissions significantly; implemented carpooling, reducing vehicle usage from 5 to 3

## Empowering Sustainability: Way Forward

Our Company aims to integrate technology into our production processes, reducing energy consumption, thereby empowering efficiency and environment stewardship.

- **Solar-Powered Future:** By 2028, our Company plans to harness the sun's limitless energy, replacing 200 kW of grid power with eco-friendly solar panels. A visionary investment of ₹ 1.5 Crores paves the way for this initiative
- **Optimising Manufacturing:** We're replacing diesel-based surface coating with an electric furnace, cutting 107 metric tonne of carbon emissions and saving around ₹ 1 Crores by 2028, starting in 2023

**231** MT

Reduction in Carbon Emissions

**2,166** Mwh

Total Energy Consumed

**40** Solar Lights Installed

Surrounding Factory Premises

**19,875**

Trees Planted

## Environment Sustainability Projects

### Nature Park Kullu

Before

After

### Developing Forests

Before

After

*Our CSR:*

# Canvas of Transformation

*We emphasise on social responsibility and investing in communities for a positive impact on society. We undertake meaningful social welfare initiatives to promote overall well-being. For us, preserving environmental balance around our work centres and factories is a priority. We actively contribute to the development of our nearby and remote communities. In response to natural calamities, we stand ready to aid affected areas as per Government calls.*

## Focus Areas

- Environment
- Health and Sanitation
- Education
- Livelihood

## CSR Objectives

At Elin Electronics, we prioritise eco-friendly materials and responsible e-waste disposal to reduce environmental impact.

- Executing impactful societal initiatives to enhance the overall welfare of the community
- Safeguarding and upholding environmental equilibrium in vicinities surrounding operational hubs and office spaces, alongside adjacent factory areas
- Fostering development in proximity to the factory and remote regions during business endeavours
- Swiftly answering the summons of the Government of India and State Governments in undertaking rehabilitation efforts for areas and individuals afflicted by natural catastrophes

# Key Breakthrough Projects for 2022-23

## Project Ujjawal

(Construction of a hall room in sports academy (Aakhara) at village Taliwal, Gram Panchyat Sanerh,Nalagarh) Phase-I

### Laying Foundation Stone

### Inauguration Stage

- **Category:** Training to promote rural sports, nationally recognised sports, and olympic sports.
- **Rationale:** Our Company's CSR efforts foster grassroots sports, nurturing leadership skills and values among children and youth. Sports serve as a platform for holistic development, imparting essential soft skills for responsible citizenship.
- **Objective:** Cultivate a conducive environment with essential facilities, enabling regular sports participation and learning for underprivileged children, bridging the gap in sports accessibility.

## Project Forest Development and Cattle Sanctuary

### Before

### After

- **Category:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, and more.
- **Rationale:** Unplanned dairies and negligent ownership practices contribute to rampant stray cattle issues, causing accidents and traffic disruptions, particularly in Himachal Pradesh.
- **Objective:** Establish a cattle sanctuary with afforested surroundings, curbing the stray cattle issue, preserving natural resources and promoting safer road conditions.

Procurement, storage, tree plantations, growth

## AMKC Project

- **Category:** Education and professional development
- **Rationale:** Terpanth Professional Forum (TPF) establishes the Acharya Mahaprgya Knowledge Centre (AMKC) to provide advanced education and free civil service coaching for deserving students, with the engagement of experienced officials.
- **Objective:** AMKC aims to nurture excellence by offering knowledge-based education, free civil service coaching, and industry expertise sharing, facilitated by a generous contribution of ₹ 21 Lakhs from Elin Electronics Limited in 2022-23.

**Development of school facilities: Establishment of badminton court and restrooms at Nagar Nigam Balika Inter College, Mehroli, Ghaziabad.**

**Construction of toilet block and handover to Composite Vidyalay Gandhi Nagar, Ghaziabad**

**Construction of toilet block at Prathmik Vidyalaya, Rahul Bihar, Raghunathpuri, Nagar Chetra, Ghaziabad**

**Contribution to Shri Oswal Yuwak Sammellan for the development of infrastructure at Oswal Sr. Sec. School**

**19,875**

Trees Planted in 2022-23

**₹ 8.54 Million**

Spent on CSR

## Empowering and Expanding Community Engagement

### Healthcare Facilities and Awareness

- Occupational health & safety training /awareness
- On-site Nurse and Ambulance available at the factory for the employees and community
- Health examinations and preventive measures

### Skill Development

- ITI student training, 450 participants
- Industry exposure for institute students
- Career progression through certifications

## Camps for Our Employees and Local Community People

**Health Checkup**

**Dental and Oral Checkup**


**Eye Checkup**

**Blood Donation Camp in Factory**

## Making a Difference Together: Our CSR Impact

At Elin Electronics, our CSR activities have significantly impacted the community, making lives better and ensuring a sustainable environment. Health checkups, dental and eye check-ups, and blood donation camps improved well-being, while toilet construction enhanced sanitation. Tree plantation and park development promoted environmental consciousness and recreation. Community development initiatives uplifted living standards, and forest development supported biodiversity conservation. We continue to drive positive change, creating a brighter and more prosperous community.

## Priorities for 2023-24

Having successfully executed the establishment of a community park in response to local requisites, our commitment extends even further. Given the ongoing climatic challenges in Himachal Pradesh, marked by flooding, substantial rainfall, and consequential landslides leading to residential displacement, our unwavering dedication remains towards robustly aiding the affected populations.

*Charting a Path*

# TO GROWTH WITH SKILL AND EXPERTISE

## *The Board*

*Mr. Mangi Lall Sethia*
Chairman and Whole-Time Director

*Mr. Kamal Sethia*
Managing Director

*Mr. Sumit Sethia*
Whole-Time Director

*Mr. Sanjeev Sethia*
Whole-Time Director

*Mr. Kamal Singh Baid*
Independent Director

*Mrs. Shilpa Baid*
Independent Director

*Mr. Shanti Lal Sarnot*
Independent Director

*Mr. Ashish Chandra Guha*
Independent Director

*Awards:*

# MOMENT OF GLORY

**2014**

DENSO

*Regional Cooperation Award*

**2014**

IFB Industries Limited

*Bronze Supplier Award*

**2014**

DENSO

*Certificate of Appreciation in the Category of 'Regional Best Supplier'*

**2016**

IFB Industries Limited

*Certificate of Appreciation in Recognition of Unflinching Support*

**2016**

ELCINA EFY

*Excellence in Electronics*

**2016**

ELCINA EFY

*Winner of ELCINA-EFY '1st Prize' Environment Management Excellence Award*

**2017**

FICCI

*Certificate of Gold (Second Prize) in the Medium Size Category in the Manufacturing Sector*

**2017**

*Silver Rating Awarded under Financial Support to MSMEs in the ZED Certification Scheme*

**2018**

PHILIPS

*Customer First Award at the Philips Lighting Supplier Event India*

**2018**

DAIKIN

*Best Supplier Quality Award - Certificate of Appreciation, in Recognition of Outstanding Efforts to Achieve the 'Quality Target for 2016-17'*

**2019**

INDIA SME FORUM

*Winner of the 'India SME 100 Awards', Scoring in the Top 100 Among 34,011 Nominations*

**2022**

DENSO

*Direct on-Line Business Partner March 2022 from Denso*

**2023**

DENSO

*Appreciation Award to Achieve 100% Delivery in September 2022 from Denso*

**2023**

DENSO

*Outstanding Performance Award for Development Support 2022-23 from Denso*

*Customer Delight:*

# OUR GUIDING LIGHT

**Offering innovative and cost effective solutions to our marquee clients....**

## EMS

| LED Lighting, Fans and Switches | Small Appliances | Fractional Horsepower Motors | Other EMS Products |
|---|---|---|---|
| Signify | PHILIPS | HAVELLS | Signify |
| Crompton | BOSCH | Panasonic | Crompton |
| EVEREADY GIVE ME RED | USHA | MAHARAJA WHITELINE | DAIKIN |

## Other

| Medical Diagnostic Cartridges | Moulded and Sheet Metal Parts and Components | |
|---|---|---|
| molbio® | IFB Industries Limited | DENSO |

# *Corporate* INFORMATION

## BOARD OF DIRECTORS

**Mr. Mangi Lall Sethia**
Chairman & Whole-Time Director

**Mr. Kamal Sethia**
Managing Director

**Mr. Sanjeev Sethia**
Whole-Time Director

**Mr. Sumit Sethia**
Whole-Time Director

**Mr. Kamal Singh Baid**
Independent Director

**Mrs. Shilpa Baid**
Independent Director

**Mr. Ashish Chandra Guha**
Independent Director

**Mr. Shanti Lal Sarnot**
Independent Director

## CHIEF FINANCIAL OFFICER

Mr. Raj Karan Chhajer, CFO

## COMPANY SECRETARIES

**Mr. Avinash Chandra Karwa**
(Resigned w.e.f. 14th June, 2022)

**Ms. Lata Rani Pawa**
(Appointed w.e.f. 14th June, 2022)

## AUDITORS

**Oswal Sunil & Company**
(Resigned w.e.f. 10th August, 2023)

**S. R. Batliboi & Co. LLP**
(Appointed w.e.f. 10th August, 2023)

## REGISTRAR TRANSFER AGENT
## KFin Technologies Limited

Selenium, Tower B, Plot No 31 and 32,
Financial District, Nanakramguda,
Serilingampally, Rangareddi,
Hyderabad - 500 032, Telangana

## BANKERS

HDFC Bank Limited

Citibank N.A.

HSBC Limited

ICICI Bank Limited

## REGISTERED OFFICE

143, Cotton Street,
Kolkata - 700 007, West Bengal

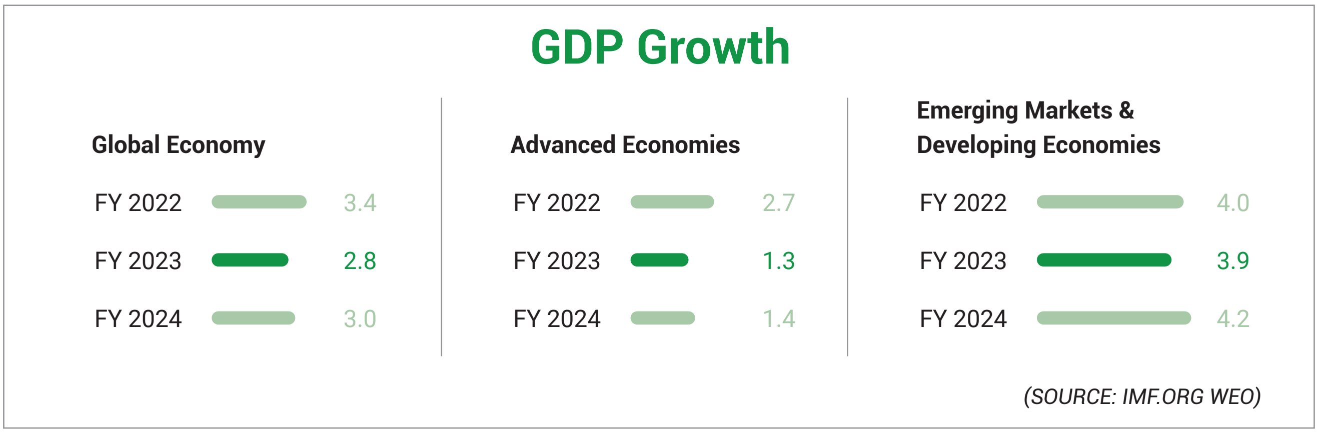
## CORPORATE OFFICE

4771, Bharat Ram Road, 23, Daryaganj,
Delhi - 110 002
Tel: +91 11 4300 0400
CIN: L29304WB1982PLC034725
Email ID: cs@elinindia.com
Website: www.elinindia.com

# Management Discussion and Analysis

## GLOBAL ECONOMY

The global economy is rebounding well since early 2022, led by countries like the United States, China, and India. Nations have learned from the Covid-19 pandemic and are preparing for future black swan events. A powerful post-recession recovery is underway, driven by increased demand and improved supply.

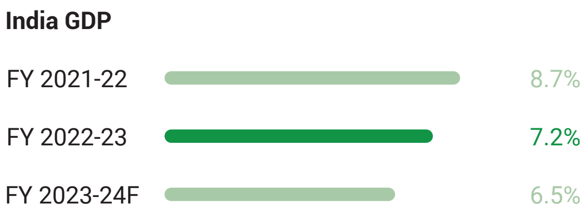



In 2023, the global economy encountered challenges like the Russia-Ukraine conflict, resurgence of the Covid-19 pandemic, and commodity price fluctuations. The International Monetary Fund (IMF) reports a dip from 3.4% (2022) to 2.8% (2023), but expects 3.0% growth in 2024, indicating a positive trajectory. Advanced economies slow down to 1.3% (2023) and 1.4% (2024) due to geoeconomic fragmentation, while emerging markets project stronger growth at 3.9% (2023) and 4.2% (2024). Tightened monetary policies are likely to cool commodity prices and demand. Recovery signs are likely to emerge through easing inflation and accommodative banking, hinting at a brighter 2023 path with a focus on emerging markets' resilience and supply chain resolution. Despite surpassing 2022 growth expectations, aggressive policy tightening, geopolitical uncertainties, and declining business sentiment dampen global growth outlook. Policy responses prioritising stability, inclusivity, and sustainability are crucial in shaping the future trajectory of the global economy.

*(Source: https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023)*

## INDIAN ECONOMY

India's economy has demonstrated remarkable resilience, positioning itself as a key driver of global economic progress. This robust economic growth is underpinned by a confluence of factors. Notably, an upsurge in domestic consumption, increased capital expenditure, and foreign investments contribute significantly to this expansion. Favourable Government policies and a thriving manufacturing sector are likely to further propel the nation's economic prosperity. India's commitment to innovation is evident through key initiatives like PM Gati Shakti, the National Logistics Policy, and Production Linked Incentive (PLI) Scheme. As of March 2023, India's GDP stood at approximately USD 3.75 Trillion as a result of which the country secured its place among the top five fastest-growing economies in 2022, surpassing the UK.




F: Forecasted

Based on the RBI's projections, India's GDP is expected to grow at the rate of 7.2% in 2023 and 6.5% in 2024. The Union Budget 2023-24 outlines the vision of 'Amrit Kaal,' aiming for an inclusive economy with increased capital expenditure. However, challenges like slower consumption growth, external conditions, rising borrowing costs, and stagnant income may hinder private consumption and overall economic development. Prudent policies and strategies are essential to address these impediments effectively.

*(Source: https://www.forbesindia.com/article/explainers/gdp-india/85337/1)*

## GLOBAL ELECTRONICS INDUSTRY

Over the past six decades, the global electronics industry has undergone significant advancements. The industry's expansion has been primarily fuelled by emerging technologies, generating a robust demand worldwide. It encompasses a wide range of sectors, including electronics products, design, components, and manufacturing services. Historically, the electronics market has shown substantial growth.

Furthermore, according to Frost & Sullivan's analysis, the industry is projected to exhibit a compound annual growth rate (CAGR) of 5.2%, reaching USD 2,955 Billion by 2025. This growth is being propelled by several key factors, such as increasing disposable income, a higher acceptance of audio and video broadcasting, wider internet penetration, the younger generation's fascination with next-gen technologies, and the emergence of e-commerce, among others.

**5.2%**
CAGR

**USD 2,955** Billion by 2025
Global Electronics Industry

## GLOBAL ELECTRONICS MANUFACTURING SERVICES (EMS) INDUSTRY

By 2030, Global EMS market is forecasted to reach to USD 790 Billion. This growth is at a steady CAGR of 6% throughout the forecast period from 2022 to 2030. The EMS industry in India has positioned itself as a frontrunner in driving technological advancements, showcasing a remarkable ability to conceive innovative ideas and effectively implement them into the products.

The EMS industry's demand surged from medical device and sustainable equipment advancements, indicating its commitment to meeting market needs and driving technology progress. Future growth hinges on the rising demand for smart solutions. Further, to cater to the growing demand and boost revenue, brands and EMS manufacturers are providing premium and mid-range appliances progressively.

**6%** (2022-2030)
CAGR

**USD 790** Billion
2030 Projection

**EMS: Products under industry application**

- **Mobile Phones:** Smart Phones and Feature Phones
- **IT:** Computer, Laptops, Tablets, Printers, etc.
- **Telecom:** BTS, GPON, Modems, Routers, Servers, etc.
- **Industrial:** Energy meters, HMS, PLC, SCADA, Inverter, etc.
- **Consumer Electronics:** LED TVs, Air Conditioning, Washing Machine, etc.
- **Consumer Appliances:** Small Appliances (Fans, Water Heater, etc.) and Kitchen Appliances (Mixer-Grinder, Hand-Blender, etc.)
- **Automotive:** ABS, AMT, Body Control Modules, Engine Control Unit, etc.
- **Medical:** All-related Medical Electronic Equipment
- **Lighting:** LED and LCU
- **Others:** Aerospace and Defence, Data centre and Cloud Storage, Energy, etc.

*(Source: https://www.sphericalinsights.com/reports/electronic-manufacturing-services-ems-market)*

## INDIAN ELECTRONICS INDUSTRY

The Indian electronics industry is experiencing rapid growth, making it one of the fastest-growing sectors. This market is projected to expand at an impressive CAGR of 25.5%, reaching ₹ 20,873 Billion (USD 282 Billion) by 2025-26.

The domestic electronics production is expected to reach 96% by 2025-26. Multinationals shift focus to India due to cost advantages and strategic Government initiatives, enhancing global competitiveness. India gains recognition not only as a low-cost alternative for electronics production but also as a preferred destination for high-quality design work. The push and strong consumer base solidify India as a fast-growing electronics market. Further, the electronics consumption market is expected to exhibit substantial growth, reaching ₹ 13,769 Billion (USD 186 Billion) by 2025-26.

## INDIAN EMS INDUSTRY

India's EMS market is projected to grow to USD 135 Billion by 2025-26, at a CAGR of 30.3%. In the EMS market, original equipment manufacturing (OEM) holds an 80% share, while original design manufacturing (ODM) accounts for 20%. Limited product differentiation exists as OEMs provide reference designs to EMS providers. To adapt, EMS companies are embracing ODM models, offering turnkey solutions from design to reverse logistics. They diversify products, leverage global footprints, and ensure swift deliveries, outperforming competitors.

Furthermore, the growth of India's EMS sector is driven by a robust consumer economy and rising demand for consumer and industrial electronics. The Government's favourable policy initiatives and shifts in global manufacturing have further strengthened India's position as a preferred destination for electronics manufacturing investments, with a focus on import substitution. Brands are increasingly embracing the ODM model and exploring new product segments, propelling them toward EMS engagement. As the demand increases, EMS/ODM players are encouraged to establish a local component ecosystem, bolstering domestic electronics capabilities.

Moving ahead fractional horsepower motors (FHP) with power ratings below one horsepower are used in low-voltage applications like electric fans, mixers, and juicer mixers. The Indian market is price competitive, but value-added services can sway customers. Electrification, decreasing prices, and new manufacturing facilities will drive the demand for FHP motors in household appliances.

## COMPANY OVERVIEW

Elin Electronics Limited (referred to as 'Elin Electronics' or 'The Company') is one of the leading EMS providers based in India, specialising in end-to-end product solutions for major brands in the lighting, fans, small and kitchen appliances sectors. The Company's diversified product portfolio includes LED lighting, fans, switches, small appliances, and FHP motors. In addition to EMS offerings, Elin Electronics manufactures medical diagnostic cartridges for diagnostic devices and plastic moulded and sheet metal parts and components, catering to customers in the auto ancillary and consumer durables sectors. Elin Electronics takes pride in marketing and selling FHP motors under its own brand name 'Elin' and is one of the largest FHP motor manufacturers in the country.

Moreover, Elin Electronics enjoys strong position in the EMS market for LED lighting and flashlights. Additionally, the Company is recognised as a key player in the small appliances vertical, Elin Electronics offers both OEM and ODM capabilities. Under the OEM model, the Company manufactures and supplies products based on customers' designs, which are then distributed under their own brand names. In contrast, under the ODM model, Elin Electronics conceives, designs, and manufactures products that are marketed by its customers under their respective brands. The Company's ODM focus particularly shines in the lighting products and small appliances sectors. EMS contributes 77.93% to revenue Non-EMS contributes 22.07% to revenue.

Elin Appliances Private Limited (EAPL), a 100% subsidiary of Elin Electronics, founded on 21st August, 2002, specialises in manufacturing of small appliances and personal care products. This includes a diverse array of home appliances like toasters, juicers, irons, ovens, white goods, other home appliances, and in personal care it includes hair straighteners, hair brushes, hair dryers and trimmers.

## MANUFACTURING SYNERGY

Seamlessly integrating die, mold, sheet metal, plastic molding, aluminum casting, and surface coating, the Company's in-house capabilities are the bedrock supporting all product verticals. Strategically positioned in Ghaziabad, Baddi, and Verna (Goa), the advanced facilities boast top-tier equipment, assembly lines, and complete power redundancy, ensuring prompt delivery of premium goods. Augmented by local utilities, DG sets, and water sourcing, the Company's manufacturing is fortified, with future expansion plots secured in Bhiwadi and Noida.

## INTEGRATED EXCELLENCE

Elin Electronics profound backward integration yields amplified efficiencies, elevated product quality, and enhanced customer retention. This integration propels the Company as a technologically adept manufacturing and service partner, ensuring a competitive edge. Crucially, the in-house PCB assembly, featuring six fully automated lines operating at 3,04,000 CPH capacity, fuels the Company's manufacturing prowess. Augmenting this, the Company also manufactures FHP motors, sheet metal, plastic parts, tools, and dies.

## R&D EMPOWERMENT FUELING INNOVATION

At Elin Electronics, research and development is paramount, driving engineering, product, die and mold design, electronic circuitry, and prototype innovation. This commitment magnifies the Companys' capabilities, leveraging the manufacturing legacy. Continuous innovation caters to customer preferences, securing the Company's position as the supplier of choice for unparalleled comfort and quality.

## OPPORTUNITIES AND CHALLENGES

### Growth Drivers for Elin Electronics

- **Urbanisation and Income Rise:** Growing urbanisation and rising incomes drive the demand for consumer electronics. The expanding middle class, changing lifestyles, and easy financing options shorten product replacement cycles. Electronics are now essential utilities, not just luxuries.
- **E-Tail Boom:** E-commerce thrives due to internet expansion and smartphone usage, offering speed, cost savings, and scalability. Consumers are embracing online shopping due to the convenience and competitive prices.
- **Tech Advancements:** Rapid technological progress leads to price reductions, fuelling electronics sales. The 'Make in India' initiative attracts investments, creating more affordable products from computers to smartphones.
- **Favourable Policies:** Government support, favourable policies, and investments boost the consumer electronics sector's growth, driving India's global prominence. India's proactive initiatives covers Production Linked Incentive (PLI) Scheme, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS), Modified Electronics Manufacturing Clusters Scheme (EMC 2.0), and MSIPS.
- **Benefits of EMS Model:** Rising electronic product demand leads brands to partner with EMS providers, gaining cost-effectiveness, quick manufacturing, and reliable aftermarket support.
- **China + 1 Strategy:** Increasing Chinese manufacturing costs drive OEMs to explore alternatives alongside China, considering comparable pricing, quality, and responsiveness.
- **Focus on Domestic Manufacturing:** India's robust electronics growth, driven by local demand and Government initiatives (Make in India, Digital India), attracts significant EMS investments.
- **BIS Certification:** Stricter BIS registration enforces quality controls, restrains cheap imports, and boosts local manufacturing under the Make in India initiative.
- **Export Focus:** India's potential as a top manufacturing destination supports 'Make in India for the World.' Government-industry collaboration is key for Electronic System Design and Manufacturing (ESDM) production success.

India's electronics industry continues to transform lives and shape the future with innovation, accessibility, and global competitiveness.

### Challenges for Elin Electronics

- **Enhancing Local Value Add:** India's electronics sector faces cost disadvantages in logistics and local value addition, relying heavily on imports. Simplifying procedures, reducing taxes on start-ups, and strengthening IP protection can boost India's appeal. Elin Electronics' advanced facilities contribute to India's promising component manufacturing base.
- **Supply Chain Realignment:** India's electronics sector aims to improve supply chain resilience and localisation. The limited domestic component supplier base leads to heavy import reliance for critical components like LED, Semi-conductors and PCBs. Focused on sustainable growth, India is taking crucial steps to enhance its domestic value chain capability and reduce dependence on imports for long-term industry resilience.
- **Component Manufacturing/Lead Time:** Companies should prioritises local sourcing of key components with set quality and pricing criteria. This boosts scalability for component manufacturers. Rising demand for motor-driven appliances drives local sourcing of mechanical components like motors in India, reducing costs. Price competition and new facilities increase household appliance demand, driving the need for FHP motors. Encouraging PCBA design and assembly develops the component ecosystem.

## BUSINESS DIVISIONS: GROWTH POTENTIAL

**LED Lighting and Flashlights**

- Expected to reach 366 Billion by 2025-26
- Leading manufacturer in EMS market
- **Revenue:** ₹ 2,858 Million

**Small Appliances**

- Expected to reach 99 Billion by 2025-26
- Customised products for Indian market
- Strategic entry into electronic beauty products market
- **Revenue:** ₹ 2,505 Million

**FHP Motors**

- Expected to reach 41 Billion by 2025-26
- Used in low-voltage applications, notably in small appliances
- Serving diverse customer base, including Bosch, Philips, and Havells
- Demand projected to increase in the next 5 years
- **Revenue:** ₹ 1,952 Million

**Medical Diagnostic Devices**

- Expected to reach 42 Billion by 2025-26
- Domestic production accounts for 28% of overall market
- Strong demand due to rising medical tourism
- **Revenue:** ₹ 121 Million

**Moulded and Sheet Metal Parts and Components**

- Expected to reach 1,263 Billion by 2025-26
- Gradually gaining traction in auto components industry
- **Revenue:** ₹ 2,253 Million

**Fan**

- Expected to reach 222 Billion by 2025-26
- **Revenue:** ₹ 528 Million

## FINANCIAL OVERVIEW

**(Consolidated bases)**

| ₹ in Million | 2022-23 | 2021-22 |
|---|---|---|
| Revenue | 10,754 | 10,938 |
| EBITDA | 674 | 799 |
| Margin (%) | 6.3 | 7.3 |
| PAT | 268 | 392 |

## FINANCIAL RATIOS

| | 2022-23 | 2021-22 | % Change |
|---|---|---|---|
| Inventory Turnover | 6.55 | 6.95 | (5.71) |
| Debtors' Turnover | 5.74 | 6.08 | (5.55) |
| Interest Coverage Ratio | 3.73 | 5.16 | (27.68) |
| Current Ratio | 2.43 | 1.74 | 39.87 |
| Debt Equity Ratio | 0.16 | 0.32 | (51.57) |
| Operating Profit Margin (%) | 4.53% | 6.00% | (24.37) |
| Net Profit Margin (%) | 2.49% | 3.58% | (30.43) |
| Return on equity (%) | 6.73% | 13.86% | (51.43) |

**Explanation for variances exceeding 25%:**

Current ratio is increased due to pending IPO proceeds in monitoring account & bank deposits.

Debt equity ratio is reduced due to repayment of borrowings as part of utilisation of IPO proceeds during the year.

Due to lower profitability, return on equity, net profit and interest coverage ratio have declined.

*(Note: There was no person or entity belonging to the promoter/promoter group which holds (s) 10% or more shareholding in the Company.)*

## RISK AND MITIGATION

| | Risk | Mitigation |
|---|---|---|
| Globalisation Risk | The electronics industry in India encounters stiff competition from imported electronic goods originating in China. The influx of affordable imports from China will exacerbate the challenges faced by the domestic electronics sector. | To mitigate this, the Company has proactively diversified its supply chain sources by exploring alternative markets and suppliers. Additionally, it is committed to investing in continuous product innovation, offering unique features and superior quality to establish a competitive advantage and withstand the challenges posed by affordable imports from China. |
| Industry Risk | Risk arises when the entire industry faces the possibility of reaching a stagnant or declining position. This risk not only impacts a specific company but also affects the entire industry in which it operates. | Elin Electronics focuses on diversifying its product portfolio to cater to different market segments and industries. The Company is also committed to investing in strategic partnerships and alliances to enhance its market resilience and adaptability to changing industry dynamics. |
| Client Concentration Risk | Relying on a small number of clients to generate majority of revenue poses a risk to the Company. This risk stems from the possibility of losing key customers or being adversely affected by any issues that these customers may encounter in their own businesses. | The Company is actively pursuing new customer acquisitions and expanding into different market segments to reduce dependence on a limited number of clients. The Company also prioritises building strong and lasting relationships with existing clients by offering exceptional customer service and personalised support to ensure their continued loyalty and satisfaction. |
| Regulatory Risk | Non-compliance with industry regulations and evolving legal requirements may result in penalties and damage to the Company's reputation. | The Company monitors and stays updated on changes in relevant regulations and compliance requirements. It also maintains open communication and engages with regulatory authorities to ensure timely adherence and avoid any potential adverse impacts on its business operations. |

## HUMAN RESOURCE

At Elin Electronics, the HR strategy prioritises talent development, competitive compensation, and a supportive work environment to attract top professionals. Continuous training ensures that the workforce stays updated with emerging technologies. The Company values employee well-being, leading to increased productivity. Embracing diversity and inclusion fosters innovation. The goal of Elin Electronics is to maintain a leading position in the electronics industry through effective HR stewardship. As of 31$^{st}$ March, 2023, the total workforce stands at [5,151 (2,870 permanent & 2,281 contractual)].

## INTERNAL CONTROL SYSTEM

The Company maintains a robust and efficient internal control system appropriate for its operational scale. Additionally, it strictly adheres to local statutory requirements, ensuring orderly and efficient business conduct, asset safeguarding, fraud and error detection and prevention, completeness and accuracy of accounting records, and timely preparation of dependable financial information. The effectiveness of the internal checks and control systems is confirmed through self-audits and assessments by both internal and statutory auditors.

## CAUTIONARY STATEMENT

The Management Discussion and Analysis Report may contain 'forward-looking statements' as per relevant laws and regulations, outlining the Company's objectives, projections, estimates, expectations, or predictions. However, actual results might significantly differ from those expressed or implied. The Company's operations could be influenced by crucial factors such as demand-supply conditions, alterations in Government and international regulations, tax regimes, economic developments in India and globally, and other considerations like litigation and labour relations.

# Board's Report

Dear Members,

The Board of Directors are pleased to present the 41st Annual Report of ELIN ELECTRONICS LIMITED ("your Company") together with the Audited Financial Statements (Standalone as well as Consolidated) of the Company, for the financial year ended 31st March, 2023.

## FINANCIAL PERFORMANCE SUMMARY

The summarised financial performance highlight is as mentioned below:

(Figures in ₹ in Million*)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 |
| Revenue from Operations | 8670.64 | 8,916.06 | 10,754.28 | 10,937.54 |
| Other Income | 21.83 | 4.51 | 22.67 | 9.14 |
| Total Income | 8692.47 | 8,920.57 | 10,776.96 | 10,946.68 |
| Profit before Finance Cost, Depreciation, Impairment and Amortisation expenses | 569.43 | 679.80 | 673.74 | 799.31 |
| Less: Finance Cost | 128.08 | 121.68 | 130.62 | 127.04 |
| Profit before Depreciation, Impairment and Amortisation expenses | 441.34 | 558.12 | 543.13 | 672.27 |
| Depreciation, Impairment & Amortisation expenses | 164.51 | 127.55 | 186.10 | 143.53 |
| Profit before Taxes | 276.84 | 430.56 | 357.02 | 528.73 |
| Less: Provision for Current Tax | 60.89 | 103.58 | 79.91 | 127.94 |
| Provision for Deferred Tax | 4.4 | 8.65 | 9.09 | 8.98 |
| Profit for the year | 211.55 | 318.33 | 268.02 | 391.81 |
| Transfer to General Reserve | 50.00 | 50.00 | 50.00 | 50.00 |
| EPS (Basic and diluted) (amount in ₹) | 4.77 | 7.48 | 6.29 | 9.59 |

*Figures as per (Ind AS) & previous year figures have been regrouped/re-arranged wherever necessary.

## PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

During the year under review, the Standalone revenue from operations decreased by 2.75% to ₹ 8670.64 Million as against ₹ 8,916.06 Million in the previous financial year. The net profit after tax decreased by 33.54% to ₹ 211.55 Million as against ₹ 318.33 Million in the previous financial year.

The consolidated revenue from operations decreased by 1.68% to ₹ 10,754.28 Million as against ₹ 10,937.54 Million in the previous financial year. The consolidated net profit after tax decreased by 31.59% to ₹ 268.02 Million as against ₹ 391.81 Million in the previous financial year.

## DIVIDEND

Your Directors are pleased to recommend a dividend at the rate of ₹ 1/- per equity share on 4,96,59,220 equity shares of face value of ₹5/- each for the financial year ended 31st March, 2023 subject to the approval of the Shareholders at the ensuing 41st Annual General Meeting (AGM) of the Company. The dividend, if declared by the Shareholders in the AGM will be subject to deduction of tax at source at applicable rates.

Your Company has formulated a Dividend Distribution Policy, with an objective to provide the dividend distribution framework to the Stakeholders of the Company. The policy sets out various internal and external factors, which shall be considered by the Board in determining the dividend pay-out. The policy is annexed as Annexure - I to this Report and is also available on the website of the Company at https://www.elinindia.com/pdf/investors/policies/Dividend-Distribution-Policy.pdf.

## CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business during the financial year 2022-23.

## 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.

## INITIAL PUBLIC OFFERING & LISTING OF EQUITY SHARES OF THE COMPANY

During the year under review, your Company made an Initial Public Offering ("IPO" or "Issue") of 1,92,30,746 equity shares of face value of ₹ 5 each of the Company for cash at a price of ₹ 247 per equity share, including a premium of ₹ 242 per equity share aggregating to ₹ 4,750 Million, comprising of a fresh issue of 70,85,020 equity shares aggregating to ₹ 1,750 Million and an offer for sale of 1,21,45,726 equity shares aggregating up to ₹ 3,000 Million by the selling shareholders. The issue opened on 20th December, 2022 and closed on 22nd December, 2022. The issue was led by book running Lead Managers viz. Axis Capital Limited and JM Financial Limited.

The Company successfully completed the IPO process and the equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited on 30th December, 2022.

**Proceeds from Initial Public Offering**

The details of the proceeds of the Fresh Issue are set forth below:

| Particulars | Amount |
|---|---|
| Gross Proceeds of the Fresh Issue | ₹ 1,750.00 Million |
| (Less) Net of provisional IPO Expenses | ₹ 103.87 Million |
| Net Proceeds | ₹ 1,646.13 Million |

The utilisation of funds raised through IPO have been mentioned hereunder:

| Mode | Object | Amount Allocated (in ₹ Million) | Amount Utilised as on 31st March, 2023 |
|---|---|---|---|
| IPO | Repayment/ prepayment, in full or part, of certain borrowings availed by our Company | 880.00 | 295.88 |
| | Funding capital expenditure towards upgrading and expanding our existing facilities at (i) Ghaziabad, Uttar Pradesh, and (ii) Verna, Goa | 375.89 | - |
| | General corporate purposes | 390.24 | 390.24 |
| | **Net Proceeds** | **1,646.13** | **686.12** |

Your Company has appointed Axis Bank Limited as Monitoring Agency in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018 ("ICDR Regulations"), as amended from time to time, to monitor the utilisation of IPO proceeds and the Company has obtained monitoring reports from the Monitoring Agency from time to time confirming no deviation or variation in the utilisation of proceeds of the IPO from the objects stated in the Prospectus dated 23rd December, 2022. The Company has submitted the statement(s) and report as required under Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015 ("Listing Regulations") to both the exchanges where the shares of the Company are listed, namely, National Stock Exchange of India Limited and BSE Limited and on timely basis. Your Directors would like to thank the merchant bankers - Axis Capital Limited and JM Financial Limited and legal counsels involved with the IPO - J. Sagar Associates, Trilegal and Hogan Lovells Lee & Lee for helping the Company achieving successful IPO and listing. Your Directors would also like to thank the regulators SEBI and ROC for enabling the Company to take its equity story to the public market. Last but not the least, your Directors extend their heartfelt gratitude to the shareholders for investing in the IPO and reposing their continuous trust and faith in the Company & its management.

## CHANGE IN SHARE CAPITAL

Details of changes in paid-up equity share capital during the year under review, are as under:

| Paid-up Equity Share Capital | ₹ in Million |
|---|---|
| At the beginning of the year, i.e. as on 1st April, 2022 | 212.87 |
| Issue of shares in Initial Public Offering | 35.43 |
| At the End of the year, i.e. as on 31st March, 2023 | 248.30 |

## 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

Risk Management is integral to your Company's strategy and for the achievement of our long-term goals. Our success as an organisation depends on our ability to identify and leverage the opportunities while managing the risks.

The Risk Management Committee of the Company has been entrusted by the Board with the responsibility of reviewing the risk management process in the Company and ensuring that the risks are brought within acceptable limits. There is no major risk which may threaten the existence of the Company

Our approach to risk management is designed to provide reasonable assurance that our assets are safeguarded, the risks facing the business are being assessed and mitigated and all information that may be required to be disclosed is reported to Company's Senior Management, the Audit Committee, the Risk Management Committee and the Board.

Your Company has framed and implemented a Risk Management Policy for the assessment and minimisation of risk, which may be accessed at https://www.elinindia.com/pdf/investors/policies/Risk-Management-Policy.pdf.

## INTERNAL FINANCIAL CONTROLS

According to Section 134(5)(e) of the Companies Act, 2013 ("the Act") the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safe guarding 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. The Act also mandate the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively. Rule 8(5)(viii) of Companies(Accounts) Rules, 2014 requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board's report.

The Company has adequate Internal Financial Control System over financial reporting ensuring that all transactions are authorised, recorded, and reported correctly in a timely manner to provide reliable financial information and to comply with applicable accounting standards which commensurate with the size and volume of business of the Company.

The Company believes that these systems provide reasonable assurance that the Company's internal financial controls are adequate and are operating effectively as intended. During the year under review, such controls were tested by the Statutory Auditors of the Company and no material weaknesses or significant deficiencies in the design or operations were observed and reported by the Statutory Auditors.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

'Elin Appliances Private Limited' is the wholly owned subsidiary of your Company. There has been no change in the nature of business of this subsidiary. During the year under review 'Elin Appliances Private Limited' was also the material subsidiary of the Company, as per the Listing Regulations.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("the Act") read with the Companies(Accounts) Rules, 2014 and in accordance with applicable accounting standards, a statement containing the salient features of financial statements of your Company's subsidiaries in Form No. AOC-1 is annexed to consolidated Financial Statements. In accordance with the provisions of Section 136 of the Act and the amendments thereto, and the Listing Regulations, the audited Financial Statements, including the consolidated financial statements and related information of the Company and financial statements of your Company's subsidiaries have been placed on the website of the Company viz. https://www.elinindia.com/investors/#Financial-Reports. Your Company has formulated a Policy for determining Material Subsidiaries. The said policy is available on the website of the Company at https://www.elinindia.com/pdf/investors/policies/Policy-on-Material-Subsidiaries.pdf. No Company has become/ceased to be an Associate or Joint Venture during the financial year 2022-23.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Listing Regulations, is presented in a separate section, forming part of the Annual Report.

## CORPORATE GOVERNANCE

Your Company embeds sound Corporate Governance practices and constantly strives to adopt emerging best practices. It has always been the Company's endeavour to excel through better Corporate Governance and fair and transparent practices. A Report on Corporate Governance forms part of this Report. M/s. Oswal Sunil & Company, Chartered Accountants (Firm Registration number 016520N), the Statutory Auditor of the Company vide their certificate dated 30th May, 2023, have confirmed that the Company is and has been compliant with the conditions stipulated in the chapter IV of the Listing Regulations. The said certificate is also forms part of Corporate Governance Report.

## BUSINESS RESPONSIBILITY REPORT (BRR)

The Business Responsibility Report as stipulated under Regulation 34(2)(f) of the Listing Regulations is not applicable during the F.Y. 2022-2023.

## STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

The audited financial statements of the Company are drawn up, both on standalone and consolidated basis, for the financial year ended 31st March, 2023, in accordance with the requirements of the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) notified under Section 133 of the Act, read with relevant Rules and other accounting principles. The Consolidated Financial Statement has been prepared based on the financial statements received from subsidiary as approved by their respective Board of Directors.

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans/advances, guarantees and investments under Section 186 of the Companies Act, 2013 are given in the notes forming part of the Financial Statements.

## PUBLIC DEPOSITS

The Company has not accepted any public deposits from the public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

**Directors:**

1. In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sumit Sethia (DIN: 00831799), Whole-time Director and Mr. Sanjeev Sethia (DIN: 00354700), Whole-time Director of the Company, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The Board of Directors on the recommendation of the Nomination and Remuneration Committee ("NRC") has recommended their re-appointment for approval of shareholders in the ensuing Annual General Meeting.
2. The Board of Directors of the Company at their meeting held on 10th August, 2023 upon the recommendation of Nomination and Remuneration Committee and subject to to the approval of Shareholders, have given its approval for continuation of appointment of Dr. Shantilal Sarnot (DIN:01899198) as a Non-Executive Independent Director, who will attain the age of 75 (seventy five) years on 21st November, 2023 in the year 2023-24 and who was appointed as a Non- Executive Independent Director not liable to retire by rotation for the first term of five consecutive year w.e.f. 30th September, 2021 upto 29th September, 2026 in the AGM of the Company held on 1st August, 2022.

   The Board have expressed their satisfaction with regard to integrity, expertise and experience of Dr. Shantilal Sarnot and hereby recommends his continuation as an Independent Director, not liable to retire by rotation, attaining the age of 75 (seventy five) years in the year 2023-24.

   The Company has received declarations from Mr. Kamal Singh Baid, Dr. Shantilal Sarnot, Mr. Ashis Chandra Guha and Ms. 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 and Regulation 16(1)(b) of the Listing Regulations. They have complied with the Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. Mr. Kamal Singh Baid and Ms. Shilpa Baid, the Independent Directors of the Company have passed an online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs in February, 2022.

   During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

   The brief profile, pursuant to Secretarial Standards-2 and Regulation 36(3) of Listing Regulations, of the Directors eligible for appointment/ re-appointment/ continuation forms part of the Notice of Annual General Meeting.

**Key Managerial Personnel (KMP)**

1. Mr. Vinay Kumar Sethia, designated as KMP w.e.f. 30th September, 2021 under the provisions of Section 2(51) of the Companies Act, 2013 and resigned w.e.f. 1st April, 2022. The Board placed on record a deep appreciation for the valuable services rendered by Mr. Vinay Kumar Sethia towards the progress of the Company during his tenure as Key Managerial Personnel of the Company.
2. Mr. Avinash Chandra Karwa, has resigned from the position of Company Secretary and Compliance Officer w.e.f. 14th June, 2022 and will continue to hold the position of AGM Finance in the Company.

3. Ms. Lata Rani Pawa upon the recommendation of Nomination and Remuneration Committee has been appointed as the Company Secretary and Compliance Officer of the Company w.e.f. 14th June, 2022. She has been a part of the Company since November, 2021 as Manager (Legal & Secretarial).

   In accordance with the provisions of Section 2(51) and Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following continued to be the Key Managerial Personnel's of the Company:

   (a) Mr. Mangilall Sethia- Chairman & Whole-Time Director

   (b) Mr. Kamal Sethia – Managing Director

   (c) Mr. Sanjeev Sethia – Whole-Time Director

   (d) Mr. Sumit Sethia – Whole-Time Director

   (e) Mr. Kishore Sethia – Director (Operations*)

   *not on the Board of the Company

   (f) Mr. Raj Karan Chhajer – Chief Financial Officer

   (g) Ms. Lata Rani Pawa – Company Secretary and Compliance Officer

## BOARD EVALUATION

The Board has carried out an annual evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees, in the manner as enumerated in the Nomination and Remuneration Policy, in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The evaluation exercise covered various aspects of the Board's functioning such as composition of the Board & Committee(s), their functioning & effectiveness, contribution of all the Directors and the decision making process by the Board.

Your Directors express their satisfaction with the evaluation process and inform that the performance of the Board as a whole, its Committees and its member individually were adjudged satisfactory.

## MEETINGS OF INDEPENDENT DIRECTORS

As per Schedule IV of the Act, Secretarial Standards-1 ('SS-1') read with the Guidance Note on SS-1 and SEBI (LODR) Regulations, the meeting of the Independent Directors were held on 14th December, 2022 and 10th February, 2023.

## FAMILIARISATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of the SEBI (LODR) Regulations, the Company has put in place a familiarisation program for the Independent Directors to familiarise them with their roles, rights and responsibility as Directors, working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarisation program are explained in the Corporate Governance Report. The same is also available on the website of the Company at www.elinindia.com.

## DIRECTOR RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 134(5) of the Act, with respect to Directors' Responsibility Statement, the Directors of the Company confirm that:

(a) in the preparation of the annual accounts for the year ended 31st March, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2023 and of the profits of the Company for the year ended on that date;

(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;

(e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) 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 Financial year Ten meetings of the Board were held on 30th May, 2022, 14th June, 2022, 30th June, 2022, 7th September, 2022, 12th November, 2022, 18th November, 2022, 7th December, 2022, 12th December, 2022, 23rd December, 2022 and 10th February, 2023.

The necessary quorum was present at all the meetings. The intervening gap between any two meetings was not more than one hundred and twenty days as prescribed by the Act. A detailed update on the Board & its Committees, composition thereof, number of meetings held during financial year 2022-23 and attendance of the Directors at such meeting is provided in the "Corporate Governance Report".

## REMUNERATION OF DIRECTORS AND EMPLOYEES

Disclosure comprising particulars with respect to the remuneration of directors and employees and other details, as required to be disclosed in terms of the provisions of Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014, is annexed as **"Annexure - II"** to this Report.

## BOARD COMMITTEES

The Board has duly constituted following Committees, which are in line with the provisions of applicable laws:

A. Audit Committee

B. Nomination and Remuneration Committee

C. Corporate Social Responsibility Committee

D. Stakeholder's Relationship Committee

E. Risk Management Committee

A detailed update on the attendance and terms of reference of aforesaid Committees are provided in the "Corporate Governance Report".

## AUDIT COMMITTEE

The Audit Committee comprises of Mr. Kamal Singh Baid, Independent Director as Chairman, Ms. Shilpa Baid, Independent Woman Director as member and Mr. Kamal Sethia, Managing Director as its member. The Committee met 5 (Five) times during the year under review on 30th May, 2022, 7th September, 2022, 12th November, 2022, 30th November, 2022 and 10th February, 2023.

## NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) comprises of Mr. Kamal Singh Baid, Independent Director as Chairman, Ms. Shilpa Baid, Independent Woman Director as member and Dr. Shanti Lal Sarnot, Independent Director as member. Two meetings of the Nomination and Remuneration Committee (NRC) were held during the year dated on 30th May, 2022 and 14th June, 2022. The Nomination & Remuneration Policy of the Company is in place and attached as **Annexure-III** and also uploaded on the website of the Company at the following link: https://www.elinindia.com/pdf/investors/policies/Nomination-Remuneration-Policy.pdf

## STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of Mr. Kamal Singh Baid, Independent Director as Chairman, Ms. Shilpa Baid, Independent Woman Director as member and Mr. Kamal Sethia , Managing Director as its member. Two meetings of the Stakeholder's Relationship Committee (SRC) were held during the year dated on 5th April, 2022 and 20th January, 2023.

## RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of Mr. Kamal Sethia, Managing Director as Chairman of the Committee, Mr. Sanjeev Sethia, Whole-Time Director as Member and Mr. Kamal Singh Baid, Independent Director as Member. Two meetings of the Risk Management Committee (RMC) were held during the year dated on 10th February, 2023 and 23rd March, 2023.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) committee comprises of Mr. Kamal Sethia, Managing Director as Chairman; Mr. Sanjeev Sethia, Whole – time Director 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, 2022, 16th July, 2022 and 12th November, 2022.

The CSR activities and programs undertaken by your Company are in accordance with the provisions of Section 135 of the Act and rules made thereunder. The CSR initiatives of the Company during the year under review focused on promoting education, promoting health care including preventive health care and ensuring environmental sustainability. The annual report on CSR activities is annexed and forms part of this report as **Annexure-IV**. The CSR policy is available on the website of your Company at https://www.elinindia.com/pdf/investors/csr/CSR-Policy.pdf.

Further, the Chief Financial Officer of your Company has certified that the CSR spends of your Company for the F.Y. 2022-23 have been utilised for the purpose and in the manner approved by the Board of Directors of the Company.

## STATUTORY AUDITORS & AUDITOR'S REPORT

The Members of the Company at its 40th AGM held on 1st August, 2022 had appointed M/s. Oswal Sunil & Company, Chartered Accountants, (Firm Registration Number: 016520N) Statutory Auditors of the Company for a second term to hold office from the conclusion of 40th AGM till the conclusion of 45th Annual General Meeting of the Company. M/s. Oswal Sunil & Company, Chartered Accountants (Firm Registration Number: 016520N), vide its resignation letter dated 9th August, 2023 have resigned from the position of Statutory Auditors, effect from closing of business hours of the Board meeting held on 10th August, 2023, post submission of Limited Review Report for the Quarter ended on June 30, 2023.

The Audit Committee and Board at their respective meetings held on 10th August, 2023, placed on record their appreciation to M/s. Oswal Sunil & Company, Chartered Accountants for their contribution to the Company with their audit processes and standards of auditing during their tenure as Statutory Auditors of the Company.

The Board of Directors at its meeting held on 10th August, 2023 pursuant to the provisions of Section 139 and other applicable provision(s), if any, of the Companies Act 2013 and upon the recommendation of Audit Committee and subject to the approval of shareholders at ensuing Annual General Meeting have approved the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) as Statutory Auditors of the Company to fill-in causal vacancy arisen due to resignation of M/s. Oswal Sunil & Company, Chartered Accountants (Firm Registration Number: 016520N), with effect from 10th August, 2023 (from the conclusion of Board Meeting) and to hold office till conclusion of ensuing 41st Annual General Meeting to be held for FY ended 31st March, 2023 at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

Further, the Board of Directors at its meeting held on 10th August, 2023 pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any and upon the recommendation of the Audit Committee and subject to the approval of shareholders at ensuing Annual General Meeting have approved the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), as Statutory Auditors of the Company to hold office for the first term of consecutive four years, from the conclusion of the 41st AGM, till the conclusion of the 45th AGM of the Company to be held in the year 2027 at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

The Company has received consent letter and eligibility certificate from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

The Auditor's Reports on the Standalone and the Consolidated Financial Statements for the financial year ended 31st March, 2023 does not contain any qualification, reservation or adverse remark requiring any explanations / comments by the Board of Directors. No fraud has been reported by the Statutory Auditors under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

## COST AUDITORS

The Board has re-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 2023-24. A proposal for ratification of remuneration of the Cost Auditors for the financial year 2023-24 is placed before the shareholders at the ensuing AGM of the Company.

No fraud has been reported by the Cost Auditors under Section 143(12) of the Companies Act, 2013 and the rules made thereunder.

## SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

In terms of the provisions of Section 204 of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014 and Regulation 24A of the SEBI LODR Regulations, your Company has appointed M/s Akshat Garg & Associates, Company Secretaries as Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2023-24.

Further, in compliance of Regulation 24A of the Listing Regulations, Company's unlisted material subsidiary also undergo Secretarial Audit and the Secretarial Audit Reports of the Company and its unlisted material subsidiary thereto in the prescribed Form No. MR-3 is attached as **Annexure – V and VI** forming part of this Report. The Secretarial Audit Report of your Company and its unlisted material subsidiary does not contain any qualification, reservation, adverse remark or disclaimer.

No fraud has been reported by the Secretarial Auditors under Section 143 (12) of the Companies Act, 2013 and the rules made thereunder.

## ANNUAL RETURN

In accordance with Section 92 and 134 of the Act read with MCA circular dated 28th August, 2020, and notification dated 5th March, 2021 the requirement to annex an extract of the annual return with this Annual report in form MGT-9 is dispensed with and is no longer required.

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at website of the Company at www.elinindia.com.

### KEY FINANCIAL RATIOS

The Key financial ratios for the financial year ended 31st March, 2023 forms part of the Management Discussion and Analysis Report.

### INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company was not required to transfer any funds to Investor Education and Protection Funds (IEPF).

### TRANSACTIONS WITH RELATED PARTIES

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with Related Party Transactions. An omnibus approval from the Audit Committee is obtained for the related party transactions which are foreseen and repetitive in nature. All contracts/arrangements/ transactions entered into by the Company during the year under review with Related Parties were in the ordinary course of business and on arm's length basis. During the year under review, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on related party transactions or which is required to be reported in Form No. AOC-2 in terms of Section 134(3) (h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014. The Company's Policy on Related Party Transactions is available on the website of the Company at https://www.elinindia.com/pdf/investors/policies/Related-Party-Transaction-Policy-ELIN-Electronics.pdf. The Company in terms of Regulation 23 of the Listing Regulations submits on the date of publication of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the specified format to the stock exchanges. The said disclosures can be accessed on the website of the Company at www.elinindia.com.

### VIGIL MECHANISIM

The Company has laid down Whistle Blower Policy covering Vigil Mechanism with protective clauses for the Whistle Blowers. The Whistle Blower Policy is made available on the website of the Company at www.elinindia.com.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There were no significant material orders passed by the Regulators/ Courts/ Tribunals during the financial year 2022-23 which would impact the going concern status of the Company and its future operations.

### 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 read with Rules thereto. The Company has undertaken 2 workshops or awareness programs against sexual harassment of women at the workplace during the Financial Year 2022-23.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance of all applicable Secretarial Standards as specified by the Institute of Company Secretaries of India.

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

The information required under Section 134 (3) (m) of the Act read with Rule 8(3) of Companies (Accounts) Rules, 2014, is as under:

**A. CONSERVATION OF ENERGY:**

Your Company has always considered energy and natural resources conservation as a focus area. Your Company ensures strict compliance with all the statutory requirements and has taken several sustainable steps voluntarily to contribute towards better environment like use of natural lighting and natural ventilation.

(i) The steps taken/impact on conservation of energy –

(a) Reduced Transmission losses by converting 11KV to 33KV line

(b) Daylight sensors installed on Outdoor lights /Motion sensors installation in Washroom areas.

(ii) The steps taken by the Company for utilising Alternate Sources of Energy- The CNG Kit has installed on 1010KV DG set to convert into Clean Fuel and also has a minimal inverse impact on the environment.

(iii) The capital investment on energy conservation equipments: Nil

**B. TECHNOLOGY ABSORPTION:**

(i) the efforts made towards technology absorption - Nil

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution - 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.

(iii) Imported Technology (Imported During The Last 3 Years) – Nil

(iv) Expenditure on Research and Development- During the financial year, expenditure on research and development including capital expenditure was ₹70.06 Million as against ₹ 61.02 Million in the previous year.

**C. FOREIGN EXCHANGE EARNING & OUTGO:**

During the financial year, the foreign exchange earned in terms of actual inflows was ₹ 26.68 Million as against ₹ 33.18 Million in the previous year and foreign exchange outgo in terms of actual outflows was ₹ 779.82 Million as against ₹ 918.34 Million in the previous year.

## ACKNOWLEDGEMENT

The Directors thank the Company's customers, vendors, bankers and investors for their continuous support. The Directors also thank the Government of India, Governments of various states in India, Governments of various countries and concerned Government departments and agencies for their co-operation.

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.

**On behalf of the Board of Directors**

**(Mangilall Sethia)**
Chairman
DIN: 00081367

Place: New Delhi
Date: 30th May, 2023

## DIVIDEND DISTRIBUTION POLICY

**Introduction and Background**

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is required to formulate and disclose its Dividend Distribution Policy. Accordingly, the Board of Directors of the Company ('the Board') has approved this Dividend Distribution Policy. The objective of this Policy is to provide clarity to stakeholders on the dividend distribution framework to be adopted by the Company. The Board of Directors shall recommend dividend in compliance with this Policy, the provisions of the Companies Act, 2013 and Rules made thereunder and other applicable legal provisions.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

**Interim and Final Dividend**

The Board may declare one or more Interim Dividends during the year. Additionally, the Board may recommend Final Dividend for the approval of the shareholders at the Annual General Meeting. The date of the Board meeting in which the Dividend proposal will be considered, will be provided to the stock exchanges, as required by Listing Regulations.

**Dividend Payout**

The Board of the Company has approved this Dividend Distribution Policy to comply with these requirements. The circumstances under which Members may expect dividend are based on the following factors:

Current year profits and outlook in line with internal and external environment.

**Operating cash flows**

Funding growth needs including working capital, capital expenditure, repayment of debt, etc. Dividend payout trends

**Tax implications if any, on distribution of dividends**

Providing for unforeseen events and contingencies with financial implications.

**Any other relevant factor that the Board may deem fit to consider**

Notwithstanding the above, the shareholders of the Company may not expect Dividend under the following circumstances:

a. Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital

b. Significantly higher working capital requirements adversely impacting free cash flow

c. Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital

d. In the event of inadequacy of profit or whenever the Company has incurred losses.

In case the Board proposes not to distribute the profit; the fact shall be disclosed in the Annual Report of the Company. In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

**Disclosure**

This policy (as amended from time to time) will be available on the Company's website and in the annual report.

**Disclaimer**

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

**Annexure - II**

I. Disclosure pursuant to the provisions of Section 197(12) of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

**A.** The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

(₹ in Million)

| Sl. No. | Name of the Director / KMP and Designation | % increase in Remuneration in the Financial Year 2022-23 | Ratio of remuneration of each Director/ to median remuneration of employees |
|---|---|---|---|
| 1 | MR. MANGI LALL SETHIA (Chairman & Whole-time Director) | NIL | 17 |
| 2 | MR. KAMAL SETHIA (Managing Director) | 33.33%^ | 39 |
| 3 | MR. SANJEEV SETHIA- (Whole-time Director) | 33.33%^ | 39 |
| 4 | MR. SUMIT SETHIA (Whole-time Director) | 33.33%^ | 43 |
| 5 | MR. KISHORE SETHIA (Director Operations)* | Not Comparable | Not Applicable |
| 6 | MR. RAJ KARAN CHHAJER (Chief Financial Officer)** | Not Comparable | Not Applicable |
| 7 | MR. AVINASH CHANDRA KARWA (Company Secretary)# | Not Comparable | Not Applicable |
| 8 | MS. LATA RANI PAWA (Company Secretary)## | Not Comparable | Not Applicable |

Note: Since Independent Directors received no remuneration, except sitting fee for attending Board/ Committee meetings, the required details are not applicable.

^The Board of Directors at their meeting held on 7th March, 2022 upon the recommendation of Nomination and Remuneration Committee approved the Directors remuneration w.e.f. 1st April, 2022 from the limit of ₹ 0.6 Million per month including perquisites to ₹ 0.8 Million per month including perquisites not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013.

*Not on the Board of the Company, designated as KMP under Section 2(51) of the Companies Act, 2013 w.e.f. 30th September, 2021

**Appointed as Chief Financial Officer w.e.f. 30th September, 2021

# Resigned as Company Secretary w.e.f. 14th June, 2022

## Appointed as Company Secretary w.e.f. 14th June, 2022

**B.** Percentage increase in the median remuneration of employees in the Financial Year:

The average percentage increase in the median remuneration of employees in the Financial Year is 8.60%.

**C.** Number of permanent employees on the rolls of the Company:

There were 2,428 permanent employees on the rolls of Company as on 31st March, 2023.

**D.** Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Average percentage increase made in the salaries of employees other than managerial personnel in the last financial year i.e. 2022-23 was 9.85% whereas the increase in the managerial remuneration for the same financial year was 33.33%. There are no exceptional circumstances for increase in managerial remuneration. It is based on the Remuneration Policy of the Company and also not exceeding the limits specified under Section 197 read with schedule v of the Companies Act, 2013.

**E.** Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration is as per the remuneration policy of the Company.

## II. STATEMENT PURSUANT TO RULE 5(2) AND RULE 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014, FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2023.

a) Details of top ten employees in terms of remuneration drawn is as under

| S. No. | Name of Employee | Designation | Remuneration (₹ in Million) per annum | Qualification & Experience | Age | Date of Commencement of Employment | Last Employment held |
|---|---|---|---|---|---|---|---|
| 1 | MR. SUMIT SETHIA | WHOLETIME DIRECTOR | 9.41 | B.com (Pass)- 25 years | 50 | Since 1998 | Not Applicable |
| 2 | MR. KAMAL SETHIA | MANAGING DIRECTOR | 8.47 | B.com (Pass)- 45 years | 66 | Since 1992 | Partner-L.K.M. Electronic Corporation |
| 3 | MR. SANJEEV SETHIA | WHOLETIME DIRECTOR | 8.47 | BSEE- 29 years | 54 | Since 1994 | Not Applicable |
| 4 | MR. KISHORE SETHIA | (DIRECTOR OPERATIONS)* | 8.47 | B.com (Hons)- 43 years | 64 | Since 1992 | Partner-Sumitomo Electronics Corporation |
| 5 | MR. MANGI LALL SETHIA | CHAIRMAN & WHOLETIME DIRECTOR | 3.64 | M.A.- 62 years | 86 | Since Incorporati- 26th March, 1982 | Director- Kanchan Commercial Company Private Limited |
| 6 | MR. AVINASH KARWA | AGM-FINANCE | 3.22 | CA-23 years | 44 | 1st August, 2013 | Since 2000 Associated with Elin Electronics Limited- Accountant. |
| 7 | MR. RAJ KARAN CHHAJER | CHIEF FINANCIAL OFFICER | 2.44 | B.com (Pass)- 48 years | 68 | 26th March, 1982 | Electronic Industries of India |
| 8 | MR SANJAY TYAGI | GENERAL MANAGER | 2.31 | Btech-2010- Industrial Engg-33 years | 52 | 16th November, 2018 | Omex Auto Limited- DGM |
| 9 | MR. NEERAJ KUMAR MODI | GENERAL MANAGER | 2.28 | C.A. from ICAI- 23 years | 50 | 1st September, 2021 | Capital Infraprojects Private Limited-CFO |
| 10 | MR AKASH SETHIA | EXECUTIVE (INVESTOR RELATION) | 2.10** | C.A. from ICAI- 15 years | 36 | 1st January, 2023 | Macquarie India |

*Not on the Board of the Company, designated as KMP under Section 2(51) of the Companies Act, 2013 w.e.f. 30th September, 2021.

** w.e.f. 1st January, 2023 to 31st March, 2023.

**Notes:**

1. Mr. Mangilall Sethia, Mr. Kamal Sethia and Mr. Kishore Sethia are relatives and Mr. Kamal Sethia and Mr. Kishore Sethia along with their spouse hold two percent or more of the equity share of the Company.
2. Except as mentioned in point no.1 neither of the employee is related to any Director, nor hold by themselves or along with their spouse and dependent children, two percent or more of the equity share of the Company.
3. There was no employee who was employed throughout the financial year and in receipt of remuneration at a rate which, in the aggregate, ₹ 1.02 Crores or more.
4. There was no employee who was employed for a part of the financial year and in receipt of remuneration at a rate which, in the aggregate, was not less than ₹ 8.50 Lakhs per month.
5. No employee draw remuneration at a rate in excess of that drawn by the Whole-time Director.
6. All appointments are contractual in nature and terminate by notice on either side.

**Annexure-III**

## NOMINATION & REMUNERATION POLICY

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every Listed Company is required to constitute a Nomination and Remuneration Committee with at least three or more non-executive Directors, out of which not less than one half shall be independent directors. The Company already has a Nomination and Remuneration Committee with three Non-Executive (Independent Directors).

The Nomination and Remuneration Committee and Nomination and Remuneration Policy are in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules framed thereunder and Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same applies to the Board of Directors, Key Managerial Personnel and the Senior Management Personnel of the Company.

"Key Managerial Personnel (KMP) means and comprise of-

- Managing Director &
- Chief Executive Officer;
- Whole-time Director;
- Company Secretary;
- Chief Financial Officer;
- Such other Officer as may be prescribed.

**"Senior Management"** shall mean officers/personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer/managing Director/whole time Director/manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer and including functional heads.

**Role and Objective of Committee:**

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
2. Identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down in the policy.
3. Recommend to the Board the appointment and removal of Directors and Senior Management.
4. Carry out evaluation of every Director's performance.
5. Formulate criteria for evaluation of Independent Directors and the Board.
6. to recommend to the Board on Remuneration in whatever form payable to the Directors, Key Managerial Personnel and Senior Management.
7. To devise a policy on Board diversity.
8. to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee and review its implementation and compliance.
9. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run Company successfully.
10. To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
11. To develop a Succession Plan for the Board and to review it regularly.
12. To perform such other functions as may be referred by the Board or be necessary in view of the Listing Regulations, 2015 and the provisions of the Companies Act, 2013 and Rules made thereunder.

**Membership**

a) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent. However, the Chairperson of the Company (whether executive or non—executive) may be appointed as a member of the Nomination and Remuneration Committee, but shall not chair such Committee.

b) Either two (2) members or one third of the members of the Committee whichever is greater, with atleast one independent director shall constitute a quorum for the Committee meeting.

c) Membership of the Committee shall be disclosed in the Annual Report.

d) Term of the Committee shall be continued unless terminated by the Board of Directors.

**Chairman**

1. Chairman of the Committee shall be an Independent Director.
2. Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
3. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

4. Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**Frequency of Meetings**

The meetings of the Committee shall be held at such regular intervals as may be required. However, the Committee shall meet atleast once in a year.

**Committee Members' Interests:**

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**Secretary**

The Company Secretary of the Company shall act as the Secretary of the Committee.

**Voting**

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall, for all purposes, be deemed to be a decision of the Committee.
2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**Appointment of Directors/KMP/Senior Management Officials:**

While recommending a candidate for appointment, the Committee shall have regard to:

- Assessing the appointee against a range of criteria which includes but not limited to qualifications, skills, experience, background and other qualities required to operate successfully;
- The experience and knowledge that the appointee brings to the role of KMP/Senior Officials, which, in turn, will enhance the skill sets and experience of the Board as a whole;
- The nature of existing positions held by the appointee including directorship and such other relationship and the impact of the same on the Company's welfare.

**Letter of Appointment:**

Each Independent Director is required to sign the duplicate copy of the letter of appointment issued by the Company, which contains the terms and conditions of his/her appointment.

**Remuneration of Directors, Key Managerial Personnel and Senior Management:**

The salaries of Directors, Key Management Personnel and other senior officials shall be based and determined on the individual person's responsibilities and performance and in accordance with the limits as prescribed statutorily, if any.

1. **Fixed Pay:** The Key Management Personnel (KMP) and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee in accordance with the applicable provisions of the Companies Act, 2013, read with the rules made thereunder & SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other applicable provisions, as amended from time to time. The salary paid need to be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities to be usually reviewed on an annual basis.
2. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 & applicable provisions of SEBI (LODR) Regulations, 2015, as amended from time to time.
3. **Provision for excess remuneration:** If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the approval of members by way of Special Resolution, where required, he shall refund such sums to the Company, within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company.
4. **Increment:** Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board, which should be within the slabs approved by the Shareholders in the case of Managerial Person.

**Remuneration to Non-Executive/Independent Director:**

1. **Remuneration/Commission:** The remuneration/ commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force.
2. **Sitting Fees:** The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee(s)

thereof, provided that the amount of such fees per meeting of the Board or Committee shall not exceed the maximum amount as provided in the Companies Act, 2013, as amended from time to time.

**Evaluation/Assessment of Directors/KMP's/Senior Management of the Company**

The evaluation/assessment of the Directors, KMP' and the senior management of the Company is to be conducted on an annual basis.

The following criteria may assist in determining how effective the performances of the Directors, KMP' and the senior management have been:

- Contributing to clearly defined corporate objectives & plans
- Obtain adequate, relevant & timely information from external sources
- Review of strategic and operational plans, objectives and budgets
- Regular monitoring of corporate results against projections
- Identify, monitor & take steps for mitigation of significant corporate risks
- Assess policies, structures & procedures
- Review management's succession plan
- Effective meetings
- Assuring appropriate board size, composition, independence, structure
- Clearly defining roles & monitoring activities of committees.

Additionally, for the evaluation/assessment of the performances of Managing Director(s)/Whole Time Director(s) of the Company, following criteria may also be considered:

- Leadership abilities
- Communication of expectations & concerns clearly with subordinates
- Direct, monitor & evaluate KMPs, senior officials

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/ Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors shall evaluate/assess each of the Independent Directors on the aforesaid parameters which shall also include the following:

(a) Performance of the Directors; and

(b) Fulfilment of the independence criteria as specified in LODR Regulations, 2015, as amended from time to time and their independence from the management. Only the Independent Director being evaluated shall not participate in the said evaluation discussion.

**Manner for effective evaluation of performance of Board, its Committees and individual directors.**

a) The Performance Evaluation of Directors, the Board as a whole, its Committees be carried out on Annual Basis.

b) The Performance Evaluation be carried out in the manner as enumerated in the Nomination and Remuneration Policy of the Company.

c) Nomination and Remuneration Committee should carry out the performance evaluation of all Directors, Key Managerial Personnel's and Senior Officers of the Company and report to the Board of Directors for further evaluation.

d) The Board should carry out the Performance Evaluation of Independent Directors, Board as a whole and its Committees and individual Directors.

e) Only the Director being evaluated will not participate in evaluation discussions.

f) Review of implementation and monitoring of the above manner of Performance Evaluation be done as and when required.

**Deviations from this policy:**

Deviations from elements of this policy, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**Annexure-IV**

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY FOR FINANCIAL YEAR 2022-23

1. **Brief outline on CSR Policy of the Company:**

   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. **Composition of CSR Committee:**

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Mr. Kamal Sethia | Managing Director-Chairman | 3 | 3 |
| 2. | Mr. Sanjeev Sethia | Whole-Time Director-Member | 3 | 2 |
| 3. | Mr. Kamal Singh Baid | Independent Director-Member | 3 | 2 |

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company. Weblink are as under:**
   - Composition of CSR committee:
     https://www.elinindia.com/pdf/investors/management/Composition-of-various-Committees-of-Board-of-Directors.pdf
   - CSR Policy:

     https://www.elinindia.com/pdf/investors/csr/CSR-Policy.pdf
   - CSR projects approved by the board:

     https://www.elinindia.com/pdf/investors/csr/Annual_Action_plan_of_CSR_for_the_FY_2022-2023_06072023.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).: **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set- off for the financial year, if any (in ₹) |
|---|---|---|---|
| Nil | | | |

6. Average net profit of the Company as per section 135(5): ₹ **300.34 Million**

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹ **6.00 Million**

   (b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**

   (c) Amount required to be set off for the financial year, if any: **Nil**

   (d ) Total CSR obligation for the financial year (7a+7b- 7c): ₹ **6.00 Million**

Board's Report (Contd.)

**8.** (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer |
| 6.04 Million | Nil | NA | Nil | NA | NA |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/ No) | Location of the project. | | Project duration | Amount allocated for the project (in ₹). | Amount spent in the current financial Year (in ₹). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹). | Mode of Implementa tion- Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State. | District. | | | | | | Name | CSR Registration number. |
| | --------Not Applicable ------ | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act. | Local area (Yes/ No). | Location of the project. | | Amount spent for the project (in ₹). | Mode of implementation - Direct (Yes/No) | Mode of implementation – Through implementing agency. | |
| | | | | State. | District. | | | Name. | CSR registration number |
| 1.(a) | Oswal Homeopathy Oshdalaya | Eradicating hunger, poverty and malnutrition, promoting health care (including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water. | No | Rajasthan | Sujangarh, District-Churu | 0.3 Million | No | Shri Oswal Yuwak Sammelan, Rajasthan | CSR00017615 |

Board’s Report (Contd.)

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| **Sl. No.** | **Name of the Project** | **Item from the list of activities in schedule VII to the Act.** | **Local area (Yes/ No).** | **Location of the project.** | | **Amount spent for the project (in ₹).** | **Mode of implementation - Direct (Yes/No)** | **Mode of implementation – Through implementing agency.** | |
| | | | | **State.** | **District.** | | | **Name.** | **CSR registration number** |
| 2(a) | TPF –AMKC (Acharya Mahaprgya Knowledge Centre) Education Project | Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. | No | Delhi | New Delhi | 5.67 Million | No | Terapanth Professional Forum, Delhi | CSR00006105 |
| (b) | Shri Oswal Sr. Secondary School. | | No | Rajasthan | Sujangarh, District-Churu | | No | Shri Oswal Yuwak Sammelan, Rajasthan | CSR00017615 |
| ( c) | Distribution Of Indian Flag For “Har Ghar Tiranga Campaign” - Azadi Ka Amrit Mahotsav | | Yes | U.P. | Ghaziabad | | Yes | NA | |
| (d) | Composite Vidyalay Gandhi Nagar, Ghaziabad | | Yes | U.P. | Ghaziabad | | Yes | NA | |
| (e) | Prathmik Vidyalay, Raghunathpuri Nagar Kshetra, Ghaziabad | | No | U.P. | Ghaziabad | | Yes | NA | |
| (f) | Nagar Nigam Balika Inter College, Mehroli, Ghaziabad | | | U.P. | Ghaziabad | | Yes | NA | |
| 3(a) | Amrit Sarovar Talab Gram Panchayat Churiyala Dist - Ghaziabad (U.P) | Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air | | U.P. | Ghaziabad | 0.07 Million | Yes | NA | |
| | **TOTAL** | | | | | **6.04 Million** | | | |

Board's Report (Contd.)

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **NA**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ **6.04 Million**

(g) Excess amount for set off, if any.

| Sl. No. | Particular | Amount (in ₹) |
|---|---|---|
| (i) | Two percent of average net profit of the Company as per section 135(5) | 6.00 Million |
| (ii) | Total amount spent for the Financial Year | 6.04 Million |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.037 Million |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | No excess carried to next year |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹). | Date of transfer. | |
| | --------Not Applicable------ | | | | | | |

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

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in ₹). | Amount spent on the project in the reporting Financial Year (in ₹). | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed /Ongoing. |
| | --------Not Applicable------ | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – **Not Applicable**

    i. Date of creation or acquisition of the capital asset(s).

    ii. Amount of CSR spent for creation or acquisition of capital asset.

    iii. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    iv. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable.**

Sd/-

**(KAMAL SETHIA**

(Managing Director & Chairman CSR Committee)

DIN:00081116

**SANJEEV SETHIA**

(Whole-Time Director)

DIN:00354700

Date:30th May, 2023

Place: New Delhi

**Annexure-V**

**AKSHAT GARG & ASSOCIATES**

**Secretarial, Legal & Corporate Advisory**

**Peer Reviewed Firm**

Office No. 371, 3rd Floor, Rishabh Cloud9 Towers, Sector 1, Vaishali, Ghaziabad, U.P. - 201010
Email ID: acs@acsadvisors.in; Phone: 0120-4573083; +91-9350546594
UDYAM Registration No.: UDYAM-UP-29-0050415

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

for the Financial Year ended 31st March, 2023

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

To,

The Members,

**Elin Electronics Limited**
**CIN:** L29304WB1982PLC034725
**Registered Office:** 143 Cotton Street, Kolkata - 700007

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.

Pursuant to the listing & trading approvals received from National Stock Exchange of India Limited (NSE) & BSE Limited on 29th December, 2022, the equity shares of the Company have been listed with NSE and BSE Limited on 30th December, 2022.

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 authorised 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 **31st March, 2023** 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 31st March, 2023 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;

(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;

(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;

  (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

  (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) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**

(j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(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 provisions of the following:

(i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) & BSE Limited.

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 following changes in the composition of the Board of Directors of the Company during the year 2022-23:

1. Regularisation of appointment of Dr. Shanti Lal Sarnot (DIN: 01899198) as an Independent Director of the Company whose term shall not be subject to retirement by rotation, in the AGM held on 1st August, 2022, for a first term of five consecutive years with effect from 30th September, 2021 upto 29th September, 2026.
2. Regularisation of appointment Mr. Ashis Chandra Guha (DIN: 09352987) as Independent Director of the Company whose term shall not be subject to retirement by rotation, in the AGM held on 1st August, 2022, for a first term of five consecutive years with effect from 8th October, 2021 upto 7th October, 2026.

The changes in the composition of board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, 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 were following specific events/actions having a major bearing on the Company' affairs in pursuance of the laws, rules, regulations, guidelines etc., referred to above:

1. Declared a Final Dividend of ₹ 1 per Equity Share of the face value of ₹ 5 each, for the Financial Year 2021-22.
2. Re-appointed M/s. Oswal Sunil & Company, Chartered Accountants, (Firm Registration Number: 016520N), New Delhi as Statutory Auditors of the Company for a second term of 5 consecutive years commencing from the Financial year 2022-23 to hold office from the conclusion of 40th Annual General Meeting till the conclusion of the 45th Annual General Meeting.
3. The members of the Company has inter-alia passed the Special Resolution at their AGM held on 1st August, 2022 for the shifting of Registered Office of the Company from the State of West Bengal to National Capital Territory (NCT) of Delhi. Accordingly, the Company has filed petition to Regional Director, Eastern Region (Kolkata) on 24th August, 2022 for shifting its Registered Office from the State of West Bengal to National Capital Territory (NCT) of Delhi. Due to filing its offer documents with SEBI w,r.t IPO, the Company has withdrawn its application from Regional Director, Eastern Region (Kolkata) on 8th November, 2022 and intimated same to ROC on 12th November, 2022.

**For Akshat Garg & Associates**
(Company Secretaries)

**(CS Akshat Garg)**
Prop.
C. P. No. 10655
M. No. F9161
UDIN: F009161E000425830

Date: 30th May, 2023
Place: Ghaziabad

**Annexure-VI**

**AKSHAT GARG & ASSOCIATES**

**Secretarial, Legal & Corporate Advisory**

**Peer Reviewed Firm**

Office No. 371, 3rd Floor, Rishabh Cloud9 Towers, Sector 1, Vaishali, Ghaziabad, U.P. - 201010

Email ID: acs@acsadvisors.in; Phone: 0120-4573083; +91-9350546594

UDYAM Registration No.: UDYAM-UP-29-0050415

## FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

for the Financial Year ended 31st March, 2023

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

To,

The Members,

**Elin Appliances Private Limited**
**CIN:** U29300HP2002PTC025355
**Registered Office:** Beli Khol Manpurateh Nalagarh
Distt Solan Himachal Pradesh

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Elin Appliances Private 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 authorised 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 **31st March, 2023** 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 31st March, 2023 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; **(Not applicable to the Company during the Audit Period)**;

   (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the Audit Period)**;

   (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not applicable to the Company during the Audit Period)**;

   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**;

   (e) 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);**

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**

(g) (The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period);**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(Not applicable to the Company during the Audit Period);**

(k) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(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 provisions of the following:

Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS- 2) issued by The Institute of Company Secretaries of India;

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

**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 following changes in the composition of the Board of Directors of the Company during the year 2022-23:

(a) Mr. Vinay Kumar Sethia, Director of the Company Appointed as Whole Time Director of the Company for a period of 3 years with effect from 1st April, 2022 to 31st March, 2025, who is liable to retire by rotation.

(b) The members of the Company has inter-alia passed the Special Resolution at their AGM held on 30th August, 2022 for the shifting of Registered Office of the Company from the State of Himachal Pradesh to National Capital Territory (NCT) of Delhi. Accordingly, the Company has filed petition to Regional Director, Northern Region (Delhi) for shifting its Registered Office from the State of Himachal Pradesh to National Capital Territory (NCT) of Delhi. The Company has not received approval for same till date.

(c) The changes in the composition of board of directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

**For Akshat Garg & Associates**
(Company Secretaries)

**(CS Akshat Garg)**
Prop.
C. P. No. 10655
M. No. F9161
UDIN:F009161E000429757

Date: 30th May, 2023
Place: Ghaziabad

# Report On Corporate Governance

## 1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

**ELIN ELECTRONICS LIMITED,** recognises the importance of Good Corporate Governance, which is the tool of building strong and everlasting beneficial relationship with customers, suppliers, bankers and more importantly with the investors. Corporate Governance is strongly driven by our values such as quality, commitment, customer orientation & integrity.

## 2. BOARD OF DIRECTORS

The Board is in conformity with Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Companies Act, 2013 ('the Act'). The strength of the Board of Directors as on 31st March, 2023 was eight comprising the Executive - Chairman, three Executive Directors including one Managing Director and other four are Independent Directors. In the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of management. The profile of Directors can be found at website of the Company at www.elinindia.com.

**The Composition and categories of the Directors on the Board, their attendance at Board meetings and at the last Annual General Meeting ('AGM') held during the financial year 2022-23:**

None of the Directors of the Company is a Member of more than 10 (Ten) Committees or a Chairman/ Chairperson of more than 5 (Five) committees across all the Listed Companies in which he/she is a Director, as per Regulation 26(1) of the Listing Regulations. Further as mandated by Regulation 17A of Listing Regulations, no Director of the Company serves as Director/Independent Director in more than seven listed companies and in case he/she is serving as a Whole-Time Director/ Managing Director in any listed company, does not hold the position of Independent Director in more than three listed companies. Further, all Directors have informed about their Directorships and Committee memberships/ chairmanships including any changes in their positions. Relevant details of the Board of Directors as on 31st March, 2023 are given below:

| Name | Category | No. of Board Meetings held and attended during the F.Y. 2022-23 | | | Whether attended last AGM held on 1st August, 2022 |
|---|---|---|---|---|---|
| | | Hold | Entitled | Attended | |
| Mr. Mangi Lall Sethia | Chairman, Promoter Executive | 10 | 10 | 10 | No |
| Mr. Kamal Sethia | Managing Director – Promoter Executive | 10 | 10 | 10 | Yes |
| Mr. Sanjeev Sethia | Whole time Director - Promoter Executive | 10 | 10 | 10 | No |
| Mr. Sumit Sethia | Whole time Director - Promoter Executive | 10 | 10 | 6 | No |
| Dr. Shanti Lal Sarnot | Independent Director | 10 | 10 | 7 | No |
| Mr. Kamal Singh Baid | Independent Director | 10 | 10 | 10 | Yes |
| Ms. Shilpa Baid | Independent Woman Director | 10 | 10 | 7 | No |
| Mr. Ashis Chandra Guha | Independent Director | 10 | 10 | 4 | No |

**Details of Board Meeting**

Ten meetings of the Board of Directors were held during the year on 30th May, 2022, 14th June, 2022, 30th June, 2022, 7th September, 2022, 12th November, 2022, 18th November, 2022, 7th December, 2022, 12th December, 2022, 23rd December, 2022 and 10th February, 2023.

The relation of Directors inter se with each other, names of other Indian listed entities where Directors of the Company hold directorship, its category and the number of directorships and committee Chairmanships/ Memberships held by them in other public limited companies as on 31st March, 2023, is given below:

| Name of Director | Relation with other Directors | Directorship held in other Listed entities along with Category* | No. of Directorships in other Indian Public Limited Companies (As on 31st March, 2023) | Membership and Chairmanship of the Committees of the Board of other Companies** | | No. of Equity Shares held (As on 31st March, 2023) |
|---|---|---|---|---|---|---|
| | | | | Chairman/ Chairperson | Member | |
| Mr. Mangi Lall Sethia | Father of Mr. Kamal Sethia | - | 1 | - | - | Nil |
| Mr. Kamal Sethia | Son of Mr. Mangilall Sethia | - | - | - | - | 15,33,991 |
| Mr. Sanjeev Sethia | - | - | - | - | - | 9,35,100 |
| Mr. Sumit Sethia | - | - | - | - | - | 5,94,734 |
| Dr. Shanti Lal Sarnot | - | - | - | - | - | Nil |
| Mr. Kamal Singh Baid | - | - | - | - | - | Nil |
| Ms. Shilpa Baid | - | - | - | - | - | Nil |
| Mr. Ashis Chandra Guha | - | - | - | - | - | Nil |

* No Director of your Company holds any Directorship in Listed Entity.

**For the purpose of considering the limit of Committee membership and chairmanship of a Director, membership and chairmanship of Audit Committee and Stakeholders Relationship Committee of public companies have been considered.

**List of Core Skills/Expertise/Competencies of Directors**

A chart or matrix setting out the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively along with the names of directors possessing the same are as under :-

| | | Skills/Expertise/Competence | | | | | |
|---|---|---|---|---|---|---|---|
| S. no | Name of Directors | Industry Knowledge & Business Experience | Finance & Accounting | Board service, governance and Leadership | Production & Quality Assurance and Sales and marketing | Strategy Development and Implementation | Information Technology & Policy Development |
| 1 | Mr. Kamal Sethia | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 2 | Mr. Mangi Lall Sethia | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 3 | Mr. Sanjeev Sethia | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 4 | Mr. Sumit Sethia | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 5 | Dr. Shanti Lal Sarnot | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 6 | Mr. Kamal Singh Baid | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| 7 | Ms. Shilpa Baid | ✓ | ✓ | ✓ | ✓ | | ✓ |
| 8 | Mr. Ashis Chandra Guha | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the financial year ended 31st March, 2023 except for payment of sitting fees, and reimbursement of expenses, if any, incurred in the discharge of their duties.

**Independent Directors**

The Company has received declarations from the Independent Directors that they meet the criteria of Independence laid down under the Act and the Listing Regulations. The Independent Directors have also confirmed that they have registered themselves in the databank of persons offering to become Independent Directors. All Independent Directors of the Company have been appointed as per the provisions of the Act and the Listing Regulations. The terms and conditions of their appointment are disclosed on the Company's website: www.elinindia.com

**Separate Meeting of Independent Directors**

Schedule IV of the Act, Listing Regulations and Secretarial Standard – 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non-Independent Directors.

The Independent Directors Meetings were held on 14th December, 2022 & February 10, 2023. The Independent Directors, inter alia, discussed and reviewed performance of Non-Independent Directors, the Board as a whole, Chairperson of the Company and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Familiarisation Programme for Independent Directors**

The Company's familiarisation programmes for its Independent Directors includes an overview of the business model of the Company and its material subsidiary, the socio-economic environment in which the Company operates, the operational and financial performance of the Company and the significant developments taking place on a continuous basis. The Company also familiarise the independent directors with their roles, rights and responsibilities in the Company.

The details of familiarisation programmes imparted to Independent Directors are also disclosed on the Company's website at: https://www.elinindia.com/pdf/investors/management/Familiarisation_programme_imparted_to_Independent_Directors_for__2022_2023.pdf

**Performance Evaluation Criteria of Independent Directors**

Pursuant to Regulation 17 of the Listing Regulations, evaluation of Independent Directors was carried out by the entire Board. Only the Independent Director being evaluated did not participate in the said evaluation discussion. All Independent Directors satisfies the independence criteria and are independent of management.

**Directors and Officers Insurance**

The Company has undertaken Directors and Officers insurance ('D and O insurance') for all its Directors, including independent directors, for a quantum and risks as determined by the Board of directors of the Company.

## 3. COMPOSITION OF THE COMMITTEES

The composition of the Committees is in accordance with the provisions of the Listing Regulations and the Act, details of which are as follows:

| **Audit Committee** | **Risk Management Committee** |
|---|---|
| 1. Mr. Kamal Singh Baid - Chairman | 1. Mr. Kamal Sethia - Chairman |
| 2. Ms.Shilpa Baid - Member | 2. Mr. Sanjeev Sethia- Member |
| 3. Mr. Kamal Sethia - Member | 3. Mr. Kamal Singh Baid- Member |
| **Nomination and Remuneration Committee** | **Corporate Social Responsibility Committee** |
| 1. Mr. Kamal Singh Baid - Chairman | 1. Mr. Kamal Sethia - Chairman |
| 2. Ms.Shilpa Baid - Member | 2. Mr. Kamal Singh Baid - Member |
| 3. Dr. S. L. Sarnot - Member | 3. Mr. Sanjeev Sethia - Member |
| **Stakeholders' Relationship Committee** | |
| 1. Mr. Kamal Singh Baid - Chairman | |
| 2. Ms.Shilpa Baid - Member | |
| 3. Mr. Kamal Sethia - Member | |

Ms. Lata Rani Pawa, Company Secretary and Compliance Officer, is the secretary of all the Committees constituted by the Board.

**Meetings of Committees held during the year and Directors' attendance:**

| Committees of the Company | Audit Committee | Nomination and Remuneration Committee | Stakeholders' Relationship Committee | Risk Management Committee | Corporate Social Responsibility Committee |
|---|---|---|---|---|---|
| Meetings Held | 5 | 2 | 2 | 2 | 3 |
| Director's Attendance | | | | | |
| Mr. Mangi Lall Sethia | * | * | * | * | * |
| Mr. Kamal Sethia | 5/5 | * | 2/2 | 2/2 | 3/3 |
| Mr. Sanjeev Sethia | * | * | * | 2/2 | 2/3 |
| Mr. Sumit Sethia | * | * | * | * | * |
| Mr. Shanti Lal Sarnot | * | 0/2 | * | * | * |
| Mr. Kamal Singh Baid | 5/5 | 2/2 | 2/2 | 2/2 | 2/3 |
| Mrs. Shilpa Baid | 4/5 | 2/2 | 2/2 | * | * |
| Mr. Ashis Chandra Guha | * | * | * | * | * |

*Not a Member of the Committee

## DETAILS OF COMMITTEES

### Audit Committee

**Terms of Reference for the Audit Committee:**

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 read with schedule II (Part C) of the Listing Regulations and its terms of reference are as follows:

**(i) Powers of Audit Committee**

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference

(2) to seek information from any employee

(3) to obtain outside legal or other professional advice; and

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(5) such other powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

**(ii) The role of the Audit Committee shall include the following:**

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

(3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(6) examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management
d. Significant adjustments made in the financial statements arising out of audit findings
e. Compliance with listing and other legal requirements relating to financial statements
f. Disclosure of any related party transactions; and
g. Modified opinion(s) in the draft audit report.

(7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the Offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(9) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed:

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(11) scrutiny of inter-corporate loans and investments;

(12) valuation of undertakings or assets of the Company, wherever it is necessary;

(13) evaluation of internal financial controls and risk management systems;

(14) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(15) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(16) discussion with internal auditors of any significant findings and follow up thereon;

(17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(19) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(21) reviewing the functioning of the whistle blower mechanism;

(22) monitoring the end use of funds raised through public offers and related matters;

(23) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(24) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(25) reviewing the utilisation of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;

(26) carrying out any other function as is mentioned in the terms of reference of the Audit Committee;

(27) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders and

(28) carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

**(iii) The Audit Committee shall mandatorily review the following information:**

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weaknesses;

e) The appointment, removal and terms of remuneration of the chief internal auditor;

f) Statement of deviations in terms of the SEBI Listing Regulations:

   a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of the SEBI Listing Regulations; and

   b. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of the SEBI Listing Regulations.

g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

**Details of Audit Committee Meeting**

The Committee met 5 (Five) times during the year under review on 30th May, 2022, 7th September, 2022, 12th November, 2022, 30th November, 2022 and February 10, 2023. The requisite quorum was present at all the meetings of the Audit Committee.

**Vigil Mechanism/Whistle-Blower Policy**

The Company has adopted a Whistle Blower Policy (Vigil Mechanism) which has been posted on the Company's website and can be viewed on https://www.elinindia.com/pdf/investors/policies/Whistle-Blower-Policy.pdf under the head "Investor". No personnel has been denied access to the audit committee.

**Nomination and Remuneration Committee**

**Terms of Reference**

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act read with Regulation 19 read with schedule II (Part D) of the SEBI Listing Regulations and its terms of reference are as follows:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "Board" or "Board of Directors") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("Remuneration Policy").

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

   (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(2) Formulation of criteria for evaluation of independent directors and the Board;

(3) Devising a policy on Board diversity;

(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid

down, and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.

(5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(6) Recommend to the board, all remuneration, in whatever form, payable to senior management;

(7) Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

(8) Analysing, monitoring and reviewing various human resource and compensation matters;

(9) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(10) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(11) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

(12) Administering, monitoring and formulating detailed terms and conditions of the employee stock option scheme, if any, of the Company;

(13) Reviewing and approving the Company's compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws;

(14) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;

(15) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

  (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

  (b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and

(16) Performing such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.

(17) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

  (a) use the services of an external agencies, if required;

  (b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

  (c) consider the time commitments of the candidates.

**Details of Nomination and Remuneration Committee Meeting**

The Committee met 2 (Two) times during the year under review on 30th May, 2022 and 14th June, 2022 as against the statutory requirement of one meeting and the attendance is given in this report. The requisite quorum was present at all the meetings of the Committee.

**Stakeholders' Relationship Committee**

**Terms of Reference**

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, and Regulation 20 read with schedule II (Part D) of the SEBI Listing Regulations and its terms of reference are as follows:

The Stakeholders' Relationship Committee shall be responsible for, among other things, as may be required by the under applicable law, the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/

transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc;

- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent; and
- Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

**Details of Stakeholders' Relationship Committee Meeting**

The Committee met 2 (Two) times during the year under review on 5th April, 2022 and 20th January, 2023 as against the statutory requirement of one meeting and the attendance is given in this report. The requisite quorum was present at all the meetings of the Committee. The Company has received 310 complaints during the Financial Year 2022-2023. All complaints has been resolved to the satisfaction of shareholders and no pending complaint as on 31st March, 2023.

**Risk Management Committee**

**Terms of Reference**

The terms of reference of the Risk Management Committee are as follows:

1. To formulate a detailed risk management policy which shall include:
   (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   (c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;
4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems
5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
6. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

**Details of Risk Management Committee Meeting**

The Committee met 2 (Two) times during the year under review on 10th February, 2023 and 23rd March, 2023 and the attendance is given in this report. The requisite quorum was present at all the meetings of the Committee.

**Corporate Social Responsibility Committee**

**Terms of Reference**

1. Formulating and recommending to the Board the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VI of the Act and the Rules framed there under;
2. Recommending to the Board the CSR expenditure to be incurred;
3. Recommending to the Board, modification to CSR Policy as and when required;
4. Regularly monitoring the implementation of the CSR Policy and reporting to the Board.
5. Formulating an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in Rule 5(2) of the Companies (CSR Policy) Rules, 2014 as amended.

**Details of Corporate Social Responsibility Committee Meeting**

The Committee met 3 (Three) times during the year under review on 14th June, 2022; 16th July, 2022 and 12th November, 2022 and the requisite quorum was present at all the meetings. The details of attendance of Committee members are given in this Report.

## 4 REMUNERATION OF DIRECTORS

**Remuneration Policy**

In terms of Section 178 of the Act and Regulation 19 read with schedule II (Part D) of the Listing Regulations, the Board of your Company, on recommendation of the Nomination and Remuneration Committee ("NRC"), adopted Remuneration policy for Directors, Key Managerial Personnel and other Employees which sets out criteria for the remuneration for Directors, Key Managerial Personal ('KMP') and other employees so as to attract, retain and reward talent who will contribute to our long-term success and thereby build value for the shareholders.

**Remuneration of Directors:**

- Executive Directors shall be eligible for remuneration as may be approved by the Board on recommendation of the NRC Committee. The remuneration to be paid to the Managing Director/Whole-time Director shall be in accordance with the provisions of the Act and the rules made thereunder.
- Non-Executive/Independent Directors will be eligible for sitting fees for attending meetings of Board or Committee as fixed by the Board on the recommendation of the NRC Committee in accordance with the provisions of the Act, and the rules made thereunder. The criteria of making payment to Non-Executive/Independent Directors is uploaded on the website of the Company at the following weblink: https://www.elinindia.com/pdf/investors/Disclosure_under_Regulation46_of_SEBI/Criteria_for_making_payment.pdf

  The Remuneration Policy of the Company has been uploaded on the Company's website and can be accessed at https://www.elinindia.com/pdf/investors/policies/Nomination-Remuneration-Policy.pdf

Details of Remuneration/Sitting fee paid to the Directors for the financial year ended 31st March, 2023.

(₹ in Millions)

| Sr. No. | Name of the Director | Salary | Benefits | Commission | Bonuses | Stock Option & Pension | Sitting Fees Paid | Total |
|---|---|---|---|---|---|---|---|---|
| 1 | Mr. Mangi Lall Sethia | 3.60 | 0.04 | - | - | - | - | 3.64 |
| 2 | Mr. Kamal Sethia | 8.40 | 0.07 | - | - | - | - | 8.47 |
| 3 | Mr. Sanjeev Sethia | 8.40 | 0.07 | - | - | - | - | 8.47 |
| 4 | Mr. Sumit Sethia | 8.40 | 1.01 | - | - | - | - | 9.41 |
| 5 | Mr. Shanti Lal Sarnot | - | - | - | - | - | 0.18 | 0.18 |
| 6 | Mr. Kamal Singh Baid | - | - | - | - | - | 0.41 | 0.41 |
| 7 | Mrs. Shilpa Baid | - | - | - | - | - | 0.24 | 0.24 |
| 8 | Mr. Ashis Chandra Guha | - | - | - | - | - | 0.08 | 0.08 |

During the year, there was no pecuniary relationship or transaction between the Company and any of its Non- Executive Directors apart from sitting fees and commission. The Company has not granted any stock options to any of its Non-Executive Directors.

The appointment of Executive Directors, Key Managerial Personnel and other employees is by virtue of their employment with the Company, therefore, their terms of employment vis-a-vis salary, variable pay, service contract, notice period and severance fee, if any, are governed by the applicable policies at the relevant point in time.

## 5. GENERAL BODY MEETING

**Previous 3 (Three) Annual General Meetings**

| Year | Time | Date | Location | Special Resolutions Passed |
|---|---|---|---|---|
| 2021-2022 | 10:00 A.M. | 01.08.2022 | Diamond Heritage", Room No. N 505, 16, Strand Road, Kolkata - 700 001 | Yes |
| 2020-2021 | 10:00 A.M. | 30.09.2021 | Registered Office-143, Cotton Street, Kolkata-700007 | Yes |
| 2019-2020 | 01:00 P.M. | 18.11.2020 | Registered Office-143, Cotton Street, Kolkata-700007 | Yes |

No Extra-ordinary General Meeting took place during the Financial Year 2022-23.

No Special Resolution has been passed last year through Postal Ballot.

No special resolution is proposed to be conducted through postal ballot as on the date of this report. Resume and other information regarding the director seeking re-appointment/continuation as required under Regulation 36 (3) of Listing Regulations, 2015 has been given in the Notice of the Annual General Meeting annexed to this Annual Report.

## 6. MEANS OF COMMUNICATION

- **Financial Results:** Your Company's quarterly financial results are submitted to the stock exchanges within forty-five days from the end of the quarter and the audited annual results are announced within sixty days from the end of the financial year as required under the Listing Regulations which are also available on the website of your Company at https://www.elinindia.com/investors/#Disclosure_under_Regulation_46_of_SEBI_LODR_Regulations_2015.

  The results are usually published in (Financial Express) English newspaper having country-wide circulation and in (AarthikLipi) Bengali newspaper where the registered office of the Company is situated. These results are displayed on the website of the Company (www.elinindia.com) along with other news releases and presentations, if any, made to institutional investors or to analysts among others.

- **Compliance reports, corporate announcements, material information and updates:** Your Company disseminates the requisite compliance reports and corporate announcements/updates to the stock exchanges through their designated portal.

- **Website:** Your Company's website https://www.elinindia.com/investors/ contains a separate section for investors. Information on various topics such as the Board of Directors, Committees of the Board, Annual Reports, various policies, intimation to stock exchanges etc. are available on the website.

## 7. GENERAL SHAREHOLDER INFORMATION

- **Corporate Identification Number:** L29304WB1982PLC034725
- **Registered Office Address:** 143, Cotton Street, Kolkata-700007.
- **Annual General Meeting through Video Conferencing / Other Audio-Visual Means Facility**

  **Date:** Saturday, the 30th September, 2023

  **Time:** 10:30 a.m. (IST)

  **Venue:** Meeting through VC/OAVM

  [Deemed Venue for Meeting: Registered Office of the Company at 143, Cotton Street, Kolkata-700007.]

- **Financial Year** The financial year covers the period from 1st April, 2022 to 31st March, 2023.
- **Dividend Payment Date:** Within 30 days from the date of Annual General Meeting.

  **Transfer of unclaimed/unpaid amount to the Investor Education and Protection Fund**

  Your Company had declared final dividend for the F.Y. 2021-2022. No unpaid/unclaimed dividend was required to be transferred to the Investor Education and Provident Fund.

- **Listing details**

**National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra - Kurla Complex
Bandra (E), Mumbai - 400 051
Symbol: ELIN

**BSE Limited**
Corporate Relationship Department,
2nd Floor, New Trading Wing,
Rotunda Building, P.J. Towers,
Dalal Street, Mumbai - 400 001
Scrip Code: 543725

- **Market Price Data for the period – 30th December, 2022 to 31st March, 2023:**

Share price performance in comparison on BSE Limited (BSE) & National Stock Exchange of India Limited:

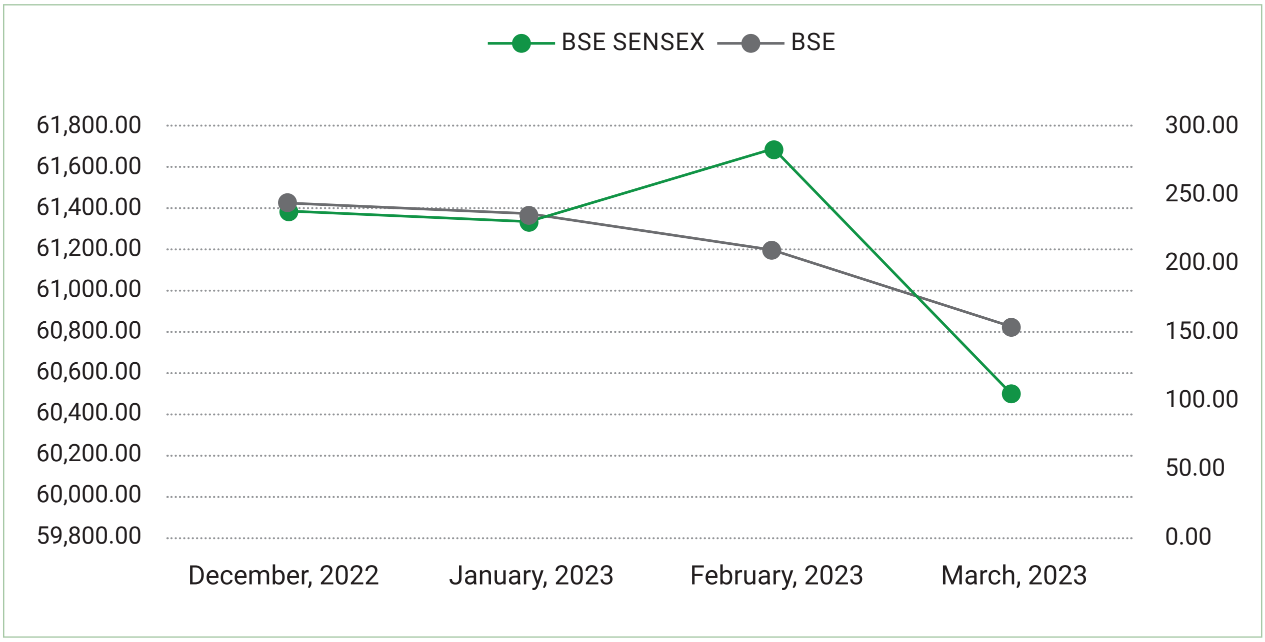
| Month | NSE | | BSE | | BSE SENSEX | | NIFTY | |
|---|---|---|---|---|---|---|---|---|
| | High | Low | High | Low | High | Low | High | Low |
| December, 2022 | 245 | 225.6 | 244.75 | 225.60 | 61,392.68 | 60,743.71 | 18265.25 | 18080.3 |
| January, 2023 | 233.75 | 205.55 | 236 | 205.2 | 61343.96 | 58699.2 | 18251.95 | 17405.55 |
| February, 2023 | 210.85 | 141.5 | 210.3 | 141.6 | 61682.25 | 58795.97 | 18134.75 | 17255.2 |
| March, 2023 | 153.7 | 116 | 153.6 | 116.7 | 60498.48 | 57084.91 | 17799.95 | 16828.35 |

*Above information is considered from the date of Listing of the Company's equity shares viz. 30th December, 2022.

(Source: The above information is compiled from the data available on the websites of BSE and NSE)

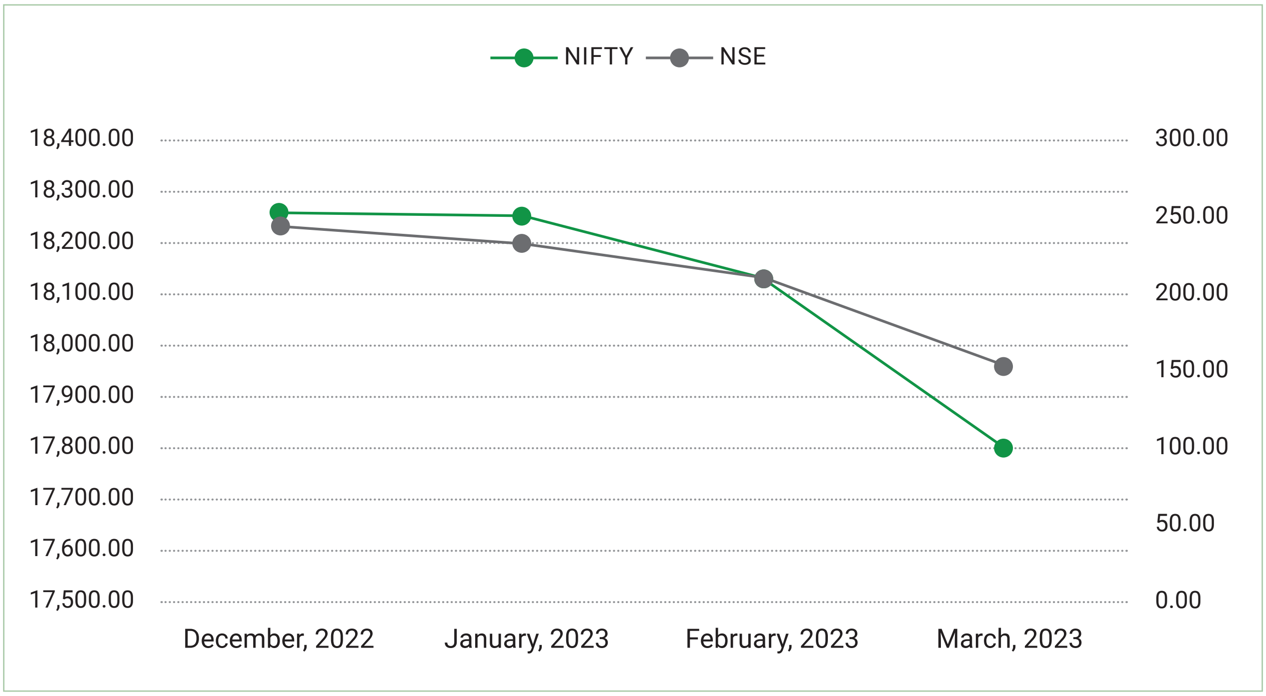
**Share Price Performance in comparison to broad-based indices – BSE Sensex and Nifty 50**

**BSE Sensex vs ELIN Share Price**



Report On Corporate Governance (Contd.)

**NIFTY 50 vs ELIN Share Price**




- **Suspension from trading:**

  No Securities of your Company were suspended from trading during the financial year 2022-23.

- **Registrar to an issue and share transfer agent:**

  **KFin Technologies Limited**

  Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda,
  Serilingampally, Hyderabad, Rangareddi 500 032 Telangana, India.
  Tel. No. : +91 40 6716 2222
  Fax : +91 40 2343 1551
  Email : einward.ris@kfintech.com

  Website : www.kfintech.com

  Toll Free No. : 18003454001

- **Share Transfer System:** Pursuant to Regulation 40 of Listing Regulations, the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with respective Depositories i.e., National Securities Depository Limited and Central Depository Services (India) Limited. However, this restriction shall not be applicable to the request received for effecting transmission or transposition of physical shares. Shareholders are accordingly advised to avail the facility of dematerialisation holding shares in physical form by getting in touch with any Depository Participant having registration with SEBI.

  The requests received by the Company/ RTA for dematerialisation/rematerialisation are disposed off expeditiously. During the year under review, one request of rematerialisation has been received and the same has been processed expeditiously. Your Company obtained, a certificate from a Company Secretary in Practice, as required under Regulation 40(9) of the Listing Regulations and were duly filed with the Stock Exchanges.

- **Dematerialisation of shares:**

  As mandated by the Securities and Exchange Board of India ("SEBI"), securities of the Company can be transferred/ traded only in dematerialised form. As on 31st March, 2023, 4,96,58,218 (99.99)% of shareholding was held in Dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited.

| MODE OF HOLDING | NO. OF SHARES | % OF SHARE CAPITAL |
|---|---|---|
| Physical Segment (A) | 1002 | 0.00% |
| Demat Segment | | |
| NSDL (B) | 4,27, 10,541 | 86.01 % |
| CDSL (C) | 69,47,677 | 13.99% |
| **TOTAL (A) + (B)+ (C)** | **4,96,59,220** | **100%** |

- **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date & likely impact on equity as on 31st March, 2023.**

  Your Company does not have any outstanding GDR /ADR / Warrants or any convertible instruments as on 31st March, 2023.

- **Distribution of Shareholding by Size as on 31st March, 2023:**

| Category (shares) | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---|---|---|---|---|
| 1-5000 | 87,142 | 99.145552 | 64,91,104 | 13.071297 |
| 5001- 10000 | 485 | 0.551807 | 7,12,701 | 1.435184 |
| 10001- 20000 | 120 | 0.13653 | 3,50,741 | 0.706296 |
| 20001- 30000 | 22 | 0.02503 | 1,14,087 | 0.22974 |
| 30001- 40000 | 13 | 0.014791 | 94,727 | 0.190754 |
| 40001- 50000 | 13 | 0.014791 | 1,17,514 | 0.236641 |
| 50001- 100000 | 20 | 0.022755 | 2,96,690 | 0.597452 |
| 100001& Above | 78 | 0.088744 | 4,14,81,656 | 83.532637 |
| **Total** | **87,893** | **100** | **4,96,59,220** | **100** |

**Shareholding Pattern as on 31st March, 2023:**

| Sr. No. | Category of Shareholder | Total number of shares (Fully paid up) | % of total no. of shares |
|---|---|---|---|
| (A) | **Shareholder of Promoter and Promoter Group** | | |
| 1 | Indian | 1,63,73,334 | 32.97 |
| 2 | Foreign | - | - |
| | **Total shareholding of Promoter & promoter group** | **1,63,73,334** | **32.97** |
| (B) | **Public Shareholding** | | |
| 1 | RESIDENT INDIVIDUALS | 2,03,55,902 | 40.99 |
| 2 | MUTUAL FUNDS | 79,57,236 | 16.023683 |
| 3 | FOREIGN PORTFOLIO - CORP | 13,68,969 | 2.756727 |
| 4 | QUALIFIED INSTITUTIONAL BUYER | 11,56,188 | 2.328244 |
| 5 | H U F | 8,56,855 | 1.725470 |
| 6 | NON RESIDENT INDIAN NON REPATRIABLE | 8,46,667 | 1.704954 |
| 7 | BODIES CORPORATES | 4,05,157 | 0.815875 |
| 8 | ALTERNATIVE INVESTMENT FUND | 2,02,440 | 0.407658 |
| 9 | NON RESIDENT INDIANS | 93,279 | 0.187838 |
| 10 | CLEARING MEMBERS | 42,518 | 0.085620 |
| 11 | TRUSTS | 675 | 0.001359 |
| | **Total public shareholding** | **3,32,85,886** | **67.03%** |
| | **Total (A) + (B)** | **4,96,59,220** | **100.00%** |

- **Address for correspondence:**

  **ELIN ELECTRONICS LIMITED**
  Secretarial Department
  4771 BHARAT ROAD, 23, DARYAGANJ,
  NEW DELHI-110002
  Phone: 011-43000400
  E-mail: cs@elinindia.com

- **Plant Locations:**

  Considering the nature of business in which your Company is engaged it have three manufacturing plants:

| S. No. | Name of Plant | Location | Address |
|---|---|---|---|
| 1 | Elin Electronics Limited | Ghaziabad | C-142, 143, 144, 144/1 & 144/2, INDUSTRIAL AREA, SITE NO.1, BULLANDSHAHAR ROAD, GHAZIABAD-201 009 (U.P.) |
| 2 | Elin Electronics Limited | Baddi | VILLAGE BELIKHOL, P.O.MANPURA, TEHSIL NALAGARH, DISTRICT SOLAN, H.P.-174101 |
| 3 | Elin Electronics Limited | Goa | L-84, VERNA INDUSTRIAL AREA, ELECTRONIC CITY, VERNA, GOA-403722 |

- **List of all Credit Ratings obtained by the Company along with revisions for the F.Y. 2022-23:**

  CRISIL Ratings Limited had assigned the credit rating to your Company as follows:

| Type of Credit rating | During the Financial year 2022-23 | Post the Financial year 2022-23 |
|---|---|---|
| Long Term Rating on Bank Facilities | CRISIL A/Stable | CRISIL A /Stable |
| Short Term Rating on Bank Facilities | CRISIL A1 | CRISIL A1 |

## 8. OTHER DISCLOSURES / COMPLIANCES

**Material Wholly-Owned Subsidiary Company – Monitoring Framework**

The Company monitors performance of its Material Wholly-Owned Subsidiary Company (ELIN Appliances Private Limited), inter alia, by the following means:

(i) The Audit Committee reviews financial statements of the wholly-owned subsidiary company, along with investments made by them, on a quarterly basis.

(ii) The Board of Directors reviews the Board Meeting minutes and statements of all significant transactions and arrangements, if any, of subsidiary Company.

(iii) Shri Kamal Singh Baid, Independent Director of the Company is on the Board of Directors of unlisted material wholly -owned subsidiary.

The Company has formulated a policy for determining its 'Material' Subsidiaries and the same is available on the website of the Company at www.elinindia.com. The weblink for the same is https://www.elinindia.com/pdf/investors/policies/Policy-on-Material-Subsidiaries.pdf. The Company doesnot have a listed subsidiary.

**Related Party Transactions & Conflict of Interest**

All the contracts/ arrangements/ transactions entered by your Company during the financial year with related parties were in its ordinary course of business and on arms' length basis. The Company has made full disclosure of transactions with the related parties as set out in notes of Standalone Financial Statement, forming part of the Annual Report. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large. The Company has uploaded Related Party Transaction Policy at the following weblink:

https://www.elinindia.com/pdf/investors/policies/Related-Party-Transaction-Policy-ELIN-Electronics.pdf

**The Company and its Wholly-owned subsidiary has not made any loan advances to any entity in which Directors are interested.**

**Details of non-compliance on matters relating to Capital Market Compliance with Listing Regulations**

Equity shares of the Company are listed and traded on National Stock Exchange of India Limited and BSE Limited w.e.f. 30th December, 2022. The Company has complied with the Rules, Regulations and Guidelines prescribed by Securities and Exchange Board of India (SEBI) and Stock Exchange as applicable to the Company, from time to time. Since the date of its listing, there were no penalties or strictures imposed on the Company by the Stock Exchange(s), SEBI and/ or any other statutory authorities on matters relating to capital market.

**Payment of Listing Fees**

Annual Listing Fees for the Financial Year 2022-23 has been paid by the Company to National Stock Exchange of India Limited and BSE Limited.

**Website**

All the information and disclosures required to be disseminated pursuant to the Listing Regulations and the Act are being posted at Company's corporate website at https://www.elinindia.com/investors/.

**Commodity Price risk or foreign exchange risk and hedging activities**

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year: Not applicable

Also, your Company imports certain raw materials from various sources, for various products of the Company. Your Company actively monitors the foreign exchange movements and takes appropriate action to reduce the risks associated with transactions in foreign currencies.

**Proceeds from preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations**

The Company has not raised funds through preferential allotment or qualified institutions placement during the Financial Year 2022-23.

**Disclosures with respect to demat suspense account/ unclaimed suspense account**

| | | |
|---|---|---|
| (a) | aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; | Two Shareholders -12,82,000 shares in the unclaimed suspense account lying at the beginning of the year. |
| (b) | number of shareholders who approached listed entity for transfer of shares from suspense account during the year; | 1 Shareholder approached the Company during the year. |
| (c) | number of shareholders to whom shares were transferred from suspense account during the year; | 12,80,000 Equity Shares were transferred from unclaimed suspense account to one shareholder Pursuant to the National Company Law Tribunal, Kolkata, order dated 8th March, 2022. |
| (d) | aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; | Only 2,000 Equity Shares of one shareholder lying in the suspense account at the end of the year. |
| (e) | that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. | Voting rights of one shareholder in respect of 2,000 Equity Shares shall remain frozen till the rightful owner of such shares claims the shares. |

**Code for prevention of Insider-Trading Practices**

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has in place following policies/ codes which are revised from time to time according to applicable laws.

- Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders; and
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI).

**Certification**

The Chairman & Managing Director and Chief Financial Officer of the Company have jointly furnished an annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations and is attached to this Report as **Annexure – A**.

Further, the Chairman & Managing Director and Chief Financial Officer of the Company have also jointly certified and issued the quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

**No Disqualification Certificate from Company Secretary in Practice**

A certificate from P. P. AGARWAL & CO., Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/ Ministry of Corporate Affairs or any such Statutory Authority as stipulated under Regulation 34(3) read with Schedule V of the Listing Regulations, is attached to this Report as **Annexure – B**.

**Fees to Statutory Auditor and its affiliates**

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to statutory auditors of the Company, during the year ended 31st March, 2023, is ₹ 9.94 Millions.

**Prevention of Sexual Harassment (POSH)**

The Company prohibits and has zero tolerance towards any actions relating to workplace sexual harassment and it is dealt expeditiously and fairly through prompt and thorough investigation whenever any instance in this regard is reported, the details of which are as under:

| Sr. No. | Particulars | Number of Complaints |
|---|---|---|
| 1 | Filed during the financial year under review | Nil |
| 2 | Disposed of during the financial year under review | Not applicable |
| 3 | Pending as on end of the financial year | Not applicable |

**Compliance with Mandatory Requirements and adoption of discretionary Requirements**

Your Company has complied with all mandatory requirements of Regulation 34 of the Listing Regulations and the following discretionary requirement of the Listing Regulations are adopted:

1. **Unmodified Audit Opinion**

   During the year under review, there is no audit qualification in your Company's standalone financial statements and consolidated financial statements. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

2. **Reporting of Internal Auditor**

   In accordance with the provisions of Section 138 of the Act, your Company has appointed Internal Auditor who directly reports to the Audit Committee of the Board of Directors.

**Compliance Report on Corporate Governance**

The Company submits on quarterly basis, a compliance report on corporate governance in the format prescribed by the Securities and Exchange Board of India, within the statutory period, from the close of the quarter with the Stock Exchanges. The said report is placed before the Board every quarter at its subsequent meeting, for its noting and comments/observations/advice, if any.

**Compliance with requirement of Corporate Governance Report**

Your Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of the Listing Regulations in the respective places in this Report:

**Compliance Certificate from Statutory Auditor regarding compliance of conditions of Corporate Governance**

A certificate from Oswal Sunil & Co, Chartered Accountant, Statutory Auditor, regarding compliance of conditions of Corporate Governance forms part of this Annual Report as **Annexure - C**.

**Disclosure in relation to recommendation made by any Committee which was not accepted by the Board**

There was no instance during the financial year 2022-23, where the Board of Directors of the Company has not accepted any recommendations, if any, of its Committees.

**Code of Conduct**

The Company is committed to compliance with all the applicable laws and regulations with the intent of high business ethics, honesty and integrity. The Company has adopted the 'Code of Conduct for Board and Senior Management' which is posted on the website of the Company at https://www.elinindia.com/pdf/investors/code_of_conduct/Code-of-Conduct-for-Directors-and-Senior-Management.pdf. All Board members and senior management personnel have confirmed compliance to the Code of Conduct. A declaration to this effect, duly signed by the Executive Chairman & Managing Director of the Company is as under:

## DECLARATION - COMPLIANCE WITH THE CODE OF CONDUCT

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Mangilall Sethia, Chairman & Whole-Time Director & I, Kamal Sethia, Managing Director of the Company, hereby declare that the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the year ended 31st March, 2023.

**For and on behalf of the Board of Directors**
**For ELIN ELECTRONICS LIMITED**

**Mangilall Sethia**
Chairman & Whole-Time Director
DIN: - 00081367

**For and on behalf of the Board of Directors**
**For ELIN ELECTRONICS LIMITED**

**Kamal Sethia**
Managing Director
DIN: - 00081116

Place: New Delhi
Date: 30th May, 2023

**Various policies and the weblinks of respective policies adopted by your Company which are in accordance with the provisions of the Companies Act, 2013 and Listing Regulations:**

| Particulars | Website Links |
|---|---|
| Vigil Mechanism/Whistle-blower Policy | https://www.elinindia.com/pdf/investors/policies/Whistle-Blower-Policy.pdf |
| Terms and Conditions of appointment of Independent Directors | https://www.elinindia.com/pdf/investors/Disclosure_under_Regulation46_of_SEBI/Modal_Letter_Of_Appointment_Of_Independent_Director.pdf |
| Risk Management Policy | https://www.elinindia.com/pdf/investors/policies/Risk-Management-Policy.pdf |
| Remuneration Policy for Directors, KMP and other Employees | https://www.elinindia.com/pdf/investors/policies/Nomination-Remuneration-Policy.pdf |
| Related Party Transaction Policy | https://www.elinindia.com/pdf/investors/policies/Related-Party-Transaction-Policy-ELIN-Electronics.pdf |
| Policy for Succession Planning for the Board | https://www.elinindia.com/pdf/investors/policies/Succession-Plan-Policy.pdf |
| Policy on Board Diversity | https://www.elinindia.com/pdf/investors/policies/Board-Diversity-Policy.pdf |
| Material Subsidiary Policy | https://www.elinindia.com/pdf/investors/policies/Policy-on-Material-Subsidiaries.pdf |
| Code of Practices and Procedures for UPSI | https://www.elinindia.com/pdf/investors/code_of_conduct/Code_of_Practices_and_Procedures_for_Fair_Disclosure_of_UPSI.pdf |
| Induction and Familiarisation Programme for Independent Director | https://www.elinindia.com/pdf/investors/management/Familiarisation-program-for-Independent-Directors.pdf |
| Dividend Distribution Policy | https://www.elinindia.com/pdf/investors/policies/Dividend-Distribution-Policy.pdf |
| Code of Conduct for Board and Senior Management | https://www.elinindia.com/pdf/investors/code_of_conduct/Code-of-Conduct-for-Directors-and-Senior-Management.pdf |
| Policy for Preservation of documents | https://www.elinindia.com/pdf/investors/policies/Policy-on-preservation-of-documents.pdf |
| CSR Policy | https://www.elinindia.com/pdf/investors/csr/CSR-Policy.pdf |

**On behalf of the Board of Directors**

**(Mangilall Sethia)**
Chairman
DIN: 00081367

Place: New Delhi
Date: 30th May, 2023

**Annexure – A**

**Compliance Certificate in terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations**

To

The Board of Directors

**ELIN ELECTRONICS LIMITED**

**Sub : Compliance Certificate in terms of Regulation 17(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

We the undersigned, in our respective capacities as Chairman & Whole-Time Director, Managing Director and Chief Financial Officer of **ELIN ELECTRONICS LIMITED** ("the Company") to the best of our knowledge and belief certify that :

A. We have reviewed financial statements and the cash flow statement of ELIN ELECTRONICS LIMITED (standalone and consolidated) for the financial year ended 31st March, 2023 and that to the best of our knowledge and belief we state that:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during financial year ended 31st March, 2023 which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps which we have taken or proposed to take to rectify these deficiencies.

D. We have indicated, based in our most recent evaluation, wherever applicable, to the auditors and the Audit committee:

   (1) Significant changes, if any, in internal control over financial reporting during the year ended 31st March, 2023;

   (2) Significant changes, if any, in the accounting policies during the year ended 31st March, 2023 and that the same have been disclosed in the notes to the financial statements; and

   (3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For and on behalf of Board of Directors**

**For ELIN ELECTRONICS LIMITED**

| **Mangilall Sethia** | **Kamal Sethia** | **Raj Karan Chhajer** |
|---|---|---|
| Chairman & Whole-Time Director | Managing Director | Chief Financial Officer |

Place: New Delhi

Date: 30th May, 2023

**Annexure – B**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
**Elin Electronics Limited**
CIN: L29304WB1982PLC034725,
143, Cotton Street, Kolkata-700 007

We have examined the the relevant registers, records, forms, returns and disclosures for the Financial Year 2022 – 2023 as submitted by the Directors of **Elin Electronics Limited** ("the Company") having its registered office at 143, Cotton Street, Kolkata-700 007, produced before us by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10 (i) of SEBI (LODR) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory/ Statutory Authorities.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ending 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.

| S. No. | Name of Director | Director Identification Number (DIN) | Date of Appointment | Date of Cessation |
|---|---|---|---|---|
| 1 | KAMAL SETHIA | 00081116 | 06/08/2007 | - |
| 2 | MANGILALL SETHIA | 00081367 | 26/03/1982 | - |
| 3 | SANJEEV SETHIA | 00354700 | 29/08/2008 | - |
| 4 | SUMIT SETHIA | 00831799 | 03/06/2020 | - |
| 5 | SHANTI LAL SARNOT | 01899198 | 30/09/2021 | - |
| 6 | KAMAL SINGH BAID | 07149567 | 30/03/2015 | - |
| 7 | SHILPA BAID | 08538622 | 16/08/2019 | - |
| 8 | ASHIS CHANDRA GUHA | 09352987 | 08/10/2021 | - |

Ensuing the eligibility of the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P. P. AGARWAL & CO.**
Company Secretaries

**(Pramod Prasad Agarwal)**
Proprietor
M. No. F4955 C.P. No. 10566
Peer Review Cert. No.: 1241/2021
UDIN: F004955E000416621

Place: New Delhi
Date: 30th May, 2023

**Annexure – C**

## INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
**Elin Electronics Limited**

1. We have examined the compliance of the conditions of Corporate Governance by **M/s Elin Electronics Limited ("the Company")** for the year ended on 31st March, 2023, as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended.

### MANAGEMENT'S RESPONSIBILITY

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as stipulated in the SEBI Listing Regulations.

### AUDITOR'S RESPONSIBILITY

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### OPINION

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2023.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

### RESTRICTION ON USE

9. This certificate is issued solely for the purpose of complying with the aforesaid regulations. Our Certificate should not to be used for any other purpose or by any person other than the addressees of this Certificate. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

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

**Nishant Bhansali**
Partner
Membership No.: 532900
UDIN: 23532900BGVCKL9420

Place: New Delhi
Date: 30th May, 2023

# FINANCIAL STATEMENTS

# Independent Auditors' Report

**To the Members of M/s Elin Electronics Limited**

**Report on the Audit of Standalone Financial Statements**

## OPINION

We have audited the accompanying Standalone Financial Statements of **M/s Elin Electronics Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), of the state of affairs of the Company as at 31st March, 2023, its profit (including other comprehensive income), changes in equity and its cash flows and the changes in equity for the year ended on that date.

## BASIS FOR OPINION

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

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

## INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon. The other information comprising the above documents is expected to be made available to us after the date of this auditor's report.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the other information comprising the above documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

## MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement 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 and Board of directors are 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 board of directors 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.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the 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 Act, based on our audit 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other comprehensive income, the Standalone Statement of Cash flows and the Standalone Statement of Changes in Equity 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under
   e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
   f) With respect to the adequacy of the internal financial controls 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 company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V of the Act.
   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its Standalone Financial Statements - Refer Note 39(a) to the Standalone Financial Statements.
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts.
      iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries")

Independent Auditor's Report (Contd.)

or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. (a) The final dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) As stated in Note 52 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**CA Nishant Bhansali**
Partner
M. No.: 532900
UDIN: 23532900BGVCKI3265

Place: New Delhi
Dated: May 30, 2023

# 'Annexure A' to the Independent Auditors' Report

Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditors' Report of even date to the Members of M/s Elin Electronics Limited on the Standalone Financial Statements for the year ended 31st March, 2023, we report that:

i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situations of its Property Plant and Equipment.

B. The Company has maintained proper records showing full particulars of its Intangible Assets.

(b) Property, Plant and equipment of the company are physically verified according to a phased program of coverage which, in our opinion, is reasonable. Pursuant to the program, physical verification of the Property, Plant and equipment was carried out during the year by the management and no material discrepancies were noticed on such physical verification.

(c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Hence reporting under clause 3 (i) (d) of the Order is not applicable.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended 2016) and rules made thereunder. Hence reporting under clause 3 (i) (e) is not applicable.

ii. (a) 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 by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate. In our opinion, the discrepancies noticed on physical verification were less than 10% in aggregate for each class of inventory and the same have been properly dealt with in the books of accounts.

iii. (b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. As represented by the management in note 51(x) of the standalone financial statements and per the information and explanation given to us and records examined by us, the quarterly returns or statements filed by the company with banks are generally in agreement with the books of accounts.

iv. The company has made investments in, provided guarantee, security, granted loans and advances in the nature of loans, secured or unsecured, to companies and other parties

(a) The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to,

(Amount in Rs. Million)

| **Particulars** | **Loans** |
|---|---|
| Aggregate amount granted / provided during the year | |
| - Others | 1.60 |
| Balance outstanding as at balance sheet date in respect of above | 1.60 |

(b) In our opinion, the terms and conditions of grant of above mentioned loans provided are not prima facie, prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount for more than 90 days remaining outstanding as at the balance sheet date.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

'Annexure A' to the Independent Auditors' Report (Contd.)

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

v. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, where applicable.

vi. 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.

vii. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

viii. In respect of statutory dues:

(a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing, with the appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues wherever applicable. According to information and explanation given to us, and as per the records examined by us, no undisputed arrears of statutory dues outstanding as at 31st March, 2023 from the date they became payable.

(b) According to the information and explanations given to us and as certified by the management, details of statutory dues referred to in sub-clause (a) above, which have not been deposited on account of disputes as on March 31, 2023 and the forum where the dispute is pending are given below :

| Name of the statute | Nature of dues | Gross Demand (in Millions) | Paid under Appeal (in Millions) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Employees Provident Fund & Miscellaneous Provisions Act, 1952 | Provident Fund | 4.66 | 1.17 | Oct 1995 to Sep 2011 | High Court, Mumbai |
| Goa Value Added Tax, 2005 | Value Added Tax | 0.75 | 0.34 | 2017-18 | Commercial Tax Office, Goa |
| Customs Act, 1962 | Custom Duty | 1.26 | - | 2019 | Add. Commissioner, Raigard, Maharashtra |
| **Total** | | **6.67** | **1.51** | | |

ix. According to the information and explanation given to us and based on our examination, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

x. (a) According to our audit procedures and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender as at the Balance Sheet date.

(b) According to the information and explanations given to us and the records of the Company examined by us including representation received from the management, the Company has not been declared as willful defaulter by any bank or financial institution or any other lender.

(c) The term loans have been applied for the purpose for which these are raised.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

xi. (a) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer were applied for the purposes for which these were obtained, though idle/surplus funds which were not required for immediate utilisation have been temporarily invested in bank deposits.

(b) Based on our examinations of the records and information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures during the year.

xii. (a) To the best of our knowledge and belief and according to the information and explanations given to us including representation received from the management, no fraud by the company or on the company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us including representation received from the management and based on our examination, there were no whistle-blower complaints received during the year by the Company;

xiii. 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.

xiv. 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 Financial Statements as required by the applicable accounting standards.

xv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xvi. 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 any non-cash transactions with its directors or persons connected with its directors. Hence, reporting under clause 3(xv) is not applicable.

xvii. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities requiring it to have a Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. According to the information and explanations given to us, the Group has no CIC as part of the Group.

xviii. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

xix. There has been no resignation of the statutory auditors during the year, hence reporting under clause 3(xviii) is not applicable.

xx. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of

'Annexure A' to the Independent Auditors' Report (Contd.)

meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xxi. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) is not applicable for the year.

(b) In respect of ongoing projects, there are no unspent amounts that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

xxii. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

**CA Nishant Bhansali**
Partner
M. No.: 532900
UDIN: 23532900BGVCKI3265

Place: New Delhi
Dated: May 30, 2023

# '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 M/s Elin Electronics Limited ('the Company') as of 31st March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Management 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 the 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 (hereinafter referred to as "the Act").

## AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. 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 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, 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 judgment, 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 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 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 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 authorisations of management and directors of the Company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS 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.

'Annexure B' to the Independent Auditors' Report (Contd.)

## OPINION

In our opinion, to the best of our information and according to the explanations given to us, 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 at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA Nishant Bhansali**
Partner
M. No.: 532900
UDIN: 23532900BGVCKI3265

Place: New Delhi
Dated: May 30, 2023

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# Standalone Balance Sheet

As at 31st March, 2023

(All amounts are in ₹ Millions, unless otherwise stated)

| Particulars | Note No(s) | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current Assets** | | | |
| (a) Property, Plant and Equipment | 3 | 1,975.66 | 1,602.50 |
| (b) Capital work-in-progress | 4 | - | 0.18 |
| (c) Right-of-use-assets | 36 | 3.85 | 0.75 |
| (d) Intangible assets (other than Goodwill) | 5 | 11.15 | 4.15 |
| (e) Investment in subsidiary | 6 | 20.00 | 20.00 |
| (f) Financial Assets | | | |
| (i) Investments | 7 | - | - |
| (ii) Other Financial Assets | 8 | 357.64 | 18.08 |
| (g) Other non-current assets | 10 | 13.99 | 173.12 |
| **Total Non Current Assets** | | **2,382.28** | **1,818.79** |
| **Current Assets** | | | |
| (a) Inventories | 11 | 1,022.67 | 1,043.36 |
| (b) Financial Assets | | | |
| (i) Investments | 12 | 260.11 | 7.14 |
| (ii) Trade receivables | 13 | 1,443.47 | 1,217.41 |
| (iii) Cash and cash equivalents | 14 | 3.81 | 39.40 |
| (iv) Bank balances other than (iii) above | 15 | 992.70 | 9.21 |
| (v) Loans | 16 | 1.60 | - |
| (vi) Other Financial Assets | 17 | 23.24 | 8.28 |
| (c) Current Tax Assets (net) | 18 | 14.94 | 7.79 |
| (d) Other current assets | 19 | 62.15 | 124.86 |
| **Total Current Assets** | | **3,824.69** | **2,457.45** |
| **Total Assets** | | **6,206.97** | **4,276.24** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 20 | 248.30 | 212.87 |
| (b) Other Equity | 20 | 3,971.21 | 2,164.54 |
| **Total Equity** | | **4,219.50** | **2,377.41** |
| **LIABILITIES** | | | |
| **Non-current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 21 | 395.91 | 330.84 |
| (ii) Lease liabilities | 36 | 5.09 | 1.91 |
| (b) Provisions | 22 | 8.33 | 7.73 |
| (c) Deferred tax liabilities (Net) | 9 | 84.49 | 77.58 |
| **Total Non Current Liabilities** | | **493.83** | **418.06** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 23 | 250.73 | 522.17 |
| (ii) Lease Liabilities | 36 | 0.06 | 0.05 |
| (iii) Trade payables | | | |
| - total outstanding dues of micro and small enterprises | 24 | 224.67 | 147.79 |
| - total outstanding dues to other than micro and small enterprises | 24 | 797.98 | 665.12 |
| (iv) Other financial liabilities | 25 | 118.86 | 79.72 |
| (b) Current Tax liabilities (Net) | 18 | - | 18.35 |
| (c) Other current liabilities | 26 | 81.13 | 40.66 |
| (d) Provisions | 27 | 20.20 | 6.91 |
| **Total Current Liabilities** | | **1,493.64** | **1,480.78** |
| **Total Liabilities** | | **1,987.47** | **1,898.83** |
| **Total Equity and Liabilities** | | **6,206.97** | **4,276.24** |

The accompanying notes form an integral part of the Standalone financial statements

As per our report of even date attached
**For Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No.: 016520N

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

**M.L.Sethia**
Chairman & Whole Time Director
DIN: 00081367

**Sanjeev Sethia**
Whole Time Director
DIN: 00354700

**Raj Karan Chhajer**
Chief Financial Officer
PAN: AAAPC0561C

**Lata Rani Pawa**
Company Secretary and
Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

# Standalone Statement of Profit and Loss

for the year ended 31st March, 2023

(All amounts are in ₹ Millions, unless otherwise stated)

| | Particulars | Note No(s) | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|---|---|
| I | **INCOME** | | | |
| | Revenue from operations | 28 | 8,670.64 | 8,916.06 |
| | Other Income | 29 | 21.83 | 4.51 |
| | **Total Income (I)** | | **8,692.47** | **8,920.57** |
| II | **EXPENSE** | | | |
| | Cost of Material Consumed | 30 | 6,100.05 | 6,322.29 |
| | Purchases of stock-in trade | | 183.07 | 279.24 |
| | Change in inventories of finished goods, work-in progress and stock-in trade | 31 | 32.83 | (69.63) |
| | Employee benefits expense | 32 | 1,055.43 | 1,040.45 |
| | Finance Costs | 33 | 128.08 | 121.68 |
| | Depreciation, Impairment & amortisation expenses | 3, 5, 36 | 164.51 | 127.55 |
| | Other Expenses | 34 | 751.66 | 668.42 |
| | **Total Expenses (II)** | | **8,415.63** | **8,490.00** |
| III | **Profit before tax (I - II)** | | **276.84** | **430.56** |
| IV | **Tax expenses** | | | |
| | - Current tax | | 60.89 | 103.58 |
| | - Deferred Tax | | 4.40 | 8.65 |
| | | | **65.29** | **112.23** |
| V | **Profit for the year (III-IV)** | | **211.55** | **318.33** |
| VI | **Other comprehensive Income (OCI):** | | | |
| | Items that will not be reclassified to profit or loss | | | |
| | (i) Remeasurements of defined benefit plans | | 10.00 | 21.32 |
| | (ii) Income tax on above item | | (2.52) | (5.37) |
| | (iii) Gain/(Loss) on Equity Instruments designated through OCI | | - | - |
| | **Total Other comprehensive income/(loss) for the year** | | **7.48** | **15.96** |
| VII | **Total comprehensive income for the year (V + VI)** | | **219.03** | **334.29** |
| VIII | **Earnings per share from continuing and total operations attributable to the equity holders of the Company [face value of ₹ 5/- each]** | 35 | | |
| | - Basic and diluted (amount in ₹) | | 4.77 | 7.48 |

The accompanying notes form an integral part of the Standalone financial statements

As per our report of even date attached
**For Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No.: 016520N

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

**M.L.Sethia**
Chairman & Whole Time Director
DIN: 00081367

**Sanjeev Sethia**
Whole Time Director
DIN: 00354700

**Raj Karan Chhajer**
Chief Financial Officer
PAN: AAAPC0561C

**Lata Rani Pawa**
Company Secretary and
Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

## Standalone Statement of Cash Flows

for the year ended 31st March, 2023

(All amounts are in ₹ Millions, unless otherwise stated)

| Particulars | | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|---|
| I. | CASH FLOW FROM OPERATING ACTIVITIES : | | |
| | **Net Profit before taxes** | **276.84** | **430.56** |
| | **Adjustments for :** | | |
| | Depreciation, Impairment and Amortisation expenses | 164.51 | 127.55 |
| | (Gain)/Loss on disposal of property, plant and equipment | (2.30) | (0.86) |
| | Fair value (gain)/loss on investments | (3.99) | (1.84) |
| | Bad Debts, advances and miscellaneous balances written off | 1.15 | (0.15) |
| | Dividend and interest income classified as investing cash flows | (15.18) | (1.45) |
| | Finance costs (net) | 128.08 | 121.68 |
| | | 272.27 | 244.93 |
| | **Change in operating assets and liabilities :** | | |
| | (Increase)/ Decrease in Trade and other receivables | (227.21) | 301.19 |
| | (Increase)/ Decrease in Inventories | 20.69 | (102.90) |
| | Increase/ (Decrease) in Trade payables | 209.74 | (42.60) |
| | (Increase)/ Decrease in other financial assets | (113.43) | 3.92 |
| | (Increase)/ Decrease in other non-current assets | 41.81 | (0.83) |
| | (Increase)/ Decrease in other current assets | 4.54 | (24.63) |
| | Increase/ (Decrease) in provisions | 23.90 | 22.62 |
| | Increase/ (Decrease) in other current liabilities | 79.61 | 5.05 |
| | | **39.66** | **161.82** |
| | **Cash generated from operations** | **588.76** | **837.31** |
| | Income taxes paid/refund (net) | (86.39) | (117.33) |
| | **Net cash inflow from /(used in) operating activities** | **502.37** | **719.98** |
| | | | |
| II | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | (Payments) for property, plant and equipment including CWIP | (429.37) | (384.89) |
| | (Payments) for Intangible Assets | (11.13) | - |
| | Proceeds from grant on property, plant and equipment | - | 11.32 |
| | Proceeds from sale of property, plant and equipment | 15.66 | 1.71 |
| | Proceeds/(Payments) from sale of Investment (net) | (248.99) | 11.88 |
| | Maturities of / (Investment in) Bank deposit | (1,224.58) | - |
| | Payment of loan to others | (1.60) | - |
| | Dividends received | - | 0.24 |
| | Interest received | 15.18 | 1.21 |
| | **Net Cash flow from / (used in) investing activities** | **(1,884.82)** | **(358.53)** |

Standalone Statement of Cash Flows
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

| | Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|---|
| III | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Proceeds from borrowings | 250.00 | 36.10 |
| | (Repayment) of borrowings | (456.37) | (197.78) |
| | Share issue expenses | (26.19) | (58.17) |
| | Proceeds from issue of Share Capital (including Securities Premium) | 1,750.00 | - |
| | Dividend Paid | (42.57) | - |
| | (Repayment) of lease liabilities | (0.07) | (0.17) |
| | | 1,474.79 | (220.02) |
| | Less: Finance Costs paid | (127.93) | (121.53) |
| | **Net Cash flow from/ (used in) financing activities** | **1,346.86** | **(341.55)** |
| | | | |
| **IV** | **Net increase/(decrease) in cash & cash equivalents (I + II + III)** | **(35.59)** | **19.90** |
| **V** | **Cash and cash equivalents at the beginning of the financial year** | 39.40 | 19.49 |
| **VI** | **Cash and cash equivalents at end of the year** | **3.81** | **39.40** |
| | | | |
| **Notes:** | | | |
| 1 | The Standalone Statement of Cash flow has been prepared under the indirect method as set-out in the Ind AS - 7 "Statement of Cash Flow" as specified in the Companies (Indian Accounting Standards) Rules, 2015. | | |
| 2 | Figures in bracket indicate cash outflow. | | |
| 3 | Cash and cash equivalents (refer Note 14) comprise of the followings: | | |
| | Cash on hand | 2.65 | 1.67 |
| | Balances with Scheduled banks in Current accounts | 1.16 | 37.73 |
| | **Balances per statement of cash flows** | **3.81** | **39.40** |
| **4** | **Analysis of movement in borrowings** | | |
| | Borrowings at the beginning of the year | 853.01 | 1,014.69 |
| | Movement due to cash transactions as per the Statement of Cash Flows | (206.37) | (161.68) |
| | **Borrowings at the end of the year** | **646.64** | **853.01** |
| | The accompanying notes form an integral part of the Standalone financial statements | | |

As per our report of even date attached
**For Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No.: 016520N

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

**M.L.Sethia**
Chairman & Whole Time Director
DIN: 00081367

**Sanjeev Sethia**
Whole Time Director
DIN: 00354700

**Raj Karan Chhajer**
Chief Financial Officer
PAN: AAAPC0561C

**Lata Rani Pawa**
Company Secretary and
Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

# Standalone Statement of Changes in Equity

(All amounts are in ₹ Millions, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

| Particulars | Amount |
|---|---|
| **Balance as at 1st April, 2021** | **70.96** |
| Split of Shares into Face Value of ₹ 5 each (Refer Note 20) | - |
| Bonus shares issued of ₹ 5 each during the year (Refer Note 20) | 141.91 |
| **Balance as at 31st March, 2022** | **212.87** |
| Shares Issued through Initial Public Offer ('IPO') ($) | 35.43 |
| **Balance as at 31st March, 2023** | **248.30** |

## B. OTHER EQUITY

| Particulars | Reserves and Surplus | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|
| | Securities Premium | General Reserve | Retained Earnings | Changes in fair value of FVOCI equity instruments | Remeasurement of defined benefit plans | |
| **Balance as at 1st April, 2021** | **59.55** | **568.21** | **1,329.70** | **(0.10)** | **14.79** | **1,972.16** |
| Total Comprehensive Income for the year | - | - | 318.33 | - | 15.96 | 334.29 |
| Transfer to retained earnings | - | 50.00 | (50.00) | - | - | - |
| Utilised for issue of bonus shares | - | (141.91) | - | - | - | (141.91) |
| **Balance as at 31st March, 2022** | **59.55** | **476.30** | **1,598.04** | **(0.10)** | **30.75** | **2,164.54** |
| Total Comprehensive Income for the year | - | - | 211.55 | - | 7.48 | 219.03 |
| Transfer to retained earnings | - | 50.00 | (50.00) | - | - | - |
| Utilised for payment of Dividend | - | (42.57) | - | - | - | (42.57) |
| Premium arising on issue of equity shares through IPO ($) | 1,714.57 | - | - | - | - | 1,714.57 |
| Share Issue Expenses on IPO ($) | (84.37) | - | - | - | - | (84.37) |
| **Balance as at 31st March, 2023** | **1,689.76** | **483.73** | **1,759.59** | **(0.10)** | **38.23** | **3,971.21** |

$ Refer Note No. 52

As per our report of even date attached
**For Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No.: 016520N

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

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Chief Financial Officer
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**Lata Rani Pawa**
Company Secretary and Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

# Notes to The Financial Statements

for the year ended 31st March 2023

(All amounts are in ₹ Millions, unless otherwise stated)

## 1. CORPORATE INFORMATION

Elin Electronics Limited ("the Company") was incorporated in India on 26th March, 1982 under the provisions of the Companies Act, 2013 (CIN L29304WB1982PLC034725). The Company is engaged in the business of Electronics Manufacturing Services. The registered office of the Company is located at 143, Cotton Street, Kolkata, West Bengal-700007 and manufacturing plants in the state of Uttar Pradesh, Himachal Pradesh and Goa.

The Standalone Financial Statements is approved for issue by the Company's Board of Directors in their meeting held on 30th May, 2023.

**Recent accounting pronouncements:-**

The MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31st March, 2023, whereby the amendments to various Indian Accounting Standards (Ind AS) has been made applicable with effect from 1st April, 2023 onwards. Amended requirements as per these rules in relation to various Standards are as follows:

- **Ind AS 1 – Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the requirements of the amendment and its impact on Financial Statements is not likely to be material.
- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:** The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. The amendments will help entities to distinguish between accounting policies and accounting estimates. The Company has evaluated the requirements of the amendment and there is no impact on its Financial Statements.
- **Ind AS 12 – Income Taxes:** The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company has evaluated the requirements of the amendment and there is no impact on its Financial Statements.

Amendments to other Indian Accounting Standards viz. Ind AS 101- First-time Adoption of Indian Accounting Standards, Ind AS 102 – Share Based Payments, Ind AS 103- Business Combinations, Ind AS 107- Financial Instruments - Disclosures, Ind AS 109 - Financial Instruments, and Ind AS 34 Interim Financial Reporting are either consequential to above amendments or clerical in nature. The Company has evaluated the requirements of the amendments and there is no impact on its Financial Statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the Standalone Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Standalone Financial Statements.

### 2.1 Basis of Preparation

#### 2.1.1 Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 ("the Act") and the accounting principles generally accepted in India. The Company has consistently applied accounting policies to all periods.

#### 2.1.2 Historical Cost Convention

The Standalone financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention and on accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for the following items:

| Items | Measurement basis |
|---|---|
| Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities (including derivative) | Fair value |
| Defined benefits liability | Present value of defined benefits obligations |

*Functional and presentation currency*

Items included in the Standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (`), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Million, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than ₹ 1,00,000 have been rounded and are presented as ₹ 0.00 Millions in the Standalone Financial Statements.

**2.2 Current vs non-current classification**

The Company presents assets and liabilities in the standalone statement of assets and liabilities based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**2.3 Property plant and equipment**

**Recognition and Initial Measurement**

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of each item can be measured reliably. Property, plant and equipment are initially stated at their cost.

**Cost of asset includes:**

a) Purchase price, net of any trade discounts and rebates

b) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use

c) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP) respectively.

Significant Parts of an item of PPE (including major inspections) having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognised in the statement of profit and loss as incurred.

**Subsequent measurement**

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Company and cost of the expenditure can be measured reliably.

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

### Depreciation and useful lives

Depreciation on property, plant and equipment is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013 except for assets used in manufacturing of Medical Products which are depreciated over a period of 3 years based on the management's internal assessment.

| Particulars | Useful life as per Schedule II | Particulars | Useful life as per Schedule II |
|---|---|---|---|
| Computers | 3 Years | Dies, tools and Moulds | 15 Years |
| Servers | 6 Years | Factory Building | 30 Years |
| Office Equipment | 5 Years | Building (other than factory building) | 60 Years |
| Furniture and fixtures | 10 Years | Electric Installation and Equipments | 10 Years |
| Plant & Machinery | 15 Years | Motor Cycles | 10 Years |
| Plant & Machinery (medical products)* | 3 Years | Motor Vehicles & Lorry | 8 Years |

*For these classes of assets based on internal assessment and technical evaluation, the management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act 2013.

Depreciation on additions to/deductions from property, plant and equipment during the period is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed. Each part of an item of property, plant and equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

### Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the standalone statement of profit and loss when the asset is derecognised.

### 2.4 Intangible assets

Intangible assets (Other than goodwill) acquired separately are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line basis over the estimated useful life. Estimated useful life of the software is considered as 3 years. Amortisation methods, useful lives and residual values are reviewed in each financial year / period end and changes, if any, are accounted for prospectively. An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Standalone statement of Profit and Loss.

### 2.5 Impairment of non-financial assets

At each reporting date, the Company assesses, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash- generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories are recognised in the standalone statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior period. Such reversal is recognised in the standalone statement of profit and loss.

**2.6 Inventories**

a) Inventories (which comprise traded goods) are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and intermediate products (including manufactured components): Cost includes cost of direct materials and labor and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.
- Stores and spares, consumables and packing materials cost includes direct expenses and is determined on the basis of first in first out method.

b) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

**2.7 Revenue recognition**

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable considerations. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception. The Company recognises revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Company estimates the amount of revenue to be recognised on variable consideration using most likely amount method. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes. Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

**a) Sale of products and Services**

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer at the time of shipment to or receipt of goods by the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Sales-related warranties associated with sale of goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

The goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

**b) Other Operating Revenue**

Export incentive is recognised when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

**c) Other Revenue**

- Interest income: Interest income is recognised as interest accrues using the effective interest method ("EIR") that is the rate that exactly discounts estimated future cash receipts through the expected life of

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

the financial instrument to the net carrying amount of the financial asset.

- Dividends: Dividend income is recognised when the right to receive payment is established.
- Rental income: Rental income arising from operating leases or on investment properties is accounted for on a straight-line basis over the lease terms & included in other non-operating income in Statement of Profit and Loss.
- Insurance Claims: Insurance claims are accounted for as and when admitted by the concerned authority.

**d) Contract balances**

- Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.
  - Trade receivables: A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).
  - Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**e) Right of return**

The Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

The Company has also applied the practical expedient under Ind AS 115 for incremental cost of obtaining a contract and has recognised such cost as an expense when incurred if the amortisation period of the asset is one year or less.

**2.8 Taxes**

**a) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current tax is recognised in standalone statement of profit and loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in standalone statement of profit and loss except to the extent it relates to items recognised outside profit or loss, in which case is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**2.9 Foreign currencies**

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the standalone statement of profit and loss in the period in which they arise. These exchange differences are presented in the standalone statement of profit and loss on net basis.

**2.10 Employee benefit**

**a) Short-term employee benefits**

Employee benefits such as salaries, short term compensated absences, and other benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the standalone statement of profit and loss in in the period in which the employee renders the related services.

**b) Post-employment benefits**

- Defined Contribution Plan: A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

  The Company makes specified monthly contribution towards provident fund ('PF') and employee state insurance scheme ('ESI') which is a defined contribution plan. The Company's contribution is recognised as an expense in the standalone statement of profit and loss during the period in which the employee renders the related service.

- Defined Benefit Plan: A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plans, the obligation for any benefits remains with the Company. The Company's liability towards gratuity is in the nature of defined benefit plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Company makes periodic contributions to the Kotak Mahindra Life Insurance Limited, Bajaj Allianz Life Insurance Co. Limited and Birla Sun Life Insurance Co. Limited for the Gratuity Plan in respect of employees.

The liability in respect of gratuity is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method.

The Company's net obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date.

Re-measurement, comprising actuarial gains and losses, is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to standalone statement of profit and loss.

Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognised in the standalone statement of profit and loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

c) **Other long-term employee benefits**

Benefits under the Company's compensated absences constitute other long-term employee benefits, recognised as an expense in the standalone statement of profit and loss for the period in which the employee has rendered services. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the standalone statement of profit and loss as employee benefit expenses.

**2.11 Cash and cash equivalents**

Cash and cash equivalent include cash on hand, cash at banks and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

**2.12 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan. All other borrowing costs are recognised in the Standalone statement of profit and loss in the period in which they are incurred.

**2.13 Provisions, contingent assets and contingent liabilities**

a) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

b) **Warranties**

Provisions for the expected liability of warranty obligations under sale of goods are recognised at the management's best estimate if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

c) **Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each financial reporting date and adjusted to reflect the current best estimates.

**d) Contingent assets**

Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

**2.14 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

**a) Company as a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short- term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*i) Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the standalone statement of profit and loss.

*ii) Lease liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in financial liabilities

*iii) Short term lease and leases of low value assets*

The Company applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

recognised as expense on a straight-line basis over the lease term.

iv) *Single discount rate*

The Company has applied the available practical expedient with respect to single discount rate wherein single discount rate is used for portfolio of leases with reasonably similar characteristics.

**b) Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**2.15 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

**a) Financial assets**

*Initial recognition and measurement*

A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus s transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Standalone statement of Profit and Loss.

*Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI — equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (designated as FVOCI — equity investment). The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income ('OCI'). There is no recycling of the amounts from OCI to the Standalone statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Standalone statement of Profit and Loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

For purposes of subsequent measurement, financial assets are classified in following categories:

*Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the Standalone statement of Profit and Loss.

*Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the Standalone statement of Profit and Loss.

*Equity investments at FVOCI*

These assets are subsequently measured at fair value. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

*Impairment of financial assets*

Expected credit loss (ECL) is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are measured at amortised cost e.g., deposits, trade receivables and bank balance.

(b) Financial assets that are measured as at FVTOCI

(c) Lease receivables under Ind AS 116

(d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the standalone statement of profit and loss. ECL for financial assets measured as at amortised cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Standalone statement of Assets and Liabilities. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

The Company does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

*Derecognition of financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its standalone statement of assets and liabilities but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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**b) Financial liabilities**

*Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

The Company has not designated any financial liabilities at FVTPL.

(ii) Financial liabilities at amortised cost

After initial recognition, Loans, borrowings, trade payables and other financial liabilities are subsequently measured at amortised cost using the EIR method. Interest expense is recognised in the standalone statement of profit and loss. Any gain or loss on derecognition is also recognised in the standalone statement of profit and loss.

*Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the standalone statement of profit and loss.

**c) Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

**d) Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the standalone statement of assets and liabilities if there is a currently enforceable contractual legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.16 Fair value measurement**

The Company measures financial instruments at fair value at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyzes the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Above is the summary of accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**2.17 GST Credit**

The GST credit available on purchase of raw materials, other eligible inputs and capital goods is adjusted against taxes payable. The unadjusted GST credit is shown under the head "Other Current Assets".

**2.18 Earnings per share**

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

**2.19 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

The business of the Company falls within a single line of business i.e. electronics manufacturing services. All other activities of the Company revolve around its main business. Hence, no separate reportable primary segment.

**2.20 Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all stipulated conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income. Grants related to assets are reduced from the carrying amount of the asset. Such grants are recognised in the Standalone statement of Profit and Loss over the useful life of the related depreciable asset by way of reduced depreciation charge.

**2.21 Standalone statement of cash flows**

The standalone statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

**2.22 Significant accounting estimates and judgments**

The estimates used in the preparation of the Standalone Financial Statements of each period/ year presented are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date,

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or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the Standalone Financial Statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

**Significant judgements**

- *Allowances for uncollected trade receivables*

  Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

- *Contingencies*

  In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes Although there can be no assurance of the final outcome of legal proceedings in which the Company is involved. it is not expected that such contingencies will have material effect on its financial position of probability.

- *Impairment of other financial assets*

  The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation., based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

- *Taxes*

  Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes current tax payable, based on reasonable estimates. The amount of such current tax payable is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the Company.

- *Recoverability of deferred taxes*

  In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

  Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- *Impairment of non-financial assets*

  Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model.

**Significant estimates**

- *Defined benefit plans*

  The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- *Useful lives of property, plant and equipment and intangible assets*

  The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. At the end of the current reporting period, the management determined that the useful lives of property, plant and equipment and intangible assets at which they are currently being depreciated represent the correct estimate of the lives and need no change.

- *Leases - Estimating the incremental borrowing rate*

  The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- *Determining the lease term of contracts with renewal and termination options — Company as lessee*

  The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

  The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

- *Fair value measurement of financial instruments*

  When the fair values of financial assets and financial liabilities recorded in the standalone statement of assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- *Warranties*

  At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties. However, the actual future outcome may be different from management's estimates. Product warranty liability and warranty expenses are recorded if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

**2.23 Exceptional Items**

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities, which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

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## 3. PROPERTY, PLANT AND EQUIPMENT

| Particulars | Plant and Machinery | Building | Dies, Moulds & Tools | Electrical Installations | Furniture and Fixtures | Office Equipment's | Computers | Vehicles | Land (Leasehold) | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Value** | | | | | | | | | | |
| **Balance as at 1st April, 2021** | **1,299.84** | **521.92** | **167.74** | **139.48** | **44.13** | **9.68** | **27.83** | **51.36** | **104.64** | **2,366.63** |
| Additions | 139.02 | 145.13 | 74.20 | 13.83 | 1.01 | 0.80 | 5.06 | 6.22 | - | 385.28 |
| Disposals / Adjustments | 6.29 | 6.14 | 0.92 | 3.28 | 0.21 | - | 0.16 | 2.18 | - | 19.18 |
| **Balance as at 31st March, 2022** | **1,432.58** | **660.91** | **241.01** | **150.04** | **44.92** | **10.48** | **32.73** | **55.41** | **104.64** | **2,732.72** |
| Additions | 181.40 | 75.67 | 79.11 | 71.50 | 3.38 | 1.12 | 4.05 | 13.69 | 117.32 | 547.25 |
| Disposals / Adjustments | 21.42 | 15.97 | 49.01 | 7.19 | 0.28 | 0.57 | 8.56 | 6.44 | - | 109.44 |
| **Balance as at 31st March, 2023** | **1,592.56** | **720.61** | **271.11** | **214.35** | **48.02** | **11.04** | **28.22** | **62.66** | **221.97** | **3,170.53** |
| **Accumulated depreciation and impairment** | | | | | | | | | | |
| **Balance as at 1st April, 2021** | **558.26** | **195.75** | **71.88** | **86.34** | **26.56** | **5.17** | **21.56** | **30.67** | **16.07** | **1,012.27** |
| Depreciation & Impairment | 78.09 | 12.73 | 13.83 | 7.48 | 2.22 | 1.16 | 3.26 | 4.05 | 2.14 | 124.96 |
| Disposals / Adjustments | 1.54 | - | 0.19 | 3.08 | - | - | 0.15 | 2.06 | - | 7.01 |
| **Balance as at 31st March, 2022** | **634.81** | **208.48** | **85.52** | **90.75** | **28.78** | **6.34** | **24.67** | **32.66** | **18.21** | **1,130.22** |
| Depreciation & Impairment | 87.38 | 18.92 | 26.66 | 12.16 | 2.27 | 1.28 | 4.27 | 4.92 | 2.41 | 160.28 |
| Disposals / Adjustments | 16.26 | 15.97 | 43.32 | 5.69 | 0.24 | 0.54 | 8.55 | 5.06 | - | 95.64 |
| **Balance as at 31st March, 2023** | **705.94** | **211.43** | **68.86** | **97.22** | **30.81** | **7.07** | **20.39** | **32.52** | **20.62** | **1,194.87** |
| **Net Carrying Value** | | | | | | | | | | |
| Balance as at 31st March, 2022 | 797.77 | 452.43 | 155.49 | 59.29 | 16.15 | 4.15 | 8.06 | 22.75 | 86.43 | 1,602.50 |
| **Balance as at 31st March, 2023** | **886.62** | **509.17** | **202.26** | **117.13** | **17.21** | **3.96** | **7.83** | **30.14** | **201.34** | **1,975.66** |

1. The Company had received approval to get Capital Subsidies for additional investments in manufacturing plant at Plot No.C-142, 143, 144, 144/1, 144/2, Site No.1, BullandShahar Road, Ghaziabad, Uttar Pradesh , 201009 under Modified Special Incentive Package Scheme (MSIPS) notified vide M-SIPS Policy Gazette Notification No. 175 dated 27th July, 2012 and revised Notification dated 3rd August, 2015 as modified from time to time by the Ministry of Electronics and Information Technology, Department of Information Technology, vide Approval Letter No. 27(215)/2015-IPHW dt.22nd November, 2017. Also, the Company is in process of availing capital subsidy under Industrial Development Scheme 2017 of Department for Promotion of Industries & Internal Trade, Himachal Pradesh. Under the said schemes, the Company has submitted its claims before the respective authorities for sanctioning the claim. The effect of other claims has not been adjusted to the cost of respective assets, in the absence of reasonable assurance that the claim will be received in full, as submitted.
2. During the previous year, the Company had received first claim of ₹ 11.32 Million vide Approval Letter No. 27(29)/2013-IPHWA dated 3rd July, 2014 and Application Sanction No W-37/6/2022-IPHW dated 17th March, 2022 which had been adjusted with the carrying value of respective Property Plant and Equipment.
3. Depreciation & Impairment includes impairment on certain property plant and equipments amounting to ₹ 10.44 Million (PY ₹ Nil)
4. Refer Note 21 and 23 for details of assets pledged.

## 4. CAPITAL WORK-IN-PROGRESS

| Particulars | Buildings | Plant & Machinery | Total |
|---|---|---|---|
| **Balance as at 1st April, 2021** | **0.56** | **~** | **0.56** |
| Additions | - | 0.18 | 0.18 |
| Disposals / Adjustments | (0.56) | - | (0.56) |
| **Balance as at 31st March, 2022** | **-** | **0.18** | **0.18** |
| Additions | - | - | - |
| Disposals / Adjustments | - | (0.18) | (0.18) |
| **Balance as at 31st March, 2023** | **-** | **-** | **-** |

**4.1 Capital work-in-progress ageing schedule**

| Particulars | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Balance as at 31st March, 2022 | 0.18 | - | - | - | 0.18 |
| **Balance as at 31st March, 2023** | **-** | **-** | **-** | **-** | **-** |

**4.2** As on the date of the financial statement, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

## 5. INTANGIBLE ASSETS (OTHER THAN GOODWILL)

| Particulars | Computer software |
|---|---|
| **Gross Carrying Value** | |
| **Balance as at 1st April, 2021** | **15.27** |
| Additions | - |
| Disposals / Adjustments | - |
| **Balance as at 31st March, 2022** | **15.27** |
| Additions | 11.20 |
| Disposals / Adjustments | 1.36 |
| **Balance as at 31st March, 2023** | **25.11** |
| **Accumulated amortisation and impairment** | |
| **Balance as at 1st April, 2021** | **8.54** |
| Amortisation and impairment | 2.58 |
| Disposals / Adjustments | - |
| **Balance as at 31st March, 2022** | **11.12** |
| Amortisation and impairment | 4.14 |
| Disposals / Adjustments | 1.29 |
| **Balance as at 31st March, 2023** | **13.97** |
| **Net Carrying Value** | |
| Balance as at 31st March, 2022 | 4.15 |
| **Balance as at 31st March, 2023** | **11.15** |

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## 6. INVESTMENT IN SUBSIDIARIES, ASSOCIATES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unquoted Investments (At Cost)** | | |
| **Investment in Equity Instruments** | | |
| Subsidiary | 20.00 | 20.00 |
| **Total** | **20.00** | **20.00** |

**A. Investment in subsidiaries**

| Particulars | Face value per share (₹) | Elin Appliances Private Limited | |
|---|---|---|---|
| | | No. of Shares | Amount |
| Investment in Equity Instruments - Equity Shares | | | |
| As at 31st March, 2022 | 10/- | 2,00,000 | 20.00 |
| **As at 31st March, 2023** | **10/-** | **2,00,000** | **20.00** |

**B. Additional Disclosures:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Aggregate carrying value of unquoted investments | 20.00 | 20.00 |
| Aggregate amount of impairment in value of investments | - | - |

**C. Additional details of subsidiaries**

| Name of Entity | Principal Activity | Place of incorporation and principal business |
|---|---|---|
| Subsidiaries | | |
| Elin Appliances Private Limited | Manufacturing of Home Appliances and Electric Components & Parts | India |

## 7. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Unquoted, Investments - Non-Trade | | |
| Investments in Equity instruments | - | - |
| **Total** | **-** | **-** |

**7.1 Detail of Non-Current Investments**

| Particulars | Elcina Electronics Cluster Private Limited (Face Value ₹ 10/- each) | | Total Amount |
|---|---|---|---|
| | No. of Shares | Amount | |
| Financial assets measured at FVTOCI | | | |
| (i) Investment in equity instruments - Equity Shares | | | |
| As at 31st March, 2022 | 10,000 | - | - |
| **As at 31st March, 2023** | **10,000** | **-** | **-** |

**7.2. Additional Disclosures:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---:|---:|
| **Aggregate carrying value of unquoted investments** | **-** | **-** |

## 8. OTHER FINANCIAL ASSETS - NON CURRENT

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---:|---:|
| **Unsecured, Considered Good** | | |
| Bank deposits with more than 12 months maturity * | 310.00 | - |
| Accrued Interest on FDR | 3.55 | - |
| Security Deposit | 44.09 | 18.08 |
| **Total** | **357.64** | **18.08** |

* Temperory deposits of IPO proceeds.

## 9. DEFERRED TAX ASSETS / (LIABILITIES) (NET)

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for the financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:-

| Particulars | Defined benefit obligation | Property, plant and equipment | Provisions & others | Total |
|---|---:|---:|---:|---:|
| **As at 1st April, 2021** | **3.36** | **(73.64)** | **6.72** | **(63.56)** |
| (Changed)/Credited: | | | | |
| - to Statement of profit and loss | 3.75 | (14.64) | 2.24 | (8.65) |
| - to other comprehensive income | (5.37) | - | - | (5.37) |
| **As at 31st March, 2022** | **1.74** | **(88.28)** | **8.96** | **(77.58)** |
| (Changed)/Credited: | | | | |
| - to Statement of profit and loss | 4.76 | (12.61) | 3.45 | (4.40) |
| - to other comprehensive income | (2.52) | - | - | (2.52) |
| **As at 31st March, 2023** | **3.99** | **(100.89)** | **12.41** | **(84.49)** |

## 10. OTHER NON-CURRENT ASSETS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---:|---:|
| **Unsecured, Considered Good** | | |
| Capital Advances | 13.99 | 173.12 |
| **Total** | **13.99** | **173.12** |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 11. INVENTORIES (AT COST OR NET REALISABLE VALUE WHICHEVER IS LOWER)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Inventories (As Certified and valued by the management)** | | |
| Raw Materials | 643.34 | 633.84 |
| Raw Materials in transit | 4.80 | 3.37 |
| | **648.14** | **637.21** |
| Work-in-progress | 202.72 | 260.11 |
| Finished goods | 145.14 | 120.58 |
| Stores and Spares | 26.67 | 25.46 |
| **Total** | **1,022.67** | **1,043.36** |

## 12. CURRENT FINANCIAL ASSETS - INVESTMENTS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unquoted Investments** | | |
| (i) Investments in Mutual Funds | 260.11 | 7.14 |
| **Total** | **260.11** | **7.14** |

**12.1 Detail of Current Financial Assets - Investments**

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Units | Amount | Units | Amount |
| **Financial assets carried at fair value through statement of profit or loss (FVTPL)** | | | | |
| **Investments in mutual funds - Unquoted Investment** | | | | |
| HDFC Group Unit Linked Plan Option B | 96,898.34 | 7.43 | 96,715.35 | 7.14 |
| Nippon India Low Duration Fund - Direct Growth Plan Growth Option | 75,646.41 | 252.68 | - | - |
| **Total Current Investments at FVTPL** | | **260.11** | | **7.14** |
| Aggregate carrying value of unquoted investments | | 260.11 | | 7.14 |
| Aggregate amount of impairment in value of investments | | - | | - |

## 13. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Trade Receivables** | | |
| Unsecured, considered good | 1,445.00 | 1,218.98 |
| Less: expected credit loss allowance | (1.53) | (1.56) |
| **Total** | **1,443.47** | **1,217.41** |

Movement in the expected credit loss allowance of trade receivables are as follows:

| | | |
|---|---|---|
| **Balance at the Beginning of the year** | 1.56 | 1.72 |
| Add: Provided during the year | 1.15 | (0.15) |
| Less: Amount written off | (1.18) | - |
| **Balance at the end of the year** | **1.53** | **1.56** |

**13.1 Trade Receivables Ageing Schedule, on due basis:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Undisputed Trade receivables – considered good** | | |
| Not Due | 1,111.36 | 964.07 |
| Less than 6 months | 327.57 | 234.39 |
| 6 months - 1 year | 4.58 | 16.59 |
| 1 -2 years | 1.37 | 2.49 |
| 2 -3 years | 0.12 | 1.45 |
| More than 3 years | - | - |
| **Total** | **1,445.00** | **1,218.98** |

**13.2** There are no disputed balances of Trade Receivables as at 31st March, 2023 and 31st March, 2022.

**13.3** In determining the allowance for trade receivables the Company has used practical expedients based on financial condition of the customers, ageing of the customer receivables & over-dues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are large corporate organisations though there may be normal delays in collections.

## 14. CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Cash & Cash Equivalents** | | |
| Balance with banks in current account | 1.16 | 37.73 |
| Cash on hand; | 2.65 | 1.67 |
| **Total** | **3.81** | **39.40** |

## 15. CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balances with Bank in Monitoring Agency & Escrow Account | 68.91 | - |
| Balances with Bank in Dividend Account | 0.00 | - |
| Bank Deposits having maturity less than 12 months * | 923.79 | 9.21 |
| **Total** | **992.70** | **9.21** |

* Above Bank deposits included temperory deposits of IPO proceeds of ₹ 650 Million and balance are held as margin money/securities with banks.

## 16. CURRENT FINANCIAL ASSETS - LOANS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Unsecured, considered good | | |
| Loan to Others | 1.60 | - |
| **Total** | **1.60** | **-** |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 17. CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Unsecured, considered good | | |
| Accrued Interest on Bank Deposits | 9.92 | 0.22 |
| Loans & Advances to Staff & Workers | 13.32 | 8.06 |
| **Total** | **23.24** | **8.28** |

## 18. CURRENT TAX ASSETS / LIABILITIES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current Tax Assets** | | |
| Advance Income Tax / TDS (net of provisions) | 14.94 | 7.79 |
| **Current Tax Liabilities** | | |
| Income Tax Provisions (net of Advance Income Tax / TDS) | - | **18.35** |

## 19. OTHER CURRENT ASSETS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Indirect tax recoverable | 10.37 | 10.09 |
| Commercial Tax under Appeal | 1.34 | 2.07 |
| Goods & Service Tax Under Appeal | 1.68 | 1.68 |
| Provident Fund Under Appeal | 1.17 | 1.17 |
| Advance to Suppliers | 39.78 | 28.75 |
| Gratuity fund balance (refer note 38) | 5.43 | 5.32 |
| Unamortised share issue expenses (refer note below) | - | 58.17 |
| Export Incentive receivables | 0.29 | 1.36 |
| Prepaid Expenses | 2.10 | 16.25 |
| **Total** | **62.15** | **124.86** |

Note: Related to expenses incurred by company in previous year towards IPO. The same has been adjusted by way of recovery from selling shareholders and balance from securities premium account in accordance with section 52 of the Companies Act, 2013 upon the shares being issued.

## 20 A. Share Capital

### (i) Authorised Share Capital

| Particulars | Equity Share Capital | |
|---|---|---|
| | No of Shares | Amount |
| **As at 1st April, 2021** | **1,02,50,000** | **102.50** |
| Increase during the year # | 8,97,50,000 | 397.50 |
| **As at 31st March, 2022** | **10,00,00,000** | **500.00** |
| Increase during the year | - | - |
| **As at 31st March, 2023** | **10,00,00,000** | **500.00** |

# Pursuant to a resolution of Board of Directors dated 6th September, 2021 and the shareholders meeting dated 30th September, 2021, the Authorised Share Capital of the Company has been increased from ₹ 102.50 Million consisting of 1,02,50,000 Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 500.00 Million consisting of 10,00,00,000 Equity Shares of ₹ 5/- each (Rupees Five only).

### (ii) Shares issued, subscribed and fully paid-up

| Particulars | Equity Share Capital | |
|---|---|---|
| | No of Shares | Amount |
| **As at 1st April, 2021** | **70,95,700** | **70.96** |
| Add: Shares issued during the year | - | - |
| Add: Split of Shares into Face Value of ₹ 5 each | 70,95,700 | - |
| Add: Bonus shares issued in the ratio of 2 for every 1 share held | 2,83,82,800 | 141.91 |
| Less: Share bought back during the year | - | - |
| **As at 31st March, 2022** | **4,25,74,200** | **212.87** |
| Add: Shares issued during the year | 70,85,020 | 35.43 |
| Less: Share bought back during the year | - | - |
| **As at 31st March, 2023** | **4,96,59,220** | **248.30** |

### (iii) Terms/right attached to Equity Shares

The Company has one class of shares having a face value of ₹ 5/- per equity share (Previous Year ended 31st March, 2022 is ₹ 5/- per equity share). All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Shareholders are entitled to one vote per equity share held in the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

### (iv) Shares Split & Bonus Issue

Pursuant to a resolution passed by our Board on 6th September, 2021 and a resolution of shareholders dated, 30th September, 2021, each equity share of face value of ₹ 10 each has been split into two equity shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 70,95,700 equity shares of face value of ₹ 10 each to 1,41,91,400 equity shares of face value of ₹ 5 each. The Board of Directors pursuant to a resolution dated 6th September, 2021 and the shareholders special resolution dated 30th September, 2021 have approved the issuance of two bonus equity shares of face value ₹ 5 each for every one existing fully paid up equity share of face value ₹ 5 each and accordingly 2,83,82,800 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013.

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

**(v) Shareholders holding more than 5% of Equity Shares**

| Name of Shareholder | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Suman Sethia | 27,24,535 | 39,60,000 |
| | 5.49% | 9.30% |
| M.L.Sethia | - | - |
| | 0.00% | 0.00% |
| Prem Lata Sethia | - | 28,02,000 |
| | 0.00% | 6.58% |
| Kishor Sethia | 25,07,763 | 36,44,928 |
| | 5.05% | 8.56% |
| Kamal Sethia | - | 22,29,618 |
| | 0.00% | 5.24% |
| Gaurav Sethia | - | 31,43,004 |
| | 0.00% | 7.38% |

**(vi) Shareholding of Promoters**

| Promoter Name | Shares held at 31st March, 2023 | | % Change during the year ended 31st March, 2023 |
|---|---|---|---|
| | Units | Amount | |
| M.L.Sethia | - | 0.00% | - |
| Kamal Sethia | 15,33,991 | 3.09% | (41.00)% |
| Suman Sethia | 27,24,535 | 5.49% | (40.98)% |
| Kishor Sethia | 25,07,763 | 5.05% | (41.01)% |
| Vasudha Sethia | 7,43,654 | 1.50% | (40.92)% |
| Gaurav Sethia | 21,15,636 | 4.26% | (42.30)% |
| Vinay Kumar Sethia | 4,32,450 | 0.87% | (41.51)% |
| Sanjeev Sethia | 9,15,600 | 1.84% | (14.44)% |
| Sumit Sethia | 5,94,734 | 1.20% | (40.90)% |

* Change is computed based on the equity holding % as at end of current year vis-à-vis previous year.

**B. Other Equity**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **(i) Retained Earnings** | 1,759.58 | 1,598.04 |
| **(ii) Other Reserves *** | | |
| a. Securities Premium | 1,689.76 | 59.55 |
| b. General Reserve | 483.73 | 476.30 |
| **(iii) Components of Other Comprehensive Income** | | |
| a. Changes in fair value of FVOCI equity instruments | (0.10) | (0.10) |
| b. Remeasurement of defined benefit plans | 38.23 | 30.75 |
| **Total** | **3,971.20** | **2,164.54** |

* Brief description of Other Reserves:

a. Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

b. General reserve is the free reserve created out of the retained earnings of the Company. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**(i) Retained Earnings**

| Particulars | Amount |
|---|---|
| **As at 1st April, 2021** | **1,329.70** |
| Add: Net profit for the year | 318.33 |
| Less: Transfer to reserve during the year | (50.00) |
| **As at 31st March, 2022** | **1,598.04** |
| Add: Net profit for the year | 211.55 |
| Less: Transfer to reserve during the year | (50.00) |
| **As at 31st March, 2023** | **1,759.58** |

**(ii) Other Reserves**

| Particulars | Securities Premium | General Reserve |
|---|---|---|
| **As at 1st April, 2021** | **59.55** | **568.21** |
| Increase during the year | - | 50.00 |
| Decrease during the year | - | (141.91) |
| **As at 31st March, 2022** | **59.55** | **476.30** |
| Increase during the year | 1,714.57 | 50.00 |
| Decrease during the year | (84.37) | (42.57) |
| **As at 31st March, 2023** | **1,689.76** | **483.73** |

**(iii) Components of Other Comprehensive Income**

| Particulars | Changes in fair value of FVOCI equity instruments | Remeasurement of defined benefit plans |
|---|---|---|
| **As at 1st April, 2021** | **(0.10)** | **14.79** |
| Increase during the year | - | 15.96 |
| Decrease during the year | - | - |
| **As at 31st March, 2022** | **(0.10)** | **30.75** |
| Increase during the year | - | 7.48 |
| Decrease during the year | - | - |
| **As at 31st March, 2023** | **(0.10)** | **38.23** |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 21. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Secured Borrowings** | | |
| Term Loans - from Banks* | 578.82 | 492.52 |
| Less : Current maturities of long term debt - Term Loans | (182.91) | (161.68) |
| **Total** | **395.91** | **330.84** |

* net off of ₹ 0.55 Millions (2022: ₹ 0.62 Millions ) as finance charge

**Notes:**

**a)** Term Loans is secured by way of first pari passu charge over entire movable Property Plant and Equipment of the Company and immovable Property Plant and Equipment 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.

**b)** **Term Loans - Repayment schedule and rate of interest**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Secured** | | |
| **Weighted Ave. Rate of Interest** | 8.63% | 6.99% |
| **Outstanding amount** | **578.82** | **492.52** |
| **Repayment Due** | | |
| FY 2022-23 | - | 161.68 |
| FY 2023-24 | 182.91 | 123.60 |
| FY 2024-25 | 142.89 | 83.37 |
| Remaining payable upto 2028-29 | 253.02 | 123.87 |

## 22. NON-CURRENT LIABILITIES - PROVISIONS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Provisions for Employee Benefits (refer note 37)** | | |
| Provision for Leave Encashment | 8.33 | 7.73 |
| **Total** | **8.33** | **7.73** |

## 23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Borrowings - Loans repayable on demands** | | |
| **Secured** | | |
| (i) from banks - Working Capital | 67.82 | 264.56 |
| (ii) Current maturities of Long term borrowings (refer note 21) | 182.91 | 161.68 |
| **Unsecured** | | |
| (i) from banks - Vendors bills discounting | - | 95.93 |
| **Total** | **250.73** | **522.17** |

Notes:

a. Working Capital loan of Company is 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 Equipment of the Company, other and immovable Property Plant and Equipment of the Company by equitable mortgage of properties situated at Ghaziabad and Goa and personal guarantee of the four Directors of the Company.

b. Unsecured loan of Vendor Bill discounting as Electronic Vendor Financing Scheme was Repayable on due dates as agreed with the Vendors.

c. Quarterly returns/statements of cureent assets filed by the Company with banks are generally in agreement with the books of accounts.

## 24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Trade Payables** | | |
| Due to Micro and Small Enterprises (refer note 38) | 224.67 | 147.79 |
| Others | 797.98 | 665.12 |
| **Total** | **1,022.65** | **812.91** |

**24.1 Trade Payables Ageing Schedule, on due basis:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **MSME (Undisputed)** | | |
| Not Due | 209.53 | 129.47 |
| Less than 1 year | 15.14 | 18.32 |
| 1 -2 years | - | - |
| 2 -3 years | - | - |
| More than 3 years | - | - |
| **Total** | **224.67** | **147.79** |
| **Other than MSME (Undisputed)** | | |
| Not Due | 607.31 | 482.17 |
| Less than 1 year | 184.09 | 182.51 |
| 1 -2 years | 1.63 | 0.38 |
| 2 -3 years | 4.95 | 0.04 |
| More than 3 years | - | 0.01 |
| **Total** | **797.98** | **665.12** |

**24.2 There are no disputed balances of MSME or other than MSME as on March'23 and March'22**

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 25. OTHER FINANCIAL LIABILITIES - CURRENT

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unpaid Dividends** | 0.00 | - |
| Payable to Selling Shareholders (refer note 51) | 9.24 | - |
| Expenses Payables * | 109.61 | 79.72 |
| **Total** | **118.86** | **79.72** |

*includes primarily Salaries & Bonus Payable and other expenses payable

## 26. OTHER CURRENT LIABILITIES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Advances from Customers | 44.35 | 21.04 |
| Statutory Liabilities payable | 36.79 | 19.62 |
| **Total** | **81.13** | **40.66** |

## 27. CURRENT LIABILITIES - PROVISIONS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Provisions for Employee Benefits** (refer note 37) | | |
| Provision for Leave Encashment | 7.50 | 6.91 |
| **Provision - Others** | 12.70 | - |
| **Total** | **20.20** | **6.91** |

## 28. REVENUE FROM OPERATIONS

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Sale and Services** | | |
| - Sale of Products | 8,395.30 | 8,629.22 |
| - Sale of Services | 19.67 | 16.48 |
| **Other Operating Revenues** | | |
| - Scrap sale | 254.99 | 269.25 |
| - Export Incentives | 0.68 | 1.10 |
| **Total** | **8,670.64** | **8,916.06** |

**28.1 Contract Balances**

| | | |
|---|---|---|
| Receivables, which are included in 'trade receivables' | **1,443.47** | **1,217.41** |

**28.2 Revenue from sale of products / services disaggregated by primary geographical market**

| | | |
|---|---|---|
| India | 8,634.16 | 8,889.02 |
| Outside India | 36.48 | 27.04 |
| **Total revenue from contracts with customers** | **8,670.64** | **8,916.06** |

## 29. OTHER INCOME

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Other non-operating income** | | |
| Interest on Bank Deposits | 15.18 | 1.21 |
| Dividend Received | - | 0.24 |
| Gain/(loss) on sale of current investments measured at FVTPL | 1.01 | (0.29) |
| Fair value gain/(loss) on investments measured at FVTPL | 2.97 | 2.13 |
| Rent Received | 0.36 | 0.36 |
| Profit on sales of Property, Plant and Equipment | 2.30 | 0.86 |
| **Total** | **21.83** | **4.51** |

## 30. COST OF MATERIAL CONSUMED

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Opening Balance** | 656.22 | 625.86 |
| Add : Purchases during the year | 6,113.84 | 6,352.65 |
| | **6,770.06** | **6,978.51** |
| Less: Closing Stock | 670.01 | 656.22 |
| **Total material consumed** | **6,100.05** | **6,322.29** |

## 31. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN TRADE

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Opening Stock** | | |
| Finished Goods | 120.58 | 56.76 |
| Work in process | 260.11 | 254.30 |
| | **380.69** | **311.06** |
| **Closing Stock** | | |
| Finished Goods | 145.14 | 120.58 |
| Work in process | 202.72 | 260.11 |
| | **347.86** | **380.69** |
| **Total** | **32.83** | **(69.63)** |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 32. EMPLOYEE BENEFITS EXPENSES

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Salaries, bonus and allowances | 977.23 | 964.93 |
| Contribution to Provident and other funds | 62.21 | 57.52 |
| Staff welfare expenses | 16.00 | 18.00 |
| **Total** | **1,055.43** | **1,040.45** |

## 33. FINANCE COSTS

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost : | | |
| - on borrowings | 68.27 | 67.02 |
| - on lease liabilities | 0.15 | 0.15 |
| - other Interest cost | 56.40 | 49.70 |
| Other borrowing cost | 3.26 | 4.81 |
| **Total** | **128.08** | **121.68** |

## 34. OTHER EXPENSES

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Power and Fuel & Water Charges | 152.05 | 150.42 |
| Carriage Inwards Expenses | 22.61 | 25.96 |
| Processing Charges | 217.59 | 225.32 |
| Consumable Stores | 32.72 | 26.60 |
| Testing & Calibration Expenses | 2.32 | 2.66 |
| Repairs and Maintenance | 76.73 | 67.50 |
| **(A)** | **504.03** | **498.47** |
| **Selling and Distribution Expenses** | | |
| Advertisement & Sales promotion expenses | 2.26 | 0.44 |
| Carriage & Octroi (Outward) | 27.84 | 26.74 |
| **(B)** | **30.10** | **27.18** |
| **Establishment Expenses** | | |
| Rent | 12.30 | 9.17 |
| Rates and Taxes | 1.86 | 5.34 |
| Auditors' Remuneration | | |
| - Audit Fees | 1.15 | 0.85 |
| - In Other Capacity * | 0.69 | 0.76 |
| Legal and Professional Charges | 47.40 | 7.70 |
| Communication Expenses | 2.38 | 2.46 |
| Travelling and Conveyance Expenses | 14.21 | 12.71 |
| Vehicle Running & Maintenance | 19.34 | 17.21 |

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Insurance Expenses | 10.16 | 5.11 |
| Provision for Doubtful Receivables | 1.15 | (0.15) |
| Sitting Fees to non-executive directors | 0.91 | 0.68 |
| Corporate Social Responsibility Expenses (refer note 44) | 6.04 | 4.41 |
| Research & Product Development Expenses | 65.41 | 59.21 |
| Exchange Fluctuation Loss (Net) | 0.05 | 0.02 |
| Miscellaneous Expenditure | **34.46** | **17.29** |
| **(C)** | **217.53** | **142.77** |
| **Total (A to C)** | **751.66** | **668.42** |

* excluding Professional fee of ₹ 7.50 Million paid to the Statutory Auditors of Company towards IPO.

## 35. EARNING PER SHARE (EPS)

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Basic & Diluted Earnings per share : | | |
| Profit/(Loss) for the year | 211.55 | 318.33 |
| Profit/(Loss) attributable to ordinary shareholders (A) | 211.55 | 318.33 |
| Weighted average number of ordinary shares (B) | 4,43,60,013 | 4,25,74,200 |
| Nominal value of ordinary share | **₹ 5/-** | **₹ 5/-** |
| Earnings per share - Basic & Diluted (A/B) - ₹ | **4.77** | **7.48** |

## 36. DISCLOSURE WITH RESPECT TO IND AS 116 - LEASES

The Group has entered into agreements for leasing lease hold lands on lease.

**Information about Leases Assets for which the Company is a lessee is presented below :**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balance as at beginning of the year | 0.75 | 0.76 |
| Additions | 3.11 | - |
| Deletions | - | - |
| Depreciation* | (0.01) | (0.01) |
| **Balance as at end of the year** | **3.85** | **0.75** |

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Standalone Statement of Profit and Loss.

Notes to Standalone Financial Statements
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(All amounts are in ₹ Millions, unless otherwise stated)

**The changes/movement in Lease Liabilities of the Company are as follows:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Balance as at beginning of the year** | **1.97** | **1.98** |
| Additions | 3.11 | - |
| Deletions | - | - |
| Payment of lease liabilities | (0.08) | (0.17) |
| Accreditation of interest | 0.15 | 0.15 |
| **Balance as at end of the year** | **5.15** | **1.97** |
| Current Liabilities | 0.06 | 0.05 |
| Non-Current Liabilities | 5.09 | 1.91 |
| Total cash outflow for leases | (0.08) | (0.17) |

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Such lease liabilities are related to Leasehold lands having maturity period of more than 5 year.

**The table below provides details regarding amounts recognised in the Standalone Statement of Profit and Loss:**

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Expenses relating to short-term leases and/or leases of low-value items | 12.30 | 9.17 |
| Interest on lease liabilities | 0.15 | 0.15 |
| Depreciation expense | 0.01 | 0.01 |
| **Total** | **12.47** | **9.33** |

37. The Group has recognised the following amounts in the Standalone financial Information as per Ind AS - 19 "Employees Benefits" as specified in the Companies (Indian Accounting Standards) Rules, 2015:

a) **Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised are charged to the Standalone Statement of Profit and Loss for the year as under :

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Employer's Contribution to Provident Fund and other | 62.21 | 57.52 |

b) **Defined Benefit Plan**

The employees' gratuity fund scheme is managed by Kotak Mahindra Life Insurance Limited, Bajaj Allianz Life Insurance Co. Limited and Birla Sun Life Insurance Co. Limited which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation and the obligation for leave encashment is recognised in the same manner as gratuity.

**Actuarial assumptions**

| Particulars | Gratuity (Funded) | | Leave Encashment | |
|---|---|---|---|---|
| | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 |
| Discount rate (per annum) | 7.45% | 7.00% | 7.45% | 7.00% |
| Salary Escalation Rate | 5.00% | 5.00% | 5.00% | 5.00% |
| Average remaining working lives of employees (Years) | 24.08 | 24.00 | - | - |

| Particulars | Gratuity (Funded) | | Leave Encashment | |
|---|---|---|---|---|
| | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 |
| **Table showing changes in present value of obligations :** | | | | |
| Present value of obligation as at the beginning of the year | 124.05 | 122.77 | 14.64 | 13.34 |
| Interest Cost | 8.68 | 7.67 | 1.02 | 0.83 |
| Current Service Cost | 11.24 | 10.68 | 14.57 | 13.02 |
| Benefits paid | (5.72) | (49.73) | (3.33) | (2.06) |
| Actuarial (gain)/ loss on obligations | (5.42) | 32.65 | (10.72) | (10.49) |
| Present value of obligation as at the end of the year | 132.83 | 124.05 | 16.19 | 14.64 |
| **Table showing changes in the fair value of plan assets :** | | | | |
| Fair value of plan assets at beginning of the year | 129.37 | 123.84 | 7.14 | 6.84 |
| Actual return of plan assets | 9.06 | 7.74 | 0.50 | 0.43 |
| Employer contribution | 11.70 | 4.03 | 3.33 | 2.06 |
| Benefits paid | (5.72) | (49.73) | (3.33) | (2.06) |
| Actuarial gain/ (loss) on obligations | (6.14) | 43.48 | (0.21) | (0.13) |
| Charges deducted | - | - | - | - |
| Fair value of plan assets at the end of year | 138.27 | 129.37 | 7.43 | 7.14 |
| **Other Comprehensive Income** | | | | |
| Actuarial (gain) / loss for the year - Obligation | (5.42) | 32.65 | (10.72) | (10.49) |
| Actuarial (gain) / loss for the year - Plan assets | 6.14 | (43.48) | (0.21) | (0.13) |
| Total (gain) / loss for the year | 0.72 | (10.83) | (10.93) | (10.62) |
| **The amounts to be recognised in Standalone Statement of Assets and Liabilities :** | | | | |
| Present value of obligation as at the end of the year | 132.83 | 124.05 | 16.19 | 14.64 |
| Fair value of plan assets as at the end of the year | 138.27 | 129.37 | 7.43 | 7.14 |
| Net (asset)/ liability recognised in Consolidated Ind AS Balance Sheet | (5.43) | (5.32) | 8.76 | 7.50 |
| **Expenses recognised in Standalone Statement of Profit and Loss :** | | | | |
| Current service cost | - | 10.68 | 14.57 | 13.02 |
| Interest Cost | - | (0.07) | 0.52 | 0.41 |
| Expenses recognised in the Consolidated statement of profit and loss | - | 10.61 | 15.10 | 13.42 |
| **Sensitivity analysis of the defined benefit obligation:** | | | | |
| Impact of the change in Discount Rate | | | | |
| Present Value of Obligation at the end of the year | 132.83 | 124.05 | 16.19 | 14.64 |
| Impact due to increase of 1% | (9.14) | (8.89) | (0.80) | (0.72) |
| Impact due to decrease of 1% | 10.60 | 10.33 | 0.95 | 0.91 |
| Impact of the change in salary increase | | | | |
| Present Value of Obligation at the end of the year | 132.83 | 124.05 | 16.19 | 14.64 |
| Impact due to increase of 1% | 10.07 | 9.78 | 0.89 | 1.02 |
| Impact due to decrease of 1% | (8.83) | (8.57) | (0.77) | (0.89) |

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**Sensitivities due to mortality & withdrawals are insignificant & hence ignored.**

| Particulars | Gratuity (Funded) | | Leave Encashment | |
|---|---|---|---|---|
| | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 |
| **Maturity profile of defined benefit obligation:** | | | | |
| Year 1 | 21.11 | 19.06 | 7.86 | 6.91 |
| Year 2 | 9.67 | 8.97 | 0.70 | 0.61 |
| Year 3 | 9.37 | 8.91 | 0.63 | 0.65 |
| Year 4 | 13.17 | 8.48 | 0.83 | 0.55 |
| Year 5 | 12.29 | 11.76 | 0.72 | 0.78 |
| Year 6 to 10 | 60.19 | 57.38 | 4.20 | 3.74 |
| **Investment Details** | | | | |
| Funds managed by Insurance Companies | 137.34 | 128.65 | 7.43 | 7.14 |
| Cash / Bank Balance | 0.93 | 0.72 | - | - |

Note: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuarial Valuer.

## 38. DISCLOSURE AS REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT):

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Principal amount remaining unpaid to micro & small enterprises | 224.67 | 147.79 |
| Interest due on above | - | - |
| Interest paid during the period beyond the appointed day | - | - |
| Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act. | - | - |
| Amount of interest accrued and remaining unpaid at the end of the period | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act | - | - |

Note: The above information and that given in Note 24' Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors. The Company has not received any claim for interest from any supplier as at the balance sheet date.

* Includes ₹209.53 Millions (P.Y. ₹129.47 Millions) outstanding, but not overdue to micro and small enterprises as on 31st March, 2023.

## 39. COMMITMENTS AND CONTINGENCIES

**(a) Contingent Liabilities not provided for in respect of :**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| (i) Unexpired Letters of Credit | 47.27 | 31.49 |
| (ii) Guarantees given by banks on behalf of the Company | 48.76 | 12.40 |
| (iii) Claims against the Company towards Sales tax, Provident fund, GST and others in dispute not acknowledged as debt | 12.71 | 13.49 |

**Notes:**

i) The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax 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 Information. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.

ii) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, The Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.

iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

iv) The Company does not have outstanding term derivative contracts as at the end of respective years.

v) There were no amounts which were required to be transferred to the investor Education and Protection fund by the Company at the end of respective years.

**(b) Capital Commitments**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 19.68 | 54.38 |

**40.** 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 significantly differ from the amount at which it is stated.

## 41. RESEARCH & DEVELOPMENT (R&D) EXPENDITURE

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Revenue Expenditure | 65.41 | 59.21 |
| Capital Expenditure | 4.65 | 1.80 |
| **Total** | **70.06** | **61.02** |

**41.1** Capital expenditure incurred on R&D is included in the Property Plant and Equipment and depreciation is provided on the same at respective applicable rates.

**41.2** Revenue expenditure incurred on R&D has been shown under Other Expense head in the Statement of Profit and loss.

Notes to Standalone Financial Statements
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## 42. RELATED PARTY DISCLOSURES" AS REQUIRED BY IND AS - 24 :

**(i). Name and description of related parties.**

| Relationship | Name of Related Party | |
|---|---|---|
| **(a) Key management personnel :** | Mr. M.L. Sethia | (Chairman) |
| | Mr. Kamal Sethia | (Managing Director) |
| | Mr. Sanjeev Sethia | (Whole Time Director - EMS) |
| | Mr. Sumit Sethia | (Whole Time Director - Goa Operation) |
| | Mr. Kishor Sethia | (Whole Time Director - Works)<br>(Ceased w.e.f. 6th September, 2021)<br>(Key Managerial Personal*)<br>(w.e.f. 30th September, 2021) |
| | Mr. Vinay Kumar Sethia | (Whole Time Director- Commercial)<br>(Ceased w.e.f. 6th September, 2021)<br>(Key Managerial Personal*)<br>(w.e.f. 30th September, 2021)<br>(Ceased w.e.f. 1st April, 2022) |
| | Mr. Raj Karan Chhajer | (Chief Financial Officer)<br>(w.e.f. 30th September, 2021) |
| | Mr. Avinash Karwa | (Company Secretary and Compliance Officer) (Ceased w.e.f. 14th June, 2022) |
| | Ms.Lata Rani Pawa | (Company Secretary and Compliance Officer) (w.e.f. 14th June, 2022) |
| **(b) Relative of Key management personnel :** | Mr. Gaurav Sethia | |
| | Ms. Khushboo Sethia | |
| | Ms. Kanika Sethia | |
| | Ms. Suman Sethia | |
| | Ms. Vasudha Sethia | |
| | Ms. Kanchan Sethia | |
| | Mr.Vijay Singh Sethia | |
| | Ms. Santosh Sethia | |
| | Ms. Shweta Sethia | |
| | Mr. Deepak Sethia | |
| | Mr. Sushil Kumar Sethia | |
| **(c) Post Employment Benefit Plans** | Elin Electronics Limited Employees Group Gratuity Trust | |
| **(d) Enterprises owned or Significantly influenced by key management personnel or their relatives.** | Kanchan Commercial Co. Private Limited | |
| | Magtronic Devices Private Limited | |
| | Sethia Oil Industries Limited | |
| | Kamal Sethia & Sons HUF | |
| | Vijay Singh Sethia And Sons HUF | |
| | Sushil Kumar Sethia & Sons HUF | |
| | Vinay Kumar Sethia Sons | |
| | Deepak Sethia And Sons | |

* As per section 2(51) of Companies Act 2013

Note: Related party relationship is as identified by the Company and relied upon by the auditors

**(ii) Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at respective years are as under:**

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Purchases/receiving of Goods & services** | | |
| Elin Appliances Private Limited | 1.12 | 2.23 |
| **Sales/rendering of Goods & services** | | |
| Elin Appliances Private Limited | 419.54 | 537.78 |
| Sethia Oil Industries Limited | - | 0.01 |
| **Sale of Property, Plant and Equipment** | | |
| Elin Appliances Private Limited | 3.52 | - |
| **Income - Rent /Other income** | | |
| Magtronic Devices Private Limited | 0.36 | 0.36 |
| **Expenses - Rent /Other expenses** | | |
| Kanchan Commercial Co. Private Limited | 0.60 | 0.60 |
| Elin Appliances Private Limited | 3.84 | 3.84 |
| **Closing Balances of Receivables** | | |
| Elin Appliances Private Limited | 48.44 | 44.10 |
| **Contribution towards Gratuity Liabilities** | | |
| Elin Electronics Limited Employees Group Gratuity Trust | 11.70 | 4.03 |
| **Remuneration of Key Management Personnel** * | | |
| Mr. M.L. Sethia | 3.64 | 3.64 |
| Mr. Kamal Sethia | 8.47 | 5.17 |
| Mr. Kishor Sethia | 8.47 | 4.96 |
| Mr. Sanjeev Sethia | 8.47 | 5.49 |
| Mr. Vinay Kumar Sethia | - | 5.38 |
| Mr. Sumit Sethia | 9.41 | 6.87 |
| Mr. Raj Karan Chhajer | 2.44 | 1.25 |
| Ms. Lata Rani Pawa | 1.01 | - |
| Mr. Avinash Karwa | 0.49 | 2.76 |
| **Dividend paid to Key Management Personnel** | | |
| Mr. Kamal Sethia | 2.23 | - |
| Mr. Kishor Sethia | 3.64 | - |
| Mr. Sanjeev Sethia | 0.92 | - |
| Mr. Vinay Kumar Sethia | 0.63 | - |
| Mr. Sumit Sethia | 0.86 | - |
| **Dividend paid to Relatives of Key Management Personnel** | | |
| Kanika Sethia | 0.15 | - |
| Suman Sethia | 3.96 | - |
| Vasudha Sethia | 1.08 | - |
| Kanchan Sethia | 1.18 | - |
| Vijay Singh Sethia | 0.69 | - |
| Santosh Sethia | 0.82 | - |
| Shweta Sethia | 0.11 | - |

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| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Vinay Kumar Sethia Sons | 0.01 | - |
| Deepak Sethia | 0.82 | - |
| Deepak Sethia And Sons | 0.02 | - |
| Sushil Kumar Sethia | 0.47 | - |
| Kamal Sethia & Sons Huf | 0.27 | - |
| Vijay Singh Sethia and Sons Huf | 0.14 | - |
| Sushil Kumar Sethia & Sons (Huf) | 0.01 | - |
| Gaurav Sethia | 3.14 | - |
| **Payable to Key Management Personnel (Remuneration)** | | |
| Mr. Sumit Sethia | 0.31 | - |

* As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and therefore, not included above.

The transactions for the year do not include reimbursement of IPO related expenses and its outstanding payable balances, incurred on behalf of related parties as selling shareholders in Offer for Sale. Refer note 51 of the financial statements for detailed note on IPO and expenses incurred by the Company and allocated to selling shareholders.

## 43. SEGMENT REPORTING

The Company publishes the Standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

## 44. CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

| Particulars | | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|---|
| a. | amount required to be spent by the Company during the year, | 6.01 | 4.40 |
| b. | amount of expenditure incurred, | 6.04 | 4.41 |
| c. | shortfall at the end of the year, | - | - |
| d. | total of previous years shortfall, | - | - |
| e. | reason for shortfall, | - | - |
| f. | nature of CSR activities, | | |
| | On promotion of Education | 5.67 | 3.16 |
| | On promoting health care including preventive health care and sanitation | 0.30 | 1.20 |
| | Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air | 0.07 | - |
| | Disaster management, including relief, rehabilition and reconstruction activities | - | 0.05 |
| g. | details of related party transactions, e., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard, | Nil | Nil |
| h. | where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period should be shown separately | Nil | Nil |

## 45. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents, trade and other receivables that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

### 45.1 Financial Instruments by category

| Particulars | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| **Financial Assets** | | | | | | |
| (i) Investments- Equity Instruments (level 2) | - | - | - | - | - | - |
| (ii) Investments- Mutual Funds (level 1) | 260.11 | - | - | 7.14 | - | - |
| (iii) Trade receivables | - | - | 1,443.47 | - | - | 1,217.41 |
| (iv) Cash and cash equivalents | - | - | 3.81 | - | - | 39.40 |
| (v) Bank balances other than (iv) above | - | - | 992.70 | - | - | 9.21 |
| (vi) Loans | - | - | 1.60 | - | - | - |
| (vii) Other Financial Assets | - | - | 380.88 | - | - | 26.36 |
| **Total financial assets** | **260.11** | **-** | **2,822.46** | **7.14** | **-** | **1,292.38** |
| **Financial liabilities** | | | | | | |
| (i) Borrowings | - | - | 646.64 | - | - | 853.01 |
| (ii) Lease Liabilities | - | - | 5.15 | - | - | 1.97 |
| (iii) Trade payables | - | - | 1,022.65 | - | - | 812.91 |
| (iv) Other financial liabilities | - | - | 118.86 | - | - | 79.72 |
| **Total Financial liabilities** | **-** | **-** | **1,793.30** | **-** | **-** | **1,747.60** |

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorised into Level 1 , Level 2 and Level 3 inputs. There are no transfers between level 1, level 2 and level 3 during the years presented.

**Significant estimates:**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

### 45.2 Management of Financial Risk

**Liquidity risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the year closing date.

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| | Notes Nos. | Carrying amount | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|---|
| **As at 31st March, 2023** | | | | | |
| Borrowings (excluding lease liabilities) | 21, 23 | 646.64 | 250.73 | 395.91 | **646.64** |
| Lease Liabilities | 36 | 5.15 | 0.06 | 5.09 | **5.15** |
| Trade payables | 24 | 1,022.65 | 1,022.65 | - | **1,022.65** |
| Other liabilities | 25 | 118.86 | 118.86 | - | **118.86** |
| **As at 31st March, 2022** | | | | | |
| Borrowings (excluding lease liabilities) | 21, 23 | 853.01 | 522.17 | 330.84 | **853.01** |
| Lease Liabilities | 36 | 1.97 | 0.05 | 1.91 | **1.97** |
| Trade payables | 24 | 812.91 | 812.91 | - | **812.91** |
| Other liabilities | 25 | 79.72 | 79.72 | - | **79.72** |

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI & FVTPL investments.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates. The Company does not expose to the risk of changes in market interest rates as Company's long and short term debt obligations are of fixed interest rate.

**Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities (when certain purchases and trade payables are denominated in a foreign currency).

The Company undertakes transactions denominated in foreign currencies and consequently, exposes to exchange rate fluctuations. The Company does not enter into trade financial instruments including derivate financial instruments for hedging its foreign currency risk. The appropriateness of the risk policy is reviewed periodically with reference to the approved foreign currency risk management policy followed by the Company.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks  and other financial instruments.

**Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. To manage trade receivable, The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 45. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Company's policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

None of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur.

**Capital management**

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and Maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain investor and creditors confidence.

**The following table provides detail of the debt and equity at the end of the reporting period :**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Gross Debt | 646.64 | 853.01 |
| Less : Cash and Cash equivalents (Note 14) | 3.81 | 39.40 |
| **Net Debt (A)** | **642.83** | **813.61** |
| Total Equity (B) | 4,219.50 | 2,377.41 |
| **Net Debt to Equity Ratio (A/B)** | **0.15** | **0.34** |

## 46. FOREIGN CURRENCY EXPOSURE

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations will arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| Trade payable | USD/₹ | 70.20 | 34.81 |
| | Amount in FC | 8,38,405.41 | 4,53,410.82 |
| | CNY/₹ | - | - |
| | Amount in FC | - | - |
| Trade receivable | USD/₹ | 18.10 | 8.59 |
| | **Amount in FC** | **2,20,806.93** | **1,14,174.75** |

**Foreign currency sensitivity analysis:**

The following details are demonstrate The Company's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

| Impact on profit or loss | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| ₹ strengthens by 5% | USD Impact | (2.61) | (1.31) |
| | CNY Impact | - | - |
| ₹ weakening by 5% | USD Impact | 2.61 | 1.31 |
| | **CNY Impact** | **-** | **-** |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 47. TAX RECONCILIATION

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Net Profit as per standalone statement of profit and loss (before tax)** | **276.84** | **430.56** |
| **Current Tax rate @ Applicable Tax Rates** | **69.67** | **108.36** |
| *Adjustment:* | | |
| Allowability of Depreciation & Employee Benefits | (10.22) | (9.46) |
| Amount of eligible / ineligible expenditure | 4.48 | 2.59 |
| Tax deductions, Exemptions & Losses Set Off | (1.17) | - |
| Taxation of Capital Gains | 0.44 | 0.16 |
| Other adjustments | (2.31) | 1.93 |
| Tax Provision as per Books | **60.89** | **103.58** |

## 48. FINANCIAL RATIOS

| Ratios/Measure | Methodology | 31st March, 2023 | 31st March, 2022 | Variation |
|---|---|---|---|---|
| a) Current ratio | Current assets over current liabilities | 2.56 | 1.66 | 54.30% |
| b) Debt equity ratio | Net Debt over total shareholders' equity | 0.15 | 0.34 | (55.48)% |
| c) Debt service coverage ratio | Earnings available for debt services over total debt | 77.61% | 66.44% | 16.81% |
| d) Return on equity % | PAT over total average equity | 6.41% | 14.40% | (55.47)% |
| e) Inventory turnover ratio | Cost of goods sold over average inventory | 6.11 | 6.59 | (7.15)% |
| f) Trade receivables turnover ratio | Revenue from operations over average trade receivables | 6.52 | 6.52 | (0.01)% |
| g) Trade payables turnover ratio | Net Purchases over average trade payables | 6.86 | 7.95 | (13.70)% |
| h) Net capital turnover ratio | Revenue from operations over average working capital | 8.61% | 18.05% | (52.30)% |
| i) Net profit % | Net profit over revenue | 2.44% | 3.57% | (31.66)% |
| j) Return on capital employed % | Earning before interest and taxes over Capital employed | 8.18% | 16.69% | (51.01)% |
| k) Return on investment | Interest income, net gain on sale of investments and net fair value gain over average investments. | 2.98% | 17.12% | (82.58)% |

**Notes:-**

Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.

"Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

Working Capital implies Current Assets less Current Liabilities.

Capital employed refers to sum of tangible net-worth, total debts and deferred tax liability as at close of year.

**Explanation for variances exceeding 25%**

a) Current ratio is increased due to pending IPO proceeds in Monitoring Account & Bank Deposits.

b) Debt equity ratio is reduced due to repayment of borrowings as part of utilisation of IPO proceeds during the year.

d, i, j) Due to lower profitability, Return on equity, Net Profit and Return on capital employed ratio have declined.

h) Net Capital turnover ratio is declined due to lower sales and higher current assets

k) Return on Investment is decreased due to sale of Mutual Fund investments during the year resulting into lesser return compared to last year.

## 49. OTHER STATUTORY INFORMATION

i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

v) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

vi) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

vii) The Company is not declared wilful defaulter by and bank or financials institution or lender during the year.

viii) The Company has certain charges which are either pending for registration of modification or satisfaction with the ROC, as the instrument for modification or satisfaction of charge is pending to be executed between the Company and lenders. Pending such execution of instrument, the Company does not have any other charges or satisfaction as on 31st March, 2023 which is yet to be registered with ROC beyond the statutory period.

ix) Quarterly returns/statements of current assets filed by the Company with banks are generally in agreement with the books of account.

x) The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(xi) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.

xii) The Company does not have any transactions with companies which are struck off.

## 50. PARTICULARS IN RESPECT OF LOANS GIVEN, INVESTMENT MADE OR GUARANTEE GIVEN OR SECURITY PROVIDED AS REQUIRED PERSUANT TO SECTION 186(4) OF COMPANIES ACT, 2013

| Nature of Transaction (Loans given / Investment made / Guarantee given / Security provided) | Purpose for which the loan / guarantee / security is proposed to be utilised by the recipient | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| Loans Given to Others | | | |
| ELCINA Electronics Manufacturing Cluster Private Limited | To meet the borrower unplanned and out of budget payments. The loan carries interest of 8.75% p.a. and repayable within 12 months. | 1.60 | - |

Notes to Standalone Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 51. INITIAL PUBLIC OFFERING (IPO)

The Company has completed Initial Public Offer (IPO) of 1,92,30,746 equity shares comprising a fresh issue of 70,85,020 equity shares and offer for sale by selling shareholders of 1,21,45,726 equity shares of face value of ₹ 5 each at premium of ₹ 242 per share aggregating to ₹4,750.00 Million. Pursuant to the IPO, the equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from 30th December, 2022.

As on 31st March, 2023, the Company had incurred ₹ 266.88 Million as IPO related expenses (incl. provision for certain invoices) and allocated such expenses between the Company ₹ 98.48 Million and selling shareholders ₹ 168.40 Million. Such amounts were allocated based on agreement with selling shareholders and in proportion to the total proceeds from the IPO. The Company's share of expenses of ₹ 84.37 Million (net of GST credit of ₹ 14.12 Million) has been adjusted to securities premium. Refer note 20 of the standalone financial statements.

Subsequent to the listing of shares of Company, the IPO related expenses of ₹ 177.64 Million were recovered from the selling shareholders as per the original estimated expenses mentioned in the prospectus filed with RoC. With the finalisation of revised issue expenses as mentioned above, sum of ₹ 9.24 Million is payable to selling shareholders at the end of the year and shown under current liabilities. Refer note 25 of the standalone financial statements.

**Detail of Utilisation of IPO Proceeds is as under:**

| Item Head | Estimated net proceeds as per Prospectus | Revised Net Proceeds | Utilised upto 31st March, 2023 | Unutilised as on 31st March, 2023 |
|---|---|---|---|---|
| Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company | 880.00 | 880.00 | 295.88 | 584.12 |
| Funding capital expenditure towards upgrading and expanding our existing facilities at (i) Ghaziabad, Uttar Pradesh and (ii) Verna, Goa | 375.89 | 375.89 | - | 375.89 |
| General corporate purposes @ | 390.24 | 395.63 | 390.24 | 5.39 |

@ adjusted based on the final share of company's issue expenses.

IPO proceeds which were unutilised as at 31st March, 2023 were temporarily retained/parked in the Monitoring Agency & Escrow Account and Fixed Deposits.

## 52. SUBSEQUANT EVENT NOTE

On 30th May, 2023, the Board of Directors of the Company have proposed a dividend of ₹ 1 per share (20%) of face value of ₹ 5 each in respect of the year ended 31st March, 2023 subject to the approval of shareholders at the Annual General Meeting.

**53.** Figures for the previous years have been regrouped/rearranged wherever necessary to confirm current period classification / presentation.

As per our report of even date attached

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

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

**M.L.Sethia**
Chairman & Whole Time Director
DIN: 00081367

**Sanjeev Sethia**
Whole Time Director
DIN: 00354700

**Raj Karan Chhajer**
Chief Financial Officer
PAN: AAAPC0561C

**Lata Rani Pawa**
Company Secretary and
Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

# Independent Auditors' Report

To the Members of **Elin Electronics Limited**

**Report on the Audit of Consolidated Financial Statements**

## OPINION

We have audited the accompanying Consolidated Financial Statements of **M/s Elin Electronics Limited** (the "Company" or the "Holding Company") and its subsidiary Elin Appliances Private Limited (the Company and its subsidiary together referred to as "the Group"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Consolidated Financial Statements, including a summary of 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), of the consolidated state of affairs of the Company as at 31st March, 2023, its consolidated profit (including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon. The other information comprising the above documents is expected to be made available to us after the date of this auditor's report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

When we read the other information comprising the above documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian

Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated 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 respective Board of Directors are responsible for overseeing the Company's financial reporting process.

## 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 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 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 Company 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.

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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

2. As required by Section 143(3) of the Act, based on our audit 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.

   e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the subsidiary company, none of the directors of the Group's companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**.

   g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiary to their directors 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, 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 financial position in its Consolidated Financial Statements - Refer Note 38(a) to the Consolidated Financial Statements.

      ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Group did not have any derivative contracts.

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

      iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the holding Company or its subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding Company or its subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the holding company or its subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding company or its subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) (a) The final dividend declared and paid by the Holding Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) As stated in Note 52 to the consolidated financial statements, the Board of Directors of the Holding company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting of the holding company. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, to the Company, its subsidiaries incorporated in India and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**CA Nishant Bhansali**
Partner
M. No.: 532900
UDIN: 23532900BGVCKJ2132

Place: New Delhi
Dated: May 30, 2023

# ‘Annexure A’ 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’)

In conjunction with our audit of the consolidated financial statements of Elin Electronics Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary (the Holding Company and its subsidiary together referred to as “the Group”), as of that date.

## MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the companies included in the Group are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 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.

## AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditors’ 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 internal financial controls with reference to consolidated financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

## OPINION

In our opinion, to the best of our information and according to the explanations given to us, 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 at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**CA Nishant Bhansali**
Partner
M. No.: 532900
UDIN: 23532900BGVCKJ2132

Place: New Delhi
Dated: May 30, 2023

# Consolidated Balance Sheet

As at 31st March, 2023

(All amounts are in ₹ Millions, unless otherwise stated)

| Particulars | Note No(s) | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current Assets** | | | |
| (a) Property, Plant and Equipment | 3 | 2,308.74 | 1,875.47 |
| (b) Capital work-in-progress | 4 | 0.91 | 0.24 |
| (c) Right-of-use-assets | 35 | 3.85 | 0.75 |
| (d) Intangible assets (other than Goodwill) | 5 | 11.15 | 4.15 |
| (e) Financial Assets | | | |
| (i) Investments | 6 | 0.74 | 0.58 |
| (ii) Other Financial Assets | 7 | 358.32 | 18.67 |
| (f) Other non-current assets | 9 | 45.95 | 205.67 |
| **Total Non Current Assets** | | **2,729.66** | **2,105.54** |
| **Current Assets** | | | |
| (a) Inventories | 10 | 1,234.27 | 1,197.15 |
| (b) Financial Assets | | | |
| (i) Investments | 11 | 264.70 | 11.55 |
| (ii) Trade receivables | 12 | 1,974.11 | 1,773.73 |
| (iii) Cash and cash equivalents | 13 | 3.94 | 40.14 |
| (iv) Bank balances other than (iii) above | 14 | 992.70 | 9.21 |
| (v) Loans | 15 | 1.60 | - |
| (vi) Other Financial Assets | 16 | 25.02 | 9.72 |
| (c) Current Tax Assets (net) | 17 | 14.94 | 7.99 |
| (d) Other current assets | 18 | 100.79 | 171.60 |
| **Total Current Assets** | | **4,612.07** | **3,221.09** |
| **Total Assets** | | **7,341.73** | **5,326.63** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity Share Capital | 19 | 239.63 | 204.20 |
| (b) Other Equity | 19 | 4,691.35 | 2,827.00 |
| **Total Equity** | | **4,930.97** | **3,031.20** |
| **LIABILITIES** | | | |
| **Non-current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 20 | 395.91 | 339.64 |
| (ii) Lease liabilities | 35 | 5.09 | 1.91 |
| (b) Provisions | 21 | 9.74 | 9.05 |
| (c) Deferred tax liabilities (Net) | 8 | 103.59 | 92.22 |
| **Total Non Current Liabilities** | | **514.33** | **442.83** |
| **Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 22 | 382.56 | 683.67 |
| (ii) Lease Liabilities | 35 | 0.06 | 0.05 |
| (iii) Trade payables | | | |
| - total outstanding dues of micro and small enterprises | 23 | 320.44 | 221.08 |
| - total outstanding dues to other than micro and small enterprises | 23 | 948.61 | 771.30 |
| (iv) Other financial liabilities | 24 | 132.75 | 93.78 |
| (b) Current Tax liabilities (Net) | 17 | 2.38 | 22.69 |
| (c) Other current liabilities | 25 | 84.83 | 51.15 |
| (d) Provisions | 26 | 24.78 | 8.87 |
| **Total Current Liabilities** | | **1,896.42** | **1,852.60** |
| **Total Liabilities** | | **2,410.75** | **2,295.42** |
| **Total Equity and Liabilities** | | **7,341.73** | **5,326.63** |

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

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

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

**M.L.Sethia**
Chairman & Whole Time Director
DIN: 00081367

**Sanjeev Sethia**
Whole Time Director
DIN: 00354700

**Raj Karan Chhajer**
Chief Financial Officer
PAN: AAAPC0561C

**Lata Rani Pawa**
Company Secretary and
Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

# Consolidated Statement of Profit & Loss

for the year ended 31st March, 2023

(All amounts are in ₹ Millions, unless otherwise stated)

| Particulars | | Note No(s) | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|---|---|
| **I** | **INCOME** | | | |
| | Revenue from operations | 27 | 10,754.28 | 10,937.54 |
| | Other Income | 28 | 22.67 | 9.14 |
| | **Total Income (I)** | | **10,776.96** | **10,946.68** |
| **II** | **EXPENSE** | | | |
| | Cost of Material Consumed | 29 | 7,800.60 | 7,924.07 |
| | Purchases of stock-in trade | | 184.46 | 282.97 |
| | Change in inventories of finished goods, work-in progress and stock-in trade | 30 | (17.73) | (50.30) |
| | Employee benefits expense | 31 | 1,288.41 | 1,252.44 |
| | Finance Costs | 32 | 130.62 | 127.04 |
| | Depreciation, Impairment & amortisation expenses | 3, 5, 35 | 186.10 | 143.53 |
| | Other Expenses | 33 | 847.47 | 738.19 |
| | **Total Expenses (II)** | | **10,419.93** | **10,417.95** |
| **III** | **Profit before tax (I - II)** | | **357.02** | **528.73** |
| **IV** | **Tax expenses** | | | |
| | - Current tax | | 79.91 | 127.94 |
| | - Deferred Tax | | 9.09 | 8.98 |
| | | | **89.00** | **136.92** |
| **V** | **Profit for the year (III-IV)** | | **268.02** | **391.81** |
| **VI** | **Other comprehensive Income (OCI):** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | (i) Remeasurements of defined benefit plans | | 9.08 | 22.30 |
| | (ii) Income tax on above item | | (2.29) | (5.61) |
| | (iii) Gain/(Loss) on Equity Instruments designated through OCI | | 0.16 | - |
| | **Total Other comprehensive income/(loss) for the year** | | **6.96** | **16.69** |
| **VII** | **Total comprehensive income for the year (V + VI)** | | **274.98** | **408.50** |
| **VIII** | **Earnings per share from continuing and total operations attributable to the equity holders of the Company [face value of ₹ 5/- each]** | **34** | | |
| | - Basic and diluted (amount in ₹) | | 6.29 | 9.59 |

The accompanying notes form an integral part of the Consolidated financial statements

As per our report of even date attached

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

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

**M.L.Sethia**
Chairman & Whole Time Director
DIN: 00081367

**Sanjeev Sethia**
Whole Time Director
DIN: 00354700

**Raj Karan Chhajer**
Chief Financial Officer
PAN: AAAPC0561C

**Lata Rani Pawa**
Company Secretary and
Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

# Consolidated Statement of Cash Flows

for the year ended 31st March, 2023

(All amounts are in ₹ Millions, unless otherwise stated)

| Particulars | | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|---|
| I. | **CASH FLOW FROM OPERATING ACTIVITIES :** | | |
| | **Net Profit before taxes** | **357.02** | **528.73** |
| | Adjustments for : | | |
| | Depreciation, Impairment and Amortisation expenses | 186.10 | 143.53 |
| | (Gain)/Loss on disposal of property, plant and equipment | (2.00) | (1.40) |
| | Fair value (gain)/loss on investments | (4.91) | (5.87) |
| | Bad Debts, advances and miscellaneous balances written off | 0.33 | (0.42) |
| | Dividend and interest income classified as investing cash flows | (15.25) | (1.51) |
| | Finance costs (net) | 130.62 | 127.04 |
| | | 294.88 | 261.37 |
| | **Change in operating assets and liabilities :** | | |
| | (Increase)/ Decrease in Trade and other receivables | (200.71) | 53.01 |
| | (Increase)/ Decrease in Inventories | (37.12) | (47.22) |
| | Increase/ (Decrease) in Trade payables | 276.67 | (53.43) |
| | (Increase)/ Decrease in other financial assets | (113.75) | 4.65 |
| | (Increase)/ Decrease in other non-current assets | 42.39 | (17.43) |
| | (Increase)/ Decrease in other current assets | 12.64 | (39.50) |
| | Increase/ (Decrease) in provisions | 25.68 | 23.94 |
| | Increase/ (Decrease) in other current liabilities | 72.65 | 4.57 |
| | | 78.45 | (71.43) |
| | Cash generated from operations | 730.36 | 718.67 |
| | Income taxes paid/refund (net) | (107.16) | (147.61) |
| | **Net cash inflow from /(used in) operating activities** | **623.19** | **571.06** |
| II | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | (Payments) for property, plant and equipment including CWIP | (512.52) | (423.97) |
| | (Payments) for Intangible Assets | (11.13) | - |
| | Proceeds from grant on property, plant and equipment | - | 11.32 |
| | Proceeds from sale of property, plant and equipment | 15.96 | 3.11 |
| | Proceeds/(Payments) from sale of Investment (net) | (248.23) | 129.92 |
| | Maturities of / (Investment in) Bank deposit | (1,224.70) | - |
| | Payment of loan to others | (1.60) | - |
| | Dividends received | 0.04 | 0.27 |
| | Interest received | 15.21 | 1.24 |
| | **Net Cash flow from / (used in) investing activities** | **(1,966.98)** | **(278.11)** |

Standalone Statement of Cash Flows
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

| Particulars | | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|---|
| III | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Proceeds from borrowings | 250.00 | 99.10 |
| | (Repayment) of borrowings | (494.85) | (213.44) |
| | Share issue expenses | (26.19) | (58.17) |
| | Proceeds from issue of Share Capital (including Securities Premium) | 1,750.00 | - |
| | Dividend Paid | (40.84) | - |
| | (Repayment) of lease liabilities | (0.07) | (0.17) |
| | | 1,438.05 | (172.68) |
| | Less: Finance Costs paid | (130.46) | (126.89) |
| | **Net Cash flow from/ (used in) financing activities** | **1,307.58** | **(299.57)** |
| **IV** | **Net increase/(decrease) in cash & cash equivalents (I + II + III)** | **(36.20)** | **(6.62)** |
| **V** | **Cash and cash equivalents at the beginning of the financial year** | 40.14 | 46.76 |
| **VI** | **Cash and cash equivalents at end of the year** | **3.94** | **40.14** |
| | | | |
| **Notes:** | | | |
| 1 | The Consolidated Statement of Cash flow has been prepared under the indirect method as set-out in the Ind AS - 7 "Statement of Cash Flow" as specified in the Companies (Indian Accounting Standards) Rules, 2015. | | |
| 2 | Figures in bracket indicate cash outflow. | | |
| 3 | Cash and cash equivalents (refer Note 13) comprise of the followings: | | |
| | Cash on hand | 2.71 | 1.68 |
| | Cheques in hand | 0.01 | - |
| | Balances with Scheduled banks in Current accounts | 1.22 | 38.46 |
| | **Balances per statement of cash flows** | **3.94** | **40.14** |
| **4** | **Analysis of movement in borrowings** | | |
| | Borrowings at the beginning of the year | 1,023.32 | 1,137.66 |
| | Movement due to cash transactions as per the Statement of Cash Flows | (244.85) | (114.34) |
| | **Borrowings at the end of the year** | **778.47** | **1,023.32** |
| | The accompanying notes form an integral part of the Consolidated financial statements | | |

As per our report of even date attached
**For Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No.: 016520N

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

**M.L.Sethia**
Chairman & Whole Time Director
DIN: 00081367

**Sanjeev Sethia**
Whole Time Director
DIN: 00354700

**Raj Karan Chhajer**
Chief Financial Officer
PAN: AAAPC0561C

**Lata Rani Pawa**
Company Secretary and
Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

# Consolidated Statement of Changes in Equity

(All amounts are in ₹ Millions, unless otherwise stated)

## A. EQUITY SHARE CAPITAL

| Particulars | Amount # |
|---|---|
| **Balance as at 1st April, 2021** | **68.07** |
| Split of Shares into Face Value of ₹ 5 each (Refer Note 19) | - |
| Bonus shares issued of ₹ 5 each during the year (Refer Note 19) | 136.13 |
| **Balance as at 31st March, 2022** | **204.20** |
| Shares Issued through Initial Public Offer ('IPO') ($) | 35.43 |
| **Balance as at 31st March, 2023** | **239.63** |

# Net off elimination on consolidation due to equity shares being held by subsidiary company

## B. OTHER EQUITY

| Particulars | Reserves and Surplus | | | | Other Comprehensive Income | | Total |
|---|---|---|---|---|---|---|---|
| | Securities Premium | Capital Reserve | General Reserve | Retained Earnings | Changes in fair value of FVOCI equity instruments | Remeasurement of defined benefit plans | |
| **Balance as at 1st April, 2021** | **59.55** | **212.17** | **553.77** | **1,699.95** | **0.28** | **28.92** | **2,554.64** |
| Total Comprehensive Income for the year | - | - | - | 391.81 | - | 16.69 | 408.50 |
| Transfer to retained earnings | - | - | 50.00 | (50.00) | - | - | - |
| Utilised for issue of bonus shares | - | 5.78 | (141.91) | - | - | - | (136.13) |
| **Balance as at 31st March, 2022** | **59.55** | **217.95** | **461.85** | **2,041.76** | **0.28** | **45.61** | **2,827.00** |
| Total Comprehensive Income for the year | - | - | - | 268.02 | 0.16 | 6.80 | 274.98 |
| Transfer to retained earnings | - | - | 50.00 | (50.00) | - | - | - |
| Utilised for payment of Final Dividend | - | - | (40.84) | - | - | - | (40.84) |
| Premium arising on issue of equity shares through IPO ($) | 1,714.57 | - | - | - | - | - | 1,714.57 |
| Share Issue Expenses on IPO ($) | (84.37) | - | - | - | - | - | (84.37) |
| **Balance as at 31st March, 2023** | **1,689.76** | **217.95** | **471.01** | **2,259.78** | **0.440** | **52.40** | **4,691.35** |

$ Refer Note No. 51

As per our report of even date attached
**For Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No.: 016520N

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

**M.L.Sethia**
Chairman & Whole Time Director
DIN: 00081367

**Sanjeev Sethia**
Whole Time Director
DIN: 00354700

**Raj Karan Chhajer**
Chief Financial Officer
PAN: AAAPC0561C

**Lata Rani Pawa**
Company Secretary and
Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31st March 2023

(All amounts are in ₹ Millions, unless otherwise stated)

## 1. CORPORATE INFORMATION

Elin Electronics Limited ('the Company' or the "Parent Company") was incorporated in India on 26th March, 1982 under the provisions of the Companies Act, 2013 (CIN L29304WB1982PLC034725). The Company is engaged in the business of Electronics Manufacturing Services. The registered office of the Company is located at 143, Cotton Street, Kolkata, West Bengal-700007 and manufacturing plants in the state of Uttar Pradesh, Himachal Pradesh and Goa.

The Consolidated Financial Statement comprise of Elin Electronics Limited and its subsidiary, Elin Appliances Private Limited, (collectively, 'the Group'). The Consolidated Financial Statements is approved for issue by the Company's Board of Directors in their meeting held on 30th May, 2023.

**Recent accounting pronouncements:-**

The MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 on 31st March, 2023, whereby the amendments to various Indian Accounting Standards (Ind AS) has been made applicable with effect from 1st April, 2023 onwards. Amended requirements as per these rules in relation to various Standards are as follows:

- **Ind AS 1 – Presentation of Financial Statements:** The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. The Company has evaluated the requirements of the amendment and its impact on Financial Statements is not likely to be material.
- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors:** The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. The amendments will help entities to distinguish between accounting policies and accounting estimates. The Company has evaluated the requirements of the amendment and there is no impact on its Financial Statements.
- **Ind AS 12 – Income Taxes:** The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company has evaluated the requirements of the amendment and there is no impact on its Financial Statements.

Amendments to other Indian Accounting Standards viz. Ind AS 101- First-time Adoption of Indian Accounting Standards, Ind AS 102 – Share Based Payments, Ind AS 103- Business Combinations, Ind AS 107- Financial Instruments - Disclosures, Ind AS 109 - Financial Instruments, and Ind AS 34 Interim Financial Reporting are either consequential to above amendments or clerical in nature. The Company has evaluated the requirements of the amendments and there is no impact on its Financial Statements.

## 2. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the Consolidated Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Consolidated Financial Statements.

### 2.1 Basis of Preparation

#### 2.1.1 Statement of compliance

The Consolidated Financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013 ("the Act") and the accounting principles generally accepted in India. The Group has consistently applied accounting policies to all periods.

#### 2.1.2 Historical Cost Convention

The Consolidated Financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention and on accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for the following items:

| Items | Measurement basis |
|---|---|
| Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities (including derivative) | Fair value |
| Defined benefits liability | Present value of defined benefits obligations |

*Functional and presentation currency*

Items included in the Consolidated Financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian rupee (₹), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Million, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than ₹ 1,00,000 have been rounded and are presented as ₹ 0.00 Millions in the Consolidated Financial Statements.

### 2.2 Basis of Consolidation

The Consolidated Financial Statements of the Company and its subsidiary is combined on a line-by-line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra- group balances and intra-group transactions. Profits or losses resulting from intra-group transactions are eliminated in full. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The carrying amount of the Company's investment in subsidiary is offset (eliminated) against the Parent Company's portion of equity in subsidiary.

The detail of consolidated entity as follows:

| Name of Subsidiary | Country of Incorporation | Percentage of ownership | |
|---|---|---|---|
| | | As at 31st March, 2023 | As at 31st March, 2022 |
| Elin Appliances Private Limited | India | 100% | 100% |

### 2.3 Current vs non-current classification

The Group presents assets and liabilities in the consolidated statement of assets and liabilities based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### 2.4 Business combination

Ind AS 103, Business Combinations, prescribes significantly different accounting for business combinations which are not under common control and those under common control.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

The pooling of interest method is considered to involve the following:

(a) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(b) No adjustments are made to reflect fair values or recognise any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies.

(c) The financial information in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the Consolidated Financial Statements, irrespective of the actual date of the business combination.

(d) The identity of the reserves has been preserved and appear in the financial information of the transferee in the same form in which they appeared in the financial information of the transferor.

(e) The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

**2.5 Property plant and equipment**

**Recognition and Initial Measurement**

Property, plant and equipment is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of each item can be measured reliably. Property, plant and equipment are initially stated at their cost.

*Cost of asset includes:*

a) Purchase price, net of any trade discounts and rebates

b) Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use

c) Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Amounts paid towards the acquisition of property, plant and equipment outstanding as of each reporting date and the cost of property, plant and equipment not ready for intended use before such date are disclosed under capital advances and capital work-in-progress (CWIP) respectively.

Significant Parts of an item of PPE (including major inspections) having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognised in the statement of profit and loss as incurred.

**Subsequent measurement**

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of the expenditure can be measured reliably.

**Depreciation and useful lives**

Depreciation on property, plant and equipment is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013 except for assets used in manufacturing of Medical Products which are depreciated over a period of 3 years based on the management's internal assessment.

| Particulars | Useful life as per Schedule II | Particulars | Useful life as per Schedule II |
|---|---|---|---|
| Computers | 3 Years | Dies, tools and Moulds | 15 Years |
| Servers | 6 Years | Factory Building | 30 Years |
| Office Equipment | 5 Years | Building (other than factory building) | 60 Years |
| Furniture and fixtures | 10 Years | Electric Installation and Equipments | 10 Years |
| Plant & Machinery | 15 Years | Motor Cycles | 10 Years |
| Plant & Machinery (medical products)* | 3 Years | Motor Vehicles & Lorry | 8 Years |

*For these classes of assets based on internal assessment and technical evaluation, the management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act 2013.

Depreciation on additions to/deductions from property, plant and equipment during the period is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed. Each part of an item of property, plant and equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

**Derecognition**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and loss when the asset is derecognised.

**2.6 Intangible assets**

Intangible assets (Other than goodwill) acquired separately are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line basis over the estimated useful life. Estimated useful life of the software is considered as 3 years. Amortisation methods, useful lives and residual values are reviewed in each financial year / period end and changes, if any, are accounted for prospectively. An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss.

**2.7 Impairment of non-financial assets**

At each reporting date, the Group assesses, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash- generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories are recognised in the Consolidated Statement of Profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior period. Such reversal is recognised in the Consolidated Statement of Profit and loss.

**2.8 Inventories**

a) Inventories (which comprise traded goods) are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- **Finished goods and intermediate products (including manufactured components):** Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost is determined on first in, first out basis.
- Stores and spares, consumables and packing materials cost includes direct expenses and is determined on the basis of first in first out method.

b) Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

**2.9 Revenue recognition**

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable considerations. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception. The Group recognises revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The Group estimates the amount of revenue to be recognised on variable consideration using most likely amount method. Consequently, amounts allocated to a satisfied performance obligation are

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recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes. Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

**a) Sale of products and Services**

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer at the time of shipment to or receipt of goods by the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

Sales-related warranties associated with sale of goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Company accounts for warranties in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

The goods and service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

**b) Other Operating Revenue**

Export incentive is recognised when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received.

**c) Other Revenue**

- Interest income: Interest income is recognised as interest accrues using the effective interest method (“EIR”) that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.
- Dividends: Dividend income is recognised when the right to receive payment is established.
- Rental income: Rental income arising from operating leases or on investment properties is accounted for on a straight-line basis over the lease terms & included in other non-operating income in Statement of Profit and Loss.
- Insurance Claims: Insurance claims are accounted for as and when admitted by the concerned authority.

**d) Contract balances**

- Contract assets: A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.
- Trade receivables: A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).
- Contract liabilities: A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

**e) Right of return**

The Group provides a customer with a right to return in case of any defects or on grounds of quality. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Group.

The Group has also applied the practical expedient under Ind AS 115 for incremental cost of obtaining a contract and has recognised such cost as an expense when incurred if the amortisation period of the asset is one year or less.

**2.10 Taxes**

**a) Current tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current tax is recognised in Consolidated Statement of Profit and loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in Consolidated Statement of Profit and loss except to the extent it relates to items recognised outside profit or loss, in which case is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

**2.11 Foreign currencies**

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Consolidated Statement of Profit and loss in the period in which they arise. These exchange differences are presented in the Consolidated Statement of Profit and loss on net basis.

**2.12 Employee benefit**

**a) Short-term employee benefits**

Employee benefits such as salaries, short term compensated absences, and other benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the Consolidated Statement of Profit and loss in in the period in which the employee renders the related services.

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**b) Post-employment benefits**

- **Defined Contribution Plan:** A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

  The Group makes specified monthly contribution towards provident fund ('PF') and employee state insurance scheme ('ESI') which is a defined contribution plan. The Group's contribution is recognised as an expense in the consolidated statement of profit and loss during the period in which the employee renders the related service.

- Defined Benefit Plan: A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plans, the obligation for any benefits remains with the Group. The Group's liability towards gratuity is in the nature of defined benefit plan.

  The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Group makes periodic contributions to the Kotak Mahindra Life Insurance Limited, Bajaj Allianz Life Insurance Co. Ltd and Birla Sun Life Insurance Co. Ltd. for the Gratuity Plan in respect of employees.

  The liability in respect of gratuity is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method.

  The Group's net obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date.

  Re-measurement, comprising actuarial gains and losses, is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to Consolidated Statement of Profit and loss.

  Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognised in the Consolidated Statement of Profit and loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

**c) Other long-term employee benefits**

Benefits under the Group's compensated absences constitute other long-term employee benefits, recognised as an expense in the Consolidated Statement of Profit and loss for the period in which the employee has rendered services. The obligation recognised in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognised in the Consolidated Statement of Profit and loss as employee benefit expenses.

**2.13 Cash and cash equivalents**

Cash and cash equivalent include cash on hand, cash at banks and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

**2.14 Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan. All other borrowing costs are recognised in the Consolidated Statement of Profit and loss in the period in which they are incurred.

**2.15 Provisions, contingent assets and contingent liabilities**

**a) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**b) Warranties**

Provisions for the expected liability of warranty obligations under sale of goods are recognised at the management's best estimate if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

**c) Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each financial reporting date and adjusted to reflect the current best estimates.

**d) Contingent assets**

Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

**2.16 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

**a) Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short- term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*i) Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated Statement of Profit and loss.

*ii) Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease

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payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Group's lease liabilities are included in financial liabilities

iii) *Short term lease and leases of low value assets*

The Group applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv) *Single discount rate*

The Group has applied the available practical expedient with respect to single discount rate wherein single discount rate is used for portfolio of leases with reasonably similar characteristics.

b) **Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**2.17 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

a) **Financial assets**

*Initial recognition and measurement*

A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus s transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Consolidated Statement of Profit and Loss.

*Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI — equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (designated as FVOCI — equity investment). The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income ('OCI'). There is no recycling of the amounts from OCI to the Consolidated Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

For purposes of subsequent measurement, financial assets are classified in following categories:

*Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the Consolidated Statement of Profit and Loss.

*Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the Consolidated Statement of Profit and Loss.

*Equity investments at FVOCI*

These assets are subsequently measured at fair value. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

*Impairment of financial assets*

Expected credit loss (ECL) is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are measured at amortised cost e.g., deposits, trade receivables and bank balance.

(b) Financial assets that are measured as at FVTOCI

(c) Lease receivables under Ind AS 116

(d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and loss. ECL for financial assets measured as at amortised cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Consolidated statement of assets and Liabilities. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

The Group does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

*Derecognition of financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its consolidated statement of assets and liabilities but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**b) Financial liabilities**

*Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

The Group has not designated any financial liabilities at FVTPL.

(ii) Financial liabilities at amortised cost

After initial recognition, Loans, borrowings, trade payables and other financial liabilities are subsequently measured at amortised cost using the EIR method. Interest expense is recognised in the Consolidated Statement of Profit and loss. Any gain or loss on derecognition is also recognised in the Consolidated Statement of Profit and loss.

*Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and loss.

**c) Reclassification of financial assets and liabilities**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

**d) Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of assets and liabilities if there is a currently enforceable contractual legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**2.18 Fair value measurement**

The Group measures financial instruments at fair value at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Group analyzes the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Above is the summary of accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

**2.19 GST Credit**

The GST credit available on purchase of raw materials, other eligible inputs and capital goods is adjusted against taxes payable. The unadjusted GST credit is shown under the head "Other Current Assets".

**2.20 Earnings per share**

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the Consolidated Financial statements by the Board of Directors.

**2.21 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Group has been identified as being the chief operating decision maker by the Management of the Group.

The business of the Group falls within a single line of business i.e. electronics manufacturing services. All other activities of the Group revolve around its main business. Hence, no separate reportable primary segment.

**2.22 Government grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all stipulated conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income. Grants related to assets are reduced from the carrying amount of the asset. Such grants are recognised in the Consolidated Statement of Profit and Loss over the useful life of the related depreciable asset by way of reduced depreciation charge.

**2.23 Consolidated Statement of Cash Flows**

The consolidated statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Group are segregated.

**2.24 Significant accounting estimates and judgments**

The estimates used in the preparation of the Consolidated Financial Statements of each period/ year presented are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the Consolidated Financial Statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

**Significant judgements**

- *Allowances for uncollected trade receivables*

  Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

- *Contingencies*

  In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes Although there can be no assurance of the final outcome of legal proceedings in which the Group is involved. it is not expected that such contingencies will have material effect on its financial position of probability.

- *Impairment of other financial assets*

  The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation., based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

- *Taxes*

  Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes current tax payable, based on reasonable estimates. The amount of such current tax payable is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the Group.

- *Recoverability of deferred taxes*

  In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

  Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- *Impairment of non-financial assets*

  Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model.

**Significant estimates**

- *Defined benefit plans*

  The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

- *Useful lives of property, plant and equipment and intangible assets*

  The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. At the end of the current reporting period, the management determined that the useful lives of property, plant and equipment and intangible assets at which they are currently being depreciated represent the correct estimate of the lives and need no change.

- *Leases - Estimating the incremental borrowing rate*

  The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- *Determining the lease term of contracts with renewal and termination options — Group as lessee*

  The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

- *Fair value measurement of financial instruments*

  When the fair values of financial assets and financial liabilities recorded in the consolidated statement of assets and liabilities cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

- *Warranties*

  At each balance sheet date, basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties. However, the actual future outcome may be different from management's estimates. Product warranty liability and warranty expenses are recorded if the claims of the customers under warranty are probable and the amount can be reasonably estimated.

**2.25 Exceptional Items**

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities, which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

## 3. PROPERTY, PLANT AND EQUIPMENT

| Particulars | Plant and Machinery | Building | Dies, Moulds & Tools | Electrical Installations | Furniture and Fixtures | Office Equipment's | Computers | Vehicles | Land (Leasehold) | Land (Freehold) | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Value** | | | | | | | | | | | |
| **Balance as at 1st April, 2021** | **1,446.12** | **746.07** | **213.22** | **157.40** | **53.30** | **14.23** | **35.02** | **53.72** | **104.64** | **21.30** | **2,845.03** |
| Additions | 149.41 | 145.13 | 100.65 | 14.05 | 1.01 | 0.94 | 5.98 | 7.14 | - | - | 424.29 |
| Disposals / Adjustments | 6.49 | 6.14 | 1.71 | 3.59 | 0.21 | - | 0.23 | 2.18 | - | - | 20.56 |
| **Balance as at 31st March, 2022** | **1,589.03** | **885.05** | **312.15** | **167.86** | **54.10** | **15.17** | **40.77** | **58.68** | **104.64** | **21.30** | **3,248.77** |
| Additions | 219.02 | 97.91 | 98.03 | 73.81 | 3.56 | 1.28 | 4.93 | 13.69 | 117.32 | - | 629.56 |
| Disposals / Adjustments | 22.86 | 15.97 | 49.51 | 9.64 | 1.31 | 1.11 | 8.97 | 6.44 | - | - | 115.80 |
| **Balance as at 31st March, 2023** | **1,785.19** | **966.99** | **360.68** | **232.03** | **56.35** | **15.35** | **36.73** | **65.93** | **221.97** | **21.30** | **3,762.52** |
| **Accumulated depreciation and impairment** | | | | | | | | | | | |
| **Balance as at 1st April, 2021** | **629.25** | **303.68** | **90.28** | **100.36** | **33.07** | **8.66** | **26.78** | **31.74** | **16.07** | **-** | **1,239.88** |
| Depreciation & Impairment | 84.60 | 17.32 | 16.13 | 8.12 | 2.60 | 1.49 | 4.26 | 4.28 | 2.14 | - | 140.94 |
| Disposals / Adjustments | 1.69 | - | 0.23 | 3.36 | - | - | 0.20 | 2.06 | - | - | 7.53 |
| **Balance as at 31st March, 2022** | **712.16** | **321.00** | **106.19** | **105.13** | **35.66** | **10.15** | **30.84** | **33.96** | **18.21** | **-** | **1,373.29** |
| Depreciation & Impairment | 96.45 | 24.13 | 31.10 | 13.09 | 2.76 | 1.42 | 5.24 | 5.29 | 2.41 | - | 181.88 |
| Disposals / Adjustments | 17.43 | 15.97 | 43.81 | 7.90 | 1.22 | 1.07 | 8.94 | 5.06 | - | - | 101.40 |
| **Balance as at 31st March, 2023** | **791.18** | **329.16** | **93.47** | **110.31** | **37.19** | **10.50** | **27.14** | **34.19** | **20.62** | **-** | **1,453.78** |
| **Net Carrying Value** | | | | | | | | | | | |
| Balance as at 31st March, 2022 | 876.87 | 564.06 | 205.97 | 62.73 | 18.43 | 5.02 | 9.94 | 24.72 | 86.43 | 21.30 | 1,875.47 |
| **Balance as at 31st March, 2023** | **994.01** | **637.83** | **267.21** | **121.72** | **19.15** | **4.85** | **9.59** | **31.75** | **201.34** | **21.30** | **2,308.74** |

1. The Company had received approval to get Capital Subsidies for additional investments in manufacturing plant at Plot No.C-142, 143, 144, 144/1, 144/2, Site No.1, BullandShahar Road, Ghaziabad, Uttar Pradesh , 201009 under Modified Special Incentive Package Scheme (MSIPS) notified vide M-SIPS Policy Gazette Notification No. 175 dated 27th July, 2012 and revised Notification dated 3rd August, 2015 as modified from time to time by the Ministry of Electronics and Information Technology, Department of Information Technology, vide Approval Letter No. 27(215)/2015-IPHW dt.22nd November, 2017. Also, the Company is in process of availing capital subsidy under Industrial Development Scheme 2017 of Department for Promotion of Industries & Internal Trade, Himachal Pradesh. Under the said schemes, the Company has submitted its claims before the respective authorities for sanctioning the claim. The effect of other claims has not been adjusted to the cost of respective assets, in the absence of reasonable assurance that the claim will be received in full, as submitted.
2. During the previous year, the Company had received first claim of ₹ 11.32 Million vide Approval Letter No. 27(29)/2013-IPHWA dated 3rd July, 2014 and Application Sanction No W-37/6/2O22-IPHW dated 17th March, 2022 which had been adjusted with the carrying value of respective Property Plant and Equipment.
3. Depreciation & Impairment includes impairment on certain property plant and equipments amounting to ₹ 10.44 Million (PY ₹ Nil)
4. Refer Note 20 and 22 for details of assets pledged.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 4. CAPITAL WORK-IN-PROGRESS

| Particulars | Buildings | Plant & Machinery | Total |
|---|---|---|---|
| **Balance as at 1st April, 2021** | **0.56** | **-** | **0.56** |
| Additions | - | 0.24 | 0.24 |
| Disposals / Adjustments | (0.56) | - | (0.56) |
| **Balance as at 31st March, 2022** | **-** | **0.24** | **0.24** |
| Additions | - | 0.91 | 0.91 |
| Disposals / Adjustments | - | (0.24) | (0.24) |
| **Balance as at 31st March, 2023** | **-** | **0.91** | **0.91** |

**4.1 Capital work-in-progress ageing schedule**

| Particulars | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|
| Balance as at 31st March, 2022 | 0.24 | - | - | - | 0.24 |
| **Balance as at 31st March, 2023** | **0.91** | **-** | **-** | **-** | **0.91** |

**4.2** As on the date of the financial statement, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

## 5. INTANGIBLE ASSETS (OTHER THAN GOODWILL)

| Particulars | Computer software |
|---|---|
| **Gross Carrying Value** | |
| Balance as at 1st April, 2021 | 15.27 |
| Additions | - |
| Disposals / Adjustments | - |
| **Balance as at 31st March, 2022** | **15.27** |
| Additions | 11.20 |
| Disposals / Adjustments | 1.36 |
| **Balance as at 31st March, 2023** | **25.11** |
| **Accumulated amortisation and impairment** | |
| **Balance as at 1st April, 2021** | **8.54** |
| Amortisation and impairment | 2.58 |
| Disposals / Adjustments | - |
| **Balance as at 31st March, 2022** | **11.12** |
| Amortisation and impairment | 4.14 |
| Disposals / Adjustments | 1.29 |
| **Balance as at 31st March, 2023** | **13.97** |
| **Net Carrying Value** | |
| Balance as at 31st March, 2022 | 4.15 |
| **Balance as at 31st March, 2023** | **11.15** |

## 6. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unquoted** | | |
| **Investments - Non-Trade** | | |
| Investments in Equity instruments | 0.74 | 0.58 |
| **Total** | **0.74** | **0.58** |

### 6.1 Detail of Non-Current Investments

| Particulars | Elcina Electronics Cluster Private Limited (Face Value ₹ 10/- each) | | Shivalik Waste Management Private Limited (Face Value ₹ 10/- each) | | Total Amount |
|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | |
| **Financial assets measured at FVTOCI** | | | | | |
| **(i) Investment in equity instruments - Equity Shares** | | | | | |
| As at 31st March, 2022 | 10,000 | - | 20,000 | 0.58 | 0.58 |
| **As at 31st March, 2023** | **10,000** | **-** | **20,000** | **0.66** | **0.66** |

### 6.2. Additional Disclosures:

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Aggregate carrying value of unquoted investments | 0.74 | 0.58 |

## 7. OTHER FINANCIAL ASSETS - NON CURRENT

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Bank deposits with more than 12 months maturity * | 310.12 | - |
| Accrued Interest on FDR | 3.55 | - |
| Security Deposit | 44.65 | 18.67 |
| **Total** | **358.32** | **18.67** |

* Above Bank deposits included temporary deposits of IPO proceeds of ₹ 310 Million and balance are held as margin money/securities with banks.

Notes to Consolidated Financial Statements
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## 8. DEFERRED TAX ASSETS / (LIABILITIES) (NET)

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for the financial reporting purposes and the amounts used for income tax purposes. Significant component of the Group's net deferred income tax are as follows:-

| Particulars | Defined benefit obligation | Property, plant and equipment | Provisions & others | Total |
|---|---|---|---|---|
| **As at 1st April, 2021** | **4.10** | **(88.98)** | **7.25** | **(77.63)** |
| (Changed)/Credited: | | | | |
| - to Statement of profit and loss | 4.08 | (17.94) | 4.88 | (8.97) |
| - to other comprehensive income | (5.61) | - | - | (5.61) |
| **As at 31st March, 2022** | **2.57** | **(106.92)** | **12.13** | **(92.22)** |
| (Changed)/Credited: | | | | |
| - to Statement of profit and loss | 2.29 | (14.41) | 3.03 | (9.09) |
| - to other comprehensive income | (2.29) | - | - | (2.29) |
| **As at 31st March, 2023** | **2.57** | **(121.33)** | **15.17** | **(103.59)** |

## 9. OTHER NON-CURRENT ASSETS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unsecured, Considered Good** | | |
| Capital Advances | 45.95 | 205.67 |
| **Total** | **45.95** | **205.67** |

## 10. INVENTORIES (AT COST OR NET REALISABLE VALUE WHICHEVER IS LOWER)

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Inventories (As Certified and valued by the management)** | | |
| Raw Materials | 773.09 | 761.34 |
| Raw Materials in transit | 11.47 | 5.04 |
| | **784.55** | **766.38** |
| Work-in-progress | 226.16 | 273.70 |
| Finished goods | 196.88 | 131.62 |
| Stores and Spares | 26.67 | 25.46 |
| **Total** | **1,234.27** | **1,197.15** |

## 11. CURRENT FINANCIAL ASSETS - INVESTMENTS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unquoted Investments** | | |
| (i) Investments in Mutual Funds | 264.70 | 11.55 |
| **Total** | **264.70** | **11.55** |

### 11.1 Detail of Current Financial Assets - Investments

| Particulars | As at 31st March, 2023 | | As at 31st March, 2022 | |
|---|---|---|---|---|
| | Units | Amount | Units | Amount |
| **Financial assets carried at fair value through statement of profit or loss (FVTPL)** | | | | |
| **Investments in mutual funds - Unquoted Investment** | | | | |
| HDFC Group Unit Linked Plan Option B | 1,60,367.34 | 12.02 | 1,60,152.63 | 11.55 |
| Nippon India Low Duration Fund - Direct Growth Plan Growth Option | 75,646.41 | 252.68 | - | - |
| **Total Current Investments at FVTPL** | | **264.70** | | **11.55** |
| Aggregate carrying value of unquoted investments | | 264.70 | | 11.55 |
| Aggregate amount of impairment in value of investments | | - | | - |

## 12. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Trade Receivables** | | |
| Unsecured, considered good | 1,976.22 | 1,775.89 |
| Less: expected credit loss allowance | (2.11) | (2.17) |
| **Total** | **1,974.11** | **1,773.73** |

**Movement in the expected credit loss allowance of trade receivables are as follows:**

| | | |
|---|---|---|
| Balance at the Beginning of the year | 2.17 | 2.08 |
| Add: Provided during the year | 1.13 | 0.08 |
| Less: Amount written off | (1.18) | - |
| **Balance at the end of the year** | **2.11** | **2.17** |

### 12.1 Trade Receivables Ageing Schedule, on due basis:

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Undisputed Trade receivables – considered good** | | |
| Not Due | 1,637.41 | 1,515.48 |
| Less than 6 months | 332.73 | 239.89 |
| 6 months - 1 year | 4.59 | 16.59 |
| 1 -2 years | 1.37 | 2.49 |
| 2 -3 years | 0.12 | 1.45 |
| More than 3 years | - | - |
| **Total** | **1,976.22** | **1,775.89** |

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**12.2** There are no disputed balances of Trade Receivables as at 31st March, 2023 and 31st March, 2022.

**12.3** In determining the allowance for trade receivables the Group has used practical expedients based on financial condition of the customers, ageing of the customer receivables & over-dues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are large corporate organisations though there may be normal delays in collections.

## 13. CURRENT FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Cash & Cash Equivalents** | | |
| Balance with banks in current account | 1.22 | 38.46 |
| Cheques, drafts on hand; | 0.01 | - |
| Cash on hand; | 2.71 | 1.68 |
| **Total** | **3.94** | **40.14** |

## 14. CURRENT FINANCIAL ASSETS - OTHER BANK BALANCES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Balances with Bank in Monitoring Agency & Escrow Account | 68.91 | - |
| Balances with Bank in Dividend Account | 0.00 | - |
| Bank Deposits having maturity less than 12 months* | 923.79 | 9.21 |
| **Total** | **992.70** | **9.21** |

* Above Bank deposits included temperory deposits of IPO proceeds of ₹ 650 Million and balance are held as margin money/securities with banks.

## 15. CURRENT FINANCIAL ASSETS - LOANS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Loan to Others | 1.60 | - |
| **Total** | **1.60** | **-** |

## 16. CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Interest Receivable | 9.92 | 0.22 |
| Loans & Advances to Staff & Workers | 15.10 | 9.49 |
| **Total** | **25.02** | **9.72** |

## 17. CURRENT TAX ASSETS / LIABILITIES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Current Tax Assets** | | |
| Advance Income Tax / TDS (net of provisions) | 14.94 | 7.99 |
| **Current Tax Liabilities** | | |
| Income Tax Provisions (net of Advance Income Tax / TDS) | 2.38 | 22.69 |

## 18. OTHER CURRENT ASSETS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unsecured, considered good** | | |
| Indirect tax recoverable | 11.91 | 10.53 |
| Commercial Tax under Appeal | 1.34 | 2.07 |
| Goods & Service Tax Under Appeal | 1.68 | 1.68 |
| Provident Fund Under Appeal | 1.17 | 1.17 |
| Income Tax Under Appeal | 6.14 | 6.14 |
| Gratuity fund balance (refer note 36) | 25.27 | 29.02 |
| Advance to Suppliers | 49.90 | 41.64 |
| Unamortised share issue expenses (refer note below) | - | 58.17 |
| Export Incentive receivables | 0.31 | 1.99 |
| Prepaid Expenses | 3.07 | 19.19 |
| **Total** | **100.79** | **171.60** |

Note: Related to expenses incurred by holding company in previous year towards IPO. The same has been adjusted by way of recovery from selling shareholders and balance from securities premium account in accordance with section 52 of the Companies Act, 2013 upon the shares being issued.

## 19 A. Share Capital

### (i) Authorised Share Capital

| Particulars | Equity Share Capital | |
|---|---|---|
| | No of Shares | Amount |
| **As at 1st April, 2021** | **1,02,50,000** | **102.50** |
| Increase during the year # | 8,97,50,000 | 397.50 |
| **As at 31st March, 2022** | **10,00,00,000** | **500.00** |
| Increase during the year | - | - |
| **As at 31st March, 2023** | **10,00,00,000** | **500.00** |

# Pursuant to a resolution of Board of Directors dated 6th September, 2021 and the shareholders meeting dated 30th September, 2021, the Authorised Share Capital of the Holding Company has been increased from ₹ 102.50 Million consisting of 1,02,50,000 Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 500.00 Million consisting of 10,00,00,000 Equity Shares of ₹ 5/- each (Rupees Five only).

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**(ii) Shares issued, subscribed and fully paid-up**

| Particulars | Equity Share Capital | |
|---|---|---|
| | No of Shares | Amount |
| **As at 1st April, 2021** | **68,06,700** | **68.07** |
| Add: Shares issued during the year | - | - |
| Add: Split of Shares into Face Value of ₹ 5 each | 68,06,700 | - |
| Add: Bonus shares issued in the ratio of 2 for every 1 share held | 2,72,26,800 | 136.13 |
| Less: Share bought back during the year | - | - |
| **As at 31st March, 2022** | **4,08,40,200** | **204.20** |
| Add: Shares issued during the year | 70,85,020 | 35.43 |
| Less: Share bought back during the year | - | - |
| **As at 31st March, 2023** | **4,79,25,220** | **239.63** |

# Net off elimination on consolidation due to equity shares being held by subsidiary company

**(iii) Terms/right attached to Equity Shares**

The Group has one class of shares having a face value of ₹ 5/- per equity share (Previous Year ended 31st March, 2022 is ₹ 5/- per equity share). All equity shares rank equally with regard to dividends and share in the Group's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Shareholders are entitled to one vote per equity share held in the Group. On winding up of the Group, the holders of equity shares will be entitled to receive the residual assets of the Group, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**(iv) Shares Split & Bonus Issue**

Pursuant to a resolution passed by our Board on 6th September, 2021 and a resolution of shareholders dated, 30th September, 2021, each equity share of face value of ₹ 10 each has been split into two equity shares of face value of ₹ 5 each. Accordingly, the issued, subscribed and paid up capital of the Company was subdivided from 68,06,700 equity shares of face value of ₹ 10 each to 1,36,13,400 equity shares of face value of ₹ 5 each. The Board of Directors pursuant to a resolution dated 6th September, 2021 and the shareholders special resolution dated 30th September, 2021 have approved the issuance of two bonus equity shares of face value ₹ 5 each for every one existing fully paid up equity share of face value ₹ 5 each and accordingly 2,72,26,800 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013.

**(v) Shareholders holding more than 5% of Equity Shares**

| Name of Shareholder | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Suman Sethia | 27,24,535 | 39,60,000 |
| | *5.49%* | *9.30%* |
| M.L.Sethia | - | - |
| | *0.00%* | *0.00%* |
| Prem Lata Sethia | - | 28,02,000 |
| | *0.00%* | *6.58%* |
| Kishor Sethia | 25,07,763 | 36,44,928 |
| | *5.05%* | *8.56%* |
| Kamal Sethia | - | 22,29,618 |
| | *0.00%* | *5.24%* |
| Gaurav Sethia | - | 31,43,004 |
| | *0.00%* | *7.38%* |

(vi) **Shareholding of Promoters**

| Promoter Name | Shares held at 31st March, 2023 | | % Change during the year ended 31st March, 2023* |
|---|---|---|---|
| | Nos. of Shares | % of Total Shares | |
| M.L.Sethia | - | 0.00% | - |
| Kamal Sethia | 15,33,991 | 3.09% | (41.00)% |
| Suman Sethia | 27,24,535 | 5.49% | (40.98)% |
| Kishor Sethia | 25,07,763 | 5.05% | (41.01)% |
| Vasudha Sethia | 7,43,654 | 1.50% | (40.92)% |
| Gaurav Sethia | 21,15,636 | 4.26% | (42.30)% |
| Vinay Kumar Sethia | 4,32,450 | 0.87% | (41.51)% |
| Sanjeev Sethia | 9,15,600 | 1.84% | (14.44)% |
| Sumit Sethia | 5,94,734 | 1.20% | (40.90)% |

* Change is computed based on the equity holding % as at end of current year vis-à-vis previous year.

**B. Other Equity**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **(i) Retained Earnings** | 2,259.78 | 2,041.76 |
| **(ii) Other Reserves *** | | |
| a. Securities Premium | 1,689.76 | 59.55 |
| b. Capital Reserve (on consolidation) | 217.95 | 217.95 |
| c. General Reserve | 471.01 | 461.85 |
| **(iii) Components of Other Comprehensive Income** | | |
| a. Changes in fair value of FVOCI equity instruments | 0.44 | 0.28 |
| b. Remeasurement of defined benefit plans | 52.40 | 45.61 |
| **Total** | **4,691.35** | **2,827.00** |

*** Brief description of Other Reserves:**

a. Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

b. General reserve is the free reserve created out of the retained earnings of the Group. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(i) **Retained Earnings**

| Particulars | Amount |
|---|---|
| **As at 1st April, 2021** | **1,699.95** |
| Add: Net profit for the year | 391.81 |
| Less: Transfer to reserve during the year | (50.00) |
| **As at 31st March, 2022** | **2,041.76** |
| Add: Net profit for the year | 268.02 |
| Less: Transfer to reserve during the year | (50.00) |
| **As at 31st March, 2023** | **2,259.78** |

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**(ii) Other Reserves**

| Particulars | Securities Premium | Capital Reserve | General Reserve |
|---|---|---|---|
| **As at 1st April, 2021** | **59.55** | **212.17** | **553.77** |
| Increase during the year | - | 5.78 | 50.00 |
| Decrease during the year | - | - | (141.91) |
| **As at 31st March, 2022** | **59.55** | **217.95** | **461.85** |
| Increase during the year | 1,714.57 | - | 50.00 |
| Decrease during the year | (84.37) | - | (40.84) |
| **As at 31st March, 2023** | **1,689.76** | **217.95** | **471.01** |

**(iii) Components of Other Comprehensive Income**

| Particulars | Changes in fair value of FVOCI equity instruments | Remeasurement of defined benefit plans |
|---|---|---|
| **As at 1st April, 2021** | **0.28** | **28.92** |
| Increase during the year | - | 16.69 |
| Decrease during the year | - | - |
| **As at 31st March, 2022** | **0.28** | **45.61** |
| Increase during the year | 0.16 | 6.80 |
| Decrease during the year | - | - |
| **As at 31st March, 2023** | **0.44** | **52.40** |

## 20. NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Secured Borrowings** | | |
| Term Loans - from Banks* | 578.82 | 507.99 |
| Less : Current maturities of long term debt - Term Loans | (182.91) | (168.35) |
| **Total** | **395.91** | **339.64** |

* net off of ₹ 0.55 Millions (2022: ₹ 0.62 Millions ) as finance charge

**Notes:**

**a)** Term Loans pertaining to Holding Company is secured by way of first pari passu charge over entire movable Property Plant and Equipment of the Company and immovable Property Plant and Equipment 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 Holding Company.

**b)** Term Loans pertaining to Subsidiary Company has been prepaid during the year. The loan was secured by way of First pari paasu charge by way of mortgage of all Immovable Properties of Company situated at Belikhol, Tehsil Nalagarh, District Solan, Himachal Pradesh and hypothecation of Plant & Machinery, Equipments, Tools, Spares, Accessories and all other Assets, both present and in future. The Loan was further secured by Personal Guarantee of the two Directors of the Subsidiary company.

c) **Term Loans - Repayment schedule and rate of interest**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Secured** | | |
| **Weighted Ave. Rate of Interest** | 8.63% | 6.98% |
| **Outstanding amount** | **578.82** | **507.99** |
| **Repayment Due** | | |
| FY 2022-23 | - | 168.35 |
| FY 2023-24 | 182.91 | 130.27 |
| FY 2024-25 | 142.89 | 83.37 |
| Remaining payable upto 2028-29 | 253.02 | 126.01 |

## 21. NON-CURRENT LIABILITIES - PROVISIONS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Provisions for Employee Benefits** (refer note 36) | | |
| Provision for Leave Encashment | 9.74 | 9.05 |
| **Total** | **9.74** | **9.05** |

## 22. CURRENT FINANCIAL LIABILITIES - BORROWINGS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Borrowings - Loans repayable on demands** | | |
| **Secured** | | |
| (i) from banks - Working Capital | 199.65 | 419.39 |
| (ii) Current maturities of Long term borrowings (refer note 20) | 182.91 | 168.35 |
| **Unsecured** | | |
| (i) from banks - Vendors bills discounting | - | 95.93 |
| **Total** | **382.56** | **683.67** |

Notes:

a. Working Capital loan of Holding Company is 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 Equipment of the Company, other and immovable Property Plant and Equipment of the Company by equitable mortgage of properties situated at Ghaziabad and Goa and personal guarantee of the four Directors of the holding company.

b. Working Capital loan of Subsidiary Company is secured by First pari paasu charge by way of mortgage of all Immovable Properties of Company situated at Belikhol, Tehsil Nalagarh, District Solan, Himachal Pradesh and hypothecation of Plant & Machinery, Equipments, Tools, Spares, Accessories and all other Assets, both present and in future. The Loan is further secured by Personal Guarantee of the two directors of the subsidiary company.

c. Unsecured loan of Vendor Bill discounting as Electronic Vendor Financing Scheme was Repayable on due dates as agreed with the Vendors.

d. Quarterly returns/statements of current assets filed by the Company with banks are generally in agreement with the books of account.

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## 23. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Trade Payables** | | |
| Due to Micro and Small Enterprises (refer note 37) | 320.44 | 221.08 |
| Others | 948.61 | 771.30 |
| **Total** | **1,269.05** | **992.38** |

**23.1 Trade Payables Ageing Schedule, on due basis:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **MSME** (Undisputed) | | |
| Not Due | 301.26 | 202.75 |
| Less than 1 year | 19.18 | 18.32 |
| 1 -2 years | - | - |
| 2 -3 years | - | - |
| More than 3 years | - | - |
| **Total** | **320.44** | **221.08** |
| **Other than MSME** (Undisputed) | | |
| Not Due | 727.03 | 576.19 |
| Less than 1 year | 214.53 | 194.68 |
| 1 -2 years | 1.78 | 0.38 |
| 2 -3 years | 5.26 | 0.04 |
| More than 3 years | - | 0.01 |
| **Total** | **948.61** | **771.30** |

**23.2 There are no disputed balances of MSME or other than MSME as on Mar'23 and Mar'22**

## 24. OTHER FINANCIAL LIABILITIES - CURRENT

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Unpaid Dividends** | 0.00 | - |
| Payable to Selling Shareholders (refer note 51) | 9.24 | - |
| Expenses Payables * | 123.51 | 93.78 |
| **Total** | **132.75** | **93.78** |

*includes primarily Salaries & Bonus Payable and other expenses payable

## 25. OTHER CURRENT LIABILITIES

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Advances from Customers | 44.35 | 21.04 |
| Statutory Liabilities payable | 40.48 | 30.11 |
| **Total** | **84.83** | **51.15** |

## 26. CURRENT LIABILITIES - PROVISIONS

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Provisions for Employee Benefits** (refer note 36) | | |
| Provision for Leave Encashment | 9.58 | 8.87 |
| **Provision - Others** | 15.20 | - |
| **Total** | **24.78** | **8.87** |

## 27. REVENUE FROM OPERATIONS

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Sale and Services** | | |
| - Sale of Products | 10,475.98 | 10,645.65 |
| - Sale of Services | 19.18 | 16.66 |
| **Other Operating Revenues** | | |
| - Scrap sale | 258.44 | 272.79 |
| - Export Incentives | 0.68 | 2.43 |
| **Total** | **10,754.28** | **10,937.54** |

### 27.1 Contract Balances

| | | |
|---|---|---|
| Receivables, which are included in 'trade receivables' | 1,974.11 | 1,773.73 |

### 27.2 Revenue from sale of products / services disaggregated by primary geographical market

| | | |
|---|---|---|
| India | 10,717.80 | 10,899.75 |
| Outside India | 36.49 | 37.79 |
| **Total revenue from contracts with customers** | **10,754.28** | **10,937.54** |

## 28. OTHER INCOME

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Other non-operating income** | | |
| Interest on Bank Deposits | 15.21 | 1.24 |
| Dividend Received | 0.04 | 0.27 |
| Gain/(loss) on sale of current investments measured at FVTPL | 1.77 | (0.14) |
| Fair value gain/(loss) on investments measured at FVTPL | 3.15 | 6.01 |
| Rent Received | 0.51 | 0.36 |
| Profit on sales of Property, Plant and Equipment | 2.00 | 1.40 |
| **Total** | **22.67** | **9.14** |

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 29. COST OF MATERIAL CONSUMED

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Opening Balance** | 783.72 | 790.41 |
| Add : Purchases during the year | 7,816.64 | 7,917.38 |
| | **8,600.36** | **8,707.79** |
| Less: Closing Stock | 799.76 | 783.72 |
| **Total material consumed** | **7,800.60** | **7,924.07** |

## 30. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN PROGRESS AND STOCK-IN TRADE

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Opening Stock** | | |
| Finished Goods | 131.62 | 88.00 |
| Work in process | 273.70 | 267.02 |
| | **405.32** | **355.02** |
| **Closing Stock** | | |
| Finished Goods | 196.88 | 131.62 |
| Work in process | 226.16 | 273.70 |
| | **423.04** | **405.32** |
| **Total** | **(17.73)** | **(50.30)** |

## 31. EMPLOYEE BENEFITS EXPENSES

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Salaries, bonus and allowances | 1,188.57 | 1,155.89 |
| Contribution to Provident and other funds | 76.52 | 71.65 |
| Staff welfare expenses | 23.32 | 24.91 |
| **Total** | **1,288.41** | **1,252.44** |

## 32. FINANCE COSTS

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Interest expense on financial liabilities measured at amortised cost : | | |
| - on borrowings | 69.34 | 71.86 |
| - on lease liabilities | 0.15 | 0.15 |
| - other Interest cost | 57.44 | 50.02 |
| Other borrowing cost | 3.69 | 5.01 |
| **Total** | **130.62** | **127.04** |

## 33. OTHER EXPENSES

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Manufacturing Expenses** | | |
| Power and Fuel & Water Charges | 167.15 | 162.08 |
| Carriage Inwards Expenses | 25.57 | 29.11 |
| Processing Charges | 237.93 | 239.82 |
| Consumable Stores | 40.31 | 31.14 |
| Testing & Calibration Expenses | 2.88 | 3.47 |
| Repairs and Maintenance | 98.70 | 80.91 |
| **(A)** | **572.53** | **546.52** |
| **Selling and Distribution Expenses** | | |
| Advertisement & Sales promotion expenses | 3.18 | 0.87 |
| Carriage & Octroi (Outward) | 28.19 | 27.84 |
| **(B)** | **31.38** | **28.71** |
| **Establishment Expenses** | | |
| Rent | 8.96 | 6.57 |
| Rates and Taxes | 3.12 | 5.41 |
| Auditors' Remuneration | | |
| - Audit Fees | 1.63 | 1.23 |
| - In Other Capacity * | 0.82 | 0.88 |
| Legal and Professional Charges | 48.93 | 8.77 |
| Communication Expenses | 3.09 | 3.10 |
| Travelling and Conveyance Expenses | 22.58 | 19.86 |
| Vehicle Running & Maintenance | 21.53 | 19.09 |
| Insurance Expenses | 12.74 | 6.91 |
| Provision for Doubtful Receivables | 0.33 | (0.42) |
| Sitting Fees to non-executive directors | 0.91 | 0.68 |
| Corporate Social Responsibility Expenses (refer note 43) | 8.54 | 6.29 |
| Research & Product Development Expenses | 65.41 | 59.21 |
| Exchange Fluctuation Loss (Net) | 0.05 | 0.10 |
| Net Loss / (Gain) on Sale of Property Plant and Equipment | - | - |
| Provision for Diminution on Current Investment | - | - |
| Miscellaneous Expenditure | 44.93 | 25.29 |
| **(C)** | **243.56** | **162.96** |
| **Total (A to C)** | **847.47** | **738.19** |

* excluding Professional fee of ₹ 7.50 Million paid to the Statutory Auditors of Holding Company towards IPO.

Notes to Consolidated Financial Statements
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## 34. EARNING PER SHARE (EPS)

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Basic & Diluted Earnings per share :** | | |
| Profit/(Loss) for the year | 268.02 | 391.81 |
| Profit/(Loss) attributable to ordinary shareholders (A) | 268.02 | 391.81 |
| Weighted average number of ordinary shares (B) | 4,26,26,013 | 4,08,40,200 |
| Nominal value of ordinary share | **₹ 5/-** | **₹ 5/-** |
| Earnings per share - Basic & Diluted (A/B) - ₹ | **6.29** | **9.59** |

## 35. DISCLOSURE WITH RESPECT TO IND AS 116 - LEASES

The Group has entered into agreements for leasing lease hold lands on lease.

**Information about Leases Assets for which the Group is a lessee is presented below :**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Balance as at beginning of the year** | **0.75** | **0.76** |
| Additions | 3.11 | - |
| Deletions | - | - |
| Depreciation* | (0.01) | (0.01) |
| **Balance as at end of the year** | **3.85** | **0.75** |

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Consolidated Statement of Profit and Loss.

**The changes/movement in Lease Liabilities of the Group are as follows:**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| **Balance as at beginning of the year** | **1.97** | **1.98** |
| Additions | 3.11 | - |
| Deletions | - | - |
| Payment of lease liabilities | (0.08) | (0.17) |
| Accreditation of interest | 0.15 | 0.15 |
| **Balance as at end of the year** | **5.15** | **1.97** |
| Current Liabilities | 0.06 | 0.05 |
| Non-Current Liabilities | 5.09 | 1.91 |
| **Total cash outflow for leases** | **(0.08)** | **(0.17)** |

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Such lease liabilities are related to Leasehold lands having maturity period of more than 5 year.

**The table below provides details regarding amounts recognised in the Consolidated Statement of Profit and Loss:**

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Expenses relating to short-term leases and/or leases of low-value items | 8.96 | 6.57 |
| Interest on lease liabilities | 0.15 | 0.15 |
| Depreciation expense | 0.01 | 0.01 |
| **Total** | **9.13** | **6.73** |

**36.** The Group has recognised the following amounts in the Consolidated financial Information as per Ind AS - 19 "Employees Benefits" as specified in the Companies (Indian Accounting Standards) Rules, 2015:

**a) Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised are charged to the Consolidated Statement of Profit and Loss for the year as under :

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Employer's Contribution to Provident Fund and other | 76.52 | 71.65 |

**b) Defined Benefit Plan**

The employees' gratuity fund scheme is managed by Kotak Mahindra Life Insurance Limited, Bajaj Allianz Life Insurance Co. Limited and Birla Sun Life Insurance Co. Limited which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation and the obligation for leave encashment is recognised in the same manner as gratuity.

**Actuarial assumptions**

| Particulars | Gratuity (Funded) | | Leave Encashment | |
|---|---|---|---|---|
| | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 |
| Discount rate (per annum) | 7.45% | 7.00% | 7.45% | 7.00% |
| Salary Escalation Rate | 5.00% | 5.00% | 5.00% | 5.00% |
| Average remaining working lives of employees (Years) | 24.08 | 24.00 | - | - |
| **Table showing changes in present value of obligations :** | | | | |
| Present value of obligation as at the beginning of the year | 143.75 | 138.98 | 17.93 | 16.29 |
| Interest Cost | 11.20 | 8.85 | 1.26 | 1.03 |
| Current Service Cost | 15.57 | 12.94 | 17.38 | 15.92 |
| Benefits paid | (6.48) | (50.62) | (3.99) | (2.43) |
| Actuarial (gain)/ loss on obligations | (6.49) | 33.60 | (13.26) | (12.89) |
| Present value of obligation as at the end of the year | 157.55 | 143.75 | 19.32 | 17.93 |
| **Table showing changes in the fair value of plan assets :** | | | | |
| Fair value of plan assets at beginning of the year | 172.77 | 164.74 | 11.55 | 11.09 |
| Actual return of plan assets | 14.60 | 10.71 | 0.82 | 0.72 |
| Employer contribution | 12.60 | 4.93 | 3.99 | 2.43 |
| Benefits paid | (6.48) | (50.62) | (3.99) | (2.43) |
| Actuarial gain/ (loss) on obligations | (10.67) | 43.01 | (0.36) | (0.26) |
| Charges deducted | - | - | - | - |
| Fair value of plan assets at the end of year | 182.82 | 172.77 | 12.02 | 11.55 |
| **Other Comprehensive Income** | | | | |
| Actuarial (gain) / loss for the year - Obligation | (6.49) | 33.60 | (13.26) | (12.89) |
| Actuarial (gain) / loss for the year - Plan assets | 10.67 | (43.01) | (0.36) | (0.26) |
| Total (gain) / loss for the year | 4.17 | (9.41) | (13.61) | (13.14) |
| **The amounts to be recognised in Consolidated Statement of Assets and Liabilities :** | | | | |
| Present value of obligation as at the end of the year | 157.55 | 143.75 | 19.68 | 17.93 |
| Fair value of plan assets as at the end of the year | 182.82 | 172.77 | 12.02 | 11.55 |
| Net (asset)/ liability recognised in Consolidated Ind AS Balance Sheet | (25.27) | (29.02) | 7.66 | 6.37 |
| **Expenses recognised in Consolidated Statement of Profit and Loss :** | | | | |
| Current service cost | 4.33 | 12.94 | 17.38 | 15.92 |

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(All amounts are in ₹ Millions, unless otherwise stated)

| Particulars | Gratuity (Funded) | | Leave Encashment | |
|---|---|---|---|---|
| | 31st March, 2023 | 31st March, 2022 | 31st March, 2023 | 31st March, 2022 |
| Interest Cost | (3.03) | (1.86) | 0.44 | 0.32 |
| Expenses recognised in the Consolidated statement of profit and loss | 1.31 | 11.09 | 17.82 | 16.24 |
| **Sensitivity analysis of the defined benefit obligation:** | | | | |
| *Impact of the change in Discount Rate* | | | | |
| Present Value of Obligation at the end of the year | 157.55 | 143.75 | 19.68 | 17.93 |
| Impact due to increase of 1% | (11.29) | (10.67) | (0.95) | (0.87) |
| Impact due to decrease of 1% | 13.13 | 12.44 | 1.13 | 1.13 |
| *Impact of the change in salary increase* | | | | |
| Present Value of Obligation at the end of the year | 157.55 | 143.75 | 19.68 | 17.93 |
| Impact due to increase of 1% | 12.51 | 11.77 | 1.06 | 1.23 |
| Impact due to decrease of 1% | (10.94) | (10.31) | (0.91) | (1.09) |
| Sensitivities due to mortality & withdrawals are insignificant & hence ignored. | | | | |
| **Maturity profile of defined benefit obligation:** | | | | |
| Year 1 | 24.35 | 21.54 | 9.94 | 8.87 |
| Year 2 | 11.28 | 9.97 | 0.80 | 0.69 |
| Year 3 | 10.84 | 10.14 | 0.72 | 0.74 |
| Year 4 | 15.15 | 9.72 | 0.97 | 0.64 |
| Year 5 | 13.97 | 13.35 | 0.85 | 0.91 |
| Year 6 to 10 | 68.97 | 64.14 | 4.71 | 4.23 |
| **Investment Details** | | | | |
| Funds managed by Insurance Companies | 181.67 | 171.76 | 12.02 | 11.55 |
| Cash / Bank Balance | 1.16 | 1.01 | - | - |

Note: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuarial Valuer.

## 37. DISCLOSURE AS REQUIRED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE ACT):

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Principal amount remaining unpaid to micro & small enterprises* | 320.44 | 221.08 |
| Interest due on above | - | - |
| Interest paid during the period beyond the appointed day | - | - |
| Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act. | - | - |
| Amount of interest accrued and remaining unpaid at the end of the period | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act | - | - |

Note: The above information and that given in Note 23' Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the Group and has been relied upon by the auditors. The Group has not received any claim for interest from any supplier as at the balance sheet date.

* Includes ₹ 301.26 Millions (P.Y. ₹ 202.75 Millions) outstanding, but not overdue to micro and small enterprises as on 31st March, 2023.

## 38. COMMITMENTS AND CONTINGENCIES

**(a) Contingent Liabilities not provided for in respect of :**

| **Particulars** | **As at 31st March, 2023** | **As at 31st March, 2022** |
|---|---|---|
| (i) Unexpired Letters of Credit | 47.47 | 31.49 |
| (ii) Guarantees given by banks on behalf of the Company | 49.99 | 12.40 |
| (iii) Claims against the Company towards Income Tax, Sales tax, Provident fund, GST and others in dispute not acknowledged as debt | 46.47 | 44.67 |

**Notes:**

i) The Group's pending litigations comprise of claims against the Group and proceedings pending with Tax Authorities. The Group 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 Information. The Group does not expect the outcome of these proceedings to have a material impact on its financial position.

ii) The Group periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, The Group has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.

iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

iv) The Group does not have outstanding term derivative contracts as at the end of respective years.

v) There were no amounts which were required to be transferred to the investor Education and Protection fund by the Holding company and its Subsidiary company at the end of respective years.

**(b) Capital Commitments**

| **Particulars** | **As at 31st March, 2023** | **As at 31st March, 2022** |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 28.29 | 74.10 |

**39.** 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 significantly differ from the amount at which it is stated.

## 40. RESEARCH & DEVELOPMENT (R&D) EXPENDITURE

| **Particulars** | **For the year ended 31st March, 2023** | **For the year ended 31st March, 2022** |
|---|---|---|
| Revenue Expenditure | 65.41 | 59.21 |
| Capital Expenditure | 4.65 | 1.80 |
| **Total** | **70.06** | **61.02** |

**40.1 Capital expenditure incurred on R&D is included in the Property Plant and Equipment and depreciation is provided on the same at respective applicable rates.**

**40.2 Revenue expenditure incurred on R&D has been shown under Other Expense head in the Statement of Profit and loss.**

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 41. "RELATED PARTY DISCLOSURES" AS REQUIRED BY IND AS - 24 :

**(i). Name and description of related parties.**

| Relationship | Name of Related Party | |
|---|---|---|
| **(a) Key management personnel :** | Mr. M.L. Sethia | (Chairman) |
| | Mr. Kamal Sethia | (Managing Director) |
| | Mr. Sanjeev Sethia | (Whole Time Director - EMS) |
| | Mr. Sumit Sethia | (Whole Time Director - Goa Operation) |
| | Mr. Kishor Sethia | (Whole Time Director - Works) (Ceased w.e.f. 6th September, 2021) (Key Managerial Personal*) (w.e.f. 30th September, 2021) |
| | Mr. Vinay Kumar Sethia | (Whole Time Director- Commercial) (Ceased w.e.f. 6th September, 2021) (Key Managerial Personal*) (w.e.f. 30th September, 2021) |
| | Mr. Gaurav Sethia | (Director of Subsidiary Company) |
| | Mr. Vinay Kumar Sethia | (Director of Subsidiary Company) (w.e.f. 29th September, 2021) |
| | Ms. Priyanka Sethia | (Director of Subsidiary Company) (w.e.f. 30th October, 2020) (Ceased w.e.f. 9th October, 2021) |
| | Mr. Pradeep Sethia | (Director of Subsidiary Company) (w.e.f. 5th December, 2020) (Ceased w.e.f. 9th October, 2021) |
| | Mr. Raj Karan Chhajer | (Chief Financial Officer) (w.e.f. 30th September, 2021) |
| | Mr. Avinash Karwa | (Company Secretary and Compliance Officer) (Ceased w.e.f. 14th June, 2022) |
| | Ms. Lata Rani Pawa | (Company Secretary and Compliance Officer) (w.e.f. 14th June, 2022) |
| **(b) Relative of Key management personnel :** | Ms. Khushboo Sethia | |
| | Ms. Kanika Sethia | |
| | Ms. Suman Sethia | |
| | Ms. Vasudha Sethia | |
| | Ms. Kanchan Sethia | |
| | Mr.Vijay Singh Sethia | |
| | Ms. Santosh Sethia | |
| | Ms. Shweta Sethia | |
| | Mr. Deepak Sethia | |
| | Mr. Sushil Kumar Sethia | |
| **(c) Post Employment Benefit Plans** | Elin Employees Group Gratuity Trust | |
| | Elin Appliances Private Limited Employees Gratuity Trust | |
| **(d) Enterprises owned or Significantly influenced by key management personnel or their relatives.** | Kanchan Commercial Co. Private Limited | |
| | Magtronic Devices Private Limited | |
| | Sethia Oil Industries Limited | |
| | Kamal Sethia & Sons HUF | |
| | Vijay Singh Sethia And Sons HUF | |
| | Sushil Kumar Sethia & Sons HUF | |
| | Vinay Kumar Sethia Sons | |
| | Deepak Sethia And Sons | |

* As per section 2(51) of Companies Act 2013

Note: Related party relationship is as identified by the Company and relied upon by the auditors

**(ii) Nature of transactions - The transactions entered into with the related parties during the year along with related balances as at respective years are as under.**

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Sales/rendering of Goods and Materials** | | |
| Sethia Oil Industries Limited | - | 0.01 |
| **Income - Rent /Other income** | | |
| Magtronic Devices Private Limited | 0.36 | 0.36 |
| **Expenses - Rent /Other expenses** | | |
| Kanchan Commercial Co. Private Limited | 0.60 | 0.60 |
| **Contribution towards Gratuity Liabilities** | | |
| Elin Electronics Limited Employees Group Gratuity Trust | 11.70 | 4.03 |
| Elin Appliances Private Limited Employees Gratuity Trust | 0.90 | 0.90 |
| **Remuneration of Key Management Personnel *** | | |
| Mr. M.L. Sethia | 3.64 | 3.64 |
| Mr. Kamal Sethia | 8.47 | 5.17 |
| Mr. Kishor Sethia | 8.47 | 4.96 |
| Mr. Sanjeev Sethia | 8.47 | 5.49 |
| Mr. Vinay Kumar Sethia | 8.47 | 5.38 |
| Mr. Sumit Sethia | 9.41 | 6.87 |
| Mr. Gaurav Sethia | 8.47 | 4.38 |
| Mr. Pradeep Sethia | - | 1.53 |
| Ms. Priyanka Sethia | - | 3.04 |
| Mr. Raj Karan Chhajer | 2.44 | 1.25 |
| Mr. Avinash Karwa | 0.49 | 2.76 |
| Ms.Lata Rani Pawa | 1.01 | - |
| **Remuneration of Relatives of Key Management Personnel** | | |
| Ms. Khushboo Sethia | - | 1.85 |
| **Dividend paid to Key Management Personnel** | | |
| Mr. Kamal Sethia | 2.23 | - |
| Mr. Kishor Sethia | 3.64 | - |
| Mr. Sanjeev Sethia | 0.92 | - |
| Mr. Vinay Kumar Sethia | 0.63 | - |
| Mr. Sumit Sethia | 0.86 | - |
| Mr. Vikas Sethia | - | - |
| Mr. Sharad Sethia | - | - |
| Mr. Gaurav Sethia | 3.14 | - |
| Mr. Pradeep Sethia | 0.97 | - |
| Ms. Priyanka Sethia | 1.83 | - |
| **Dividend paid to Relatives of Key Management Personnel** | | |
| Kanika Sethia | 0.15 | - |
| Suman Sethia | 3.96 | - |
| Vasudha Sethia | 1.08 | - |
| Kanchan Sethia | 1.18 | - |

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| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| Vijay Singh Sethia | 0.69 | - |
| Santosh Sethia | 0.82 | - |
| Shweta Sethia | 0.11 | - |
| Vinay Kumar Sethia Sons | 0.01 | - |
| Deepak Sethia | 0.82 | - |
| Deepak Sethia And Sons | 0.02 | - |
| Sushil Kumar Sethia | 0.47 | - |
| Kamal Sethia & Sons Huf | 0.27 | - |
| Vijay Singh Sethia and Sons Huf | 0.14 | - |
| Sushil Kumar Sethia & Sons (Huf) | 0.01 | - |
| **Payable to Key Management Personnel (Remuneration)** | | |
| Mr. Sumit Sethia | 0.31 | - |

* As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and therefore, not included above.

The transactions for the year do not include reimbursement of IPO related expenses and its outstanding payable balances, incurred on behalf of related parties as selling shareholders in Offer for Sale. Refer note 51 of the financial statements for detailed note on IPO and expenses incurred by the Company and allocated to selling shareholders.

## 42. SEGMENT REPORTING

a. The Board of directors of Elin Electronics Limited takes decision in respect of allocation of resources and assesses the performance basis the reports/ information provided by functional heads and is thus considered to be Chief Operating Decision Maker. During the year under consideration, the Group operated only one segment i.e., manufacturing of Electronics Manufacturing Services.

b. **Geographical Information**

The geographical information analyzes the Group's revenues by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Group's consolidated revenues and receivables by geographical market, regardless of where the goods were produced:

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **i. Revenue from customers** | | |
| India | 10,717.80 | 10,899.75 |
| Outside India | 36.49 | 37.79 |
| **Total revenue** | **10,754.28** | **10,937.54** |
| **ii. Trade receivables** | | |
| India | 1,956.02 | 1,765.14 |
| Outside India | 18.10 | 8.59 |
| **Total trade receivable** | **1,974.11** | **1,773.73** |

iii. The Group has common non-current assets for business in domestic and overseas markets. Hence, separate figures for non-current assets/ additions to property, plant and equipment have not been furnished.

c. **Information about major customers (from external customers)**

Revenue of approximately 43% (2021-22: 50%) are derived from 2 Nos. (2021-22: 3 Nos.) external customers which individually accounted for more than 10%.

## 43. CORPORATE SOCIAL RESPONSIBILITY EXPENSES:

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| a. amount required to be spent by the Group during the year, | 7.66 | 6.03 |
| b. amount of expenditure incurred, | 8.54 | 6.29 |
| c. shortfall at the end of the year, | - | - |
| d. total of previous years shortfall, | - | - |
| e. reason for shortfall, | - | - |
| f. nature of CSR activities, | | |
| On promotion of Education | 5.70 | 3.16 |
| On promoting health care including preventive health care and sanitation | 0.30 | 2.66 |
| On promoting National & Rural Sports | 1.95 | - |
| Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air | 0.58 | 0.37 |
| Disaster management, including relief, rehabilitation and reconstruction activities | - | 0.10 |
| g. details of related party transactions, e., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard | Nil | Nil |
| h. where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period should be shown separately | Nil | Nil |

## 44. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include cash and cash equivalents, trade and other receivables that derive directly from its operations.

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group has constituted a Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Notes to Consolidated Financial Statements
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### 44.1 Financial Instruments by category

| Particulars | As at 31st March, 2023 | | | As at 31st March, 2022 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised Cost | FVTPL | FVTOCI | Amortised Cost |
| **Financial Assets** | | | | | | |
| (i) Investments- Equity Instruments (level 2) | - | 0.74 | - | - | 0.58 | - |
| (ii) Investments- Mutual Funds (level 1) | 264.70 | - | - | 11.55 | - | - |
| (iii) Trade receivables | - | - | 1,974.11 | - | - | 1,773.73 |
| (iv) Cash and cash equivalents | - | - | 3.94 | - | - | 40.14 |
| (v) Bank balances other than (iv) above | - | - | 992.70 | - | - | 9.21 |
| (vi) Loans | - | - | 1.60 | - | - | - |
| (vii) Other Financial Assets | - | - | 383.35 | - | - | 28.39 |
| **Total financial assets** | **264.70** | **0.74** | **3,355.70** | **11.55** | **0.58** | **1,851.47** |
| **Financial liabilities** | | | | | | |
| (i) Borrowings | - | - | 778.47 | - | - | 1,023.32 |
| (ii) Lease Liabilities | - | - | 5.15 | - | - | 1.97 |
| (iii) Trade payables | - | - | 1,269.05 | - | - | 992.38 |
| (iv) Other financial liabilities | - | - | 132.75 | - | - | 93.78 |
| **Total Financial liabilities** | **-** | **-** | **2,185.42** | **-** | **-** | **2,111.44** |

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorised into Level 1 , Level 2 and Level 3 inputs. There are no transfers between level 1, level 2 and level 3 during the years presented.

**Significant estimates:**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period."

### 44.2 Management of Financial Risk

**Liquidity risk**

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the year closing date.

| | Notes Nos. | Carrying amount | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|---|
| **As at 31st March, 2023** | | | | | |
| Borrowings (excluding lease liabilities) | 20, 22 | 778.47 | 382.56 | 395.91 | **778.47** |
| Lease Liabilities | 36 | 5.15 | 0.06 | 5.09 | **5.15** |
| Trade payables | 23 | 1,269.05 | 1,269.05 | - | **1,269.05** |
| Other liabilities | 24 | 132.75 | 132.75 | - | **132.75** |
| **As at 31st March, 2022** | | | | | |
| Borrowings (excluding lease liabilities) | 20, 22 | 1,023.32 | 683.67 | 339.64 | **1,023.32** |
| Lease Liabilities | 36 | 1.97 | 0.05 | 1.91 | **1.97** |
| Trade payables | 23 | 992.38 | 992.38 | - | **992.38** |
| Other liabilities | 24 | 93.78 | 93.78 | - | **93.78** |

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI & FVTPL investments.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates. The Group does not expose to the risk of changes in market interest rates as Group's long and short term debt obligations are of fixed interest rate.

**Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities (when certain purchases and trade payables are denominated in a foreign currency).

The Group undertakes transactions denominated in foreign currencies and consequently, exposes to exchange rate fluctuations. The Group does not enter into trade financial instruments including derivate financial instruments for hedging its foreign currency risk. The appropriateness of the risk policy is reviewed periodically with reference to the approved foreign currency risk management policy followed by the Group.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks  and other financial instruments.

**Trade Receivables**

Customer credit risk is managed by each business unit subject to the Group established policy, procedures and control relating to customer credit risk management. To manage trade receivable, The Group periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 44. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Group's policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

None of the Group's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur.

**Capital management**

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and Maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Group is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain investor and creditors confidence.

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**The following table provides detail of the debt and equity at the end of the reporting period :**

| Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|
| Gross Debt | 778.47 | 1,023.32 |
| Less : Cash and Cash equivalents (Note 13) | 3.94 | 40.14 |
| **Net Debt (A)** | **774.53** | **983.18** |
| Total Equity (B) | 4,930.97 | 3,031.20 |
| **Net Debt to Equity Ratio (A/B)** | **0.16** | **0.32** |

## 45. FOREIGN CURRENCY EXPOSURE

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations will arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

| Particulars | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| Trade payable | USD/₹ | 112.73 | 55.43 |
| | Amount in FC | 13,46,542.13 | 7,21,605.82 |
| | JPY/₹ | 6.45 | 0.15 |
| | Amount in FC | 5,29,174 | 12,540 |
| Trade receivable | USD/₹ | 18.10 | 8.59 |
| | **Amount in FC** | **2,20,806.93** | **1,14,174.75** |

**Foreign currency sensitivity analysis:**

The following details are demonstrate The Group's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

| Impact on profit or loss | | As at 31st March, 2023 | As at 31st March, 2022 |
|---|---|---|---|
| ₹ strengthens by 5% | USD Impact | (4.73) | (2.34) |
| | JPY Impact | 0.32 | 0.01 |
| ₹ weakening by 5% | USD Impact | 4.73 | 2.34 |
| | **JPY Impact** | **(0.32)** | **(0.01)** |

## 46. TAX RECONCILIATION

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|---|---|
| **Net Profit as per consolidated statement of profit and loss (before tax)** | **357.02** | **528.73** |
| **Current Tax rate @ Applicable Tax Rates** | **89.86** | **133.07** |
| *Adjustment:* | | |
| Allowability of Depreciation & Employee Benefits | (14.02) | (11.42) |
| Amount of eligible / ineligible expenditure | 5.62 | 2.89 |
| Taxation of Capital Gains | 0.84 | 2.18 |
| Other adjustments | (2.38) | 1.22 |
| Tax Provision as per Books | **79.91** | **127.94** |

## 47. FINANCIAL RATIOS

| Ratios/Measure | Methodology | 31st March, 2023 | 31st March, 2022 | Variation |
|---|---|---|---|---|
| a) Current ratio | Current assets over current liabilities | 2.43 | 1.74 | 39.87% |
| b) Debt equity ratio | Net Debt over total shareholders' equity | 0.16 | 0.32 | (51.57)% |
| c) Debt service coverage ratio | Earnings available for debt services over total debt | 74.86% | 64.59% | 15.89% |
| d) Return on equity % | PAT over total average equity | 6.73% | 13.86% | (51.43)% |
| e) Inventory turnover ratio | Cost of goods sold over average inventory | 6.55 | 6.95 | (5.71)% |
| f) Trade receivables turnover ratio | Revenue from operations over average trade receivables | 5.74 | 6.08 | (5.55)% |
| g) Trade payables turnover ratio | Net Purchases over average trade payables | 7.08 | 8.05 | (12.06)% |
| h) Net capital turnover ratio | Revenue from operations over average working capital | 131.66% | 208.42% | (36.83)% |
| i) Net profit % | Net profit over revenue | 2.49% | 3.58% | (30.43)% |
| j) Return on capital employed % | Earning before interest and taxes over Capital employed | 8.39% | 15.81% | (46.95)% |
| k) Return on investment | Interest income, net gain on sale of investments and net fair value gain over average investments. | 3.68% | 8.28% | (55.52)% |

**Notes:-**

Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest + other adjustments like loss on sale of Fixed assets etc.

"Net Profit after tax" means reported amount of "Profit / (loss) for the period" and it does not include items of other comprehensive income.

Working Capital implies Current Assets less Current Liabilities.

Capital employed refers to sum of tangible net-worth, total debts and deferred tax liability as at close of year.

**Explanation for variances exceeding 25%**

a) Current ratio is increased due to pending IPO proceeds in Monitoring Account & Bank Deposits.

b) Debt equity ratio is reduced due to repayment of borrowings as part of utilisation of IPO proceeds during the year.

d, i, j) Due to lower profitability, Return on equity, Net Profit and Return on capital employed ratio have declined.

h) Net Capital turnover ratio is declined due to lower sales and higher current assets

k) Return on Investment is decreased due to sale of Mutual Fund investments during the year resulting into lesser return compared to last year.

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## 48. OTHER STATUTORY INFORMATION

i) The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

iii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

vi) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

vii) The Group is not declared wilful defaulter by and bank or financials institution or lender during the year.

viii) The Group has certain charges which are either pending for registration of modification or satisfaction with the ROC, as the instrument for modification or satisfaction of charge is pending to be executed between the Company and lenders. Pending such execution of instrument, the Group does not have any other charges or satisfaction as on 31st March, 2023 which is yet to be registered with ROC beyond the statutory period.

ix) Quarterly returns/statements of current assets filed by the group with banks are generally in agreement with the books of account.

x) The Group has used the borrowings from banks and financial institutions for the specific purpose for which it was obtained.

(xi) The title deeds of all the immovable properties, (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Group as at the balance sheet date.

xii) The Group does not have any transactions with companies which are struck off.

## 49. PARTICULARS IN RESPECT OF LOANS GIVEN, INVESTMENT MADE OR GUARANTEE GIVEN OR SECURITY PROVIDED AS REQUIRED PERSUANT TO SECTION 186(4) OF COMPANIES ACT, 2013

| Nature of Transaction (Loans given / Investment made / Guarantee given / Security provided) | Purpose for which the loan / guarantee / security is proposed to be utilised by the recipient | 31st March, 2023 | 31st March, 2022 |
|---|---|---|---|
| Loans Given to Others | | | |
| ELCINA Electronics Manufacturing Cluster Private Limited | To meet the borrower unplanned and out of budget payments. The loan carries interest of 8.75% p.a. and repayable within 12 months. | 1.60 | - |

## 50. ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY.

| Name of the Enterprises | Relationship | Net Assets i.e. total assets minus liabilities | | Share in Profit or Loss | |
|---|---|---|---|---|---|
| | | As % of total consolidated net assets | Amounts (In ₹) | As % of total consolidated Profit or Loss | Amounts (In ₹) |
| **Elin Electronics Limited** | Holding Company | | | | |
| 31st March, 2022 | | 77.20% | 2,340.08 | 81.83% | 334.29 |
| **31st March, 2023** | | **84.81%** | **4,182.16** | **79.02%** | **217.29** |
| **Elin Appliances Private Limited** | Wholly owned Subsidiary | | | | |
| 31st March, 2022 | | 22.80% | 691.13 | 18.17% | 74.21 |
| **31st March, 2023** | | **15.19%** | **748.81** | **20.98%** | **57.68** |

## 51. INITIAL PUBLIC OFFERING (IPO)

The Holding Company has completed Initial Public Offer (IPO) of 1,92,30,746 equity shares comprising a fresh issue of 70,85,020 equity shares and offer for sale by selling shareholders of 1,21,45,726 equity shares of face value of ₹ 5 each at premium of ₹ 242 per share aggregating to ₹ 4,750.00 Million. Pursuant to the IPO, the equity shares of the Holding Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) with effect from 30th December, 2022.

As on 31st March, 2023, the Holding Company had incurred ₹ 266.88 Million as IPO related expenses (incl. provision for certain invoices) and allocated such expenses between the holding company ₹ 98.48 Million and selling shareholders ₹ 168.40 Million. Such amounts were allocated based on agreement with selling shareholders and in proportion to the total proceeds from the IPO. The Holding Company's share of expenses of ₹ 84.37 Million (net of GST credit of ₹ 14.12 Million) has been adjusted to securities premium. Refer note 19 of the consolidated financial statements.

Subsequent to the listing of shares of Holding Company, the IPO related expenses of ₹ 177.64 Million were recovered from the selling shareholders as per the original estimated expenses mentioned in the prospectus filed with RoC. With the finalisation of revised issue expenses as mentioned above, sum of ₹ 9.24 Million is payable to selling shareholders at the end of the year and shown under current liabilities. Refer note 24 of the consolidated financial statements.

**Detail of Utilisation of IPO Proceeds is as under:**

| Item Head | Estimated net proceeds as per Prospectus | Revised Net Proceeds | Utilised upto 31st March, 2023 | Unutilised as on 31st March, 2023 |
|---|---|---|---|---|
| Repayment/ prepayment, in full or part, of certain borrowings availed of by our Company | 880.00 | 880.00 | 295.88 | 584.12 |
| Funding capital expenditure towards upgrading and expanding our existing facilities at (i) Ghaziabad, Uttar Pradesh and (ii) Verna, Goa | 375.89 | 375.89 | - | 375.89 |
| General corporate purposes @ | 390.24 | 395.63 | 390.24 | 5.39 |

@ adjusted based on the final share of company's issue expenses.

IPO proceeds which were unutilised as at 31st March, 2023 were temporarily retained/parked in the Monitoring Agency & Escrow Account and Fixed Deposits.

Notes to Consolidated Financial Statements
for the year ended 31st March, 2023
(All amounts are in ₹ Millions, unless otherwise stated)

## 52. SUBSEQUANT EVENT NOTE

On 30th May, 2023, the Board of Directors of the Holding Company have proposed a dividend of ₹ 1 per share (20%) of face value of ₹ 5 each in respect of the year ended 31st March, 2023 subject to the approval of shareholders at the Annual General Meeting.

53. Figures for the previous years have been regrouped/rearranged wherever necessary to confirm current period classification / presentation.

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As per our report of even date attached
**For Oswal Sunil & Company**
Chartered Accountants
Firm Reg. No.: 016520N

**Nishant Bhansali**
Partner
M.No.: 532900

New Delhi, 30th May, 2023

**For and on behalf of the Board**

**M.L.Sethia**
Chairman & Whole Time Director
DIN: 00081367

**Sanjeev Sethia**
Whole Time Director
DIN: 00354700

**Raj Karan Chhajer**
Chief Financial Officer
PAN: AAAPC0561C

**Lata Rani Pawa**
Company Secretary and
Compliance Officer
M.No.: A30540

New Delhi, 30th May, 2023

# NOTICE OF ANNUAL GENERAL MEETING

**ELIN ELECTRONICS LIMITED**

CIN: L29304WB1982PLC034725, Website- www.elinindia.com

**Registered Office:** 143, Cotton Street, Kolkata -700007, Tel: 033 22684329

**Corporate Office:** 4771, Bharat Ram Road, 23, Daryaganj, New Delhi – 110002;

Email id: rkc@elinindia.com , Tel: +91 011 43000400.

**Notice** is hereby given that the 41st Annual General Meeting(AGM) of the members of **ELIN ELECTRONICS LIMITED** will be held on Saturday, the 30th day of September, 2023 at 10.30 A.M. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), to transact businesses as set out in this notice. The venue of the meeting shall be deemed to be the Registered Office of the Company at 143, Cotton Street, Kolkata - 700007. The following businesses will be transacted at the AGM:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the –
   a. Audited Standalone Financial Statements of the Company for the financial year ended on 31st March, 2023 together with the Reports of the Board of Directors and Auditors thereon; and
   b. Audited Consolidated Financial Statements of the Company for the financial year ended on 31st March, 2023 together with the report of Auditors thereon;
2. To declare a Final Dividend of ₹ 1 per Equity Share of the face value of ₹ 5 each, for the Financial Year ended 31st March, 2023.
3. To appoint a Director in place of Shri Sanjeev Sethia (DIN: 00354700), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Sumit Sethia (DIN: 00831799), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
5. **Appointment of Statutory Auditors to fill casual vacancy.**

   To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Section 139(8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), be and are hereby appointed as Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Oswal Sunil & Company, Chartered Accountants, (Firm Registration Number: 016520N).

   **RESOLVED FURTHER that** M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), be and are hereby appointed as Statutory Auditors of the Company to hold the office with effect from 10th August, 2023 (from the conclusion of Board Meeting) and to hold office till conclusion of ensuing 41st Annual General Meeting to be held for FY ended March 31, 2023, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.
6. **Appointment of Statutory Auditors and fixation of remuneration.**

   To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution:**

   **"RESOLVED THAT** pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of four years, from the conclusion of the ensuing 41st Annual General Meeting till the conclusion of the 45th Annual General Meeting of the Company to be held in the year 2027, at such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company.

Notice of Annual General Meeting (Contd.)

**RESOLVED FURTHER THAT** the Board (including any Committee thereof) be and is hereby authorised to take all such steps and do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.".

**SPECIAL BUSINESS:**

7. **To Continue the appointment of Dr. Shanti Lal Sarnot (DIN: 01899198) as an Independent Director of the Company.**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Regulation 17(IA) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for continuation of Directorship of Dr. Shantilal Sarnot (DIN:01899198) as a Non-Executive Independent Director, not liable to retire by rotation from the day he attains the age of 75 years viz. 21st November, 1948 till the expiry of his current term which will be expired on 29th September, 2026.

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

8. **To Ratify remuneration of Cost Auditors.**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the remuneration payable to M/s Bhavna Jaiswal & Associates, Cost Accountants (Firm Registration number 100608), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2024, amounting to ₹ 75000/- plus out-of-pocket expenses & Goods & service tax as applicable incurred in connection with the aforesaid audit, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

9. **To shift Registered Office of the Company from the State of West Bengal to National Capital Territory (NCT) of Delhi.**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 12, 13 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with rule 30 of the Companies (Incorporation) rules, 2014 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to the approval of the Central Government (power delegated to Regional Director) and / or any other authority(ies) as may be prescribed from time to time and subject to such other approvals, permissions and sanctions, as may be required under the provisions of the said Act or under any other law for the time being in force, fresh approval of the members of the Company be and is hereby accorded for shifting the Registered Office of the Company from the State of West Bengal to National Capital Territory (NCT) of Delhi and that Clause II of the Memorandum of Association of the Company be substituted with the following clause:

"II. The Registered Office of the Company will be situated in the National Capital Territory (NCT) of Delhi.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as the "Board", which shall also deem to include any of its duly authorised Committee and Officials/representatives for this purpose) be and is hereby authorised on behalf of the Company, to approve applications/ petitions and file such applications/petitions, issue notices, advertisements, obtain orders for shifting of Registered Office from the concerned authorities, to make any modifications, changes, variations, alterations or revisions as it may deem necessary in accordance with the statutory requirement or as stipulated by any authority, while according approval / consent, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board may, in its absolute discretion deem necessary, expedient, usual or proper including appointment of counsel/personnel to represent the Company before any authority, in relation to or in connection with or for matters consequential to the shifting of the registered office without seeking any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**NOTES:**

1. The Ministry of Corporate Affairs ('MCA'), vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 02/2021 dated 13th January, 2021, 19/2021 dated 8th December, 2021, 21/2021 dated 14th December, 2021 and 10/2022 dated 28th December, 2022 ('MCA Circulars'), has allowed the Companies to conduct the AGM through Video Conferencing or Other Audio-Visual Means ('VC/OAVM') till 30th September, 2023. In accordance with the said MCA Circulars and applicable provisions of the Act, the 41st AGM of the Company shall be conducted through VC/OAVM. The Company has appointed Central Depository Services (India) Limited ('CDSL') for providing facilities in respect of:
   (a) voting through remote e-voting;
   (b) participation in the AGM through VC/OAVM facility;
   (c) e-voting during the AGM.

   The deemed venue for the AGM shall be the Registered Office of the Company. The detailed procedure for participation in the meeting through VC/OAVM is annexed hereto
2. An Explanatory Statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto. Pursuant to Regulation 36(5) of Listing Regulations an explanatory statement for item no.5 and 6 of the notice also forms part of this notice.
3. Details of the Directors proposed to be appointed / re-appointed and continued as required in terms of Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings ("Secretarial Standards – 2") issued by The Institute of Company Secretaries of India, are provided at the end, and forms an integral part of this Notice.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 24th September, 2023 to Saturday, 30th September, 2023 (both days inclusive) for the purpose of the AGM.
5. The Company's Registrar and Transfer Agent (RTA) is KFin Technologies Limited, Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Hyderabad 500 032.
6. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars on AGM through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the proxy form, attendance slip and route map are not annexed to this Notice.
7. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection during the AGM upon login at CDSL e-voting system and any other documents referred to in the accompanying Notice and Explanatory Statements, shall be made available for inspection on the website of the Company till the date of this Annual General Meeting.
8. Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations read with SEBI circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 5 January, 2023, companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository Participant(s). Physical copy of the Annual Report shall be sent to those Members who request for the same.
9. The Notice and Annual Report will also be available on the Company's website **https://www.elinindia.com/investors/#Annual_Reports,** websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at **www.bseindia.com** and **www.nseindia.com** respectively, and on the website of CDSL i.e. **www.evotingindia.com**.
10. The Annual Report for the F.Y. 2022-23 including notice of AGM is being sent to those members/beneficial owners whose name appear in the register of members/list of beneficiaries received from the depositories as on Friday, 1st September, 2023.

Notice of Annual General Meeting (Contd.)

11. Members, whose email address is not registered with the Company /RTA or with their respective Depository Participant(s) are requested to register their e-mail address in the following manner:
    - Members holding shares in physical form can register their e-mail id with the RTA by sending an e-mail to RTA at **einward.ris@kfintech.com**.
    - Members holding shares in demat mode may update the email address through their respective Depository Participant(s).
12. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Saturday, 23rd September, 2023. Members are eligible to cast vote only if they are holding shares as on that date and a person who is not a member as on the cut off date should treat this notice for information purposes only.
13. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories and Company's RTA as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through VC/ OAVM.
14. Members of the Company who acquires shares after the sending of Notice by the Company and hold shares as on the cut-off date i.e. Saturday, 23rd September, 2023 shall follow the same procedure for e-Voting as mentioned at points no 30 to 34.
15. In terms of the SEBI Listing Regulations, securities of listed companies can now only be transferred in dematerialised form, so the Members are advised to dematerialise shares held by them in physical form.
16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
17. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
18. Non-Resident Indian members are requested to inform RTA/respective DP's, immediately of:
    a) Change in their residential status on return to India for permanent settlement.
    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code and address of the bank with pin code number, if not furnished earlier.
19. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding the shares in physical form can submit their PAN details to the Company/RTA.
20. Members are requested to note that under Section 124 of Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) constituted by the Central Government of India.The Company has uploaded information of unclaimed dividends on its website upto the financial year ended 31 March, 2023 at **www.elinindia.com**. The concerned members are requested to verify the details of their unclaimed amounts, if any, from the said websites and write to the Company's Secretarial department at Corporate Office / RTA before the same becoming due for transfer to the Investor Education and Protection Fund.
21. Pursuant to SEBI Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023, issued in supersession of earlier circulars issued by SEBI bearing nos. SEBI/HO/ MIRSD/MIRSD_RTAMB/P/CIR/2021/655 and SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2021/687 dated 3rd November, 2021 and 14th December, 2021, respectively, SEBI has mandated all the listed companies to record PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers of holders of physical securities. The folios wherein any one of the cited documents/details is not available on or after 1st October, 2023, shall be frozen by the RTA. If the securities continue to remain frozen as on 31st December, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002. Securities in the frozen folios shall be eligible:

- To lodge any grievance or avail of any service, only after furnishing the complete documents / details as mentioned above;
- To receive any payment including dividend, interest or redemption amount (which would be only through electronic mode) only after they comply with the above stated requirements. The forms for updation of PAN, KYC Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3 and SH-13 are available on Company's website at **https://www.elinindia.com/investors/#Various_Forms** and on the website of RTA at **https://investor.kfintech.com/**. Members holding shares in electronic form and wish to update their PAN, KYC, Bank details and Nomination are requested to contact their Depository Participant(s).

  With effect from January 24, 2022, SEBI has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issuance of duplicate share certificates, exchange/ subdivision/split/ consolidation of securities, transmission/ transposition of securities and claim from Suspense Escrow Demat Account. Vide its Circular dated January 25, 2022, SEBI has clarified that listed entities/ RTAs shall issue a Letter of Confirmation in lieu of the share certificate while processing any of the aforesaid investor service requests. Members holding shares in physical form are requested to get their shares dematerialised.

**DIVIDEND RELATED INFORMATION:**

22. Final Dividend as recommended by the Board of Directors for the FY ended 31st March, 2023, if approved at the AGM, will be paid to those Members of the Company who hold shares:

    (i) In demat mode, based on the list of beneficial owners to be received from NSDL and CDSL as at the close of business hours on Friday, 22nd September, 2023, being the record date;

    (ii) In physical mode, if the names appear in the Company's Register of Members as on Friday, 22nd September, 2023.

    The Final Dividend will be paid subject to deduction of tax at source within 30 days from the date of declaration.

23. Members holding shares in demat form are hereby informed that bank particulars registered with their respective DPs, with whom they maintain their demat accounts, will be used by the Company for the payment of dividend. Members holding shares in demat form are requested to intimate any change in their address and/or bank mandate to their DPs only, as the Company or its Registrar and Share Transfer Agent cannot act on any request received directly on the same.

24. Members holding shares in physical form are requested to intimate any change of address and/or bank mandate to KFin Technologies Limited, Registrar and Share Transfer Agent of the Company by sending a request in Form ISR-1 at Selenium Building, Tower-B, Plot No. 31 & 32, Financial District, Nanakramguda, Hyderabad 500 032 or by email to **einward.ris@kfintech.com** from their registered email id. In case the Company is unable to pay the dividend to any Member by the electronic mode, due to non-availability of bank mandate, the Company shall dispatch the dividend warrant/demand draft/ Bankers' Cheque to such Member by post in due course.

25. Pursuant to Finance Act 2020, dividend income is taxable in the hands of members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to members at rates prescribed in the Income-Tax Act, 1961 (the IT Act). For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their Residential Status, PAN and category as per the IT Act with the Company/ KFin Technologies Limited (in case of shares held in physical mode) and Depositories Participants (in case of shares held in demat mode).

    (a) For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

| | |
|---|---|
| Shareholders having valid PAN - | 10% or as notified by the Government of India |
| Shareholders not having PAN/valid | 20% or as notified by the Government of India |

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2022-23 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the Income Tax Act. Resident shareholders may also submit any other document as prescribed under the Income Tax Act to claim a lower /

Nil withholding tax. Registered members may also submit any other document as prescribed under the Income Tax Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. Requesting you to share such information/documents, if any, please logon to **https://ris.kfintech.com/form15** or email to **einward.ris@kfintech.com** on or before Friday, 22nd September, 2023.

(b) Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors(FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF / JPG Format) by e-mail to **einward.ris@kfintech.com**. The aforesaid declarations and documents need to be submitted by the shareholders logon to **https://ris.kfintech.com/form15** or email to **einward.ris@kfintech.com** on or before Friday, 22nd September, 2023.

(c) For all Members: In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any proceedings.

Members holding shares under multiple accounts under different status/category and single PAN, may note that, higher of the tax rates as applicable to the status in which shares are held under a PAN will be considered on their entire holding in different accounts.

In case of any discrepancy in documents submitted by the Member, the Company will deduct tax at higher rate as applicable, without any further communication in this regard.

In case of joint Members, the Member named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Apart from the above, since the TDS/ Withholding rates are different for Resident and Non-Resident Members, Members are requested to update their residential status with the Registrar & Share Transfer Agent/Depository Participant for the F.Y. 2022-23, which will be considered for determining tax rates as per the provisions for Income Tax Act.

26. In order to enable the Company to determine the appropriate TDS/withholding tax rate applicable, Members are requested to provide the aforesaid details and documents on or before Friday, 22nd September, 2023 at **https://ris.kfintech.com/form15/default.aspx** or send the same to the Registrar and Share Transfer Agent at **einward.ris@kfintech.com** on or before Friday, September 22, 2023. No communication on the tax determination/deduction or residential status shall be entertained post by Friday, 22nd September, 2023.

27. Members may note that in case the tax on said dividend is deducted at a higher rate due to non receipt of the aforementioned details/documents, there would still be an option available to the Member to file the return of income and claim an appropriate refund, if eligible

28. In accordance with the provisions of the Income Tax Act, TDS certificates can be made available to the Members at their registered email id after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend.

29. The Company has already sent out a separate detailed email communication informing the Members regarding the relevant procedure to be adopted by the Members to avail the applicable tax rate as per the Income Tax Act.

30. **AGM THROUGH VIDEO CONFERENCING**

- The Members can join the AGM in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- The remote voting period begins on Tuesday, 26th September, 2023 (9:00) a.m. and ends on Friday, 29th September, 2023 (5:00) p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date Saturday, 23rd September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The facility for e-Voting will also be made available during the AGM and the Shareholders attending the AGM who have not cast their vote by remote e-Voting shall be eligible to vote through the e-Voting system during the AGM. The Shareholders who have cast their vote by remote e-Voting may also attend the AGM but shall not be entitled to cast their vote again.
- In order to increase the efficiency of the voting process, all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/Depository Participants, able to cast their vote without having to register again with the e-Voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

**31. THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method **for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

| **Type of shareholders** | **Login Method** |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL Depository | 1) Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website **www.cdslindia.com** and click on login icon & New System Myeasi Tab.<br>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by the Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website **www.cdslindia.com** and click on login & New System Myeasi Tab and then click on registration option.<br>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on **www.cdslindia.com** home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |

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| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL Depository | 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: **https://eservices.nsdl.com** either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2) If the user is not registered for IDeAS e-Services, option to register is available at **https://eservices.nsdl.com**. Select "Register Online for IDeAS "Portal or click at **https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp**<br>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: **https://www.evoting.nsdl.com/** either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP) | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-4886 7000 and 022-2499 7000 |

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

1) The shareholders should log on to the e-voting website **www.evotingindia.com**.
2) Click on "Shareholders" module.

3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

| For Physical shareholders and other than individual shareholders holding shares in Demat. | |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>· Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.<br>· If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field. |

- After entering these details appropriately, click on “SUBMIT” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN of the ELIN ELECTRONICS LIMITED on which you choose to vote.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutiniser for verification.

32. **ADDITIONAL FACILITY FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS –FOR REMOTE E-VOTING ONLY.**
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to **www.evotingindia.com** and

register themselves in the "Corporates" module.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.

  Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser at **fcs.ppa@gmail.com** and to the Company at the email address viz; **agm41@elinindia.com**, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

**33. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company i.e. ELIN ELECTRONICS LIMITED will be displayed after successful login as per the instructions mentioned above for remote e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Members desiring any information/clarification on the accounts or any matter to be placed at the AGM are requested to write to the Company at **agm41@elinindia.com** at least seven days before AGM from their registered email address mentioning their name, DPID Client ID / Folio no. and mobile number to enable the management to keep information ready at the AGM. Members desiring to seek information/clarification during the AGM on the accounts or any matter to be placed at the AGM may ask through the chat box facility provided by CDSL. These queries will be replied by the Company suitably by email.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**34. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

- For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to RTA at **einward.ris@kfintech.com**.
- For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to **helpdesk.evoting@cdslindia.com** or contact at toll free no. 1800 225533

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to **helpdesk.evoting@cdslindia.com** or call toll free no. 1800 225533.

**35. OTHER INFORMATION**

- Mr. Pramod Prasad Agarwal from P.P. Agarwal & Co., Company Secretaries (CP No. 10566) has been appointed as the Scrutiniser to scrutinise the remote e-voting and e-voting during the meeting in a fair and transparent manner.
- The Scrutiniser shall, immediately after the conclusion of e-voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and shall make a consolidated scrutiniser's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorised by him, within 2 (two) working days from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
- The results declared along with the report of the Scrutiniser shall be placed on the website of the Company at **https://www.elinindia.com** and on the website of CDSL at **www.evoting.india.com** immediately after the declaration of results by the Chairman or a person authorised by him. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.
- Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting i.e. Saturday the 30th September, 2023.
- The recorded transcript of the AGM will be hosted on the website of the Company at **www.elinindia.com**.

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

**Item no. 5:**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

The Members of the Company at its 40th AGM held on Monday, 1st August, 2022 had appointed M/s. Oswal Sunil & Company, Chartered Accountants, (Firm Registration Number: 016520N) Statutory Auditors of the Company for a second term to hold office from the conclusion of 40th AGM till the conclusion of 45th Annual General Meeting of the Company. M/s. Oswal Sunil & Company, Chartered Accountants, (Firm Registration Number: 016520N) vide its letter dated 9th August, 2023 has resigned from the position of Statutory Auditors of the Company with effect from closing of business hours of the Board meeting held on 10th August, 2023, post submission of Limited Review Report for the Quarter ended on June 30, 2023, resulting into a casual vacancy in the office of Statutory Auditors of the Company as envisaged by section 139(8) of the Companies Act, 2013. The Board of Directors at its meeting held on 10th August, 2023, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(8) of the Companies Act, 2013, have appointed M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), as the Statutory Auditors of the Company to fill-in causal vacancy arisen due to resignation of M/s. Oswal Sunil & Company, Chartered Accountants (Firm Registration Number: 016520N), with effect from 10th August, 2023 (from the conclusion of Board Meeting) till the conclusion of ensuing 41st AGM and subject to the approval by the members at the 41st Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company. The Company has received consent letter and eligibility certificate from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), to act as Statutory Auditors of the Company in place of M/s. Oswal Sunil & Company, Chartered Accountants, (Firm Registration Number: 016520N), along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

Disclosures under Regulation 36(5) of the SEBI LODR, for the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, are as under:

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| Proposed fees payable to the statutory auditor(s) along with terms of appointment. | Appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, is being proposed to hold office as the Statutory Auditors of the Company to fill-in causal vacancy arisen due to resignation of M/s. Oswal Sunil & Company, Chartered Accountants (Firm Registration Number: 016520N), with effect from 10th August, 2023 (from the conclusion of Board Meeting) till the conclusion of ensuing 41st Annual General Meeting to be held for FY ended 31st March, 2023 at a fee of up to ₹ 5.25 Millions on consolidated basis for audit of each financial year. |
| Material change in the fee payable to M/s. S. R. Batliboi & Co. LLP, Chartered Accountants from that paid to M/s. Oswal Sunil & Company, Chartered Accountants (the outgoing auditor) along with the rationale for such change. | There is material change in the proposed fee of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, from that paid to M/s. Oswal Sunil & Company, Chartered Accountants (outgoing Auditors). M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, is one of the largest audit firms. |

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| Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed. | There has been a change in Company's landscape owing to its status of a listed company and inclination of management to appoint large audit firms as Statutory auditors of the Company. Accordingly, M/s. Oswal Sunil & Company, Chartered Accountants have agreed to step down and resigned as Statutory Auditors of the Company after the conclusion of the Board Meeting held on August 10, 2023 post submission of Limited Review Report for the Quarter ended on June 30, 2023.<br>The Board of Directors at its meeting held on August 10, 2023 upon the recommendation of Audit Committee and subject to the approval of Shareholders, have approved the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, to hold office as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Oswal Sunil & Company, Chartered Accountants.<br>On the basis of comparative analysis with other potential audit firms and in view of the better presence and experience, capability to serve a diverse and complex business as that of the Company, audit experience, technical knowledge etc and found M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. |

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in item no.5 of the Notice for approval by the Members.

**Item no. 6:**

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

The Board of Directors at its meeting held on August 10, 2023, as per the recommendation of the Audit Committee and subject to the approval of shareholders at the ensuing AGM and pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions if any, have approved the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), as Statutory Auditors of the Company to hold office for the first term of consecutive four years, from the conclusion of the 41st AGM, till the conclusion of the 45th AGM of the Company to be held in the year 2027 at such remuneration plus applicable taxes, and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Auditors and duly approved by the Board of Directors of the Company. The Company has received consent letter and eligibility certificate from M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005) to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 6 of the Notice for appointment and payment of remuneration to the Statutory Auditors.

Disclosures under Regulation 36(5) of the SEBI LODR, for the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, are as under:

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| Proposed fees payable to the statutory auditor(s) along with terms of appointment. | Appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants is being proposed from the conclusion of 41st Annual General Meeting till the conclusion of the 45th Annual General Meeting at a fee of up to ₹ 5.25 Millions on consolidated basis for audit of each financial year. |
| Material change in the fee payable to M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, from that paid to M/s. Oswal Sunil & Company, Chartered Accountants (the outgoing auditor) along with the rationale for such change. | There is material change in the proposed fee of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, from that paid to M/s. Oswal Sunil & Company, Chartered Accountants (outgoing Auditors). M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, is one of the largest audit firms. |

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| | |
|---|---|
| Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed. | There has been a change in Company's landscape owing to its status of a listed company and inclination of management to appoint large audit firms as Statutory auditors of the Company. Accordingly, M/s. Oswal Sunil & Company, Chartered Accountants have agreed to step down and resigned as Statutory Auditors of the Company after the conclusion of the Board Meeting held on August 10, 2023 post submission of Limited Review Report for the Quarter ended on June 30, 2023.<br>The Board of Directors at its meeting held on August 10, 2023 upon the recommendation of Audit Committee and subject to the approval of Shareholders have recommended the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, for a first term of four consecutive years.<br>On the basis of comparative analysis with other potential audit firms and in view of the better presence and experience, capability to serve a diverse and complex business as that of the Company, audit experience, technical knowledge etc and found M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company. |

None of the Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the aforesaid Ordinary Resolution.

The Board recommends an Ordinary Resolution set out in the Item no.6 of the Notice for approval by the Members.

**Item No. 7:**

The Members of the Company at its 40th AGM held on Monday, 1st August, 2022 had appointed Dr. Shanti Lal Sarnot, (holding DIN: 01899198), as a Non-Executive Independent Director for the first term of five consecutive year w.e.f. 30th September, 2021 upto 29th September, 2026.

Members may also note that in view of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), no listed entity shall appoint a person or continue the directorship of any person as a Non-Executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate justification for appointing such a person.

The Board of Directors of the Company at their meeting held on 10th August, 2023 upon the recommendation of Nomination and Remuneration Committee and subject to the approval of Shareholders have given its approval for continuation of appointment of Dr. Shantilal Sarnot (DIN:01899198) as a Non-Executive Independent Director, who would be attaining the age of 75 (seventy five) years in the year 2023-2024 and who was appointed as a Non- Executive Independent Director for the first term of five consecutive year w.e.f. 30th September, 2021 upto 29th September, 2026 in the AGM of the Company held on 1st August, 2022, not liable to retire by rotation, continue to hold office for a term of five consecutive years upto 29th September, 2026.

Dr. Shanti Lal Sarnot, is not disqualified from being continued as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Dr. Shanti Lal Sarnot, is not debarred from holding the office of Director, pursuant to any SEBI order or any other such authority. The Company has received a declaration from Dr. Shanti Lal Sarnot, that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and has successfully registered himself in the Independent Director's data bank maintained by Indian Institute of Corporate Affairs.

Dr. Shanti Lal Sarnot, (holding DIN: 01899198) (aged 74 years) will be attaining the age of 75 years in the year 2023-2024 and therefore for continuation as Non-Executive Independent Director upto 29th September, 2026, approval of Shareholders by way of Special Resolution is required in terms of Regulation 17(1A) of Listing Regulations.

In the opinion of the Board, Dr. Shanti Lal Sarnot, fulfills the conditions for continuing as Non-Executive Independent Director specified in the Act and rules made thereunder. Dr. Shanti Lal Sarnot, is independent to the management. The Company has received a notice in writing from a member proposing his candidature for the office of Director of the Company under Section 160 of the Act.

The Board evaluated the performance of Dr. Shanti Lal Sarnot, on the basis of criteria laid down in the Nomination and Remuneration Policy of the Company and expressed their satisfaction over his performance as an Independent Director of the Company. The resolution seeks the approval of members by way of Special resolution for continuation of Dr. Shanti Lal Sarnot, as an Independent Director pursuant to Regulation 17(1A) of Listing Regulations and other applicable provisions of the Act and rules made thereunder upto 29th September, 2026.

Dr. S.L. Sarnot is M.Sc. (Physics) & Ph.D.(Electronics) from IIT Delhi. He is the member of Nomination and Remuneration Committee of the Company. He is retired as Director General (STQC), Department of Information Technology, Govt. of India. Prior to this, he was Senior Director In charge (Electronic Components and Materials). He has also been on the Board of Haryana State Electronics Development Corporation (HARTRON) for about 7 years. He has over 35 years' experience working with central government on policy, fiscal, financial and administrative matters.

In addition to above, Advisor to various companies in the electronics and component and manufacturing sector with extensive exposure to national / international technology companies, manufacturing units, industry associations and training organftions. Proven mentor to SME sector companies with experience in advising companies on achieving operational efficiencies, identifying new growth opportunities and improving overall bottom line. He also has 3 years research experience at IIT Delhi and have published over 20 research papers in international generals. Also, acted as Member Secretary/Member of a number of high level study committees, task force etc. setup by the Department of Information Technology as other ministries.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Dr. Sarnot as an Independent Director and the item no. 7 of his continuation as an Independent Director, being a special business in this Notice thus commends the Special Resolution for approval by the members. A copy of the draft letter for the appointment of Dr. Shanti Lal Sarnot as an independent director setting out the terms and conditions is available for inspection as per the procedure of inspection provided in the Notice of AGM. The requisite details and information pursuant to Regulation 36(3) of the Listing Regulations, the Act and Secretarial Standards, as on the date of Notice, are attached as an annexure to Notice.

Dr. Shanti Lal Sarnot is concerned or interested in the resolution of the accompanying notice relating to his continuation as Independent Director and his relatives are concerned or interested to the extent their shareholding, if any, in the Company. None of the other Directors/ Key Managerial Personnel of the Company, and/or their relatives are, in any way, concerned or interested financially or otherwise, in the proposed Resolution.

**Item No. 8**

In accordance with the provision of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules) the Company is required to appoint a cost auditor to audit the cost records of the Company, for product and services, specified under Rules issued in pursuance to the above Section. On the recommendation of the Audit Committee, the Board of Directors had approved appointment of M/s Bhavna Jaiswal & Associates, Cost Accountant (Firm Registration number 100608), as the Cost Auditor of the Company to conduct audit of cost records maintained by the Company for the financial year 2023-24 at a remuneration of ₹ 75,000 plus applicable tax and out of pocket expenses. M/s Bhavna Jaiswal & Associates, Cost Accountants, have furnished certificate regarding their eligibility for appointment as Cost Auditors of the Company. In accordance with the provision of Section 148 of the Act read with the Rules, the remuneration payable to the cost auditor has to be ratified by the shareholder of the Company.

The Board recommends the resolution set out at Item No. 8 of the Notice for your approval as an Ordinary Resolution.

None of the Directors and their relatives is concerned or interested, in the proposed Resolution.

**Item No. 9**

The members of the Company has inter-alia passed the Special Resolution at their AGM held on 1st August, 2022 for the shifting of Registered Office of the Company from the State of West Bengal to National Capital Territory (NCT) of Delhi. Accordingly, the Company has filed petition to Regional Director, Eastern Region (Kolkata) on August 24, 2022 for shifting its Registered Office from the State of West Bengal to National Capital Territory (NCT) of Delhi. Due to filing its offer documents with SEBI w.r.t IPO, the Company has withdrawn its petition from Regional Director, Eastern Region (Kolkata) on 8th November, 2022 w.r.t shifting of Registered Office of the Company from the State of West Bengal to National Capital Territory (NCT) of Delhi and intimated same to ROC on 12th November, 2022.

Members may note that the Company is a leading electronics manufacturing services ("EMS") manufacturer of end-to end product solutions for major brands of lighting, fans, small and kitchen appliances in India, and are one of

Notice of Annual General Meeting (Contd.)

the largest fractional horsepower motors manufacturers in India. In addition, The Company is one of the key players in LED lighting and flashlight and are also one of the key players in small appliances vertical.

The Company manufacture and assemble a wide array of products and provide end-to-end product solutions. It serve under both original equipment manufacturer ("OEM") and original design manufacturer ("ODM") business models. It has three manufacturing facilities which are strategically located in Ghaziabad (Uttar Pradesh), Baddi (Himachal Pradesh) and Verna (Goa) and also the Registered Office of the Company is situated in the State of West Bengal at 143, Cotton Street, Kolkata -700007 (India) and the Corporate Office of the Company is situated in Delhi.

Members may also note that Delhi being India's capital is nearer to the geographical centre of our manufacturing facilities than West Bengal. A significant majority of the Board of Directors, Key Executives, Staff and workers of the Company are based in Delhi, NCR which improves the convenience for commute and paves way for smoother business operations.

The Board of Directors of the Company on May 30, 2023, have considered and approved the shifting of the Registered Office of the Company from the State of West Bengal to National Capital Territory (NCT) of Delhi, subject to the approval of members of the Company by passing a special resolution and requisite statutory / regulatory approvals. The registered office is proposed to be shifted to Corporate Office of the Company at 4771, Bharat Ram Road, 23 Darya Ganj, New Delhi-110002.

In view of the above, if the registered office of the Company is also shifted from Kolkata to the Company owned premises at Delhi and integrated with the Corporate Office, the Company shall benefit from increased administrative convenience, improved management efficiency and reduced overheads.

The shifting of the Registered Office from the State of West Bengal to National Capital Territory (NCT) of Delhi is in the interest of the Company, shareholders, all concerned parties and will not be detrimental to the interest of members of the public, shareholders, creditors or employees in any manner whatsoever.

Pursuant to the provisions of Section 12, 13 and all other applicable provisions, if any, of the Act read with applicable Rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), shifting of the Registered Office from one State to another and consequent alteration of Clause II of the Memorandum of Association (the "MOA") of the Company requires the approval of members of the Company by means of a Special Resolution and approval of the Central Government (power delegated to the Regional Director).

Therefore, the approval of the members is sought for shifting of the Registered Office of the Company from the State of West Bengal to National Capital Territory (NCT) of Delhi and consequently, for altering Clause II of the MOA.

The copy of the existing MOA indicating the proposed amendments, resolution passed by the Board of Directors and other allied documents, if any, being referred in the resolution would be available for inspection by the members in the manner mentioned in notes to Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is deemed to be concerned or interested, financially or otherwise in the said resolution mentioned at item no. 9 except to the extent of their shareholding, if any.

The Board recommends the Special Resolution for approval of the Members, as set out at item no. 9 of this Notice.

**BY ORDER OF THE BOARD OF DIRECTORS**
**For Elin Electronics Limited**

sd/-
**Lata Rani Pawa**
Company Secretary & Compliance Officer
M.NO-A30540

Place: New Delhi
Date: 10th August, 2023

**Registered Office:**
143, Cotton Street,
Kolkata -700007,
CIN: L29304WB1982PLC034725,
Website: **www.elinindia.com**
Email id: **rkc@elinindia.com**
Tel: 033 22684329

# Annexure

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 41ST ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS – 2)**

| Name of Director | SANJEEV SETHIA | SUMIT SETHIA | SHANTI LAL SARNOT |
|---|---|---|---|
| **Category of Directorship** | WHOLE-TIME DIRECTOR | WHOLE-TIME DIRECTOR | INDEPENDENT DIRECTOR |
| **DIN** | 00354700 | 00831799 | 01899198 |
| **Date of Birth** | 22nd April, 1969 | 1st April, 1973 | 21st November, 1948 |
| **Age** | 54 Years | 50 Years | 74 Years |
| **Date of Appointment on the Board** | 29th August, 2008 | 3rd June, 2020 | 30th September, 2021 |
| **Qualification, Experience & Expertise in Specific Functional Areas** | **Sanjeev Sethia,** is the Whole-Time Director on the Board of our Company. He has BS Electrical Engineering degree from USA. He is having an experience of more than 26 years, in manufacturing business line of the Company. | **Sumit Sethia,** is the Whole-Time Director on the Board of our Company. He is commerce graduate from university of Calcutta. He has management expertise. He is having an experience of more than 23 years in manufacturing business line of the Company. | **Shanti Lal Sarnot,** is an Independent Director on the Board of our Company. He is M.Sc. (Physics) & Ph.D.(Electronics) from IIT Delhi. He is retired as Director General (STQC), Department of Information Technology, Govt. of India. Prior to this, he was Senior Director In charge (Electronic Components and Materials). He has also been on the Board of Haryana State Electronics Development Corporation (HARTRON) for about 7 years. He has over 35 years' experience working with central government on policy, fiscal, financial and administrative matters. |
| **No. of other Directorships** | Nil | Director-Sethia Realty Private Limited | NIL |
| **Listed entities from which Director has resigned in last 3 years** | Nil | Nil | Nil |
| **Chairman / Member of the Committees of the Board of Elin Electronics Limited** | Member- CSR Committee & Risk Management Committee | Nil | Member- Nomination and Remuneration Committee |
| **Committee Membership/ Chairmanship in other Companies** | Nil | Nil | Nil |

Annexure (Contd.)

| Name of Director | SANJEEV SETHIA | SUMIT SETHIA | SHANTI LAL SARNOT |
|---|---|---|---|
| **Shareholding (including shareholding as a beneficial owner) in Elin Electronics Limited as on 31st March, 2023** | 9,35,100 | 5,94,734 | NIL |
| **Number of Board Meetings attended during the year** | 10/10 | 6/10 | 7/10 |
| **Terms and conditions of appointment / re-appointment** | Whole-Time Director, liable to retire by rotation | Whole-Time Director, liable to retire by rotation | Mentioned in draft letter of appointment available at website of the Company |
| **Remuneration sought to be paid and the remuneration Last drawn** | ₹ 0.8 Million per month including perquisites, and the remuneration Last drawn is ₹ 8.47 Million | ₹ 0.8 Million per month including perquisites, and the remuneration Last drawn is ₹ 9.41 Million | See Note below |
| **Relationship with Other Directors, Manager and Key Managerial Personnel** | No relationship with other Director, Manager and Key Managerial Personnel | No relationship with other Director, Manager and Key Managerial Personnel | No relationship with other Director, Manager and Key Managerial Personnel |
| **Justification for choosing the Independent Director including skills and capabilities** | Not Applicable | Not Applicable | Mentioned in Explanatory Statement of Notice. |

**Note:** The Non-Executive Directors (including Independent Directors) are paid sitting fee for attending meetings of Board of Directors, Independent Directors and various Committee of Directors.

## Notes

**ELIN ELECTRONICS LIMITED**
Regd. Office:
143, Cotton Street,
Kolkata - 700 007, West Bengal
Tel: 033-22684329
Email id: rkc@elinindia.com
Website: www.elinindia.com
CIN: L29304WB1982PLC034725