

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
ELIN ELECTRONICS LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **ELIN ELECTRONICS LIMITED** (hereinafter referred to as "the Company") and its associate companies comprising of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the company including its Associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the company and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of on separate financial statements of associate company, as referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the company and its associates as at 31st March, 2019, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

The consolidated financial statements include the share of net profit of Rs. 874631/- for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of one associate company, whose financial statements has not been audited. This financial statement has been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of this associate company, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, this financial statement is not material to the company.

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

### Report on Other Legal and Regulatory Requirements

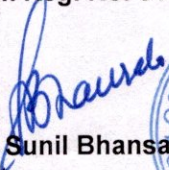
As required by Section 143(3) of the Act, based on our audit, and on the consideration of the report of other auditors on separate financial statements and the other financial information of associates companies, as referred to in the Other Matters paragraph above, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its associate companies, none of the directors of the company and its associate companies is disqualified as on 31st March, 2019 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 its associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to be read with Other Matters paragraph above.



- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid / provided by the Company to their directors are in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the company and its associates— Refer Note 27(a) to the consolidated financial statements.
  - ii. The Company and its associates have made provision, as required under the applicable law & accounting standards for material foreseeable losses, if any and as required under the long-term contracts. The Company and its associates does not have any derivative contracts.
  - iii. There has not been an occasion in case of the Company and its associate during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

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

  
**CA Sunil Bhansali**  
Partner  
M. No.: 054645



Place: New Delhi  
Dated: 14.06.2019

**'Annexure – A' TO THE INDEPENDENT AUDITORS' REPORT**

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of **ELIN ELECTRONICS LIMITED** ("the Company") and its associate companies as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of the associate company in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**


In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor, as referred to in the Other Matters paragraph below, the Company and its associate companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 ICAI.

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one associate company is based solely on the representation by management of such company as referred to in the Other Matters paragraph above.

Our opinion is not modified in respect of the above matter.

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

  
**CA Sunil Bhansali**  
Partner  
M. No.: **054645**



Place: New Delhi  
Dated: 14.06.2019

**ELIN ELECTRONICS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019**

	Notes	As At 31st March, 2019 ₹	As At 31st March, 2018 ₹
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>SHAREHOLDERS' FUNDS</u></b>			
Share Capital	2	62,877,000	62,877,000
Reserves and Surplus	3	1,562,885,784	1,386,239,859
		<u>1,625,762,784</u>	<u>1,449,116,859</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Long-Term Borrowings	4	390,473,631	319,124,947
Deferred Tax Liabilities (Net)	5	496,529	5,480,792
		<u>390,970,160</u>	<u>324,605,739</u>
<b><u>CURRENT LIABILITIES</u></b>			
Short-Term Borrowings	6	338,818,860	275,473,581
Trade Payables			
- Micro and Small Enterprises		35,211,525	28,606,137
- Others		691,938,123	573,969,682
Other Current Liabilities	7	123,259,466	85,749,436
Short-Term Provisions	8	44,545,223	38,347,459
		<u>1,233,773,197</u>	<u>1,002,146,295</u>
<b>TOTAL</b>		<b><u>3,250,506,141</u></b>	<b><u>2,775,868,893</u></b>
<b><u>ASSETS</u></b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Property Plant and Equipment	9		
- Tangible Assets		991,227,461	843,782,741
- Intangible Assets		1,209,732	781,467
- Capital Work in Progress		4,094,495	18,990,467
Non Current Investments	10	279,443,206	250,261,160
Long-Term Loans and Advances	11	187,119,553	136,289,247
		<u>1,463,094,447</u>	<u>1,250,105,082</u>
<b><u>CURRENT ASSETS</u></b>			
Current Investments	12	7,899,043	9,001,564
Inventories	13	652,528,173	526,518,270
Trade Receivables	14	1,063,230,354	827,503,748
Cash and Cash Equivalents	15	23,670,998	108,061,300
Short-Term Loans and Advances	16	39,541,352	54,500,924
Other Current assets	17	541,774	178,005
		<u>1,787,411,694</u>	<u>1,525,763,811</u>
<b>TOTAL</b>		<b><u>3,250,506,141</u></b>	<b><u>2,775,868,893</u></b>
Significant Accounting Policies	1		
Additional Information	27		

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

CA Sunil Bhansali  
Partner  
Membership No: 054645



Place : New Delhi  
Dated : 14 JUN 2019

For and on behalf of the Board

*M.S.*  
M.L.SETHIA  
Managing Director  
DIN: 00081367

*Vinay Kumar Sethia*  
VINAY KUMAR SETHIA  
Whole Time Director  
DIN: 00082184



*Avinash Karwa*  
AVINASH KARWA  
Company Secretary

**ELIN ELECTRONICS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019**

Notes	For the year ended 31st March, 2019 ₹	For the year ended 31st March, 2018 ₹
<b>INCOME</b>		
Revenue from Operations	18	6,176,804,981
Less : Excise Duty		5,064,745,048
		(121,498,504)
		6,176,804,981
Other Income	19	7,208,989
<b>Total Revenue</b>		<b>6,184,013,970</b>
		<b>4,943,246,544</b>
		6,067,295
		<b>4,949,313,839</b>
<b>EXPENSES</b>		
Cost of Materials Consumed	20	4,290,804,946
Purchases of Stock-in-Trade		162,653,831
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	21	(23,202,905)
Employee Benefits Expenses	22	731,363,692
Finance Costs	23	109,147,252
Research & Development Expenses	24	66,282,514
Depreciation, Amortisation and Impairment Expenses	9	140,063,168
Other Expenses	25	524,796,611
<b>Total Expenses</b>		<b>6,001,909,109</b>
		<b>4,776,984,540</b>
<b>PROFIT BEFORE TAX</b>		<b>182,104,861</b>
Tax Expenses		<b>172,329,299</b>
Income Tax		40,000,000
Short / (Excess) Provision for Income Tax of earlier year		(374,755)
Deferred Tax		(4,984,263)
		34,640,982
<b>PROFIT AFTER TAX</b>		<b>34,640,982</b>
Add: Share of Profit in Associates		29,182,046
		22,025,967
<b>Profit for the year</b>		<b>176,645,925</b>
Earning per Equity Share (Face Value Rs. 10/- Per Share ) Basic & Diluted ( in Rs.)	26	28.09
		24.37
Significant Accounting Policies	1	
Additional Information	27	

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

CA Sunil Bhansali  
Partner  
Membership No: 054645



Place : New Delhi  
Dated : 14 JUN 2019

For and on behalf of the Board

*M.L. Sethia*  
M.L. SETHIA  
Managing Director  
DIN: 00081367

*Vinay Kumar Sethia*  
VINAY KUMAR SETHIA  
Whole Time Director  
DIN: 00082184



*Avinash Karwa*  
AVINASH KARWA  
Company Secretary

**ELIN ELECTRONICS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

	Year Ended 31st March, 2019	Year Ended 31st March, 2018
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Taxation	182,104,861	172,329,299
Adjustments for :		
Depreciation	140,063,168	122,594,226
Provision for Diminution on Investment	302,521	105,435
(Profit) / Loss on Disposal of Property Plant and Equipment (Net)	(1,220,118)	(2,878,063)
(Gain) / Loss on Foreign Currency Transaction (Net)	(393,208)	601,069
Income from Dividend	(263,528)	(70,268)
Interest Paid	106,092,250	85,384,997
Interest Received	(2,835,034)	(1,889,388)
(Profit) / Loss on Sale of Current Investments	(423,456)	(1,381,119)
Operating Profit Before Working Capital Changes	423,427,456	374,796,188
Adjustments For :		
Trade Payable	124,573,829	212,607,612
Other Current Liabilities	37,510,030	29,828,700
Short -Term Provisions	4,384,738	(5,817,398)
Long - Term Loans and Advances	(50,830,306)	(2,696,752)
Inventories	(126,009,903)	(112,978,248)
Trade Receivables	(235,726,606)	(51,380,699)
Short - Term Loans and Advances	14,959,572	27,949,831
Other Current Assets	(363,769)	36,268
Cash Generated from Operation	191,925,041	472,345,502
Less: Direct Taxes Paid (Net) (Including Tax Deducted at Source)	(37,812,219)	(34,829,591)
Net Cash from Operating Activities <span style="float:right">Total (A)</span>	<b>154,112,822</b>	<b>437,515,911</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property Plant and Equipment	(276,330,389)	(197,178,573)
Sale Proceeds of Property Plant and Equipment	4,510,326	4,682,114
Purchase of Current & Non Current Investments	(5,400,000)	(110,810,150)
Sale of Current & Non Current Investments	6,623,456	4,164,892
Dividend Received on Investment	263,528	70,268
Gain / (Loss) on Foreign Currency Transaction	393,208	(601,069)
Interest Received	2,835,034	1,889,388
Net Cash from Investing Activities <span style="float:right">Total (B)</span>	<b>(267,104,837)</b>	<b>(297,783,130)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net of Payment)	71,348,684	13,128,236
Proceeds from Short Term Borrowings (Net of Payment)	63,345,279	21,217,826
Interest Paid	(106,092,250)	(85,384,997)
Net Cash from Financing Activities <span style="float:right">Total (C)</span>	<b>28,601,713</b>	<b>(51,038,935)</b>
<b>D. NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(84,390,302)</b>	<b>88,693,846</b>
Add : Cash and Cash Equivalents (Opening Balance)	108,061,300	19,367,454
Cash and Cash Equivalents (Closing Balance)	<b>23,670,998</b>	<b>108,061,300</b>

**Notes :**

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

Fixed deposits pledged with banks	6,707,715	14,270,675
Fixed deposits pledged with others	201,284	190,287

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

CA Sunil Bhansali  
Partner  
Membership No: 054645



Place : New Delhi  
Dated : 14 JUN 2019

For and on behalf of the Board

*M.L. Sethia* *Vinay Kumar Sethia*

M.L. SETHIA  
Managing Director  
DIN: 00081367

VINAY KUMAR SETHIA  
Whole-time Director  
DIN: 00082184



*Avinash Karwa*  
AVINASH KARWA  
Company Secretary



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

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

**b Use of Estimates**

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

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

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

**ii) Intangible Assets**

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

**iii) Capital Work-in-Progress**

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

**d Depreciation and Amortisation :**

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

**e Inventories :**

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

**f Investments :**

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

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

Foreign currency monetary items are reported using the closing rate. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

**ii) Exchange Differences**

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

**h Impairment of assets:**

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

**i Excise Duties :**

Excise Duty is accounted for on accrual basis. The Government of India has implemented Goods and Services Tax (GST) from July 01, 2017 replacing Excise Duty, Services Tax and various other indirect taxes.

**j Revenue Recognition :**

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

**k Research & Development :**

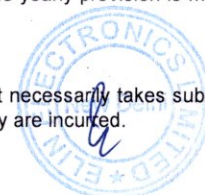
Revenue Expenditure on Research & Development activities are charged to Consolidated Statement of Profit and Loss in the year in which it is incurred. Capital Expenditure on Research & Development is shown as addition to Property Plant and Equipment.

**l Retirement Benefits :**

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

**m Borrowing Costs :**

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



**n Recognition of Grants and Subsidy :**

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

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

**o Provision, Contingent Liabilities And Contingent Assets**

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

Contingent liability is disclosed in case of:

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

**p Tax on Income**

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

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



ELIN ELECTRONICS LIMITED  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹ )

**2 SHARE CAPITAL**

**AUTHORISED**

7500000 Equity Shares of Rs.10/- each  
(P.Y.7500000 Equity Shares of Rs.10/- each)

**ISSUED, SUBSCRIBED & PAID UP**

6287700 Equity Shares of Rs.10/- each fully paid up  
(P.Y.6287700 Equity Shares of Rs.10/-each)

TOTAL

	As At 31st March,2019	As At 31st March,2018
	75,000,000	75,000,000
	<b>75,000,000</b>	<b>75,000,000</b>
	62,877,000	62,877,000
	<b>62,877,000</b>	<b>62,877,000</b>

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

Name of the Shareholder	As At 31st March,2019		As At 31st March,2018	
	No. of Shares	Percentage held	No of Shares	Percentage held
1 Rosebud Holding Pvt. Ltd.	438,400	6.97%	438,400	6.97%
2 CRB Corporation Ltd.	320,000	5.09%	320,000	5.09%
3 Asian Magnetic Devices Pvt. Ltd.	603,600	9.60%	603,600	9.60%
4 Mangilall Sethia	592,900	9.43%	592,900	9.43%

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

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

Particulars	As at 31st March 2019		As at 31st March 2018	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	6,287,700	62,877,000	6,287,700	62,877,000
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>6,287,700</b>	<b>62,877,000</b>	<b>6,287,700</b>	<b>62,877,000</b>

**3 RESERVES & SURPLUS**

**SECURITY PREMIUM**

As per last Balance Sheet

**GENERAL RESERVE**

As per last Balance Sheet  
Add : Transferred from Surplus in the Statement of Profit and Loss

**SURPLUS IN THE STATEMENT OF PROFIT AND LOSS**

As per last Balance Sheet

Add: Profit for the year

**Less : Appropriations**

Transfer to General Reserve

TOTAL

	As At 31st March,2019	As At 31st March,2018
	59,554,000	59,554,000
	555,113,306	505,113,306
	50,000,000	50,000,000
	605,113,306	555,113,306
	771,572,553	668,366,432
	176,645,925	153,206,121
	948,218,478	821,572,553
	50,000,000	50,000,000
	898,218,478	771,572,553
	<b>1,562,885,784</b>	<b>1,386,239,859</b>



ELIN ELECTRONICS LIMITED  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹ )

**4 LONG TERM BORROWINGS**

	As At 31st March,2019	As At 31st March,2018
<u>Secured</u>		
(i) <u>Term Loans</u>		
From Banks	429,385,144	339,832,679
Less : Shown in Current Maturities of Long-Term Debt (Refer Note 7)	(38,911,513)	(20,707,732)
(Secured by way of first pari passu charge over entire movable Property Plant and Equipments of the company, other than specific assets referred in Note no. "4(ii)" and immovable Property Plant and Equipments of the company by equitable mortgage of properties situated at Ghaziabad and Goa. These are further secured by second pari passu charge on entire current assets of the company and personal guarantee of the four Directors of the Company)		
(Terms of Repayment - Repayable in quarterly / monthly instalments. The amount will be fully paid by Jan, 2024)	<u>390,473,631</u>	<u>319,124,947</u>
(ii) <u>Vehicles Loans</u>		
From Banks	-	178,981
Less : Shown in Current Maturities of Long-Term Debt (Refer Note 7)	-	(178,981)
(Secured by hypothecation of respective vehicles and personal guarantee of a director of the company)		
(Terms of Repayment - Repayable in monthly instalments. The amount will be fully paid by September, 2018)	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<b><u>390,473,631</u></b>	<b><u>319,124,947</u></b>

4.1 Particulars	Installments	Weighted Average Rate of Interest	Outstanding as at 31/03/2019	Annual Repayment Schedule		
				2019-20	2020-21	2021-22 to 2023-24
Term Loans	Quarterly / Monthly	9.22%	429,385,144	38,911,513	115,669,173	274,804,458

**5 DEFERRED TAX ASSETS / (LIABILITIES) (NET)**

	As At 31st March,2019	As At 31st March,2018
Deferred Tax Assets / (Liabilities)	(496,529)	(5,480,792)
<b>TOTAL</b>	<b><u>(496,529)</u></b>	<b><u>(5,480,792)</u></b>

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

	Deferred Tax Assets (Liability) As on 01/04/2018	Current Year Charge / (Credit)	Deferred Tax Assets (Liability) As on 31/03/2019
<u>Deferred Tax Assets</u>			
Disallowances of provision for Bonus, Leave Encashment & Gratuity	12,402,315	1,532,204	13,934,519
<b>Total (A)</b>	<b><u>12,402,315</u></b>	<b><u>1,532,204</u></b>	<b><u>13,934,519</u></b>
<u>Deferred Tax Liability</u>			
Timing Differences on account of Change in Written Down Values as per Books of accounts and as per IT Act.	(17,883,107)	3,452,059	(14,431,048)
<b>Total (B)</b>	<b><u>(17,883,107)</u></b>	<b><u>3,452,059</u></b>	<b><u>(14,431,048)</u></b>
<b>Deferred Tax Assets / (Liabilities) (net) (A-B)</b>	<b><u>(5,480,792)</u></b>	<b><u>4,984,263</u></b>	<b><u>(496,529)</u></b>



ELIN ELECTRONICS LIMITED

**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹ )

**6 SHORT-TERM BORROWINGS**

Secured

Loans Repayable on demand-Working Capital Loan

- From Banks

(Secured by exclusive first pari passu charge on entire stock of Raw material, Work-in-Progress, Finished Goods, Consumable Stores, Book Debts and other current assets of the company, both present and future. These loans are further secured by second pari passu charge over the entire movable Property Plant and Equipments of the company, other than specific assets referred in Note no. "4(ii)" and immovable Property Plant and Equipments of the company by equitable mortgage of properties situated at Ghaziabad and Goa.)

	As At 31st March,2019	As At 31st March,2018
	338,818,860	275,473,581
<b>TOTAL</b>	<b>338,818,860</b>	<b>275,473,581</b>

**7 OTHER CURRENT LIABILITIES**

Current Maturities of Long-Term Debts (Refer Note 4)

- Term Loans

- Vehicle Loans

Advances from Customers

Statutory Liabilities Payable

Security Deposits

Liability for Expenses

	As At 31st March,2019	As At 31st March,2018
	38,911,513	20,707,732
	-	178,981
	14,808,397	17,282,823
	17,429,631	8,826,339
	58,000	58,000
	52,051,925	38,695,561
<b>TOTAL</b>	<b>123,259,466</b>	<b>85,749,436</b>

**8 SHORT-TERM PROVISIONS**

Provision For Employees Benefits

- Bonus and Reward

- Leave Encashment

Provision for Income Tax [Net of advances Rs.121,631,489/- (PY:Rs.118,544,515/-)]

	As At 31st March,2019	As At 31st March,2018
	29,847,227	27,577,198
	10,029,485	7,914,776
	4,668,511	2,855,485
<b>TOTAL</b>	<b>44,545,223</b>	<b>38,347,459</b>



## 9 PROPERTY PLANT AND EQUIPMENT

Sl. No.	Particulars	Gross Block #					Depreciation					Net Block	
		As at 01/04/2018	Additions	Sales / Adjustments	Adjustment for Impairment of Assets \$	As at 31/03/2019	As at 01/04/2018	For the year	Sales / Adjustments	Adjustment for Impairment of Assets \$	As at 31/03/2019	As at 31/03/2019	As at 31/03/2018
<b>A</b>	<b>Tangible Assets</b>												
1	Leasehold Land	104,641,161	-	-	-	104,641,161	9,644,607	2,142,036	-	-	11,786,643	92,854,518	94,996,554
2	Buildings (Factory & Non-Factory)	447,069,250	21,560,716	-	-	468,629,966	162,400,009	26,938,327	-	-	189,338,336	279,291,630	284,669,241
3	Plant & Machinery (including R & D Machinery)	868,981,673	216,564,948	30,214,875	1,834,856	1,053,496,890	498,273,329	79,031,268	27,168,476	1,503,982	548,632,139	504,864,751	370,708,344
4	Dies, Moulds & Tools	82,343,121	28,879,771	333,534	2,414,636	108,474,722	58,918,987	6,766,632	299,362	2,290,716	63,095,541	45,379,181	23,424,134
5	Electric Installations	110,654,590	6,188,553	557,355	157,139	116,128,649	69,180,513	11,213,325	529,487	151,847	79,712,504	36,416,145	41,474,077
6	Furniture & Fixtures	30,974,684	4,111,027	-	190,935	34,894,776	22,168,547	2,739,761	-	190,037	24,718,271	10,176,505	8,806,137
7	Office Equipments	24,380,952	3,980,779	256,775	-	28,104,956	18,919,299	3,755,361	243,936	-	22,430,724	5,674,232	5,461,653
8	Vehicles	43,262,258	8,890,412	3,077,426	35,406	49,039,838	29,019,657	6,391,814	2,908,496	33,636	32,469,339	16,570,499	14,242,601
	<b>Total A</b>	<b>1,712,307,689</b>	<b>290,176,206</b>	<b>34,439,965</b>	<b>4,632,972</b>	<b>1,963,410,958</b>	<b>868,524,948</b>	<b>138,978,524</b>	<b>31,149,757</b>	<b>4,170,218</b>	<b>972,183,497</b>	<b>991,227,461</b>	<b>843,782,741</b>
<b>B</b>	<b>Intangible Assets</b>												
1	Software	6,677,432	1,050,155	-	-	7,727,587	5,895,965	621,890	-	-	6,517,855	1,209,732	781,467
	<b>Total B</b>	<b>6,677,432</b>	<b>1,050,155</b>	<b>-</b>	<b>-</b>	<b>7,727,587</b>	<b>5,895,965</b>	<b>621,890</b>	<b>-</b>	<b>-</b>	<b>6,517,855</b>	<b>1,209,732</b>	<b>781,467</b>
	<b>Total (A+B)</b>	<b>1,718,985,121</b>	<b>291,226,361</b>	<b>34,439,965</b>	<b>4,632,972</b>	<b>1,971,138,545 (*)</b>	<b>874,420,913</b>	<b>139,600,414 (**)</b>	<b>31,149,757</b>	<b>4,170,218</b>	<b>978,701,352</b>	<b>992,437,193</b>	<b>844,564,208</b>
	Capital Work in Progress	18,990,467	4,094,495	18,990,467	-	4,094,495	-	-	-	-	-	4,094,495	18,990,467
	<b>Previous Year</b>	<b>1,569,070,140</b>	<b>178,188,106</b>	<b>16,389,765</b>	<b>11,883,360</b>	<b>1,718,985,121 (*)</b>	<b>778,295,761</b>	<b>122,196,691 (**)</b>	<b>14,585,714</b>	<b>11,485,825</b>	<b>874,420,913</b>	<b>844,564,208</b>	<b>790,774,379</b>

(\*) Includes Rs. 76,591,294/- (Previous Year Rs. 67,030,145/-) Assets Used for Research and Development Purposes

(\*\*) Includes Depreciation Rs. 5,597,255/- (Previous Year Rs. 4,821,176/-) on Assets used for Research and Development Purposes

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

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



**ELIN ELECTRONICS LIMITED**  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹ )

**10 NON CURRENT INVESTMENTS**

	As At 31st March,2019	As At 31st March,2018
Investments in Equity Instruments - At Cost (Trade) Unquoted fully paid up In Associates * :-		
I) 75000 (P.Y. 75000) Equity Shares in Elin Appliances Pvt. Ltd. (extent of holding 37.50% (P.Y. 37.50%))	168,613,672	140,306,257
II) 100000 (P.Y. 12627) Equity Shares in Asian Magnetic Devices Pvt. Ltd. (extent of holding 25% (P.Y. 25%))	110,729,534	109,854,903
<b>SUB TOTAL</b>	<b>279,343,206</b>	<b>250,161,160</b>
In Others :-		
I) 10000 (P.Y. 10000) Equity shares in ELCINA Elect.Mfg.Cluster Pvt. Ltd. (extent of holding 9.08% (P.Y. 9.08%))	100,000	100,000
<b>SUB TOTAL</b>	<b>100,000</b>	<b>100,000</b>
<b>TOTAL</b>	<b>279,443,206</b>	<b>250,261,160</b>

10-1 Aggregate amount of unquoted investments Rs.279,443,206/-(P.Y.Rs.250,261,160/-)

**10-2 \* Investment in Equity Shares of Associates**

Elin Appliances Private Limited (including Goodwill of Rs. 15,96,246)	7,500,000	7,500,000
Add: Share of Post Acquisition Accumulated Profit/Reserves	161,113,672	132,806,257
	<b>168,613,672</b>	<b>140,306,257</b>
Asian Magnetic Devices Pvt. Ltd. (including Goodwill of Rs. 6,75,18,107)	107,193,605	107,193,605
Add: Share of Post Acquisition Accumulated Profit/Reserves	3,535,929	2,661,298
	<b>110,729,534</b>	<b>109,854,903</b>

**11 LONG TERM LOANS AND ADVANCES**

(Unsecured, considered good)

	As At 31st March,2019	As At 31st March,2018
Capital Advances	172,071,738	123,069,674
Security Deposits	15,047,815	13,219,573
<b>TOTAL</b>	<b>187,119,553</b>	<b>136,289,247</b>

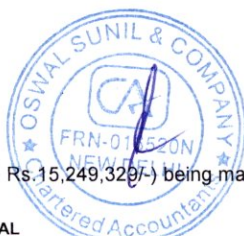
**12 CURRENT INVESTMENTS**

	As At 31st March,2019	As At 31st March,2018
Investments in units of Mutual Fund - Unquoted (At Cost)		
i) 96,160 (P.Y. 95,966) units of HDFC Group Unit Linked Plan option B	2,906,999	2,906,999
ii) Nil (P.Y. 13,620) units of L&T Tax Advantage Fund Growth	-	500,000
iii) Nil (P.Y. 52,006) units of Reliance Regular Savings Fund- Balanced	-	2,600,000
iv) Nil (P.Y. 155,137) units of Reliance Reg. Savings Fund- Balanced Dividend	-	1,800,000
v) Nil (P.Y. 11,379) units of ICICI Prudential Balanced Fund - Growth	-	1,300,000
vi) 101,937 (P.Y. Nil) units of L & T Tax Advantage Fund - Dividend	2,500,000	-
vii) 52,511 (P.Y. Nil) units of L & T Tax Advantage Fund - Growth	2,900,000	-
	<b>8,306,999</b>	<b>9,106,999</b>
Less : Provision for Dimunation in Current Investments	407,956	105,435
<b>TOTAL</b>	<b>7,899,043</b>	<b>9,001,564</b>

12-1 Aggregate amount of unquoted Investments NAV Rs. 10,832,131/- (P.Y. Rs.12,037,721/-)

**13 INVENTORIES**

	As At 31st March,2019	As At 31st March,2018
( As taken valued and certified by the Management) (Valued at cost or net realisable value, whichever is lower)		
Raw Materials & Components	405,723,684	308,682,387
Goods-in-Transit	2,864,105	531,171
Work- in-Progress*	152,728,270	133,462,205
Finished Goods	70,300,434	66,360,094
Stock-in-Trade	52,168	55,668
Stores and Spares	20,859,512	17,426,745
*[Work-in-progress includes Rs. 7,924,146/- (P.Y. Rs.15,249,329/-) being materials lying with third parties for processing]		
<b>TOTAL</b>	<b>652,528,173</b>	<b>526,518,270</b>



ELIN ELECTRONICS LIMITED  
**NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS**

(Amount in ₹ )

<b>14</b>	<b><u>TRADE RECEIVABLES</u></b> (Unsecured, considered good)	<b>As At</b> <b>31st March,2019</b>	<b>As At</b> <b>31st March,2018</b>
	Outstanding for a period exceeding six months from the date they become due	12,034,685	12,673,755
	Others	1,051,195,669	814,829,993
	<b>TOTAL</b>	<b>1,063,230,354</b>	<b>827,503,748</b>
<b>14-1</b>	Outstanding from Elin Appliances Private Limited as Associate Company Rs.38,125,901/- (P.Y.64,630,939/-)		
<b>15</b>	<b><u>CASH AND CASH EQUIVALENTS</u></b>	<b>As At</b> <b>31st March,2019</b>	<b>As At</b> <b>31st March,2018</b>
	Cash on hand	2,163,397	1,475,097
	Cheques, Drafts on hand	352,045	845,561
	Balances with Banks		
	- In Current Accounts	14,147,813	10,970,858
	- In Fixed Deposits * (Includes Interest accrued Rs. 127,659/- P.Y. Rs.790,153/-)	7,007,743	94,769,784
	* Note :		
	(a) Includes FDR of Rs. 127,672/- (Previous Year Rs.87,771/-) with maturity of more than 12 months.		
	(b) Out of above Rs. 6,707,715/- (P.Y. Rs.14,270,675/-) pledged with Bank as Margin and Rs. 201,284/- (P.Y. 190,287/-) with others as security		
	<b>TOTAL</b>	<b>23,670,998</b>	<b>108,061,300</b>
<b>16</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b> (Unsecured, considered good)	<b>As At</b> <b>31st March,2019</b>	<b>As At</b> <b>31st March,2018</b>
	Loans and Advances to Staff & Workers	6,940,030	7,248,798
	Indirect Taxes Receivables	3,709,356	27,522,848
	Commercial Taxes under Appeal	1,255,840	1,255,840
	Provident Fund under Appeal	1,166,188	1,166,188
	Goods and Service Tax Under Appeal	247,376	29,832
	Export Incentive Receivable	627,578	419,797
	Advances to Suppliers	25,594,984	16,857,621
	<b>TOTAL</b>	<b>39,541,352</b>	<b>54,500,924</b>
<b>17</b>	<b><u>OTHER CURRENT ASSETS</u></b>		
	Prepaid Expenses	541,774	178,005
	<b>TOTAL</b>	<b>541,774</b>	<b>178,005</b>





18 **REVENUE FROM OPERATIONS\***

	For the year ended 31st March,2019	For the year ended 31st March,2018
<b>Manufactured Goods</b>		
<b>Export Sales</b>		
Sheet Metal Parts	-	645,660
LED Lights	14,397,339	21,855,498
Other Products	1,631,138	1,376,446
(a)	<u>16,028,477</u>	<u>23,877,604</u>
<b>Domestic Sales</b>		
Electric Light Fittings(ELF)	261,124,042	303,177,087
LED Lights	2,398,749,782	1,825,707,968
Universal Motor/ Induction Motor/Cooler Motor/EFM	1,130,389,681	782,786,473
SYN Motor/ FBM/HBM/ Submersible Pump	72,828,703	93,600,970
Sheet Metal Parts	400,584,595	315,253,922
Plastic Moulded Items	718,041,335	541,262,793
LED Flash Light	361,209,551	373,462,947
Dies Tools & Moulds	109,692,185	129,121,291
Audio Products	62,995,523	79,566,962
Terminal Block	114,083,126	93,480,476
Spare Parts	184,313,151	136,812,652
(b)	<u>5,814,011,674</u>	<u>4,674,233,541</u>
<b>Sale of scrap &amp; waste / Empties</b>	<u>152,201,316</u>	<u>109,799,714</u>
(c)		
<b>Sale of Traded goods</b>		
Sound Bar	158,370,446	227,881,545
Plastic Granules	516,876	1,300,794
Parts of Music System	-	4,347,422
Dies Tools & Moulds	13,243,741	703,200
Wireless Micro Phone	-	1,902,550
Audio Products	-	1,361,370
Others	331,414	1,586,451
(d)	<u>172,462,477</u>	<u>239,083,332</u>
<b>Processing Charges</b> (TDS Rs. 836,757/- P.Y. Rs.482478/-)	21,193,441	16,414,643
(e)	<u>21,193,441</u>	<u>16,414,643</u>
<b>Export Incentives</b>	907,596	1,336,214
(f)	<u>907,596</u>	<u>1,336,214</u>
<b>TOTAL (a to f)</b>	<u><u>6,176,804,981</u></u>	<u><u>5,064,745,048</u></u>

\* Revenue for previous corresponding period up to June 30, 2017 is reported inclusive of Excise duty. The Government of India has implemented Goods and Services tax (GST) from July 01, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. As per Accounting Standard, the revenue for the period July 01, 2017 to March 31, 2018 is reported net of GST and is not comparable with corresponding period.

19 **OTHER INCOME**

	For the year ended 31st March,2019	For the year ended 31st March,2018
Interest Income (TDS Rs. 169,881/- P.Y.189212/-)	2,835,034	1,889,388
Rental Income (TDS Rs.24,000/- P.Y. Rs.24,000/-)	240,000	240,000
Dividend on Current Investment	263,528	70,268
Sundry Balances Written Back	2,123,368	218,555
Net Gain on Sale of Current Investments	423,456	1,381,119
Profit on Sale of Property Plant and Equipment	930,395	2,869,034
Net Gain / (Loss) on Exchange Rate Fluctuation	393,208	(601,069)
<b>TOTAL</b>	<u><u>7,208,989</u></u>	<u><u>6,067,295</u></u>



20 **COST OF MATERIALS CONSUMED**

	<b>For the year ended 31st March,2019</b>	<b>For the year ended 31st March,2018</b>
Opening Stock	324,570,452	251,698,326
Add : Purchase during the year	4,393,666,701	3,336,476,230
	<u>4,718,237,153</u>	<u>3,588,174,556</u>
Less : Closing Stock	427,432,207	324,570,452
<b>Material Consumed</b>	<u><b>4,290,804,946</b></u>	<u><b>3,263,604,104</b></u>
Material consumed comprises of :		
CRCA/CRNGO Sheets	470,873,547	384,453,431
Universal Motor Parts	336,786,350	204,037,431
ELF / LED Components	1,585,705,659	1,148,727,683
Copper Wire	270,759,447	220,066,131
E-CU Copper Strips	86,189,942	56,588,342
Plastic Granuals	632,819,980	487,951,315
Battery (in set)	89,509,111	88,449,068
LED	18,902,351	19,520,276
Others*	799,258,559	653,810,427
*Others includes raw materials, components and spare parts, none of which individually accounts for more than 10% of the total consumption.		
<b>TOTAL</b>	<u><b>4,290,804,946</b></u>	<u><b>3,263,604,104</b></u>

21 **CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK- IN-PROGRESS AND STOCK IN TRADE**

	<b>For the year ended 31st March,2019</b>	<b>For the year ended 31st March,2018</b>
<b>Opening Stock</b>		
Finished goods	66,360,094	76,949,729
Work- in-progress	133,462,205	82,443,681
Stock in Trade	55,668	458,838
	<u><b>199,877,967</b></u>	<u><b>159,852,248</b></u>
<b>Closing Stock</b>		
Finished goods	70,300,434	66,360,094
Work- in-progress	152,728,270	133,462,205
Stock in Trade	52,168	55,668
	<u><b>223,080,872</b></u>	<u><b>199,877,967</b></u>
Changes in Inventories	<u><b>(23,202,905)</b></u>	<u><b>(40,025,719)</b></u>
<b>TOTAL</b>		



ELIN ELECTRONICS LIMITED  
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

22 EMPLOYEE BENEFITS EXPENSES

	For the year ended <u>31st March,2019</u>	For the year ended <u>31st March,2018</u>
Salaries and Incentives	670,311,322	550,345,753
Contributions to :-		
- Gratuity Fund	3,410,707	4,589,293
- Provident and other Funds	42,820,936	36,933,539
Staff Welfare Expenses	14,820,727	14,498,546
<b>TOTAL</b>	<b><u>731,363,692</u></b>	<b><u>606,367,131</u></b>

23 FINANCE COSTS

	For the year ended <u>31st March,2019</u>	For the year ended <u>31st March,2018</u>
Interest Expenses	106,092,250	85,384,997
Bank Charges and Other Borrowing costs	3,055,002	3,315,842
<b>TOTAL</b>	<b><u>109,147,252</u></b>	<b><u>88,700,839</u></b>

24 RESEARCH AND DEVELOPMENT EXPENSES

	For the year ended <u>31st March,2019</u>	For the year ended <u>31st March,2018</u>
<b>Revenue Expenditure</b>		
Salaries and Incentives	44,682,542	41,681,672
Contribution to Provident and other Funds	3,171,496	2,953,029
Staff Welfare Expenses	1,911,393	1,863,928
Development Charges	9,373,767	5,994,534
Power and Fuel	4,526,079	4,384,759
Travelling and Conveyance Expenses	240,130	200,712
Communication Expenses	264,788	286,355
Vehicle Running & Maintenance	947,042	857,392
(Profit) on Sale of Property Plant and Equipment	(289,723)	(9,029)
Computer Expenses	1,455,000	650,000
<b>Total Revenue Expenditure</b>	<b><u>66,282,514</u></b>	<b><u>58,863,352</u></b>
Add : - Capital Expenditure incurred during the year	12,231,772	5,165,533
<b>Total Research &amp; Development Expenses</b>	<b><u>78,514,286</u></b>	<b><u>64,028,885</u></b>



ELIN ELECTRONICS LIMITED  
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

25	<u>OTHER EXPENSES</u>	For the year ended <u>31st March,2019</u>	For the year ended <u>31st March,2018</u>
	<b><u>MANUFACTURING EXPENSES</u></b>		
	Power and Fuel	133,333,024	113,734,635
	Carriage & Octroi (Inward)	16,648,020	12,337,397
	Processing Charges	204,788,940	183,195,209
	Consumable Stores	17,727,030	18,494,958
	Repairs & Maintenance :		
	- Plant & Machinery	34,188,004	28,485,122
	- Building	14,237,763	11,288,771
	- Others	10,182,106	8,751,934
		<b><u>431,104,887</u></b>	<b><u>376,288,026</u></b>
	<b><u>SELLING AND DISTRIBUTION EXPENSES</u></b>		
	Advertisement & Sales Promotion Expenses	2,079,736	886,656
	Carriage Outwards	16,558,569	12,942,118
		<b><u>18,638,305</u></b>	<b><u>13,828,774</u></b>
	<b><u>ESTABLISHMENT EXPENSES</u></b>		
	Printing & Stationery Expenses	3,739,956	2,934,345
	Communication, Postage & Courier Expenses	2,345,051	2,696,986
	Computer Expenses	4,210,104	4,795,308
	Vehicles Running & Maintenance	15,231,277	12,686,209
	Travelling & Conveyance Expenses	15,504,292	14,800,819
	Rent Expenses	3,979,782	5,213,480
	Rates & Taxes	3,238,902	1,418,379
	Insurance Charges	4,220,546	3,502,810
	Legal & Professional Charges	6,088,794	4,500,533
	General Expenses	1,264,180	1,107,893
	Subscription & Membership Expenses	799,874	1,185,709
	Donation	606,000	1,733,500
	Auditors' Remuneration -		
	Statutory Audit	475,000	415,000
	Tax Audit	250,000	225,000
	Certification & Other Fee	522,500	614,000
	Miscellaneous expenses	412,404	252,307
	Bad Debt written off	6,797,750	218,313
	Training and Development Charges	584,186	605,432
	Directors Sitting Fees	42,480	47,200
	CSR Expenses (Refer Note no. 27 (i))	4,437,820	5,818,831
	Provision for Diminution on Current Investment	302,521	105,435
		<b><u>75,053,419</u></b>	<b><u>64,877,489</u></b>
	TOTAL	<b><u>524,796,611</u></b>	<b><u>454,994,289</u></b>
26	<b><u>EARNING PER SHARE (EPS)</u></b>	For the year ended <u>31st March,2019</u>	For the year ended <u>31st March,2018</u>
I	Net Profit after tax as per Statement of Profit And Loss attributable to Equity Shareholders	176,645,925	153,206,121
II	Weighted average number of Equity Shares used as denominator for calculating EPS	6,287,700	6,287,700
III	Basic and Diluted EPS (in Rs.)	28.09	24.37
IV	Face value per Equity Shares (in Rs.)	10.00	10.00



## 27 Additional Information

(a) Contingent Liabilities and Commitments (to the extent not provided for)	As at 31st March 2019	As at 31st March 2018
	₹	₹
<b>i Contingent Liabilities*</b>		
(A) Claims against the company not acknowledged as debt		
- Commercial Taxes	1,184,373	1,184,373
- Labour Case	2,314,135	2,036,591
- Provident Fund	4,664,752	4,664,752
- Goods and Service Tax	247,376	29,832
(B) Letter of Credit	29,914,616	13,480,146
(C) Outstanding Bank Guarantees	2,433,000	6,298,000
(D) Bouns Liability for F.Y. 2014-15 #	5,828,157	7,284,605
	46,586,409	34,978,299
<b>ii Commitments</b>		
(A) Estimated amount of contracts remaining to be executed on capital account	41,831,744	36,359,654
(B) Derivative contracts	-	-
	41,831,744	36,359,654
<b>Total</b>	<b>88,418,153</b>	<b>71,337,953</b>

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

# Pursuant to enactment of The Payment of Bonus (Amendment) Act 2015 by the Ministry of Law & Justice, whereby the ceiling on bonus, which was Rs 3,500 for an employee, was doubled retrospectively from 1st April, 2014 to Rs 7,000 or the minimum wage for the scheduled employment, as fixed by the appropriate Government, whichever is higher. Upon representation from various industry bodies by way of writ petitions in various State High Court challenging the retrospective effect from FY 2014-15, several high courts have stayed the retrospectively operation temporarily. For all above stay orders, it is clarified that the amendment would take effect from FY 2015-16 onwards. Considering the above stay orders of various high courts, management is of the view that additional liability for Bonus for FY 2014-15 would not arise.

(b) Foreign Transactions	Year ended 31st March 2019	Year ended 31st March 2018
	₹	₹
<b>i Value of imports calculated on C.I.F basis in respect of –</b>		
A. Raw material & Components	895,104,739	670,709,504
B. Capital goods	107,329,962	76,700,789
C. Machine spares	5,802,808	4,190,000
D. Trading Goods	6,865,564	6,527,392
	1,015,103,072	758,127,685
<b>ii Expenditure in foreign currency on Foreign Travelling</b>	1,685,423	1,582,786
<b>iii Earnings in foreign exchange</b>		
-Export of goods calculated on F.O.B. basis	16,053,965	23,537,107

(c) Particular	Year ended 31st March 2019		Year ended 31st March 2018	
	Percentage	₹	Percentage	₹
<b>A. Raw Materials and Components</b>				
(I) Imported	19.74%	812,791,257	21.00%	656,104,254
(II) Indigenous	80.26%	3,304,905,194	79.00%	2,467,689,962
	100.00%	4,117,696,451	100.00%	3,123,794,216
<b>B. Stores &amp; Spares</b>				
(I) Imported	14.00%	24,235,881	10.76%	15,037,288
(II) Indigenous	86.00%	148,872,614	89.24%	124,772,600
	100.00%	173,108,495	100.00%	139,809,888
<b>C. Trading Goods</b>				
(I) Imported	4.59%	7,470,535	3.45%	7,661,912
(II) Indigenous	95.41%	155,183,296	96.55%	214,627,576
	100.00%	162,653,831	100.00%	222,289,488
<b>Total</b>		<b>4,453,458,777</b>		<b>3,485,893,592</b>



**Key Management Personnel (Directors):**

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

(Ceased w.e.f 16th March 2018)

**Enterprises over which Key Management Personnel have Significant Influence:**

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

**(ii) Transactions during the year with related parties :**

Particulars	Associates	Key Management Personnel	Enterprises over which Key Management Personnel have Significant Influence	Total
	₹	₹	₹	₹
Loan Received / Paid Back	30,000,000 -	- -	- -	30,000,000 -
Sales	441,285,921 (377,108,331)	- -	37,083 (40,511)	441,323,004 (377,148,842)
Purchase	4,920,028 (346,054)	- -	- -	4,920,028 (346,054)
Payment for Services	2,950,356 (2,210,700)	23,577,000 (20,279,640)	600,000 (600,000)	27,127,356 (23,090,340)
Purchase of Capital Assets	5,313,131 -	- -	- -	5,313,131 -
Receipt for Services/ Interest/Dividend	- -	- -	283,200 (240,000)	283,200 (240,000)
Closing Balance Receivable	31,141,159 (64,620,310)	- -	- (3,368)	31,141,159 (64,623,678)
Closing Balance Payable	- -	- -	- -	- -

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

Name of the Enterprises	Relationship	Net Assets i.e. total assets minus total		Share in Profit or Loss	
		As % of total consolidated net assets	Amounts	As % of total consolidated Profit or Loss	Amounts
			(In Rs)		(In Rs)
Elin Appliances Private Limited	37.50% (Associate)	10.37%	168,613,672	16.02%	28,307,415
Asian Magnetic Devices Pvt Ltd.	25.00% (Associate)	6.81%	110,729,534	0.50%	874,631

**(i) Figures for the previous year have been regrouped/rearranged wherever necessary (Previous Years figures are in brackets unless otherwise shown in separate columns.)**

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

CA Sunil Bhanjali  
Partner  
Membership No: 054645

Place: New Delhi  
Date: 14 JUN 2019



For and on behalf of the Board

*M.L. Sethia* Vinay Kumar Sethia

M.L.SETHIA  
Managing Director  
DIN: 00081367

VINAY KUMAR SETHIA  
Whole-time Director  
DIN: 00082184



*AVINASH KARWA*  
AVINASH KARWA  
Company Secretary

## ELIN ELECTRONICS LIMITED

## Form AOC-1

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

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	NIL
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Elin Appliances Pvt. Ltd., Associate	Asian Magnetic Devices Pvt Ltd., Associate
1. Latest audited Balance Sheet Date	31/03/2019	31/03/2019
2. Shares of Associate/Joint Ventures held by the company on the year end		
No.	75,000	1,00,000
Amount of Investment in Associates/Joint Venture	75,00,000/-	10,71,93,605/-
Extend of Holding%	37.50%	25%
3. Description of how there is significant influence	Due to % holding exceeding 20%	Due to % holding exceeding 20%
4. Reason why the associate/joint venture is not consolidated	NA	NA
5. Net worth attributable to shareholding as per latest audited Balance Sheet	16,51,73,388/-	4,32,11,427/-
6. Profit/Loss for the year		
i. Considered in Consolidation	2,83,07,415/-	8,74,631/-
ii. Not Considered in Consolidation	-	-

As per our report of even date

For Oswal Sunil & Company

Chartered Accountants

Firm Reg No. 016520N

CA Sunil Bhansali

Partner

Membership No: 054645

Place: New Delhi

Date: 14.06.2019



M.L. Sethia : Vinay Kumar Sethia

M.L. Sethia  
(Managing Director)

DIN: 00081367

Vinay Kumar Sethia  
(Whole-time Director)

DIN: 00082184

