

**Report on Special Purpose Interim Standalone Ind AS Financial Statements****To the Board of Directors of Elin Electronics Limited****Opinion**

We have audited the attached Special Purpose Interim Standalone Ind AS Financial Statements of **Elin Electronics Limited** (the "Company"), which comprises the Balance Sheet as at September 30, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the six months period ended September 30, 2021 and the summary of the significant accounting policies and other explanatory information (collectively referred to as the "Special Purpose Interim Standalone Ind AS Financial Statements"). The Special Purpose Interim Standalone Ind AS Financial Statements have been prepared by the management of the Company in accordance with Indian Accounting Standard 34 Interim Financial Reporting (Ind AS 34) specified under Section 133 of the Companies Act, 2013 ("the Act").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Interim Standalone Ind AS Financial Statements prepared in accordance with Ind AS 34, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at September 30, 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the six months period 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 Special Purpose Interim Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Special Purpose Interim Standalone Ind AS Financial Statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Special Purpose Interim Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Interim Standalone Ind AS Financial Statements in accordance with Indian Accounting Standard 34 'Interim Financial Reporting' specified under section 133 of the Act.

The Board of Directors of the company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim Standalone Ind AS Financial Statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Special Purpose Interim Standalone Ind AS Financial Statements, the Board of Directors of the company, are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors of the Company is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Interim Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Standalone Ind AS Financial Statements 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 Special Purpose Interim Standalone Ind AS 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 special purpose Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of such internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Special Purpose Interim Standalone Ind AS Financial Statements made by the Management.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Restriction on Use

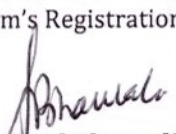
Without modifying our opinion, we draw attention to Note 2.1 to the financial statements, which describes the basis of preparation. The Special Purpose Interim Standalone Ind AS Financial Statements have been prepared by Management of the Company and approved by the Board of Directors for the purpose to enable the Company to include and compile Financial Information in their Draft Red Herring Prospectus as of and for the period ended September 30, 2021. As a result, the financial information may not be suitable for any other purpose.

Our report is intended solely for the use of Management of the Company and should not be distributed to or used by other parties. Oswal Sunil & Company, Chartered Accountants, shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Oswal Sunil & Company**

Chartered Accountants

Firm's Registration No: 016520N


CA Sunil Bhansali

Partner

Membership No: 054645

UDIN: 21054645AAAABM3685



Date: November 9, 2021

Place: New Delhi



Particulars	Note No(s)	As at	
		Sept. 30, 2021	March 31, 2021
Assets			
Non-current Assets			
(a) Property, Plant and Equipment	3	1,449.04	1,354.35
(b) Capital work-in-progress	4	76.23	0.56
(c) Right-of-use-assets	36	0.76	0.76
(d) Intangible assets (other than Goodwill)	5	5.35	6.73
(e) Investment in subsidiary	6	20.00	20.00
(f) Financial Assets			
(i) Investments	7	-	-
(ii) Other Financial Assets	8	17.18	23.90
(g) Other non-current assets	10	131.14	172.29
Total Non Current Assets		1,699.69	1,578.60
Current Assets			
(a) Inventories	11	935.89	940.46
(b) Financial Assets			
(i) Investments	12	19.23	17.18
(ii) Trade receivables	13	1,505.38	1,518.45
(iii) Cash and cash equivalents	14	5.60	19.49
(iv) Bank balances other than (iii) above	15	7.66	6.88
(v) Other Financial Assets	16	8.68	8.72
(c) Current Tax Assets (net)	17	6.26	6.26
(d) Other current assets	18	59.77	42.06
Total Current Assets		2,548.48	2,559.50
Total Assets		4,248.17	4,138.10
Equity and Liabilities			
Equity			
(a) Equity Share Capital	19	212.87	70.96
(b) Other Equity	19	1,998.99	1,972.16
Total Equity		2,211.86	2,043.12
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	382.11	369.40
(ii) Lease liabilities	36	1.91	1.93
(b) Provisions	21	6.25	7.34
(c) Deferred tax liabilities (Net)	9	67.26	63.56
Total Non Current Liabilities		457.53	442.23
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	643.57	645.29
(ii) Lease Liabilities	36	0.06	0.05
(iii) Trade payables			
- total outstanding dues of micro and small enterprises	23	145.59	156.74
- total outstanding dues to other than micro and small enterprises	23	610.15	698.77
(iv) Other financial liabilities	24	109.19	80.26
(b) Current Tax liabilities (Net)	17	20.81	30.57
(c) Other current liabilities	25	44.17	35.07
(d) Provisions	26	5.24	6.01
Total Current Liabilities		1,578.78	1,652.75
Total Liabilities		2,036.31	2,094.98
Total Equity and Liabilities		4,248.17	4,138.10

The above Special Purpose Interim Standalone Ind AS Balance Sheet should be read with the Basis of Preparation and Significant Accounting Policies appearing in Notes to the Special Purpose Interim Standalone Ind AS Financial Statements.

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Reg. No.: 016520N

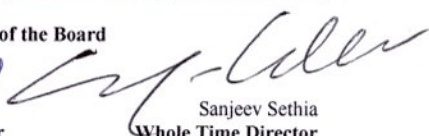

Sunil Bhansali
Partner
M.No.: 054645

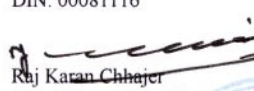


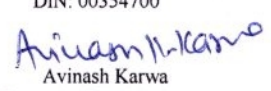
New Delhi, November 09, 2021

For and on behalf of the Board


Kamal Sethia
Managing Director
DIN: 00081116


Sanjeev Sethia
Whole Time Director
DIN: 00354700


Raj Karan Chhajer
Chief Financial Officer
PAN: AAAPC0561C


Avinash Karwa
Company Secretary
M.No.: A20424

New Delhi, November 09, 2021



ELIN ELECTRONICS LIMITED
Special Purpose Interim Standalone Ind AS Statement of Profit & Loss
(All amounts are in INR Millions, unless otherwise stated)


Particulars	Note No(s)	For the period ended Sept. 30, 2021	For the year ended March 31, 2021
I INCOME			
Revenue from operations	27	4,174.43	7,120.11
Other Income	28	3.26	16.91
Total Revenue (I)		4,177.69	7,137.02
II EXPENSE			
Cost of Material Consumed	29	3,039.20	5,016.71
Purchases of stock-in trade		22.65	119.94
Change in inventories of finished goods, work-in progress and stock-in trade	30	(24.96)	(32.77)
Employee benefits expense	31	497.86	896.37
Finance Costs	32	55.57	85.51
Depreciation Impairment & amortization expenses	3, 5, 36	61.40	103.59
Other Expenses	33	314.09	566.25
Total Expenses (II)		3,965.79	6,755.61
III Profit before tax (I - II)		211.90	381.41
IV Tax expenses			
- Current tax		49.19	88.70
- Deferred Tax		1.25	13.69
		50.44	102.39
V Profit for the period/year (III-IV)		161.46	279.02
VI Other comprehensive Income (OCI):			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of defined benefit plans		9.73	(6.57)
(ii) Income tax on above item		(2.45)	1.65
Total Other comprehensive income/(loss) for the period/year		7.28	(4.91)
VII Total comprehensive income for the period/year (V + VI)		168.74	274.10
VIII Earnings per share from continuing and total operations attributable to the equity holders of the Company [face value of INR 5/- each] (Not Annualised)	34		
- Basic and diluted (amount in INR)		3.79	6.55

The above Special Purpose Interim Standalone Ind AS Statement of Profit & Loss should be read with the Basis of Preparation and Significant Accounting Policies appearing in Notes to the Special Purpose Interim Standalone Ind AS Financial Statements.

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Reg. No.: 016520N



Sunil Bhansali

Partner

M.No.: 054645

For and on behalf of the Board

Kamal Sethia *Sanjeev Sethia*

Kamal Sethia
Managing Director

DIN: 00081116

Sanjeev Sethia
Whole Time Director

DIN: 00354700

Raj Karan Chhajaj

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Chief Financial Officer

PAN: AAAPC0561C

Avinash Karwa

Avinash Karwa
Company Secretary

M.No.: A20424

New Delhi, November 09, 2021

New Delhi, November 09, 2021



ELIN ELECTRONICS LIMITED

Special Purpose Interim Standalone Statement of Changes in Equity

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

A. Equity Share Capital

Particulars	Amount
Balance as at April 1, 2020	70.96
Changes in equity share capital	-
Balance as at March 31, 2021	70.96
Split of Shares into Face Value of Rs. 5 each (Refer Note 19)	-
Bonus shares issued of Rs. 5 each during the period (Refer Note 19)	141.91
Balance as at September 30, 2021	212.87

B. Other equity

Particulars	Reserves and Surplus		Other Comprehensive Income		Total
	Securities Premium	General Reserve	Retained Earnings	Changes in fair value of FVOCI equity instruments	Remeasurement of defined benefit plans
Balance as at April 01, 2020	59.55	468.21	1,150.69	(0.10)	19.71
Total Comprehensive Income for the year	-	-	279.02	-	(4.91)
Transfer to retained earnings	-	50.00	(50.00)	-	-
Balance as at March 31, 2021	59.55	518.21	1,379.70	(0.10)	14.79
Total Comprehensive Income for the period	-	-	161.46	-	7.28
Transfer to retained earnings	-	-	-	-	-
Utilized for issue of bonus shares	-	(141.91)	-	-	-
Balance as at September 30, 2021	59.55	376.30	1,541.17	(0.10)	22.07
The above Special Purpose Interim Standalone Statement of Changes in Equity should be read with the Basis of Preparation and Significant Accounting Policies appearing in Notes to the Special Purpose Interim Standalone Ind AS Financial Statements.					
					1,698.06
					274.10
					-
					1,972.16
					168.74
					-
					(141.91)
					1,998.99

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Reg. No.: 016520N



Sunil Bhansali

Partner

M.No.: 054645

New Delhi, November 09, 2021

For and on behalf of the Board

Kamal Sethia

Managing Director

DIN: 00081116

Raj Karan Chhajjar

Chief Financial Officer

PAN: AAAPC0561C



Sanjeev Sethia

Whole Time Director

DIN: 00354700

Avinash Karwa

Company Secretary

M.No.: A20424

New Delhi, November 09, 2021



Particulars	For the period ended Sept. 30, 2021	For the year ended March 31, 2021
I. Cash flow from Operating Activities :		
Net Profit before taxes	211.90	381.41
Adjustments for :		
Depreciation, Impairment and Amortization expenses	61.40	103.59
(Gain)/Loss on disposal of property, plant and equipment	(0.01)	2.17
Fair value (gain)/loss on investments	(2.05)	(12.06)
Impairment loss, Bad Debts, advances and miscellaneous balances written off	(0.25)	(0.76)
Dividend and interest income classified as investing cash flows	(0.99)	(2.89)
Finance costs (net)	55.57	85.51
	113.66	175.56
Change in operating assets and liabilities :		
(Increase)/ Decrease in Trade and other receivables	13.29	(764.36)
(Increase)/ Decrease in Inventories	4.56	(276.19)
Increase/ (Decrease) in Trade payables	(99.73)	306.14
(Increase)/ Decrease in other financial assets	5.85	(1.90)
(Increase)/ Decrease in other non-current assets	41.15	(39.19)
(Increase)/ Decrease in other current assets	(17.71)	13.30
Increase/ (Decrease) in provisions	7.88	(4.07)
Increase/ (Decrease) in other current liabilities	38.03	8.87
	(6.68)	(757.40)
Cash generated from operations	318.89	(200.44)
Income taxes paid/refund (net)	(58.95)	(57.97)
Net cash inflow from / (used in) operating activities	259.93	(258.41)
II Cash flow from Investing activities		
(Payments) for property, plant and equipment including CWIP	(230.84)	(177.98)
(Payments) for Intangible Assets	-	(7.55)
Proceeds from sale of property, plant and equipment	0.49	16.00
Proceeds/(Payments) from sale of Investment (net)	0.00	138.65
Dividends received	-	1.04
Interest received	1.11	2.27
Net Cash flow from / (used in) investing activities	(229.23)	(27.57)
III Cash flow from Financing Activities		
Proceeds from borrowings	133.77	517.76
(Repayment) of borrowings	(122.78)	(151.87)
(Repayment) of lease liabilities	(0.09)	(0.17)
	10.90	365.72
Less: Finance Costs paid	(55.49)	(85.37)
Net Cash flow from/ (used in) financing activities	(44.59)	280.36
IV Net increase/(decrease) in cash & cash equivalents (I + II + III)	(13.89)	(5.62)
V Cash and cash equivalents at the beginning of the financial year	19.49	25.11
VI Cash and cash equivalents at end of the year/period	5.60	19.49

Notes:

- The Special Purpose Interim Standalone Statement of Cash flow has been prepared under the indirect method as set-out in the Ind AS - 7 "Statement of Cash Flow" as specified in the Companies (Indian Accounting Standards) Rules, 2015.
- Figures in bracket indicate cash outflow.
- Cash and cash equivalents (refer Note 14) comprise of the followings:

Cash on hand	1.73	0.93
Balances with Scheduled banks in		
Current accounts	3.87	18.56
Bank Deposits with Bank	-	-
Balances per statement of cash flows	5.60	19.49

4 Analysis of movement in borrowings

Borrowings at the beginning of the year/period	1,014.69	648.79
Movement due to cash transactions as per the Statement of Cash Flows	10.99	365.90
Borrowings at the end of the year/period	1,025.68	1,014.69

The above Special Purpose Interim Standalone Statement of Cash Flows should be read with the Basis of Preparation and Significant Accounting Policies appearing in Notes to the Special Purpose Interim Standalone Ind AS Financial Statements.

As per our report of even date attached

For Oswal Sunil & Company

Chartered Accountants

Firm Reg. No.: 016520N

Sunil Bhansali
Partner
M.No.: 054645



For and on behalf of the Board

Kamal Sethia
Managing Director
DIN: 00081116

Sanjeev Sethia
Whole Time Director
DIN: 00354700

Raj Karan Chhajera
Chief Financial Officer
PAN: AAAPC0561C

Avinash Karwa
Company Secretary
M.No.: A20424

Elin Electronics Limited

Significant Accounting Policies

(Amount in INR million, unless otherwise stated)

1. Corporate information

The Special Purpose Interim Standalone Ind AS Financial Statement comprise financial information of Elin Electronics Limited ('the Company'). The Company was incorporated in India on March 26, 1982 under the provisions of the Companies Act, 2013 (CIN U29304WB1982PLC034725). The Company are engaged in the business of Electronics Manufacturing Services. The registered office of the company is located at 143, Cotton Street, Kolkata, West Bengal- 700007.

The Special Purpose Interim Standalone Ind AS Financial Statements is approved for issue by the Company's Board of Directors in their meeting held on November 09, 2021.

2. Significant accounting policies

2.1 Basis of preparation

The Special Purpose Interim Standalone Balance Sheet of the Company as at September 30, 2021, the Special Purpose Interim Standalone Statement of Profit and Loss (including other comprehensive income), the Special Purpose Interim Standalone Statement of Changes in Equity and the Special Purpose Interim Standalone Statement of Cash flows for each of the period ended September 30, 2021, and Special Purpose Interim Standalone other financial information (together referred as 'Special Purpose Interim Standalone Ind AS Financial Statements') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The information for the year ended March 31, 2021 is prepared by the management in accordance with the Indian Accounting Standard (Ind AS) (the "Special Purpose Standalone Ind AS Financial Statements") by making Ind AS adjustments to the audited standalone financial statements of the Company as at and for the year ended March 31, 2021 prepared in accordance with previous GAAP. This Special Purpose Ind AS Financial Statements of the Company is prepared for the limited purpose of consideration in preparation of Restated Consolidated Financial Information as at and for the period / year ended 30 September 2021, 31 March 2021, 31 March 2020 and 31 March 2019 ("Restated Consolidated Financial Information"), in relation to proposed Initial Public Offer of equity shares of the Company, and as per the SEBI request to the Association of Investment Bankers of India ("AIBI") vide its email dated October 28, 2021.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented an explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows (Refer Note 47).

Functional and presentation currency

Items included in the Special Purpose Interim Standalone Ind AS Financial Statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Special Purpose Interim Standalone Ind AS Financial Statements are presented in Indian rupee (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,00,000 have been rounded and are presented as INR 0.00 Millions in the Special Purpose Interim Standalone Ind AS Financial Statements.

Basis of measurement

The Special Purpose Interim Standalone Ind AS Financial Statements has been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets (except trade receivables and contract assets which are measured at transaction cost) and liabilities (including derivative)	Fair value
Defined benefits liability	Present value of defined benefits obligations



Elin Electronics Limited

Significant Accounting Policies

(Amount in INR million, unless otherwise stated)

2.2 Summary of significant accounting policies

A summary of the significant accounting policies applied in the preparation of the Special Purpose Interim Standalone Ind AS Financial Statements are as given below. These accounting policies have been applied consistently to all years presented in the Special Purpose Interim Standalone Ind AS Financial Statements.

2.2.1 Current vs non-current classification

The Company presents assets and liabilities in the Special Purpose Interim Standalone Balance Sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.2.2 Business combination

Ind AS 103, Business Combinations, prescribes significantly different accounting for business combinations which are not under common control and those under common control.

Business combinations involving entities or businesses under common control shall be accounted for using the pooling of interest method.

The pooling of interest method is considered to involve the following:

- (a) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (b) No adjustments are made to reflect fair values or recognize any new assets or liabilities. The only adjustments that are made are to harmonize accounting policies.
- (c) The financial information in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the Special Purpose Interim Standalone Ind AS Financial Statements, irrespective of the actual date of the business combination.
- (d) The identity of the reserves has been preserved and appear in the financial information of the transferee in the same form in which they appeared in the financial information of the transferor.
- (e) The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.



Elin Electronics Limited

Significant Accounting Policies

(Amount in INR million, unless otherwise stated)

2.2.3 Property, plant and equipment

Recognition and Initial Measurement

Property, plant and equipment is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of each item can be measured reliably. Property, plant and equipment are initially stated at their cost.

Cost of asset includes:

- Purchase price, net of any trade discounts and rebates
- Cost directly attributable to the acquisition of the assets which incurred in bringing asset to its working condition for the intended use
- Present value of the estimated costs of dismantling & removing the items & restoring the site on which it is located if recognition criteria are met.

Subsequent measurement

Property, plant and equipment are subsequently measured at cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalized if it is probable that future economic benefits associated with the expenditure will flow to the Company and cost of the expenditure can be measured reliably.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all the items of property, plant and equipment recognized as at 1 April 2020, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation and useful lives

Depreciation on property, plant and equipment is provided on straight line basis over the estimated useful lives of the assets as specified in schedule II of the Companies act, 2013 except for assets used in manufacturing of Medical Products which are depreciated over a period of 3 years based on the management's internal assessment.

Particulars	Useful life as per Schedule II
Computers	3 Years
Servers	6 Years
Office Equipment	5 Years
Furniture and fixtures	10 Years
Plant & Machinery	15 Years
Plant & Machinery (for medical products)	3 Years
Dies, tools and Moulds	15 Years
Factory Building	30 Years
Building (other than factory building)	60 Years
Electric Installation and Equipments	10 Years
Motor Cycles	10 Years
Motor Vehicles & Lorry	8 Years



Elin Electronics Limited

Significant Accounting Policies

(Amount in INR million, unless otherwise stated)

Depreciation on additions to/deductions from property, plant and equipment during the period is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed. Each part of an item of property, plant and equipment is depreciated separately if the cost of part is significant in relation to the total cost of the item and useful life of that part is different from the useful life of remaining asset. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Special Purpose Interim Standalone Statement of Profit & Loss when the asset is derecognized.

2.2.4 Intangible assets

Intangible assets (Other than goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line basis over the estimated useful life. Estimated useful life of the software is considered as 3 years. Amortisation methods, useful lives and residual values are reviewed in each financial year / period end and changes, if any, are accounted for prospectively. An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Special Purpose Interim Standalone Statement of Profit & Loss.

2.2.5 Impairment of non-financial assets

At each reporting date, the Company assesses, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories are recognized in the Special Purpose Interim Standalone Statement of Profit & Loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior period. Such reversal is recognized in the Special Purpose Interim Standalone Statement of Profit & Loss.

2.2.6 Inventories

- a) Inventories (which comprise traded goods) are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First in First out (FIFO) basis.
- b) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on an item-by-item basis.



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2.2.7 Revenue recognition

Revenue is measured at the transaction price that is allocated to the performance obligation and it excludes amounts collected on behalf of third parties and is adjusted for variable considerations. Any subsequent change in the transaction price is then allocated to the performance obligations in the contract on the same basis as at contract inception. The Company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company estimates the amount of revenue to be recognized on variable consideration using most likely amount method. Consequently, amounts allocated to a satisfied performance obligation are recognised as revenue, or as a reduction of revenue, in the period in which the transaction price changes. Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price.

a) Sale of products and Services

Revenue from sale of products is recognized at the point in time when control of the goods is transferred to the customer at the time of shipment to or receipt of goods by the customers at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has concluded that it is the principal in its revenue arrangements as it typically controls the goods or services before transferring them to the customer.

The goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on behalf of the government. Accordingly, it is excluded from revenue.

b) Other Revenue

- **Interest income:** Interest income is recognised as interest accrues using the effective interest method ("EIR") that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.
- **Dividends:** Dividend income is recognised when the right to receive payment is established.
- **Rental income:** Rental income arising from operating leases or on investment properties is accounted for on a straight-line basis over the lease terms and is included in other non-operating income in the Statement of Profit and Loss.
- **Insurance Claims:** Insurance claims are accounted for as and when admitted by the concerned authority.

c) Contract balances

- **Contract assets:** A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.
- **Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).
- **Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

d) Right of return

The Company provides a customer with a right to return in case of any defects or on grounds of quality. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.



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The Company has adopted Ind AS 115 from April 01, 2020 using the modified retrospective approach by applying Ind AS 115 to all the contracts that are not completed on April 01, 2020. The application of Ind AS 115 did not have any material impact on recognition and measurement principles. However, it results in additional presentation and disclosure requirements for the Company.

The Company has also applied the practical expedient under Ind AS 115 for incremental cost of obtaining a contract and has recognized such cost as an expense when incurred if the amortization period of the asset is one year or less.

2.2.8 Taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the period and is computed in accordance with relevant tax regulations. Current tax is recognized in Special Purpose Interim Standalone Statement of Profit & Loss except to the extent it relates to items recognized outside profit or loss in which case it is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized in Special Purpose Interim Standalone Statement of Profit & Loss except to the extent it relates to items recognized outside profit or loss, in which case is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.2.9 Foreign currencies

Foreign currency transactions are recorded in the functional currency, by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items outstanding at the reporting date are converted to functional currency using the closing rate (Closing selling rates for liabilities and closing buying rate for assets). Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.



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Exchange differences arising on settlement of monetary items, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the Special Purpose Interim Standalone Statement of Profit & Loss in the period in which they arise. These exchange differences are presented in the Special Purpose Interim Standalone Statement of Profit & Loss on net basis.

2.2.10 Employee benefit

a) Short-term employee benefits

Employee benefits such as salaries, short term compensated absences, and other benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the Special Purpose Interim Standalone Statement of Profit & Loss in the period in which the employee renders the related services.

b) Post-employment benefits

- **Defined Contribution Plan:** A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contribution towards provident fund ('PF') and employee state insurance scheme ('ESI') which is a defined contribution plan. The Company's contribution is recognized as an expense in the Special Purpose Interim Standalone Statement of Profit & Loss during the period in which the employee renders the related service.

- **Defined Benefit Plan:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under such plans, the obligation for any benefits remains with the Company. The Company's liability towards gratuity is in the nature of defined benefit plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Company makes periodic contributions to the Kotak Mahindra Old Mutual Life Insurance Limited, Bajaj Allianz Life Insurance Co. Ltd and Birla Sun Life Insurance Co. Ltd for the Gratuity Plan in respect of employees.

The liability in respect of gratuity is accrued in the books of accounts on the basis of actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method.

The Company's net obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date.

Re-measurement, comprising actuarial gains and losses, is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to Special Purpose Interim Standalone Statement of Profit & Loss.

Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognized in the Special Purpose Interim Standalone Statement of Profit & Loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognized when the settlement occurs. Past service cost is recognized as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.



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c) Other long-term employee benefits

Benefits under the Company's compensated absences constitute other long-term employee benefits, recognized as an expense in the Special Purpose Interim Standalone Statement of Profit & Loss for the period in which the employee has rendered services. The obligation recognized in respect of these long-term benefits is measured at present value of the obligation based on actuarial valuation using the Projected Unit credit method.

Long term employee benefit costs comprising current service cost, interest cost and gains or losses on curtailments and settlements, re-measurements including actuarial gains and losses are recognized in the Special Purpose Interim Standalone Statement of Profit & Loss as employee benefit expenses.

2.2.11 Cash and cash equivalents

Cash and cash equivalent include cash on hand, cash at banks and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purpose of the Special Purpose Interim Standalone Statement of Cash Flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

2.2.12 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan. All other borrowing costs are recognised in the Special Purpose Interim Standalone Statement of Profit & Loss in the period in which they are incurred.

2.2.13 Provisions, contingent assets and contingent liabilities

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

b) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation or present obligations that may but probably will not, require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each financial reporting date and adjusted to reflect the current best estimates.

c) Contingent assets

Contingent assets are not recognized though are disclosed, where an inflow of economic benefits is probable.



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2.3.12 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

a) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the Special Purpose Interim Standalone Statement of Profit & Loss.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are included in financial liabilities

iii) Short term lease and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

iv) Single discount rate

The Company has applied the available practical expedient with respect to single discount rate where a single discount rate is used for portfolio of leases with reasonably similar characteristics.



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The Company has given adjustments for lease accounting in accordance with Ind AS 116 from April 01, 2020, and all the related figures have been reclassified/ regroup to give effect to the requirements of Ind AS 116. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Special Purpose Interim Standalone Balance Sheet.

The Company has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date when applying Ind AS 116 initially:

- a. lease liability is recognized, for leases which were previously classified as operating leases, by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
- b. a right of use assets is recognized at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the Special Purpose Interim Standalone Balance Sheet immediately before the date of initial application

b) Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.3.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

a) Financial assets

Initial recognition and measurement

A financial asset (except trade receivable and contract asset) is recognised initially at fair value plus or minus transaction cost that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit and loss). Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss ('FVTPL') are recognised immediately in the Special Purpose Interim Standalone Statement of Profit & Loss.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI — equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income (designated as FVOCI — equity investment). The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.



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If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income ('OCI'). There is no recycling of the amounts from OCI to the Special Purpose Interim Standalone Statement of Profit & Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Special Purpose Interim Standalone Statement of Profit & Loss.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in the Special Purpose Interim Standalone Statement of Profit & Loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest income, are recognised in the Special Purpose Interim Standalone Statement of Profit & Loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Impairment of financial assets

Expected credit loss (ECL) is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are measured at amortized cost e.g., deposits, trade receivables and bank balance.
- (b) Financial assets that are measured as at FVTOCI
- (c) Lease receivables under Ind AS 116
- (d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.



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ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Special Purpose Interim Standalone Statement of Profit & Loss. ECL for financial assets measured as at amortized cost and contractual revenue receivables is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Special Purpose Interim Standalone Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

The Company does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its Special Purpose Interim Standalone Balance Sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

b) Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

The Company has not designated any financial liabilities at FVTPL.

(ii) Financial liabilities at amortized cost

After initial recognition, Loans, borrowings, trade payables and other financial liabilities are subsequently measured at amortized cost using the EIR method. Interest expense is recognized in the Special Purpose Interim Standalone Statement of Profit & Loss. Any gain or loss on derecognition is also recognized in the Special Purpose Interim Standalone Statement of Profit & Loss.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Special Purpose Interim Standalone Statement of Profit & Loss.

c) Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.



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d) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Special Purpose Interim Standalone Balance Sheet if there is a currently enforceable contractual legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.3.14 Fair value measurement

The Company measures financial instruments at fair value at each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Special Purpose Interim Standalone Ind AS Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the Special Purpose Interim Standalone Ind AS Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets and liabilities, if any. At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be measured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Above is the summary of accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.3.15 Earnings per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding



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during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

The business of the Company falls within a single line of business i.e. electronics manufacturing services. All other activities of the Company revolve around its main business. Hence, no separate reportable primary segment.

2.3.17 Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all stipulated conditions. Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other operating income. Grants related to assets are reduced from the carrying amount of the asset. Such grants are recognized in the Special Purpose Interim Standalone Statement of Profit & Loss over the useful life of the related depreciable asset by way of reduced depreciation charge.

2.3.18 Special Purpose Interim Standalone Statement of Cash Flows

The special purpose statements of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

2.3.19 Significant accounting estimates and judgments

The estimates used in the preparation of the Special Purpose Interim Standalone Ind AS Financial Statements of each period/year presented are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognized in the Special Purpose Interim Standalone Ind AS Financial Statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

Significant judgements



Elin Electronics Limited

Significant Accounting Policies

(Amount in INR million, unless otherwise stated)

- **Allowances for uncollected trade receivables**

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems not becollectible.

- **Contingencies**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which managements have concluded based on all available facts and circumstances are not probable of payment or difficult to quantify reliably and such obligations are treated as contingent liabilities and disclosed in notes Although there can be no assurance of the final outcome of legal proceedings in which the Company is involved. it is not expected that such contingencies will have material effect on its financial position of probability.

- **Impairment of other financial assets**

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation., based on the Company's past history, existing market conditions as wellas forward looking estimates at the end of each reporting period.

- **Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes current tax payable, based on reasonable estimates. The amount of such current tax payable is basedon various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the domicile of the Company.

- **Recoverability of deferred taxes**

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible.

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxableprofit will be available against which the losses can be utilized. Significant management judgementis required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

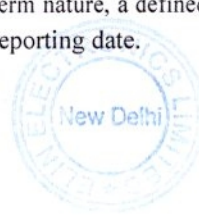
- **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair valueless costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model.

Significant estimates

- **Defined benefit plans**

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



Elin Electronics Limited

Significant Accounting Policies

(Amount in INR million, unless otherwise stated)

- **Useful lives of property, plant and equipment and intangible assets**

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. At the end of the current reporting period, the management determined that the useful lives of property, plant and equipment and intangible assets at which they are currently being depreciated represent the correct estimate of the lives and need no change.

- **Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- **Determining the lease term of contracts with renewal and termination options — Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

- **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Special Purpose Interim Standalone Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



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ELIN ELECTRONICS LIMITED

Notes to Special Purpose Interim Standalone Ind AS Financial Statements

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

3 Property, Plant and Equipment

Particulars	Plant and Machinery	Building	Dies, Moulds & Tools	Electrical Installations	Furniture and Fixtures	Office Equipment's	Computers	Vehicles	Land (Leasehold)	Total
Gross Carrying Value										
Balance as at April 1, 2020 (Deemed Cost)	1,229.05	518.99	145.46	135.37	39.28	7.06	24.55	49.84	104.64	2,254.23
Additions	121.25	2.94	25.02	4.48	4.91	2.82	3.72	4.93	-	170.07
Disposals / Adjustments	50.46	-	2.74	0.37	0.06	0.19	0.45	3.40	-	57.67
Balance as at March 31, 2021	1,299.84	521.92	167.74	139.48	44.13	9.68	27.83	51.36	104.64	2,366.63
Additions	102.62	0.63	43.50	5.46	0.38	0.20	2.37	-	-	155.17
Disposals / Adjustments	-	-	0.49	-	-	-	-	0.06	-	0.54
Balance as at Sep 30, 2021	1,402.47	522.56	210.76	144.94	44.50	9.88	30.20	51.31	104.64	2,521.26
Accumulated depreciation and impairment										
Balance as at April 1, 2020 (Deemed Cost)	538.10	183.42	64.12	79.55	24.56	4.55	19.08	30.28	13.93	957.59
Depreciation & Impairment	62.81	12.33	7.96	7.17	2.05	0.82	2.91	3.62	2.14	101.82
Disposals / Adjustments	42.65	-	0.19	0.37	0.06	0.19	0.43	3.23	-	47.13
Balance as at March 31, 2021	558.26	195.75	71.88	86.34	26.56	5.17	21.56	30.67	16.07	1,012.27
Depreciation & Impairment	37.82	6.19	5.88	3.65	1.12	0.58	1.74	1.95	1.07	60.01
Disposals / Adjustments	-	-	0.02	-	-	-	-	0.05	-	0.06
Balance as at Sep 30, 2021	596.08	201.94	77.75	89.99	27.68	5.75	23.30	32.57	17.14	1,072.22
Net Carrying Value										
Balance as at April 1, 2020 (Deemed Cost)	690.95	335.57	81.34	55.82	14.71	2.51	5.47	19.55	90.71	1,296.64
Balance as at March 31, 2021	741.58	326.17	95.85	53.14	17.57	4.51	6.26	20.70	88.57	1,354.35
Balance as at Sep 30, 2021	806.39	320.61	133.00	54.95	16.82	4.13	6.90	18.73	87.50	1,449.04

Notes:

1. The Company has elected Ind AS 101 exemption to continue with the carrying value for all of its Property, Plant and Equipment as its deemed cost as at the date of transition. Refer note 47 for a reconciliation of deemed cost as considered by the Company.
2. The Company had received approval to get Capital Subsidies for additional investments in manufacturing plant at Plot No.C-142, 143, 144, 144/1, 144/2, Site No.1, BullandShahar Road, Ghaziabad, Uttar Pradesh, 201009 under Modified Special Incentive Package Scheme (MSIPS) notified vide M-SIPS Policy Gazette Notification No. 175 dated 27-07-2012 and revised Notification dated 03-08-2015 as modified from time to time by the Ministry of Electronics and Information Technology, Department of Information Technology, vide Approval Letter No. 27(29)/2013-IPHWA dated 03-07-2014 and Approval letter no.27(215)/2015-IPHW dt.22-11-2017. Also, the Company is in process of availing capital subsidy under Industrial Development Scheme 2017 of Department for Promotion of Industries & Internal Trade, Himachal Pradesh. Under the said schemes, the Company has submitted its claims before the respective authorities for sanctioning the claim, which has not been adjusted to the cost of respective assets, in the absence of reasonable assurance that the claim will be received.
3. Refer Note 20 and 22 for details of assets pledged.



ELIN ELECTRONICS LIMITED
Notes to Special Purpose Interim Standalone Ind AS Financial Statements
(All amounts are in INR Millions, unless otherwise stated)
4 Capital work-in-progress

Particulars	Buildings	Plant & Machinery	Total
Balance as at April 01, 2020	0.28	-	0.28
Additions	0.56	-	0.56
Disposals / Adjustments	(0.28)	-	(0.28)
Balance as at March 31, 2021	0.56	-	0.56
Additions	75.67	-	75.67
Disposals / Adjustments	-	-	-
Balance as at September 30, 2021	76.23	-	76.23

4.1 Capital work-in-progress ageing schedule

Particulars	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Balance as at April 1, 2020	-	0.28	-	-	0.28
Balance as at March 31, 2021	0.56	-	-	-	0.56
Balance as at September 30, 2021	76.23	-	-	-	76.23

4.2 As on the date of the financial statement, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

5 Intangible Assets (other than goodwill)

Particulars	Computer software
Gross Carrying Value	
Balance as at April 1, 2020 (Deemed Cost)	7.73
Additions	7.55
Disposals / Adjustments	-
Balance as at March 31, 2021	15.27
Additions	-
Disposals / Adjustments	-
Balance as at Sep 30, 2021	15.27
Accumulated depreciation and impairment	
Balance as at April 1, 2020 (Deemed Cost)	6.78
Depreciation for the year	1.76
Disposals / Adjustments	-
Balance as at March 31, 2021	8.54
Depreciation for the period	1.38
Disposals / Adjustments	-
Balance as at Sep 30, 2021	9.92
Net Carrying Value	
Balance as at April 1, 2020 (Deemed Cost)	0.94
Balance as at March 31, 2021	6.73
Balance as at Sep 30, 2021	5.35



ELIN ELECTRONICS LIMITED**Notes to Special Purpose Interim Standalone Ind AS Financial Statements***(All amounts are in INR Millions, unless otherwise stated)***6 Investment in subsidiaries, associates**

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Unquoted Investments (At Cost)		
Investment in Equity Instruments Subsidiary	20.00	20.00
Total	20.00	20.00

A. Investment in subsidiaries

Particulars	Face value per share (Rs.)	Elin Appliances Pvt. Ltd.	
		No. of Shares	Amount
Investment in Equity Instruments - Equity Shares			
As at March 31, 2021	10/-	2,00,000	20.00
As at September 30, 2021	10/-	2,00,000	20.00

B. Additional Disclosures:

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Aggregate carrying value of unquoted investments	20.00	20.00
Aggregate amount of impairment in value of investments	-	-

C. Additional details of subsidiaries

Name of Entity	Principal Activity	Place of incorporation
Subsidiaries		
Elin Appliances Private Limited	Manufacturing of Home Appliances and Electric Components & Parts	India

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ELIN ELECTRONICS LIMITED
Notes to Special Purpose Interim Standalone Ind AS Financial Statements
(All amounts are in INR Millions, unless otherwise stated)
7 Non-Current Financial Assets - Investments

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Unquoted		
Investments - Non-Trade		
Investments in Equity instruments	-	-
Total	-	-

7.1 Detail of Non-Current Investments

At Balance Sheet Date - Current Investments			
Particulars	Elcina Electronics Cluster Pvt Ltd		Total Amount
	(Face Value Rs. 10/- each)		
	No. of Shares	Amount	
Financial assets measured at FVTOCI			
(i) Investment in equity instruments - Equity Shares			
As at March 31, 2021	10,000	-	-
As at September 30, 2021	10,000	-	-

7.2. Additional Disclosures:

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Aggregate carrying value of unquoted investments	-	-

8 Other Financial Assets - Non Current

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Unsecured, Considered Good		
Bank deposits with more than 12 months maturity *	0.15	6.86
Security Deposit	17.03	17.03
Total	17.18	23.90

* Above bank deposits are held as margin money/securities with banks.

9 Deferred tax assets / (liabilities) (net)

Deferred income tax reflect the net tax effects of temporary difference between the carrying amount of assets and liabilities for the financial reporting purposes and the amounts used for income tax purposes. Significant component of the Company's net deferred income tax are as follows:-

Particulars	Defined benefit obligation	Property, plant and equipment	Provisions & others	Total
As at 01 April, 2020	2.73	(60.97)	6.72	(51.52)
(Changed)/Credited:				
- to Statement of profit and loss	(1.02)	(12.67)	0.00	(13.69)
- to other comprehensive income	1.65	-	-	1.65
As at 31 March, 2021	3.36	(73.64)	6.72	(63.56)
(Changed)/Credited:				
- to Statement of profit and loss	1.98	(6.33)	3.10	(1.25)
- to other comprehensive income	(2.45)	-	-	(2.45)
As at 30 September, 2021	2.89	(79.97)	9.82	(67.26)

10 Other Non-Current Assets

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Unsecured, Considered Good		
Capital Advances	131.14	172.29
Total	131.14	172.29



ELIN ELECTRONICS LIMITED**Notes to Special Purpose Interim Standalone Ind AS Financial Statements***(All amounts are in INR Millions, unless otherwise stated)***11 Inventories (at cost or net realisable value whichever is lower)**

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Inventories (As Certified and valued by the management)		
Raw Materials	570.24	607.80
Raw Materials in transit	5.95	1.44
	576.19	609.23
Work-in-progress	258.24	254.30
Finished goods	77.78	56.76
Stock-in-trade	-	-
Stores and Spares	23.67	20.16
Total	935.89	940.46

13 Current Financial Assets - Trade Receivables

Particulars	As at Sept 30, 2021	As at March 31, 2021
Trade Receivables		
Unsecured, considered good	1,506.88	1,520.17
Which have significant increase in credit risk	-	-
Less: expected credit loss allowance	(1.50)	(1.72)
Total	1,505.38	1,518.45

Movement in the expected credit loss allowance of trade receivables are as follows:

Balance at the Beginning of the year / period	1.72	0.88
Add: Provided during the year / period	(0.22)	0.84
Less: Amount written off	-	0.00
Balance at the end of the year / period	1.50	1.72

13.1 Trade Receivables Ageing Schedule:

Particulars	As at Sept 30, 2021	As at March 31, 2021
Undisputed Trade receivables – considered good		
Less than 6 months	1,501.24	1,515.72
6 months - 1 year	3.77	2.17
1 -2 years	1.58	1.89
2 -3 years	0.29	0.36
More than 3 years	-	0.03
Total	1,506.88	1,520.17

Disputed Trade Receivables – considered good

Less than 6 months	-	-
6 months - 1 year	-	-
1 -2 years	-	-
2 -3 years	-	-
More than 3 years	-	-
Total	-	-

13.2 In determining the allowance for trade receivables the Company has used practical expedients based on financial condition of the customers, ageing of the customer receivables & over-dues, availability of collaterals and historical experience of collections from customers. The concentration of risk with respect to trade receivables is reasonably low as most of the customers are large Corporate organisations though there may be normal delays in collections.

14 Current Financial Assets - Cash & cash equivalents

Particulars	As at Sept 30, 2021	As at March 31, 2021
Cash & Cash Equivalents		
Balance with banks;		
- in current account	3.87	18.56
Cash on hand;	1.73	0.93
Total	5.60	19.49



12 Current Financial Assets - Investments

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Unquoted Investments		
(i) Investments in Mutual Funds	19.23	17.18
Total	19.23	17.18

12.1 Detail of Current Financial Assets - Investments

Particulars	As at September 30, 2021		As at March 31, 2021	
	Units	Amount	Units	Amount
Financial assets carried at fair value through statement of profit or loss (FVTPL)				
Investments in mutual funds - Unquoted Investment				
HDFC Group Unit Linked Plan Option B	96,532.09	7.06	96,532.09	6.84
L & T Tax Advantage Fund - Regular Dividend	1,01,936.80	2.69	1,01,936.80	2.29
L & T Tax Advantage Fund - Growth	52,511.50	4.16	52,511.50	3.53
L & T Tax Advantage Fund - Dividend Payout	2,01,296.35	5.32	2,01,296.35	4.52
Total Current Investments at FVTPL		19.23		17.18
Aggregate carrying value of unquoted investments		19.23		17.18
Aggregate amount of impairment in value of investments		-		-



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ELIN ELECTRONICS LIMITED
Notes to Special Purpose Interim Standalone Ind AS Financial Statements
(All amounts are in INR Millions, unless otherwise stated)
15 Current Financial Assets - Other Bank Balances

Particulars	As at Sept 30, 2021	As at March 31, 2021
Bank Deposits having maturity less than 12 months *	7.66	6.88
Total	7.66	6.88

* Above Bank deposits are held as margin money/securities with banks.

16 Current Financial Assets - Other Financial Assets

Particulars	As at Sept 30, 2021	As at March 31, 2021
Unsecured, considered good		
Accrued Interest on Bank Deposits	0.11	0.23
Loans & Advances to Staff & Workers	8.57	8.49
Total	8.68	8.72

17 Current Tax Assets / Liabilities

Particulars	As at Sept 30, 2021	As at March 31, 2021
Current Tax Assets		
Advance Income Tax / TDS (net of provisions)	6.26	6.26
Current Tax Liabilities		
Income Tax Provisions (net of Advance Income Tax / TDS)	20.81	30.57

18 Other Current Assets

Particulars	As at Sept 30, 2021	As at March 31, 2021
Unsecured, considered good		
Indirect tax recoverable	3.29	5.58
Commercial tax receivable	2.05	2.05
Goods & Service Tax Under Appeal	1.68	1.68
Provident Fund Under Appeal	1.17	1.17
Advance to Suppliers	37.52	30.13
Export Incentive receivables	0.56	0.31
Prepaid Expenses	13.50	1.14
Total	59.77	42.06



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19 A. Share Capital

(i) Authorised Share Capital

Particulars	Equity Share Capital	
	No of Shares	Amount
As at April 1, 2020	1,02,50,000	102.50
Increase during the year	-	-
As at March 31, 2021	1,02,50,000	102.50
Increase during the period #	8,97,50,000	397.50
As at September 30, 2021	10,00,00,000	500.00

Pursuant to a resolution of Board of Directors dated September 6, 2021 and the shareholders meeting dated September 30, 2021, the Authorized Share Capital of the Company has been increased from Rs. 102.50 millions consisting of 1,02,50,000 Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 500.00 millions consisting of 10,00,00,000 Equity Shares of Rs. 5/- each (Rupees Five only).

(ii) Shares issued, subscribed and fully paid-up

Particular	Equity Share Capital	
	No of Shares	Amount
As at April 1, 2020	70,95,700	70.96
Add: Shares issued during the year	-	-
Add: Bonus shares issued during the year	-	-
Less: Share bought back during the year	-	-
As at March 31, 2021	70,95,700	70.96
Add: Shares issued during the period	-	-
Add: Split of Shares into Face Value of Rs. 5 each	70,95,700	-
Add: Bonus shares issued in the ratio of 2 for every 1 share held	2,83,82,800	141.91
Less: Share bought back during the year	-	-
As at September 30, 2021	4,25,74,200	212.87

(iii) Terms/right attached to Equity Shares

The Company has one class of shares having a face value of Rs. 5/- per equity share (Previous Year ended March 31, 2021 is Rs. 10/- per equity share). All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. Shareholders are entitled to one vote per equity share held in the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(iv) Shares Split & Bonus Issue

Pursuant to a resolution passed by our Board on September 6, 2021 and a resolution of shareholders dated, September 30, 2021, each equity share of face value of Rs. 10 each has been split into two equity shares of face value of Rs. 5 each. Accordingly, the issued, subscribed and paid up capital of our Company was subdivided from 68,06,700 equity shares of face value of Rs. 10 each to 1,36,13,400 equity shares of face value of Rs. 5 each. The Board of Directors pursuant to a resolution dated September 6, 2021 and the shareholders special resolution dated September 30, 2021 have approved the issuance of two bonus equity shares of face value Rs. 5 each for every one existing fully paid up equity share of face value Rs. 5 each and accordingly 2,72,26,800 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013.

(v) Shareholders holding more than 5 percent of Equity Shares

Name of Shareholder	As at Sept. 30, 2021	As at March 31, 2021
Suman Sethia	39,60,000 9.30%	6,60,000 9.30%
M.L.Sethia	- 0.00%	- 0.00%
Prem Lata Sethia	28,02,000 6.58%	4,67,000 6.58%
Kishor Sethia	36,44,928 8.56%	6,07,488 8.56%
Kamal Sethia	22,29,618 5.24%	3,71,603 5.24%
Gaurav Sethia	31,43,004 7.38%	5,23,834 7.38%



ELIN ELECTRONICS LIMITED
Notes to Special Purpose Interim Standalone Ind AS Financial Statements
(All amounts are in INR Millions, unless otherwise stated)
(vi) Shareholding of Promoters

Promoter Name	Shares held at Sep 30' 2021		% Change during the period ended Sep 30' 2021
	Nos. of Shares	% of Total Shares	
M.L.Sethia	-	0.00%	-
Kamal Sethia	22,29,618	5.24%	-
Suman Sethia	39,60,000	9.30%	-
Kishor Sethia	36,44,928	8.56%	-
Vasudha Sethia	10,80,900	2.54%	-
Gaurav Sethia	31,43,004	7.38%	-
Vinay Kumar Sethia	6,33,300	1.49%	-
Sanjeev Sethia	9,15,600	2.15%	-
Sumit Sethia	8,64,450	2.03%	-

B. Other Equity

Particulars	As at Sept. 30, 2021	As at March 31, 2021
(i) Retained Earnings	1,541.17	1,379.70
(ii) Other Reserves *		
a. Securities Premium	59.55	59.55
b. General Reserve	376.30	518.21
(iii) Components of Other Comprehensive Income		
a. Changes in fair value of FVOCI equity instruments	(0.10)	(0.10)
b. Remeasurement of defined benefit plans	22.07	14.79
Total	1,998.99	1,972.16

*** Brief description of Other Reserves:**

a. Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

b. General reserve is the free reserve created out of the retained earnings of the Company. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(i) Retained Earnings

Particulars	Amount
As at April 01, 2020	1,150.69
Add: Net profit for the year	279.02
Less: Transfer to reserve during the year	(50.00)
As at March 31, 2021	1,379.70
Add: Net profit for the period	161.46
Less: Transfer to reserve during the period	-
As at September 30, 2021	1,541.17

(ii) Other Reserves

Particulars	Securities Premium	General Reserve
As at April 01, 2020	59.55	468.21
Increase during the year	-	50.00
Decrease during the year	-	-
As at March 31, 2021	59.55	518.21
Increase during the period	-	-
Decrease during the period	-	(141.91)
As at September 30, 2021	59.55	376.30

(iii) Components of Other Comprehensive Income

Particulars	Changes in fair value of FVOCI equity instruments	Remeasurement of defined benefit plans
As at April 01, 2020	(0.10)	19.71
Increase during the year	-	-
Decrease during the year	-	(4.91)
As at March 31, 2021	(0.10)	14.79
Increase during the period	-	7.28
Decrease during the period	-	-
As at September 30, 2021	(0.10)	22.07



ELIN ELECTRONICS LIMITED
Notes to Special Purpose Interim Standalone Ind AS Financial Statements
(All amounts are in INR Millions, unless otherwise stated)
20 Non-Current Financial Liabilities - Borrowings

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Secured Borrowings		
Term Loans - from Banks*	536.91	559.89
Less : Current maturities of long term debt - Term Loans	(154.80)	(190.49)
Total	382.11	369.40

* net off of Rs.0.72 Millions (2021: Rs. 0.93 Millions) as finance charge

Notes:

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

b) Term Loans - Repayment schedule and rate of interest

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Secured		
Weighted Ave. Rate of Interest	6.96%	7.18%
Outstanding amount	536.91	559.89
Repayment Due		
FY 2021-22	74.58	190.49
FY 2022-23	158.60	143.22
FY 2023-24	118.99	
Remaining payable upto 2028-29	184.74	226.18

21 Non-Current Liabilities - Provisions

Particulars	As at Sept 30, 2021	As at March 31, 2021
Provisions for Employee Benefits (refer note 37)		
Provision for Leave Encashment	6.25	7.34
Total	6.25	7.34

22 Current Financial Liabilities - Borrowings

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Borrowings - Loans repayable on demands		
Secured		
(i) from banks - Working Capital	243.03	371.81
(ii) Current maturities of Long term borrowings (refer note 20)	154.80	190.49
Unsecured		
(i) from banks - Customers bills discounting	237.01	-
(ii) from banks - Vendors bills discounting	8.74	82.98
Total	643.57	645.29

Notes:

a. Secured by exclusive first pari passu charge on entire stock of Raw material, Work-in-Progress, Finished Goods, Consumable Stores, Book Debts and other current assets of the company, both present and future. These loans are further secured by second pari passu charge over the entire movable Property Plant and Equipment of the company, other and immovable Property Plant and Equipment of the company by equitable mortgage of properties situated at Ghaziabad and Goa and personal guarantee of the four Directors of the Company.

b. Unsecured loan of Customer Bill discounting is Repayable on due dates as agreed with the Customers

c. Unsecured loan of Vendor Bill discounting as Electronic Vendor Financing Scheme is Repayable on due dates as agreed with the Vendors



ELIN ELECTRONICS LIMITED
Notes to Special Purpose Interim Standalone Ind AS Financial Statements
(All amounts are in INR Millions, unless otherwise stated)
23 Current Financial Liabilities - Trade Payables

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Trade Payables		
Due to Micro and Small Enterprises (refer note 38)	145.59	156.74
Others	610.15	698.77
Total	755.74	855.51

23.1 Trade Payables Ageing Schedule:

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Micro, small and medium enterprises		
Less than 1 year	145.59	156.74
1 -2 years	-	-
2 -3 years	-	-
More than 3 years	-	-
Total	145.59	156.74
Others		
Less than 1 year	609.95	673.11
1 -2 years	0.20	7.59
2 -3 years	-	1.21
More than 3 years	-	16.86
Total	610.15	698.77

24 Other Financial Liabilities - Current

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Security deposit	0.06	0.06
Expenses Payables *	109.13	80.20
Total	109.19	80.26

*includes primarily Salaries & Bonus Payable and other expenses payable

25 Other Current Liabilities

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Advances from Customers	10.26	8.89
Statutory Liabilities payable	33.91	26.18
Total	44.17	35.07

26 Current Liabilities - Provisions

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Provisions for Employee Benefits (refer note 37)		
Provision for Leave Encashment	5.24	6.01
Total	5.24	6.01



27 Revenue from operations

Particulars	For the period Sept. 30, 2021	For the year ended March 31, 2021
Sale and Services		
- Sale of Products	4,042.67	6,912.91
- Sale of Services	8.26	14.87
Other Operating Revenues		
- Scrap sale	122.74	191.88
- Export Incentives	0.76	0.45
Total	4,174.43	7,120.11

27.1 Contract Balances

Receivables, which are included in 'trade receivables'	1,505.38	1,518.45
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27.2 Revenue from sale of products / services disaggregated by primary geographical market

India	4,158.19	7,092.31
Outside India	16.24	27.80
Total revenue from contracts with customers	4,174.43	7,120.11

28 Other Income

Particulars	For the period Sept. 30, 2021	For the year ended March 31, 2021
Other non-operating income		
Interest on Bank Deposits	0.99	1.86
Dividend Received	-	1.04
Gain/(loss) on sale of current investments measured at FVTPL	-	8.92
Fair value gain/(loss) on investments measured at FVTPL	2.05	3.13
Rent Received	0.18	0.36
Sundry Balances Written Back	0.03	1.60
Profit on sales of Property, Plant and Equipment	0.01	0.00
Exchange Fluctuation Gain (Net)	-	-
Total	3.26	16.91

29 Cost of Material Consumed

Particulars	For the period Sept. 30, 2021	For the year ended March 31, 2021
Opening Balance	625.86	376.84
Add : Purchases during the year	3,004.79	5,265.73
	3,630.64	5,642.57
Less: Closing Stock	591.44	625.86
Total material consumed	3,039.20	5,016.71

30 Change in inventories of finished goods, work-in progress and stock-in trade

Particulars	For the period Sept. 30, 2021	For the year ended March 31, 2021
Closing Stock		
Finished Goods	77.78	56.76
Stock in Trade- Goods	-	-
Work in process	258.24	254.30
	336.03	311.06
Opening Stock		
Finished Goods	56.76	108.66
Stock in Trade- Goods	-	-
Work in process	254.30	169.64
	311.06	278.30
Total	(24.96)	(32.77)

31 Employee Benefits Expenses

Particulars	For the period Sept. 30, 2021	For the year ended March 31, 2021
Salaries, bonus and allowances	460.93	839.29
Contribution to Provident and other funds	28.62	43.01
Staff welfare expenses	8.31	14.08
Total	497.86	896.37



ELIN ELECTRONICS LIMITED**Notes to Special Purpose Interim Standalone Ind AS Financial Statements***(All amounts are in INR Millions, unless otherwise stated)***32 Finance Costs**

Particulars	For the period ended Sept. 30, 2021	For the year ended March 31, 2021
Interest expense on financial liabilities measured at amortised cost :		
- on borrowings	54.26	82.34
- on lease liabilities	0.08	0.15
- other Interest cost	0.03	0.01
Other borrowing cost	1.21	3.01
Total	55.57	85.51

33 Other Expenses

Particulars	For the period ended Sept. 30, 2021	For the year ended March 31, 2021
Manufacturing Expenses		
Power and Fuel & Water Charges	80.43	132.00
Carriage Inwards Expenses	11.06	23.40
Processing Charges	100.04	163.30
Consumable Stores	12.47	24.20
Testing & Calibration Expenses	1.13	1.78
Repairs and Maintenance	30.31	67.50
(A)	235.44	412.19
Selling and Distribution Expenses		
Advertisement & Sales promotion expenses	0.16	0.56
Carriage & Octroi (Outward)	14.73	20.13
(B)	14.89	20.69
Establishment Expenses		
Rent	4.45	6.20
Rates and Taxes	0.99	1.74
Auditors' Remuneration		
- Audit Fees	0.43	0.73
- In Other Capacity	1.78	0.76
Legal and Professional Charges	3.26	5.96
Communication Expenses	1.11	1.82
Travelling and Conveyance Expenses	6.06	11.96
Vehicle Running & Maintenance	7.82	12.83
Insurance Expenses	1.15	8.28
Bad debts, other balances written off (net)	-	0.00
Provision for Doubtful Receivables	(0.22)	0.84
Sitting Fees to non-executive directors	0.03	0.04
Corporate Social Responsibility Expenses (refer note 44)	1.27	4.30
Research & Product Development Expenses	28.61	60.46
Exchange Fluctuation Loss (Net)	0.05	0.04
Net Loss / (Gain) on Sale of Property Plant and Equipment	-	2.17
Miscellaneous Expenditure	6.99	15.26
(C)	63.76	133.37
Total (A to C)	314.09	566.25

34 Earning per Share (EPS)

Particulars	For the period ended Sept. 30, 2021	For the year ended March 31, 2021
Basic & Diluted Earnings per share :		
Profit & Loss for the period/year	161.46	279.02
Profit attributable to ordinary shareholders (A)	161.46	279.02
Weighted average number of ordinary shares (B) (Pre-Bonus & share split)	4,25,74,200	70,95,700
Weighted average number of ordinary shares (C) (Post-Bonus & share split) #	4,25,74,200	4,25,74,200
Nominal value of ordinary share	Rs. 5/-	Rs. 5/-
Earnings per share - Basic & Diluted (A/B) - Rs. (Pre-Bonus & share split)	3.79	39.32
Earnings per share - Basic & Diluted (A/B) - Rs. (Post-Bonus & share split) #	3.79	6.55

Post retrospective adjustment of Bonus Issue & Stock Split in compliance with Ind AS 33 Earnings per Share

35 Impact and future uncertainties relating to Global health pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of the Special Purpose Interim Standalone Ind AS Financial Statements including there coverability of carrying amounts of financial and non financial assets. Further the impact assessment does not indicate any adverse impact on the ability of the Company to continue as a going concern. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of the Special Purpose Interim Standalone Ind AS Financial Statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of the assets will be recovered. The impact of COVID-19 on the Company's Special Purpose Interim Standalone Ind AS Financial Statements may differ from that estimated as at the date of approval of these Special Purpose Interim Standalone Ind AS Financial Statements.

36 Disclosure with respect to Ind AS 116 - Leases

The Company has entered into agreements for leasing lease hold lands on lease.

The following is the summary of practical expedients elected on initial application:

1. Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
2. Applied the short-term lease exemption to leases with lease term that ends within 12 months at the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
5. The accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases.

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under previous GAAP. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate.

Information about Leases Assets for which the Company is a lessee is presented below :

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Balance as at beginning of the period/year	0.76	0.78
Additions	-	-
Deletions	-	-
Depreciation*	(0.01)	(0.01)
Balance as at end of the period/year	0.76	0.76

*The aggregate depreciation expense on Right-of-use assets is included under depreciation expense in the Special Purpose Interim Standalone Statement of Profit and Loss.

The changes/movement in Lease Liabilities of the Company are as follows:

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Balance as at beginning of the period/year	1.98	2.01
Additions	-	-
Deletions	-	-
Payment of lease liabilities	(0.09)	(0.17)
Accreditation of interest	0.08	0.15
Balance as at end of the period/year	1.96	1.98
Current Liabilities	0.06	0.05
Non-Current Liabilities	1.91	1.93
Total cash outflow for leases	(0.09)	(0.17)

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. Such lease liabilities are related to Leasehold lands having maturity period of more than 5 year.

The table below provides details regarding amounts recognised in the Special Purpose Interim Standalone Statement of Profit and Loss:

Particulars	For the period ended Sept. 30, 2021	For the year ended March 31, 2021
Expenses relating to short-term leases and/or leases of low-value items	4.45	6.20
Interest on lease liabilities	0.08	0.15
Depreciation expense	0.01	0.01
Total	4.53	6.36

Lease contracts entered by the Company majorly pertains for buildings and lands taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract. The leases that the Company has entered with lessors towards properties used as ware houses/offices are short term in nature and no changes in terms of those leases are expected due to the COVID-19.



37 The Company has recognised the following amounts in the Special Purpose Interim Standalone Ind AS Financial Statements as per Ind AS - 19 "Employees Benefits" as specified in the Companies (Indian Accounting Standards) Rules, 2015:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised are charged to the Special Purpose Interim Standalone Statement of Profit and Loss for the year / period as under :

Particulars	For the period ended Sept. 30, 2021	For the year ended March 31, 2021
Employer's Contribution to Provident Fund and other	28.62	43.01

b) Defined Benefit Plan

The employees' gratuity fund scheme is managed by Kotak Mahindra Old Mutual Life Insurance Limited, Bajaj Allianz Life Insurance Co. Ltd and Birla Sun Life Insurance Co. Ltd. which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation and the obligation for leave encashment is recognised in the same manner as gratuity.

Actuarial assumptions

Particulars	Gratuity (Funded)		Leave Encashment	
	For the period ended Sep 30, 2021	For the year ended March 31, 2021	For the period ended Sep 30, 2021	For the year ended March 31, 2021
Discount rate (per annum)	6.30%	6.25%	6.30%	6.25%
Salary Escalation Rate	5.00%	5.00%	5.00%	5.00%
Average remaining working lives of employees (Years)	24.54	24.59	-	-

Table showing changes in present value of obligations :

Present value of obligation as at the beginning of the year / period	122.77	100.05	13.34	10.85
Interest Cost	3.84	6.25	0.42	0.68
Current Service Cost	5.85	10.73	2.23	4.26
Benefits paid	(1.46)	(5.63)	(0.43)	(2.17)
Actuarial (gain)/ loss on obligations	(3.99)	11.36	(4.06)	(0.27)
Present value of obligation as at the end of the year / period	127.00	122.77	11.50	13.34

Table showing changes in the fair value of plan assets :

Fair value of plan assets at beginning of the year / period	123.84	108.22	6.84	6.46
Actual return of plan assets	3.87	6.70	0.21	0.40
Employer contribution	2.03	11.07	0.43	2.17
Benefits paid	(1.46)	(5.63)	(0.43)	(2.17)
Actuarial gain/ (loss) on obligations	1.68	4.53	0.00	(0.02)
Charges deducted	-	(1.04)	-	-
Fair value of plan assets at the end of year / period	129.96	123.84	7.06	6.84

Other Comprehensive Income

Actuarial (gain) / loss for the year - Obligation	(3.99)	11.36	(4.06)	(0.27)
Actuarial (gain) / loss for the year - Plan assets	(1.68)	(4.53)	0.00	(0.02)
Total (gain) / loss for the year	(5.67)	6.84	(4.06)	(0.29)

The amounts to be recognized in Special Purpose Interim Standalone Ind AS Balance Sheet :

Present value of obligation as at the end of the year/ period	127.00	122.77	11.50	13.34
Fair value of plan assets as at the end of the year/ period	129.96	123.84	7.06	6.84
Net asset/ (liability) recognised in Special Purpose Interim Standalone Ind AS Balance Sheet	(2.96)	(1.07)	4.44	6.50

Expenses recognised in Special Purpose Interim Standalone statement of profit and loss :

Current service cost	5.85	10.73	2.23	4.26
Interest Cost	(0.03)	(0.45)	0.20	0.27
Expenses recognised in the Special Purpose Interim Standalone statement of profit and loss	5.81	10.28	2.43	4.54

Sensitivity analysis of the defined benefit obligation:

Impact of the change in Discount Rate

Present Value of Obligation at the end of the period	127.00	122.77	11.50	13.34
Impact due to increase of 1%	(9.70)	(9.52)	(0.62)	(0.84)
Impact due to decrease of 1%	11.33	11.13	0.74	1.00

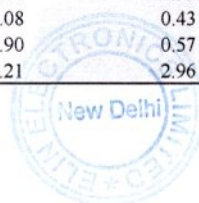
Impact of the change in salary increase

Present Value of Obligation at the end of the period	127.00	122.77	11.50	13.34
Impact due to increase of 1%	10.69	10.41	0.81	0.94
Impact due to decrease of 1%	(9.32)	(9.07)	(0.69)	(0.80)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

Maturity profile of defined benefit obligation:

Year 1	17.19	16.72	5.24	6.01
Year 2	8.87	7.84	0.48	0.48
Year 3	9.74	8.65	0.52	0.50
Year 4	7.54	8.08	0.43	0.59
Year 5	10.44	7.90	0.57	0.48
Year 6 to 10	57.40	55.21	2.96	3.28



Investment Details

Funds managed by Insurance Companies	129.22	123.49	7.06	6.84
Cash / Bank Balance	0.74	0.35	-	-

Note: The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuarial Valuer.

38 Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act):

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Principal amount due to micro & small enterprises	145.59	156.74
Interest due on above	-	-
Interest paid during the period beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the period	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	Nil	Nil

Note: The above information and that given in Note 23' Trade Payables' regarding Micro and Small Enterprises has been determined on the basis of information available with the Company and has been relied upon by the auditors.

39 Commitments and Contingencies**(a) Contingent Liabilities not provided for in respect of :**

Particulars	As at Sept. 30, 2021	As at March 31, 2021
(i) Unexpired Letters of Credit	19.58	48.75
(ii) Guarantees given by banks on behalf of the Company	3.50	3.50
(iii) Claims against the Company towards sales tax, provident fund, GST and others in dispute not acknowledged as debt	12.59	11.21

Notes:

i) 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 financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position.

ii) The Company periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.

iii) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

iv) The Company does not have outstanding term derivative contracts as at the end of respective years / period.

(b) Capital Commitments

Particulars	As at Sept. 30, 2021	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	45.94	97.67

40 In the opinion of the Board, all assets other than Property Plant and Equipment and non-current investments, have a realisable value in the ordinary course of business which is not significantly differ from the amount at which it is stated.

41 Other Comprehensive Income (OCI)

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income / expense that is not recognised in profit or loss but is shown in the Special Purpose Interim Standalone statement of profit and loss as 'other comprehensive income' includes Gain/(Loss) on Equity Instruments designated through OCI and Actuarial (gain)/ loss on employees benefits obligations. The concept of other comprehensive income did not exist under the previous GAAP.



42 "Related Party Disclosures" as required by Ind AS - 24 :

(i). Name and description of related parties.

Relationship	Name of Related Party
(a) Wholly Owned Subsidiary:	Elin Appliances Private Limited
(b) Key management personnel :	<p>Sh. M.L. Sethia (Chairman)</p> <p>Sh. Kamal Sethia (Managing Director)</p> <p>Sh. Vinay Kumar Sethia (Whole Time Director- Commercial) (Ceased w.e.f. 6th Sep'2021)</p> <p>Sh. Kishor Sethia (Whole Time Director - Works) (Ceased w.e.f. 6th Sep'2021)</p> <p>Sh. Sanjeev Sethia (Whole Time Director - EMS)</p> <p>Sh. Sumit Sethia (Whole Time Director - Goa Operation) (w.e.f. 03rd Jun'2020)</p> <p>Sh. Raj Karan Chhajer (Chief Financial Officer) (w.e.f. 30th Sep'2021)</p> <p>Sh. Avinash Karwa (Company Secretary)</p>
(c) Post Employment Benefit Plans	Elin Employees Group Gratuity Trust
(d) Enterprises owned or Significantly influenced by key management personnel or their relatives.	<p>Kanchan Commercial Co. Pvt. Ltd.</p> <p>Magtronic Devices Pvt. Ltd.</p> <p>Sethia Oil Industries Limited</p>

Note: Related party relationship is as identified by the Company and relied upon by the auditors

(ii). Nature of transactions - The transactions entered into with the related parties during the year/period along with related balances as at respective years/period are as under:

Particulars	For the period ended Sep 30, 2021	For the year ended March 31, 2021
Purchases/receiving of Goods & services		
Elin Appliances Private Limited	0.97	2.59
Sales/rendering of Goods and Materials		
Elin Appliances Private Limited	287.41	492.23
Sethia Oil Industries Ltd.	0.01	0.01
Purchase of Property, Plant and Equipment		
Magtronic Devices Pvt. Ltd.	-	0.07
Income - Rent /Other income		
Magtronic Devices Pvt. Ltd.	0.18	0.36
Elin Appliances Private Limited	-	1.19
Expenses - Rent /Other expenses		
Kanchan Commercial Co. Pvt.Ltd.	0.30	0.60
Elin Appliances Private Limited	2.34	4.57
Closing Balances of Receivables		
Elin Appliances Private Limited	195.73	56.48
Sethia Oil Industries Ltd.	0.01	-
Contribution towards Gratuity Liabilities		
Elin Employees Group Gratuity Trust	2.03	11.07
Remuneration of Key Management Personnel *		
Sh. M.L. Sethia	1.82	3.04
Sh. Kamal Sethia	2.51	4.46
Sh. Kishor Sethia	1.99	4.28
Sh. Sanjeev Sethia	2.69	4.30
Sh. Vinay Kumar Sethia	2.24	3.24
Sh. Sumit Sethia	3.17	4.92
Sh. Avinash Karwa	1.26	2.09

* As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as a whole, the amount pertaining to the directors is not ascertainable and therefore, not included above.

43 Segment Reporting

The Company publishes the Standalone financial statements of the Company along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

44 Corporate social responsibility expenses:

Particulars	For the period ended Sep 30, 2021	For the year ended March 31, 2021
a amount required to be spent by the Company during the year / period,	4.40	3.61
b amount of expenditure incurred,	1.27	4.30
c shortfall at the end of the year / period,	3.12	-
d total of previous years shortfall,	-	-
e reason for shortfall,	To be spent in rest of the year	-
f nature of CSR activities,		
On promotion of Education	0.50	2.46
On promoting health care including preventive health care and sanitation	0.72	0.79
On contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)	-	0.50
On Eradicating Hunger, Poverty And Malnutrition	-	0.55
Disaster management, including relief, rehabilitation and reconstruction activities	0.05	-
g details of related party transactions, e., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard.	Nil	Nil
h where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period should be shown separately	Nil	Nil



45 Financial Instruments and risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents, trade and other receivables that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

45.1 Financial Instruments by category

Particulars	As at Sept. 30, 2021			As at March 31, 2021		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
(i) Investments- Equity Instruments(level 2)	-	-	-	-	-	-
(ii) Investments- Mutual Funds (level 1)	19.23	-	-	17.18	-	-
(iii) Trade receivables	-	-	1,505.38	-	-	1,518.45
(iv) Cash and cash equivalents	-	-	5.60	-	-	19.49
(v) Bank balances other than (iii) above	-	-	7.66	-	-	6.88
(vi) Other Financial Assets	-	-	25.86	-	-	32.61
Total financial assets	19.23	-	1,544.51	17.18	-	1,577.44
Financial liabilities						
(i) Borrowings	-	-	1,025.68	-	-	1,014.69
(ii) Lease Liabilities	-	-	1.96	-	-	1.98
(iii) Trade payables	-	-	755.74	-	-	855.51
(iv) Other financial liabilities	-	-	109.19	-	-	80.26
Total Financial liabilities	-	-	1,892.58	-	-	1,952.43

Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorized into Level 1, Level 2 and Level 3 inputs. There are no transfers between level 1, level 2 and level 3 during the period/years presented.

Significant estimates:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

45.2 Management of Financial Risk

Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the year / period closing date.

	Notes Nos.	Carrying amount	Less than 12 months	More than 12 months	Total
As at Sept. 30, 2021					
Borrowings (excluding lease liabilities)	20, 22	1,025.68	643.57	382.11	1,025.68
Lease Liabilities	36	1.96	0.06	1.91	1.96
Trade payables	23	755.74	755.74	-	755.74
Other liabilities	24	109.19	109.19	-	109.19
As at March 31, 2021					
Borrowings (excluding lease liabilities)	20, 22	1,014.69	645.29	369.40	1,014.69
Lease Liabilities	36	1.98	0.05	1.93	1.98
Trade payables	23	855.51	855.51	-	855.51
Other liabilities	24	80.26	80.26	-	80.26

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI & FVTPL investments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates. The Company does not expose to the risk of changes in market interest rates as Company's long and short term debt obligations are of fixed interest rate.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities (when certain purchases and trade payables are denominated in a foreign currency).

The Company undertakes transactions denominated in foreign currencies and consequently, exposes to exchange rate fluctuations. The Company does not enter into trade financial instruments including derivative financial instruments for hedging its foreign currency risk. The appropriateness of the risk policy is reviewed periodically with reference to the approved foreign currency risk management policy followed by the Company.



Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade Receivables

Customer credit risk is managed by each business unit subject to the Company established policy, procedures and control relating to customer credit risk management. To manage trade receivable, The Company periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 45. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Company's policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year / period. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

None of the Company's financial assets are either impaired or past due, and there were no indications that defaults in payment obligations would occur.

Capital management

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and Maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain investor and creditors confidence.

The following table provides detail of the debt and equity at the end of the reporting period :

Particulars	As at	As at
	Sept. 30, 2021	March 31, 2021
Gross Debt	1,025.68	1,014.69
Less : Cash and Cash equivalents (Note 14)	5.60	19.49
Net Debt (A)	1,020.08	995.19
Total Equity (B)	2,211.86	2,043.12
Net Debt to Equity Ratio (A/B)	0.46	0.49

46 Foreign Currency Exposure

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations will arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars		As at	As at
		Sept 30, 2021	March 31, 2021
Trade payable	USD/INR	49.94	73.99
	Amount in FC	6,71,217	10,12,063.00
	JPY/INR	0.29	-
	Amount in FC	4,20,000	-
	CNY/INR	-	-
Trade receivable	USD/INR	13.09	14.11
	Amount in FC	1,80,044	1,92,947.00

Foreign currency sensitivity analysis:

The following details demonstrate the Company's sensitivity to a 5% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity and vice-versa.

Impact on profit or loss		As at	As at
		Sept. 30, 2021	March 31, 2021
INR strengthens by 5%	USD Impact	(1.84)	(2.99)
	JPY Impact	0.01	-
	CNY Impact	-	-
INR weakening by 5%	USD Impact	1.84	2.99
	JPY Impact	0.01	-
	CNY Impact	-	-

47 First Time Adoption of Ind AS

The Special Purpose Interim Standalone Ind AS Balance Sheet of the Company as at September 30, 2021 and the Special Purpose Interim Standalone Statement of Profit and Loss, the Special Purpose Interim Standalone statement to changes in equity and the Special Purpose Interim Standalone statement of cash flows for the period ended September 30, 2021 and Notes of Special Purpose Interim Standalone Ind AS Financial Statements has been prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The information for the years ended March 31, 2021 is prepared by the management in accordance with the Indian Accounting Standard (Ind AS) (the "Special Purpose Standalone Ind AS Financial Statements") by making Ind AS adjustments to the audited financial statements of the Company as at and for the years ended March 31, 2021 prepared in accordance with previous GAAP.

A. Exemptions and Exceptions Availed

The accounting policies set out in Note 2 have been applied in preparing the Special Purpose Interim Standalone Ind AS Financial Statements. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.



A.1 Ind AS optional exemptions

A.1.1 Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date April 01, 2020. For the purpose of Special Purpose Interim Standalone Ind AS Financial Statements for the period/year ended September 30, 2021 and March 31, 2021 the Company has provided the depreciation based on the estimated useful life of respective years.

The Company has elected to measure intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

A.1.2 Business Combination

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to the transition Date.

A.1.3 Fair value measurement of financial assets or financial liabilities at initial recognition

Ind AS 101 provides the option to apply the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Company elected to apply the Ind AS 109 prospectively to financial assets and financial liabilities after its transition date.

A.1.4 Leases

The Company has adopted Ind AS 116 by applying exemption provided under Ind AS 101. Following approach is followed on transition date (April 01, 2020) when applying Ind AS 116 initially:

- lease liability is recognised, for leases which were previously classified as operating leases, by measuring the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.
- a right of use assets is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of assets and liabilities immediately before the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

A.2 Ind AS mandatory exceptions

A.2.1 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

A.2.3 Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date. Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried are amortised cost.
- Impairment of financial assets based on the expected credit loss model.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Reconciliation of total equity between previous GAAP and Ind AS

	Notes to first-time adoption	As at March 31, 2021
Total Equity (shareholders funds) as per previous GAAP		1,843.51
Adjustments:		
- Leases	C.6	(0.89)
- Depreciation on PPE	C.1	264.06
- Fair valuation of investment in mutual funds	C.4	4.57
- Financial assets measured at FVOCI	C.2	(0.10)
- Actuarial valuation impact on employee benefits	C.3	(0.12)
- Allowance for expected credit loss	C.7	(1.72)
- Interest Expenses on borrowings using EIR	C.5	0.94
- Tax adjustments	C.8	(67.13)
Total Adjustments		199.61
Total Equity as per Ind AS		2,043.12



B.2 Reconciliation of total comprehensive income between previous GAAP and Ind AS

	Notes to first-time adoption	For the year ended March 31, 2021
Profit After Tax as per previous GAAP		213.93
Adjustments:		
- Leases	C.6	0.01
- Depreciation on Property, Plant and Equipment	C.1	94.24
- Fair valuation of investment in mutual funds	C.4	(2.29)
- Actuarial valuation impact on employee benefits	C.3	(7.68)
- Remeasurements of the defined benefit plans reclassified to OCI	C.3	6.57
- Allowance for expected credit loss	C.7	(0.84)
- Interest Expenses on borrowings using EIR	C.5	0.15
- Tax adjustments	C.8	(25.07)
Net profit under Ind AS		279.02
Add: Other Comprehensive Income(Net of Tax)		(4.91)
Total Comprehensive Income for the Year		274.10

B.3 Impact of Ind AS adoption on the Special Purpose Interim Standalone Statement of Cash Flows

There were no material differences between the Special Purpose Interim Standalone Statement of cash flow and cash flow statement under previous GAAP.

C. Notes to First Time Adoption:**C.1. Depreciation on Property, Plant and Equipment**

Under previous GAAP, the Company used to depreciate its tangible assets, except leasehold improvements under Written Down Value ("WDV") method. To reflect the pattern in which asset's future economic benefits are expected to be consumed, the Company with effect from April 01, 2020 has changed its method of depreciation to Straight Line Method ("SLM") in respect of the assets which were hitherto depreciated under WDV method. As a consequence, the depreciation in the Special Purpose Interim Standalone Statement of Profit and Loss for the year ended March 31, 2021 is reduced and corresponding increase in the value of fixed assets.

C.2. Equity Instruments designated through OCI

Under the Previous GAAP, investments in equity instruments were classified as long-term investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments (other than Investment in subsidiaries, associates/ joint ventures) are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI equity instruments reserve as at the date of transition and subsequently in the other comprehensive income.

C.3. Actuarial valuation impact on employee benefits

Provision for gratuity and leave encashment has been restated by the Company for the year ended March 31, 2021 in accordance with Ind AS 19.

Under the previous GAAP, the remeasurements of the defined benefit plans were forming part of the profit or loss for the year. Under Ind AS, these remeasurements of the defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss.

C.4. Fair valuation of investment in mutual funds

Under Previous GAAP, current investments in instruments such as mutual funds are recognised at cost or net realisable value, whichever is lower. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the Special Purpose Interim Standalone statement of profit and loss for the year ended March 31, 2021.

C.5. Interest Expenses on borrowings using EIR

Under the previous GAAP, the processing fees for borrowings was charged off as finance cost during the year it was incurred. Under Ind AS, the processing fees has been recognised based on the Effective Interest Rate (EIR) method over the period of loan. Accordingly processing fees has been recognised as prepaid expenses in the year in which it was incurred and amortised over the period of the loan based on the EIR method.

C.6. Leases

Under previous GAAP, lessee classified a lease as an operating or a finance lease based on whether or not the lease transferred substantially all risk and rewards incident to the ownership of an asset. Operating lease were expensed in the standalone statement of profit and loss. Under Ind AS 116, all arrangement that full under the definition of lease except those for which short-term lease exemption or low value exemption is applied, the Company has recognised a right-of-use assets and a lease liability on the lease commencement date. Right-of-use assets is amortised over the lease term on a straight line basis and lease liability is measured at amortised cost at the present value of future lease payments.

C.7. Allowance for expected credit loss

AS per Ind AS 109 requirement expected credit loss impact on Trade receivable has been worked out for the purpose of Special Purpose Interim Standalone Ind AS Financial Statements and shown as adjustments.

C.8. Deferred tax assets (net)

Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognized using the balance sheet for future tax consequences of temporary difference between the carrying value of assets and liabilities and their respective tax bases. Deferred tax has been computed on adjustments made as detailed above and has been adjusted in the Special Purpose Interim Standalone Ind AS Financial Statements.

C.9. Retained earnings

Retained earnings as at 1st April, 2020 has been adjusted consequent to the above Ind AS transition adjustments.



48 Tax Reconciliation

Particulars	For the period ended Sep 30, 2021	For the year ended March 31, 2021
Net Profit as per Special Purpose Interim Statement of profit and loss (before tax)	211.90	381.41
Current Tax rate @ Applicable Tax Rates	53.33	95.99
<i>Adjustment:</i>		
Allowability of Depreciation & Employee Benefits	(4.28)	(10.86)
Amount of eligible / ineligible expenditure	0.66	0.69
Tax deductions, Exemptions & Losses Set Off	-	(1.38)
Other adjustments	(0.52)	4.25
Tax Provision as per Books	49.19	88.70

49 Financial Ratios

Ratios/Measure	Methodology	Sept. 30, 2021	March 31, 2021
a) Current ratio	Current assets over current liabilities	1.6	1.5
b) Debt equity ratio	Debt over total shareholders' equity	0.46	0.50
c) Debt service coverage ratio	EBIT over current debt	26.1%	46.0%
d) Return on equity %	PAT over total average equity	7.6%	14.6%
e) Trade receivables turnover ratio	Revenue from operations over average trade receivables	2.8	6.3
f) Trade payables turnover ratio	Adjusted expenses over average trade payables	4.2	8.1
g) Net capital turnover ratio	Revenue from operations over average working capital	8.8%	17.2%
h) Net profit %	Net profit over revenue	4.0%	3.8%
i) EBITDA %	EBITDA over revenue	7.9%	8.0%
j) Return on capital employed %	EBIT over Capital employed	10.0%	18.8%
k) Return on investment	Interest income, net gain on sale of investments and net fair value gain over average investments.	11.2%	16.3%

Notes:-

EBIT - Earnings before interest and taxes.

EBITDA - Earnings before interest, taxes, depreciation and amortisation.

PAT - Profit after taxes

Adjusted expenses refers to other expenses net of non-cash expenses and donations

Capital employed refers to Total Assets less Current Liabilities as at close of period/year.

Debt excludes current and non-current lease liabilities.

All figures related to profit and loss have been extrapolated for the purpose of calculation of ratios.

The above ratios have been computed on the basis of the Special Purpose Interim Standalone Ind AS Financial Statements and ratios for current period are not annulised.

Explanation for variances exceeding 25%

k) Return in Investment is increases due to increase in NAV of Mutual Fund investments.

50 For the Financial Year 2020-21 and for subsequent period, the Company has after evaluation, decided to adopt the option permitted under section 115BAA of Income Tax Act, 1961 (as introduced by the Taxation Laws (Amendment) Ordinance 2019) of the lower effective corporate tax rate of 25.17% (including surcharge and cess) instead of the earlier rate of 27.82% (including surcharge and cess). Accordingly, the Company has recognized the Provision for Income Tax for the financial year ended 31st March 2021 and subsequent period based on the rates prescribed in the aforesaid section.

51 Figures for the period ended September 30, 2021 in the Special Purpose Interim Standalone Statement of Profit and Loss, Special Purpose Interim Standalone Statement of Changes in Equity, Special Purpose Interim Standalone Statement of Cash flows and the respective notes are for the period of six months (April 01, 2021 to September 30, 2021), whereas the details in said statements and notes for the other year presented are for 12 months. To this extent, figures reported for period ended September 30, 2021 are not comparable with other year figures.

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



Sunil Bhansali
Partner
M.No.: 054645

For and on behalf of the Board

Kamal Sethia

Kamal Sethia
Managing Director
DIN: 00081116

Raj Karan Chhajjer
Raj Karan Chhajjer
Chief Financial Officer
PAN: AAAPC0561C

Sanjeev Sethia

Sanjeev Sethia
Whole Time Director
DIN: 00354700



Avinash Karwa
Avinash Karwa
Company Secretary
M.No.: A20424

New Delhi, November 09, 2021

New Delhi, November 09, 2021