

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

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statement.

Emphasis of Matter

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

Our opinion is not modified in respect of above matters.

Other Information

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

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



In connection with our audit of the consolidated financial statements, our responsibility is to read the other information comprising the above documents and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

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

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statement by the Directors of the Company, as aforesaid.

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

The respective Board of directors of the Companies included in the Group are responsible for overseeing the financial reporting process of the group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statement of such entities included in the consolidated financial statement of which we are the independent auditors.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors of the Parent and its Subsidiary Company, none of the directors of the company is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, in respect of the Parent Company, the remuneration paid / provided by the Company to their directors are in accordance with the provisions of section 197 read with Schedule V to the Act;
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its consolidated financial position in its consolidated financial statements – Refer Note 27(a) to the consolidated financial statements.
 - ii. The Group have made provision, as required under the applicable law & accounting standards for material foreseeable losses, if any and as required under the long-term contracts. The Company does not have any derivative contracts.
 - iii. There has not been an occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

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


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



Place: New Delhi
Dated: 16.09.2020

'Annexure – A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting of **ELIN ELECTRONICS LIMITED** (herein after referred as the "Parent") and its subsidiary company (the parent company and its subsidiary together referred to as the "Group") as on that date.

Management's Responsibility for Internal Financial Controls

The respective board of the directors of the Parent Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the guidance note on Audit of Internal financial control over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the group's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal financial controls over financial reporting (the "Guidance Note") and the standards on auditing as specified under Section 143 (10) of the companies act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by Institute of Chartered Accountants of India. Those standards and the guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the Company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.




Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

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


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



Place: New Delhi
Dated: 16.09.2020

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

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


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

CA Sunil Bhansali
Partner
Membership No: 054645

Place : New Delhi
Dated : 16 SEP 2020

For and on behalf of the Board


M.L. SETHIA
Managing Director
DIN: 00081367


VINAY KUMAR SETHIA
Whole Time Director
DIN: 00082184




AVINASH KARWA
Company Secretary
Membership No: A20424

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

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

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

Sunil Bhansali
CA Sunil Bhansali
Partner
Membership No: 054645



Place : New Delhi
Dated : 16 SEP 2020

For and on behalf of the Board

M.L. Sethia, *Vinay Kumar Sethia*
M.L. SETHIA VINAY KUMAR SETHIA
Managing Director Whole Time Director
DIN: 00081367 DIN: 00082184

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



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

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

Notes :

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

Fixed deposits pledged with banks
Fixed deposits pledged with others

12,314,820	6,707,715
391,166	355,939

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

CA Sunil Bhasali
Partner
Membership No: 054645



For and on behalf of the Board

M.L. Sethia *Vinay Kumar Sethia*

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



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

Place : New Delhi
Dated : 16 SEP 2020

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

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

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

ix. Information of Subsidiary Companies

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

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

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

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

b Use of Estimates

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

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

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

ii) Intangible Assets

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

iii) Capital Work-in-Progress

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



NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

d Depreciation and Amortisation :

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

e Inventories :

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

f Investments :

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

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

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

ii) Exchange Differences

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

h Impairment of assets:

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

Revenue Recognition :

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

j Research & Development :

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

k Retirement Benefits :

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

l Borrowing Costs :

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

m Recognition of Grants and Subsidy :

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

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

n Provision, Contingent Liabilities And Contingent Assets

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

Contingent liability is disclosed in case of:

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

p Tax on Income

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

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



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

2 SHARE CAPITAL

AUTHORISED

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

ISSUED, SUBSCRIBED & PAID UP

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

TOTAL

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

* Refer Note No 27(i)(iii)

2.1 The details of shareholders holding more than 5% shares

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

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

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

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

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

*Refer Note 27(j)(vi)

3 RESERVES & SURPLUS

SECURITY PREMIUM

As per last Balance Sheet

CAPITAL RESERVE ON CONSOLIDATION

GENERAL RESERVE

As per last Balance Sheet

Add : Reserve Pursuant to Scheme*

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

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

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

SURPLUS IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

As per last Balance Sheet

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

Add : Reserve Pursuant to Scheme*

Add: Profit for the year

Less : Appropriations

Transfer to General Reserve

TOTAL

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

* Refer Note 27 (j)



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

4 LONG TERM BORROWINGS

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

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

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

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

5 DEFERRED TAX LIABILITIES (NET)

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

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

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



ELIN ELECTRONICS LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

6 SHORT-TERM BORROWINGS

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

OTHER CURRENT LIABILITIES

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

8 SHORT-TERM PROVISIONS

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



9. PROPERTY PLANT AND EQUIPMENT

Sl. No.	Particulars	Gross Block #						Depreciation				Net Block	
		As at 01/04/2019	Additions	Sales / Adjustments	Adjustment for Impairment of Assets \$	As at 31/03/2020	As at 01/04/2019	For the year	Sales / Adjustments	Adjustment for Impairment of Assets \$	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
A. Tangible Assets													
1	Leasehold Land	125,938,312	-	-	-	125,938,312	11,786,643	2,142,036	-	-	13,928,679	112,009,633	114,151,669
2	Buildings (Factory & Non Factory)	687,695,840	50,356,972	-	-	738,052,812	295,769,683	37,853,758	-	-	333,623,441	404,429,371	391,926,157
3	Plant & Machinery (including R & D Machinery)	1,191,125,227	202,144,163	23,876,609	-	1,369,392,781	620,452,336	118,827,981	16,697,970	-	722,682,347	646,810,434	570,672,891
4	Dies, Moulds & Tools	147,708,176	44,151,150	4,635,186	-	187,221,140	79,919,093	15,628,924	336,821	-	95,211,196	92,009,944	67,789,083
5	Electric Installations	134,044,461	20,335,915	1,229,212	-	155,151,164	93,939,385	12,368,211	1,167,703	-	105,139,893	48,011,271	40,105,076
6	Furniture & Fixtures	42,969,731	4,717,947	336,141	-	47,351,537	30,974,416	3,695,940	319,334	-	34,351,022	13,000,515	11,995,315
7	Office Equipments	37,416,547	5,217,991	636,615	-	41,997,923	30,095,159	5,396,952	604,784	-	34,887,327	7,110,596	7,321,388
8	Vehicles	51,650,733	3,129,631	2,334,153	-	52,446,211	33,423,888	6,185,222	2,130,099	-	37,479,021	14,987,190	18,226,835
	Total A	2,418,649,027	330,063,769	33,060,916	-	2,715,551,880	1,196,360,613	202,099,024	21,266,711	-	1,377,202,926	1,338,348,954	1,222,188,414
B. Intangible Assets													
1	Software	7,727,587	-	-	-	7,727,587	6,517,855	602,532	-	-	7,120,387	607,200	1,209,732
	Total B	7,727,587	-	-	-	7,727,587	6,517,855	602,532	-	-	7,120,387	607,200	1,209,732
	Total (A+B)	2,426,276,614	330,063,769	33,060,916	-	2,723,279,467 (*)	1,202,878,468	202,701,556 (**)	21,266,711	-	1,384,323,313	1,338,956,154	1,223,398,146
	Capital Work in Progress											278,689	4,094,495
	Previous Year	2,161,076,177	315,860,006	46,026,596	4,632,972	2,426,276,614 (*)	1,072,924,912	172,119,953 (**)	37,996,179	4,170,218	1,202,878,468	1,223,398,146	1,088,151,265

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

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

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

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



ELIN ELECTRONICS LIMITED
NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

10 NON CURRENT INVESTMENTS

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

11 LONG TERM LOANS AND ADVANCES

(Unsecured, considered good)

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

12 CURRENT INVESTMENTS

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

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



ELIN ELECTRONICS LIMITED

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(Amount in ₹)

13 INVENTORIES

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

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

14 TRADE RECEIVABLES

(Unsecured, considered good)

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

15 CASH AND CASH EQUIVALENTS

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

16 SHORT TERM LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

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

17 OTHER CURRENT ASSETS

Prepaid Expenses

TOTAL	144,612	541,774
	144,612	541,774



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REVENUE FROM OPERATIONS

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

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OTHER INCOME

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



20 COST OF MATERIALS CONSUMED

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

20.1 Material consumed comprises of :

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

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

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

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



22 EMPLOYEE BENEFITS EXPENSES

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

23 FINANCE COSTS

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

24 RESEARCH AND DEVELOPMENT EXPENSES

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



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

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



27 Additional Information

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(m) **Related Parties Disclosures**

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

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

Key Management Personnel (Directors):

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

Enterprises over which Key Management Personnel have Significant Influence:

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



(ii) Transactions during the year with related parties :

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

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

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

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

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

Sunil Bhansali
Partner
Membership No: 054645

Place: New Delhi
Date: 16 SEP 2020

For and on behalf of the Board

M.L. SETHIA

M.L. SETHIA
Managing Director
DIN: 00081367

VINAY KUMAR SETHIA
Whole-time Director
DIN: 00082184



AVINASH K. KARWA
Company Secretary
Membership No: A20424