



ANNUAL REPORT

2020



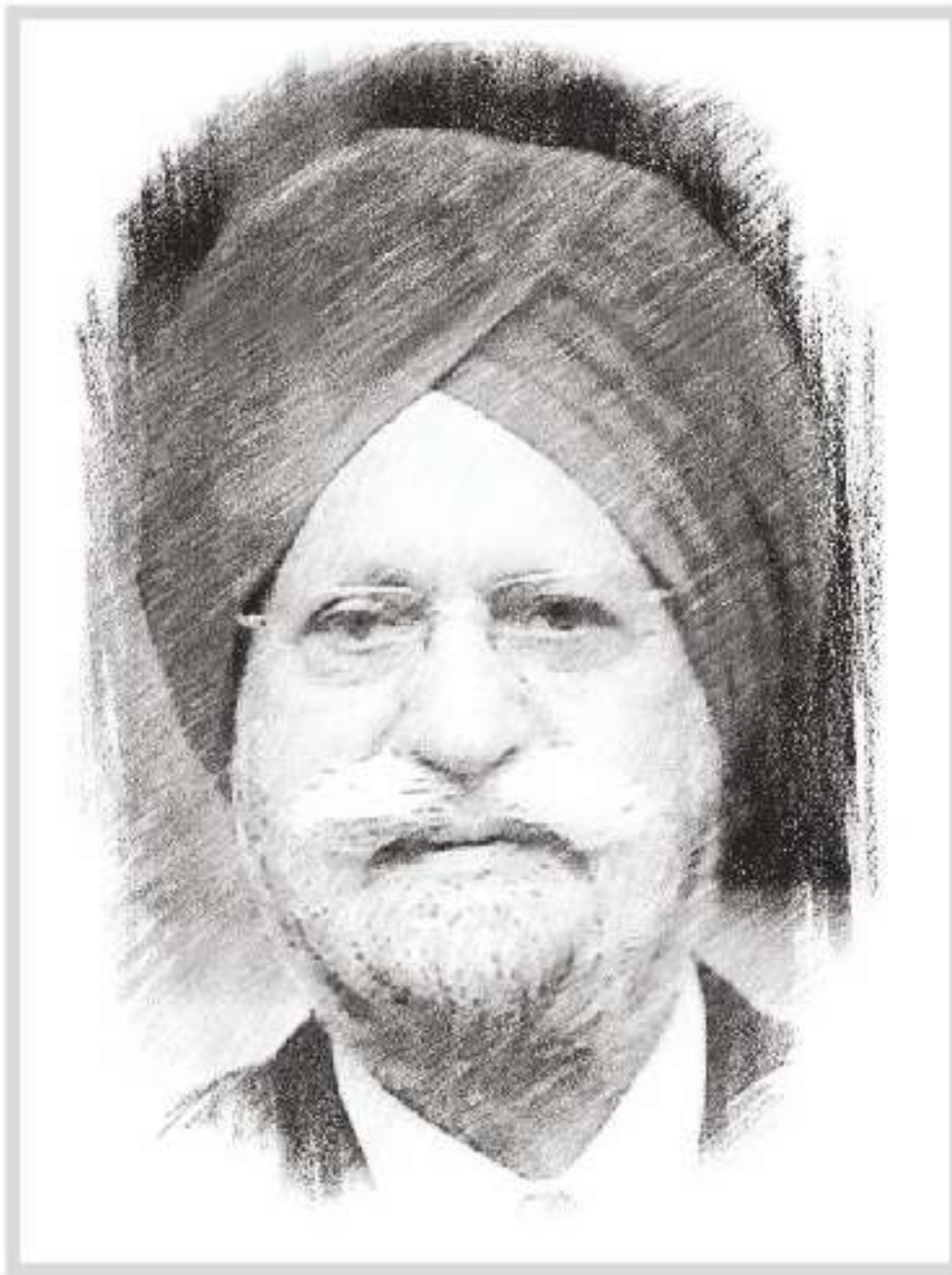
www.elofic.com

Company Highlights



- Brand Leader in India
- 6 state of the art manufacturing plants at Faridabad, Hosur, Noida and Nalagarh.
- Production capacity of 110 million pcs per annum
- In house R&D Centre approved by DSIR, Govt of India
- Holding 9 patents, 11 pending approval.
- Lean Manufacturing with single piece flow
- In house production of child parts
- Most preferred OEM supplier.
- Exporting worldwide to USA, Europe, Africa, South America and Japan etc.
- Quality certifications i.e IATF 16949:2016, ISO 14001 and OHSAS18001
- Strength of 1200+ satisfied employees.
- Inhouse Manufacturing of Lubricants & Air Purifiers.
- Ultra Modern warehouse at Faridabad, Zirakpur, Nagpur, Lucknow, Ahmedabad and Hosur, based on warehouse Management System.
- Distribution network of 1,400 Distributors, and 55,000 Dealers backed by 6 regional warehouses.





S. Mohinder Singh Sahni

After leading us through one of the most experiential journeys
of our lives, he traversed to the world beyond..
leaving us a legacy of success & pride.

The Elofic Family



COMPANY DETAILS

47th Annual Report 2019-20

BOARD OF DIRECTORS

Mr. Mohan Bir Sahni
Mr. Kanwal Deep Sahni
Mr. Prem Arora
Mr. Mohanjit Singh
Maj.Gen.Jatinder Singh Bedi (Retd.)

Chairman Cum Managing Director
Vice Chairman Cum Joint Managing Director
Director
Director
Director

AUDITORS

M/s. S.R. Dinodia & Co. LLP.
Chartered Accountants
Connaught Place, New Delhi-110001

BANKERS

HDFC Bank Ltd. Sector 16, Faridabad

Citi Bank N.A
Connaught Place, New Delhi

HSBC Bank Ltd.
DLF Phase-II , Gurgaon

REGISTERED OFFICE

14/4, Mathura Road,
Faridabad-121003
Haryana

MANUFACTURING FACILITIES

- | | |
|---|--|
| • 14/4, Mathura Road,
Faridabad-121003
Haryana | • 16/4, Mathura Road,
Faridabad-121001
Haryana |
| • 18 & 19, Sipcot Industrial Area,
Hosur-635109,
Tamil Nadu | • 11/7, Mathura Road, Phase-II,
Faridabad-121001
Haryana |
| • Rajpura Village,
Tehsil Nalagarh,
District Solan,
Himachal Pradesh | • B-4, Sector-8,
Noida-201301,
Uttar Pradesh |

BRANCHES/WAREHOUSES

- | | | |
|-------------|-------------|------------------------|
| • Ahmedabad | • Faridabad | • New Delhi |
| • Nagpur | • Zirakpur | • Lucknow • Hosur |

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 47th **Annual General Meeting** of the Members of **Eloflc Industries Limited** will be held on 30th day of December, 2020, at Hotel Delite, 17-18, Neelam Bata Road, N.I.T., Faridabad – 121001 (Haryana) at 3:00 PM to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2020 and the report of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, pass the following resolutions as Ordinary Resolutions:

(a) “RESOLVED THAT the audited standalone financial statement of the Company for the financial year ended March 31, 2020 and the report of the Board of Directors and Auditors thereon as laid before this meeting, be and are hereby considered and adopted.”

(b) “RESOLVED THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon as laid before this meeting, be and are hereby considered and adopted.”

2. To Declare Final Dividend of Rs. 2/- per equity share for the financial year ended 31st March, 2020.
3. To appoint Director in place of Sh. Mohan Bir Sahni (DIN: 00906251) who is retiring by rotation and being eligible offer himself for reappointment.

TO PASS THE FOLLOWING RESOLUTION WITH OR WITHOUT MODIFICATION AS A SPECIAL RESOLUTION.

4. To approve the appointment of M/s S.N. Dhawan & Co. LLP Chartered Accountants, (Reg. No. 000050N/N500045, as statutory auditors of the company and fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

“RESOLVED THAT pursuant to the provisions of Section 139, 140(4), 141 and 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof), M/s S.N. Dhawan & CO LLP, Chartered Accountants (Firm Registration No.: 000050N/N500045), in respect of whom the company has received a special

NOTICE OF THE ANNUAL GENERAL MEETING

notice under Section 140(4) of the Act, proposing their appointment in place of retiring Auditors M/s S. R. Dinodia & Co. LLP. Chartered Accountants, (Reg. No. 001478N/N500005) who have completed their 5 years term, be and is hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 6th Annual General Meeting (For financial year 2024-25) at such remuneration plus applicable taxes, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors in consultation of the Audit committee and the Auditors."

SPECIAL BUSINESS

5. To ratify the remuneration of cost auditors for the financial year ending on March 31, 2021 and in this regard, pass the following resolution as an Ordinary resolution:

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 50000/- (Rs. Fifty Thousand Only) plus applicable taxes to M/s Vandana Bansal & Associates, Cost Accountants who were appointed by the board of directors of the company as cost auditors, to conduct the audit of cost records of the Company for the financial year ending March 31, 2021, be and is hereby ratified and approved."

6. Approval of Appointment and remuneration of Maj. Gen. Jatinder Singh Bedi (Retd.) as whole Time Director.

To consider and, if fit to pass with or without modification(s), the following resolution as Special resolution:

"RESOLVED THAT pursuant to provisions of the Section 2(94), 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 read with schedule V to the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, approval of the members be and is hereby accorded to the appointment of Maj. Gen. Jatinder Singh Bedi (Retd.) (DIN: 08583060), as a Whole-time Director (designated as Executive Director) of the Company, for a period of 5 (Five) years from 14th October 2019 , on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice. He shall be laible to retire by rotation.

RESOLVED FURTHER THAT Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, Directors of the Company, be and is hereby severally authorized to

NOTICE OF THE ANNUAL GENERAL MEETING

file necessary returns/forms to the registrar of the Companies and to do all such acts, deeds and things that may be necessary , proper , expedient or incidental for the purpose of giving effect to the aforesaid resolution.

7. Appointment of Mr. Subodh Kumar Jain as a Non-Executive Independent Director.

To consider and, if fit to pass with or without modification(s), the following resolution as ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Subodh Kumar Jain (DIN: 00165755), who was appointed as additional director on 2nd of July, 2020, on recommendation of Board of Directors for the office of Director, be and is hereby appointed as Non-executive Independent Director of the Company not liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Mohan Bir Sahni and/or Mr. Kanwal Deep Sahni, directors of the Company, be and is hereby severally authorized to file necessary returns/forms to the registrar of the Companies and to do all such acts, deeds and things that may be necessary , proper , expedient or incidental for the purpose of giving effect to the aforesaid resolution.”

By the Order of the Board
For **ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, Ashoka Avenue, Sainik Farms,
New Delhi-110062.

Date: 3, December, 2020
Place: New Delhi

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. **A member entitled to attend and vote at this annual general meeting may appoint a proxy to attend and vote on a poll on this behalf. A proxy need not be a member of the company. Proxies in order to be effective must be received at the registered office of the company, not less than forty-eight hours before the commencement of this annual general meeting.**
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the company at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
4. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members of the Company at the Registered Office of the company on all working days except Saturdays, during business hours up to the date of meeting.
5. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible.
6. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Corporate members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorised under the said Board Resolution to attend and vote on their behalf at the Meeting.
8. Attendance Slips and Proxy Form is attached to the Notice.

NOTICE OF THE ANNUAL GENERAL MEETING

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4

Pursuant to the provisions of Section 139, and other applicable provisions, if any, of the companies Act, 2013 and rules thereunder, the said appointment would require the approval of its shareholders in General Meeting by way of special Resolution and the Company has also received a special Notice under Section 140(4) dated 02.12.2020, from Mrs. Jasmeet Sahni, Mr. Hansveer Sahni, Mr. Jarnail Singh and Mr. Shiv Kumar Pareek, members of the company holding 56580 equity shares collectively, proposing such appointment at the ensuing Annual General Meeting.

Therefore, the company seeks your approval to appoint M/s S.N. Dhawan & Co. LLP Chartered Accountants, (Reg. No. 000050N/N500045) as auditors, in place of the existing Auditors, M/s S.R. Dinodia & Co. LLP who have completed their 5 years term, from the conclusion of the ensuing Annual General Meeting for the Financial Year 2019-20 to the conclusion of the AGM for the financial year 2024-25.

Your Board recommends the Resolution at item No.4 for your approval as Special Resolution.

Item No. 5

The Board on the recommendation of the Audit Committee has approved the appointment of Cost Auditor M/s Vandana Bansal & Associates to conduct the audit of cost records of the Company for the financial year ending on March 31, 2021 on payment of remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable GST.

In accordance with the provisions section 148 of the Companies Act, 2013 read with Rule 14 of the Companies Act, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members are sought for approval and ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2021.

The Board recommends the Ordinary Resolution in relation to remuneration of Cost Auditors for approval by the members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested

NOTICE OF THE ANNUAL GENERAL MEETING

in the resolution set out in item no. 5.

Item No. 6.

Pursuant to Section 161 of the Companies Act, 2013, on recommendation of Nomination and Remuneration Committee the Board at its meeting held on 14th October, 2019 has approved appointment of Maj. Gen. Jatinder Singh Bedi (Retd.) as Additional Director of the Company w.e.f. 14th October, 2019. In accordance with the Section 161 He holds office of the Director up to the date of this Annual General Meeting. Pursuant to Section 160 of the Companies Act, 2013, the Company received required notice from a member of the Company proposing candidature of Maj. Gen. Jatinder Singh Bedi (Retd.) for appointment as Director of the Company.

The Board of Directors of the Company through resolution passed in the Board meeting held on 14th October, 2019 has appointed Maj. Gen. Jatinder Singh Bedi (Retd.) as whole time director of the company and being additional director, He holds office of the Director till the date of next Annual General Meeting.

Accordingly, in terms of the requirements of the provision of Companies Act, 2013 approval of the members of the company is required for regularization of Maj. Gen. Jatinder Singh Bedi (Retd.) as Whole Time Director of the Company.

Brief profile of Maj. Gen. Jatinder Singh Bedi (Retd.) is given below for the reference of the members:

Maj. Gen. Jatinder Singh Bedi (Retd.), PVSM is a post graduate in Strategic Studies, Masters in Management Sciences and Distinguished in Artillery Technology and Automation. He has over 37 years experience in operations and management at various levels including Top management in Recruitment, HR, training and technology aspects in the Indian Army. Besides, he has international experience of participating in Peace keeping operations in Somalia and representing India in Defence Management Seminar in Australia and United Nations Exercise in Mongolia.

Further, Pursuant the Section 196, 197 read with Schedule V of the Companies Act, 2013, on recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 14th October, 2019 appointed Maj. Gen. Jatinder Singh Bedi (Retd.) as Whole-time Director of the Company for a period of five year from 14th October, 2019 and also approved the terms and conditions of his appointment including the remuneration. The details of remuneration payable to Maj. Gen. Jatinder Singh Bedi (Retd.) is as follows:

NOTICE OF THE ANNUAL GENERAL MEETING

S.No	Particulars	Details of Emoluments Maj. Gen. Jatinder Singh Bedi (Retd.)
I.	Salary	Rs. 2,50,000/- (Rupees Two Lacs Fifty thousand only) per month.
II.	Perquisites	
A.	Medical reimbursement	Medical expenses incurred for self and family will be subject to a ceiling of Rs. 15000/- per annum.
B.	Leave Travel Concession	The expenses incurred on leave travel concession (LTC) for self and his family shall be reimbursed once in a year as per the rules of the company.
C.	Club Fees	Fees for the club subject to a maximum of two clubs.
D.	Personal Accidental Insurance	Personal Accident/ Medical Insurance for an amount, the annual premium of which does not exceed Rs. 1,00,000/-.
III.	Commission	0.25% of the net profit of relevant financial year computed in accordance with the provisions of the Companies Act, 2013.
IV.	Other Items	
	Other Items	1. Reimbursement of actual out of pocket expenses incurred in connection with the business of the Company.
		2. Reimbursement of entertainment expenses incurred for the business of the Company.

Pursuant to provision of Section 196 the appointment of a whole time director including the terms and conditions thereof is required to be approved by the members of the Company in this Annual General Meeting.

None of the Directors of the Company and thier relatives except Maj. Gen. Jatinder Singh Bedi (Retd.) is concerned or intrested, financial or otherwise, in the resolution.

The Board recommends the resolution set forth in item no 6 for the approval of members.

NOTICE OF THE ANNUAL GENERAL MEETING

Item No. 7.

The Board of Directors of the Company through resolution passed in the Board meeting held on 2nd July, 2020 has appointed Mr Subodh Kumar Jain as Non-Executive Independent (additional director) of the company for a term of 5 Years with effect from 10th of July, 2020 subject to the approval of the members of the company in next General Meeting.

Accordingly, in terms of the requirements of the provision of Companies Act, 2013 approval of the members of the company is required for regularization of Mr. Subodh Kumar Jain as a Non-Executive Independent Director of the Company.

Brief profile of Mr Subodh Kumar Jain is given below for the reference of the members:

Mr. S.K. Jain is a qualified Chartered Accountant of batch 1969 and is a Fellow Member of the Institute since 1977. He is in practice since 1970 and has a long experience in Auditing, Taxation, Consultancy and other diversified fields with manufacturing, trading and service industries.

None of the Directors of the Company and thier relatives except Mr. Subodh Kumar Jain is concerned or intrested in the resolution.

The Board recommends the resolution set forth in item no 7 for the approval of memebbers.

By the Order of the Board
For **ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, Ashoka Avenue, Sainik Farms,
New Delhi-110062.

Date: 3, December, 2020
Place: New Delhi

BOARD REPORT

Dear Esteemed Members,

On behalf of the Board of Directors of your Company, we share with you the 47th Annual Report along with the audited financial statements of your Company for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the financial year ended March 31, 2020 is summarised below:

PARTICULARS	YEAR ENDED MARCH 2020 (Rs. In lacs)	YEAR ENDED MARCH 2019 (Rs. In lacs)
Turnover	21858	22682
Other Income	374	358
Total Income	22232	23040
Profit Before Interest Depreciation & Tax	3611	3842
Finance Cost including Interest	178	247
Depreciation	954	939
Profit Before Tax***	2479	2656
*** (includes Profit from Eloflc USA LLC)	23	92
Provision for Tax & Deferred Tax	675	718
Profit After Tax	1804	1938
Profit available for appropriation	1804	1938
General reserve	180	194
Dividend including Tax on Dividend	91	91
Profit Carried over to Balance Sheet	1533	1653
Earning per share (Rs.)	71.92	77.26

OPERATION / PERFORMANCE

During the year under review, a modest change is seen in the Company's Sale & other Incomes at Rs.22232 lacs, against Rs. 23040 lacs of the previous year, showing a decrease of 3.51% from last year. The domestic sales remained same as it was in the previous year, whereas the decrease was seen in export sales from Rs. 8131 lacs to Rs. 7040 lacs. The main cause of reduction in export sales was due to COVID 19 and the consequent lockdown in the last quarter of the year. The profit (before interest, depreciation and tax) has decreased by Rs. 231 lacs from the previous year. The profit Before Tax (PBT) has decreased by Rs. 177 lacs, while Profit After Tax (PAT) has decreased by Rs. 134 lacs from previous year. The profit figure includes profits from Eloflc USA, LLC the Company's wholly owned subsidiary in the USA.

BOARD REPORT

PRODUCTION

Our productivity and process capability continues to improve. Our in-house rejection and wastage is reducing due to our improved production processes. We have added state of the art new machines in our production lines, with the aim to enhance capacities to fulfil the rising demand of our products in the market and also to automate the processes to increase productivity. To meet the ever growing challenges, we have upgraded the existing production lines and paint shops to make the production lines more productive and cost effectiveness.

MARKETING - DOMESTIC

We have maintained high level of supplies to our customers and catered to their latest product demands. The following are the highlights:

- ñ Share of Business of 2-wheeler and 4-wheeler customers has gone up in the OEM segment.
- ñ New OE & Institutional Customers have been added.
- ñ Unrepresented areas have been penetrated with the addition of 67 new Channel Partners in the Aftermarket segment.
- ñ 11 filters for new generation vehicles have been added to the product Range.
- ñ Associated with digital partners for online sales.

Air Purifiers

Keeping in mind the alarming surge in air pollution levels and deteriorating environmental conditions in Delhi NCR and other regions of the country, we have introduced two models of Air Purifiers. GAVI suitable for 580 sq ft and KINNAUR suitable for 328 sq ft rooms. The launch in Oct 2017 was limited to Delhi NCR on a B to C business model basis. The Air Purifiers were well accepted for their design, quality and service and the sales have been very encouraging. Apart from Individuals, the customer profile includes Homes, Hotels, Schools, Corporates and Clinics.

The new models introduced were Gavi Plus, an improved version of GAVI - with an in-built Air Monitor, WHITEHORSE - for large spaces and RAAHE - the Car Air Purifier. They have been well accepted by the trade and consumers for its design and performance.

Based on the overwhelming response, we have appointed 10 distributors in northern states to strengthen the network and reach in Northern India.

MARKETING - INTERNATIONAL

The impact of Covid-19 and National lockdown that came into effect from Mar 2020 can be seen in the sale for the year 2019-20. Our export sales were

BOARD REPORT

affected as shipments could not be made in the last 2 weeks of March 2020. We closed at Rs. 7040 lacs which was less compared to the last FY 2018-19. Exports to OEM customers still account for a major share of our exports. Our Milwaukee warehouse continues to feed many of our OEM customers requirements on a JIT basis. Sales to aftermarket customers have been stable as compared to the previous year. The trends in the International markets look positive. We have gained new business from our existing OEM customers, with increased business share in some cases. This is good sign indicating to a much higher export sales achievement for the next FY 2020-21.

QUALITY & ENGINEERING

Similar to the previous years, this year also we ensured the highest standards of quality of our products and systems to meet the requisite quality standards. We have rated very high in the various Audits conducted by Customers and Independent Agencies. We are continuously improving our processes by maintaining IATF 16949:2016 & ISO 9001:2015 Quality Management Standards in our respective plants. This year your company has maintained Zero Defect at Customer's end.

We have also upgraded our vendors to maintain ISO 9001:2015 Certification and to deliver the quality parts on time. As a continuous improvement initiative, your Company has achieved the below mentioned awards

- **Excellence in Manufacturing— Gold Award 2019 Winner in Large Category by ACMA**
- **"Winners for Best Kaizen' in Kaizen Competition on world Quality Day by FIA**

RESEARCH & DEVELOPMENT

The Company has been continuously carrying on Research & Development for improving the quality, production process and development of products. We have also filed 2 design patents and 7 process patents regarding various products and processes related to same. We have further upgraded our testing facility in filters by adding viscosity meter for adhesive and metallurgical microscope for metal and non metal particle analysis. We have developed various filters related to various segments . We have further upgraded our technology to meet BS VI norms.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your Company.

BOARD REPORT

DIVIDEND

Keeping in view the growth of your company, the Board of Directors of the Company is pleased to recommend a dividend of Rs 2 per equity share of the face value of Rs 10/- each on Equity Shares of the Company for the financial year 2019-20 for your approval. The dividend, if approved, shall be payable to the members holding shares as on company's AGM date.

AMOUNT TRANSFER TO ANY RESERVE

An amount of Rs. 180 Lacs has been transferred to general reserve out of profit earned during the year 2019-20.

BOARD OF DIRECTORS

A. Appointment/ Re-Appointment of Directors

During the year under review Mr Mohan Bir Sahni and Mr Kanwal Deep Sahni , Whole Time Directors of the Company were reappointed in the Annual General Meeting held on 25.09.2019 for a further period of five years commencing from 01.04.2020 to 31.03.2025.

Maj. Gen. Jatinder Singh Bedi (Retd.), PVSM had been appointed as Additional Director and thereafter Whole Time Director of the Company in the Board Meeting held on 14th October, 2019. The board has proposed the ratification of the Appointment of Maj. Gen. Jatinder Singh Bedi (Retd.), PVSM as Executive Director of the Company.

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. Mohan Bir Sahni (DIN:00906251), Whole Time Director, who has served as Whole Time Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment.

B. Changes in Directors and Key Managerial Personnel

During the year under review Maj. Gen. Jatinder Singh Bedi (Retd.), PVSM had been appointed as Director of the Company in the Board Meeting held on 14th October, 2019.

C. Declaration by Independent Director(s)

In terms with Section 149(7) of the Companies Act, 2013, every Independent Director of the Company has submitted a declaration that they meet the criteria of Independence.

BOARD REPORT

D. Separate Meeting of Independent Directors

In terms of requirements under Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on March 09, 2020.

The Independent Directors at the meeting, inter alia, reviewed the following:-

- ñ Performance of Non-Independent Directors and Board as a whole.
- ñ Performance of the Chairperson of the Company.
- ñ Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

E. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, laid down a Nomination & Remuneration policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors duly met six times in respect of which notices were given and proceedings were recorded and signed in the Minutes Book maintained for the purpose. The dates of the meeting are 15.04.2019, 29.07.2019, 24.08.2019, 01.10.2019, 14.10.2019 and 08.01.2020.

AUDIT COMMITTEE

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process with a view to ensuring accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditors and the independent auditor and note the processes employed by each and safeguards the interest of all the stakeholders. All possible measures are taken by the Committee to ensure the objectivity and independence of the independent auditor.

The audit committee of the Board of Directors is presently comprised of Mr. Prem Arora, Mr. Subodh Kumar Jain and Mr. Kanwal Deep Sahni.

The Board, during the year under review, had accepted all recommendations made to it by the Audit Committee.

BOARD REPORT

SHARE CAPITAL

During the year under review, the Issued, Subscribed and Paid-up Share Capital of the Company was 25,08,370 shares of Rs. 10/- each. There was no change in the capital structure of the Company.

ñ **Issue of equity shares with differential rights**

Your Company has not issued any Equity Shares with differential rights during the year under review.

ñ **Issue of sweat equity shares**

Your Company has not issued any Sweat Equity Shares during the year under review.

ñ **Issue of employee stock options**

Your Company has not issued any employee stock options during the year under review.

EXTRACT OF ANNUAL RETURN

The extract of the annual return, in form MGT — 9, for the Financial Year 2019-20 has been enclosed with the report as **Annexure — I**.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review, your Company has not given any loan or guarantee which is covered under the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements.

ñ **Details of the Contracts, arrangements or transactions not at arm's length price:**

There were no such transactions u/s 188 of the Companies Act, 2013 which are not at Arm's Length price.

BOARD REPORT

ñ Details of the material contracts or arrangements or transactions at arm's length basis

Details of material contracts/arrangements/transactions at arm's length basis are given in AOC – 2 attached as **Annexure - II**

Except as stated in the disclosure, there were no materially significant related party transactions made by the Company with its Promoters, Directors, or other related parties which may have a potential conflict with the interest of the Company at large. All Related Party Transactions which are in the ordinary course of business and on arm's length basis are placed before the Audit Committee as also the Board for approval.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

DETAIL OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

No significant and material orders have been passed during the year under review by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year such controls were tested and no reportable material weaknesses in the design & operation effectiveness were observed.

In the opinion of the Board, the existing internal control framework is adequate and commensurate with the size and nature of the business of the company.

Internal Audit:

In accordance with the section 138(1) of the Companies Act 2013, the company had appointed M/s Mazars Advisory LLP on April 8, 2019 as Internal Auditors of the company for two consecutive financial years starting from 01.04.2018 to 31.03.2020. The Board is in the process of appointing the internal auditors for the financial year 2020-21.

BOARD REPORT

Secretarial Audit:

The company is not under the purview of secretarial audit. As defined in Companies Act 2013, the company do obtain the certificate of compliances under the companies act in form MGT-8 and files the same with MCA.

Remuneration received by Whole Time Directors from Subsidiary Company:

No remuneration has been received by the directors from its subsidiary company during financial year 2019-20.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review the company initiated the process to transfer the shares to IEPF on which dividend was unpaid or unclaimed for the continuous period as prescribed under Companies Act, 2013. The company filed the corporate action form with NSDL for transferring 5,500 shares to IEPF, which got executed on December 6th, 2019.

During the year under review the company transferred unpaid / unclaimed dividend of Rs. 1, 33,200.00 for the financial year 2011-12 to IEPF (Investor Education and Protection Fund)

Following amounts remained unpaid as on 31.03.2020 in the unpaid/ unclaimed dividend account of the company.

S.No	Financial Year	Unpaid Dividend
1	2012-13	Rs.1,83,900.00
2	2013-14	Rs. 2,49,000.00
3	2014-15	Rs. 1,74,750.00
4	2015-16	Rs. 1,93,350.00
5	2016-17	Rs.2,32,350.00
6	2017-18	Rs. 2,27,700.00
7	2018-19	Rs. 2,21,250.00
Total Amount		Rs. 14,82,300.00

RISK MANAGEMENT POLICY

The company has adequate systems to assess the associated early risks and for remedial actions.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is an equal employment opportunity employer and is committed to create a healthy and productive work environment that enables employees

BOARD REPORT

to work without fear or prejudice, gender bias and sexual harassment. The Company believes that an act of sexual harassment results in the violation of the fundamental rights of a woman. Such acts violate her right to equality, right to life and to live with dignity and the right to practice any profession or to carry on any occupation, trade or business, which also includes a right to a safe and healthy work environment free from sexual harassment.

The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company's policy on prevention of Sexual Harassment at Workplace is in line with the requirement of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder.

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DEPOSITS

During the year under review, your Company did not accept deposits covered under Chapter V of the Companies Act, 2013

RECEIPT OF ANY COMMISSION BY MANAGING DIRECTOR/WHOLE TIME DIRECTOR FROM A COMPANY OR FOR RECEIPT OF COMMISSION/REMUNERATION FROM ITS HOLDING OR SUBSIDIARY

There is no such transaction in the Company during the financial year.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees as required under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure III**.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATES

ELOFIC USA, LLC is the wholly owned subsidiary of the Company. Report on the performance and financial position of each subsidiary company has been provided in **Form AOC-1** and is forming part of the Annual Report as **Annexure IV**.

Apart from this, there are no other subsidiaries/Joint Ventures/Associates of the Company.

BOARD REPORT

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

Information under Section 134(3) (m) read with Rule 8(3) of Companies (Accounts) Rules, 2014 for the year ended 31st March 2020 is as follows:-

A. CONSERVATION OF ENERGY

The Company does not belong to the category of Power Intensive Industries and hence, consumption of power is not significant. However, management gives utmost importance to energy conservation measures, including regular review of general energy consumption and effective control in utilisation of energy. The Company has installed a "Solar Plant" in its two manufacturing plants for captive consumption to give effect to energy saving. Form A is not applicable to the Company as it does not fall under the list of industries specified in the schedule attached to Rule 2.

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a). Research & Development (R&D)

1. Specified areas in which R&D has been carried out by the Company.
 - i. New product range for both export and domestic markets.
 - ii. Technology Improvement in manufacturing facilities.
 - iii. Upgradation of laboratory, usage of latest testing techniques and Quality Assurance.
 - iv. Improvement in work practices.
2. Benefits derived as a result of the above R&D.
 - i. Standardization of Products.
 - ii. Reduction in Waste and rework.
 - iii. Reduction in Processing time, thereby increasing productivity.
 - iv. Improvement in Process Capability.
 - v. Satisfaction/ delight of Customers.
 - vi. Entering into new segments of products.
3. Future plan of action.
Further upgradation of the Laboratory by adding New Testing Equipments, for Research & Analysis of Products, is being done.

BOARD REPORT

Expenditure on R&D

Particular	Current Year	Previous Year
Capital	Rs. 16,26,856	Rs. 16,95,154
Revenue	Rs. 2,33,22,977	Rs. 2,20,04,020
Total R & D expenditure	Rs.2,49,49,833	Rs. 2,36,99,174
Percentage of total turnover	1.12%	1.03%

b). Technology Absorption, Adaptation and Innovation

- i. There has been a continuous endeavour of your company to adopt the latest developments in filtration technology in the areas of quality improvement, waste reduction and cost optimisation and to improve acceptance of our filters in the market.
- ii. Benefits derived as a result of the above efforts include product improvement and cost reduction.
- iii. Your Company has derived benefits by improving the quality of its products, as well as improving the manufacturing process, which has resulted in cost reductions and acceptability of your Company's products in Domestic and International markets. Your Company also has the latest and prestigious quality assurance certifications of IATF 16949:2016, OHSAS 18001-2007 and ISO 14001-2015 which have aided this process.
- iv. In case of imported technology (imported during the last 5 Years reckoned from the beginning of the financial year).

Your Company has not imported any technology during the Last five Years, reckoned from the beginning of the financial year under review.

C. FOREIGN EXCHANGE EARNING & OUTGO

- i. Initiatives like increasing exports, development of new export markets etc to increase foreign exchange :

Your company is exporting industrial, air, oil and fuel filters to American & European countries. In order to promote exports, your Company had set up a wholly owned subsidiary in the State of Wisconsin, USA, to facilitate and promote the sales of industrial filters in the United States of America.

BOARD REPORT

Particulars	Amount
Foreign Exchange earned (FOB value)	Rs. 686.62 million (Previous Year Rs. 791.95 million)
Foreign Exchange outgo	Rs. 222.35 million (Previous Year Rs. 197.12 million)

AUDITORS

M/s **S.N. Dhawan & Co. LLP Chartered Accountants**, (Reg. No. 000050N/N500045), in respect of whom the company has received a special notice under Section 140(4) of the Act, proposing their appointment in place of retiring Auditors **M/s S.R. Dinodia & Co. LLP, Chartered Accountants**, (Reg. No. 001478N/N500005) who have completed their 5 years term.

M/s S.N. Dhawan & Co. LLP , Chartered Accountants, (Registration No. 000050N/N500045) will be appointed as statutory auditors of your Company, for a period of five years from FY 2020-21 to FY 2024-25 at the ensuing Annual General Meeting to be held on December 30th, 2020 and is subject to the approval of members.

As required under the provisions of Section 139(1) of the Act, the Company has received a written consent from **M/s S.N. Dhawan & Co. LLP Chartered Accountants**, (Reg. No. 000050N/N500045) and a Certificate to the effect that their appointment would be in accordance with the provisions of the Act and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Act.

AUDITOR'S REPORT

The observations of the auditors as contained in the Auditor's Report and the respective notes on Accounts are self-explanatory and do not contain any qualification / adverse remarks.

FRAUDS REPORTED BY AUDITOR UNDER SUB SECTION (12) OF SECTION 143

No fraud has been reported by auditor under sub section (12) of section 143.

COST AUDIT

The Board of Directors of the Company, on the recommendations made by the Audit Committee, has re-appointed M/s Vandana Bansal & Associates, Cost Accountants, as the Cost Auditor of the Company to conduct the audit of cost

BOARD REPORT

records for three financial years starting from April 1, 2019 and ending on March 31, 2022.

The Company has received consent from M/s Vandana Bansal & Associates, Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for three financial years starting from April 1, 2019 and ending on March 31, 2022.

CORPORATE SOCIAL RESPONSIBILITY

The Company has a well defined Policy on CSR as per the requirements of Section 135 of the Companies Act, 2013 which covers the activities as prescribed under Schedule VII of the Companies Act, 2013.

During the year under review, the committee held one meeting on April 08th, 2019, wherein all the members were present.

Corporate Social Responsibility Report, pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014, forms part of the Board's Report as **Annexure V**.

NOMINATION & REMUNERATION COMMITTEE & POLICY

In accordance with the provisions of the Companies Act, 2013, Nomination & Remuneration Committee of the company comprises of Mr. Prem Arora, Mr Mohanjit Singh and Mr. Kanwal Deep Sahni met twice in the year on August 09th, 2019 and September 28th, 2019. On the date of this board report the committee comprises of Mr Prem Arora, Mr Subodh Kumar Jain and Mr Kanwal Deep Sahni. Mr. Mohanjit Singh retired from the Board after completing his second term as Independent Director in the month of July , 2020.

The Board of Directors on the recommendation of the Nomination & Remuneration Committee approved a policy on Director's appointment & remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided. Nomination and remuneration policy is attached as **Annexure VI**.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 134 (3) of the Companies Act, 2013, the directors of your company state, except as stated otherwise, that:-

- i. In the preparation of the annual accounts for the financial year ended 31st March, 2020 the applicable accounting standards have been followed and there have been no material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review.

BOARD REPORT

- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors had prepared accounts on a going concern basis.
- v. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENTS

Your Directors would like to express their grateful appreciation for the assistance and co-operation received from the company's esteemed shareholders, customers, suppliers, financial institutions, vendors & government for their valuable contribution and support to the company in all spheres of operation during the year under review. Your Directors also wish to place on record their deep sense of appreciation of their employees, for their commendable team work and the high degree of professionalism and enthusiasm displayed by them during the year.

**On behalf of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni

Chairman

DIN: 00906251

22-B, Ashoka Avenue, Sainik Farms,
New Delhi 110062.

Place: New Delhi
Date: 3, December, 2020

ANNEXURE-I

FORM NO. MGT 9		
EXTRACT OF ANNUAL RETURN		
As on financial year ended on 31.03.2020		
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.		
I. REGISTRATION & OTHER DETAILS:		
I	CIN	U74999HR1973PLC070262
II	Registration Date	02/06/1973
III	Name of the Company	ELOFIC INDUSTRIES LIMITED
IV	Category/Sub-category of the Company	Company Limited by Shares Non-Govt Company
V	Address of the Registered office & contact details	14/4, Mathura Road , Faridabad - 121003 (Haryana)
VI	Whether listed company	Unlisted
VII	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited, Alankit House, 3E/7, Jhandewalan Extn., New Delhi-110055.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
I	AUTOMOBILE FILTERS		97.44

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S.No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	ELOFIC USA, LLC, USA		SUBSIDIARY	100	2(87)

IV. SHARE HOLDING PATTERN										
(Equity share capital breakup as percentage of total equity)										
(i) Category-wise Share Holding										
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/ HUF	751,585	1,586,685	2,338,270	93.22%	1,839,850	498,420	2,338,270	93.22%	0.00%	
b) Central Govt			-	-			-	-	-	
c) State Govt(s)			-	-			-	-	-	
d) Bodies Corp.			-	-			-	-	-	
e) Banks / FI			-	-			-	-	-	
f) Any other			-	-			-	-	-	
Sub Total (A) (1)	751,585	1,586,685	2,338,270	93.22%	1,839,850	498,420	2,338,270	93.22%	0.00%	

ANNEXURE-I

(2) Foreign									
a) NRI Individuals			-	-			-	-	-
b) Other Individuals			-	-			-	-	-
c) Bodies Corp.			-	-			-	-	-
d) Any other			-	-			-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
TOTAL (A)	751,585	1,586,685	2,338,270	93.22%	1,839,850	498,420	2,338,270	93.22%	0.00%

B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	-			-	-	-
b) Banks / FI			-	-			-	-	-
c) Central Govt			-	-		-	-	-	-
d) State Govt(s)			-	-			-	-	-
e) Venture Capital Funds			-	-			-	-	-
f) Insurance Companies			-	-			-	-	-
g) FIs			-	-			-	-	-
h) Foreign Venture Capital Funds			-	-			-	-	-
i) Others (IEPF)			-	-	20,950		20,950	0.84%	0.84%
Sub-total (B) (1):-	-	-	-	-	20,950	-	20,950	0.84%	0.84%

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	200	1500	1,700	0.07%	2900	0	2,900	0.12%	0.05%
ii) Overseas			-	-			-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	168400	168,400	6.71%	15700	130550	146,250	5.83%	-0.88%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	-			-	-	-
c) Others (specify)									

ANNEXURE-I

Non Resident Indians			-	-			-	-	-
Overseas Corporate Bodies			-	-			-	-	-
Foreign Nationals			-	-			-	-	-
Clearing Members			-	-			-	-	-
Trusts			-	-			-	-	-
Foreign Bodies - D R			-	-			-	-	-
Sub-total (B) (2):-	200	169,900	170,100	6.78%	18,600	130,550	149,150	5.95%	-0.84%
Total Public (B)	200	169,900	170,100	6.78%	39,550	130,550	170,100	6.78%	0.00%
C. Shares held by Custodian for GDRs & ADRs				-				-	-
Grand Total (A+B+C)	751,785	1,756,585	2,508,370	100.00%	1,879,400	628,970	2,508,370	100.00%	-

(ii) Shareholding of Promoters & Relatives

S.No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1	MOHINDER SINGH SAHNI & SONS HUF	134,920	5.38%	-	134,920	5.38%	-	0.00%
2	MOHAN BIR SAHNI	713,435	28.44%	-	713,435	28.44%	-	0.00%
3	SATINDER SAHNI	172,800	6.89%	-	172,800	6.89%	-	0.00%
4	MOHAN BIR SAHNI HUF	26,550	1.06%	-	26,550	1.06%	-	0.00%
5	SUMEEN KAUR NAG	500	0.02%	-	500	0.02%	-	0.00%
6	ASHEEN SAHNI	500	0.02%	-	500	0.02%	-	0.00%
7	SAHEB SAHNI	159,600	6.36%	-	159,600	6.36%	-	0.00%
8	KANWAL DEEP SAHNI	749,785	29.89%	-	749,785	29.89%	-	0.00%
9	KANWAL DEEP SAHNI	1,500	0.06%	-	1,500	0.06%	-	0.00%
10	BRITA SAHNI	118,750	4.73%	-	118,750	4.73%	-	0.00%
11	KANWAL DEEP SAHNI HUF	43,250	1.72%	-	43,250	1.72%	-	0.00%
12	GEHNA ARORA	500	0.02%	-	500	0.02%	-	0.00%
13	KARAM SAHNI	159,600	6.36%	-	159,600	6.36%	-	0.00%
14	JASMEET SAHNI	54,780	2.18%	-	54,780	2.18%	-	0.00%
15	JALMEEN SURI	500	0.02%	-	500	0.02%	-	0.00%
16	HANSVEER SAHNI	1,300	0.05%	-	1,300	0.05%	-	0.00%
	TOTAL	2,338,270	93.22%		2,338,270	93.22%		0.00%

ANNEXURE-I

(iii) Change in Promoters' Shareholding (please specify, if there is no change)								
S.No	Particulars	Shareholding at the beginning of the year					Cumulative Shareholding during the year	
S.No	NAME	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	DATE OF CHANGE IN SHARE HOLDING	REASON	CHANGES DURING THE YEAR	TOTAL NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	NO CHANGE DURING THE YEAR							

(iv) Shareholding Pattern of top ten Shareholders							
(Other than Directors, Promoters and Holders of GDRs and ADRs):							
S.No	Particulars	Shareholding at the beginning of the year		Changes During the year		Cumulative Shareholding During the Year	Shareholding at the end of the year
	Name	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	DATE OF CHANGE IN SHARE HOLDING	CHANGES DURING THE YEAR	TOTAL NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	SURESH KUMAR RATTAN	5,000	0.20	-	-	5,000	0.20
2	SUNITA LALWANI	5,000	0.20	-	-	5,000	0.20
3	SHARMILA GANDHI	5,000	0.20	-	-	5,000	0.20
4	JIGNESH GOHEL	0	0.00	03.01.2020	3,000	3,000	0.12
5	MANJEET SINGH	3,000	0.12	-	-	3,000	0.12
6	PLUTUS CAPITAL MANAGEMENT LLP	0	0.00	07.02.2020	2,700	2,700	0.11
7	MURTAZA SOOMAR	2,500	0.10	-	-	2,500	0.10
8	ZAINAB SOOMAR	2,500	0.10	-	-	2,500	0.10
9	NIRALI JIGNESH GOHEL	0	0.00	03.01.2020	2,100	2,100	0.08
10	POOMKUDY	2,000	0.08	-	-	2,000	0.08

(v) Shareholding of Directors and Key Managerial Personnel:							
SN	Particulars	Shareholding at the beginning of the year		Changes During the year		Cumulative Shareholding During the Year	Shareholding at the end of the year
	NAME OF THE DIRECTORS AND KMP	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	DATE OF CHANGE IN SHARE HOLDING	CHANGES DURING THE YEAR	TOTAL NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	MOHAN BIR SAHNI	713435	28.44	-	0	713435	28.44
2	KANWAL DEEP SAHNI	751285	29.95	-	0	751285	29.95

ANNEXURE-I

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	133,425,190.00	101,300,000.00		234,725,190.00
ii) Interest due but not paid	63,866.00	1,727,038.00		1,790,904.00
iii) Interest accrued but not due				-
Total (i+ii+iii)	133,489,056.00	103,027,038.00	-	236,516,094.00
Change in Indebtedness during the financial year				
* Addition				-
* Reduction	123,927,384.00	11,727,038.00		135,654,422.00
Net Change	123,927,384.00	11,727,038.00	NIL	-135,654,422.00
Indebtedness at the end of the financial year				
i) Principal Amount	9,523,770.00	91,300,000.00		100,823,770.00
ii) Interest due but not paid	37,902.00			37,902.00
iii) Interest accrued but not due				-
Total (i+ii+iii)	9,561,672.00	91,300,000.00	NIL	100,861,672.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:					
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		MOHAN BIR SAHNI	KANWAL DEEP SAHNI	JATINDER SINGH BEDI	(Rs/Lac)
		WHOLE TIME DIRECTOR	WHOLE TIME DIRECTOR	ADDITIONAL DIRECTOR	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,621,600.00	6,621,600.00	1,405,961.00	14,649,161.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission				-
	- as 1% of profit	2,660,252.00	2,660,252.00		5,320,504.00
	- others, specify				-
5	Others, please specify				-
	Total (A)	9,281,852.00	9,281,852.00	1,405,961.00	19,969,665.00
	Ceiling as per the Act				

ANNEXURE-I

B. Remuneration to other Directors				
S.No	Particulars of Remuneration	Name of Director		Total Amount
				(Rs/Lac)
1	Independent Directors	PREM ARORA	MOHANJIT SINGH	
	Fee for attending board, committee meetings			-
	Commission			-
	Others, please specify			-
	Total (1)	-	-	-
2	Other Non-Executive Directors			-
	Fee for attending board committee meetings			-
	Commission			-
	Others, please specify			-
	Total (2)	-	-	-
	Total (B)=(1+2)	-	-	-
A+B	Total Managerial Remuneration			19,969,665.00

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd				
S.No	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
				(Rs/Lac)
		CEO	COMPANY SECRETARY	CFO
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission		-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (Give Details)
A. COMPANY					
Penalty		N.A	N.A	N.A	N.A
Punishment		N.A	N.A	N.A	N.A
Compounding		N.A	N.A	N.A	N.A
B. DIRECTORS					
Penalty		N.A	N.A	N.A	N.A
Punishment		N.A	N.A	N.A	N.A

ANNEXURE-I

Compound - ing		N.A	N.A	N.A	N.A
C. OTHER OFFICERS IN DEFAULT					
Penalty		N.A	N.A	N.A	N.A
Punishment		N.A	N.A	N.A	N.A
Compound- ing		N.A	N.A	N.A	N.A

**On behalf of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
 Chairman
 DIN: 00906251
 22-B, Ashoka Avenue, Sainik Farms,
 New Delhi 110062.

Place: New Delhi
 Date: 3, December, 2020

ANNEXURE-II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:	
(A) Name(s) of the related party and nature of relationship	N.A.
(B) Nature of contracts/arrangements/transactions	
(C) Duration of the contracts / arrangements/transactions	
(D) Salient terms of the contracts or arrangements or transactions including the value, if any	
(E) Justification for entering into such contracts or arrangements or transactions	
(F) date(s) of approval by the Board	
(G) Amount paid as advances, if any	
(H) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:					
Name(s) of the related party	Nature of contracts/	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
	arrangement/				
	transactions				
Elofic USA, LLC	Sales of Goods	Not Specified	Refer AS-18 in financial statement	NA	NA
Elofic Industries (India)	Rent	Not Specified	Refer AS-18 in financial statement	NA	NA
Elofic Industries (India)	License Agreement	Not Specified	Refer AS-18 in financial statement	NA	NA
Mettler Auto Pvt. Ltd.	Rent	Not Specified	Refer AS-18 in financial statement	NA	NA
Mettler Auto Pvt. Ltd.	Consultancy	Not Specified	Refer AS-18 in financial statement	NA	NA
Brita Sahni	Rent	Not Specified	Refer AS-18 in financial statement	NA	NA
Asheen Sahni	Consultancy	During F.Y.-2019-20.	Refer AS-18 in financial statement	NA	NA

**On behalf of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN: 00906251
22-B, Ashoka Avenue, Sainik Farms,
New Delhi 110062.

Place: New Delhi
Date: 3, December, 2020

ANNEXURE – III

Particulars of Employees for the financial year ended on March 31, 2020

Statement pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forming part of Director's Report for the financial year ended March 31, 2020

Detail of top ten employees in terms of remuneration drawn

S. No.	Name	Designation	Remuneration	Nature of Employment	Qualification	Date of Commencement	Age	Last employment held	% of equity shares held in the Company	Name of Director (If such employee is relative of any Director)
1	Mohan Bir Sahni	Managing Director	9,281,852	Whole Time Director	Graduate	Apr-06	68	NA	28.44	Brother of Mr. Kanwal Deep Sahni
2	Kanwal Deep Sahni	Joint Managing Director	9,281,852	Whole Time Director	Graduate	Apr-06	62	NA	29.95	Brother of Mr. Mohan Bir Sahni
3	Jamail Singh	Vice President	3,040,559	Operations	LLB	May-96	52	NA	0.011	-
4	Ajay Seth	Vice President	3,031,029	Sale & Marketing – Exports	PGDM – Marketing & International Business	Jul-98	54	Mokul Overseas Pvt. Ltd.	Nil	-
5	Kamlesh Koul	Vice President	3,010,585	R&D	B.E (MECH.)	Jul-12	40	Mahle Filters Systems Ltd.	Nil	
6	Pawan Sharma	Vice President	2,912,001	Sale & Marketing – Domestic	MBA	Feb-98	58	Walkin Auto Ltd.	Nil	-
7	Adish Suri	General Manager	2,627,772	Finance & Accounts	MBA (FINANCE), Cost & Management Accountant	Jan-12	58	Aska Equipments Ltd.	Nil	
8	Ajay Upadhyaya	AGM- Quality	2,374,488	Quality	BTECH	Apr-17	41	Minda Corporaton	Nil	
9	Jatinder Singh Bedi	Additional Director	2,367,292	HR & Admin	PG-Strategic Studies, Masters in Management Sciences & Distinguished in Artillery Technology and Automation	Nov-18	62	Indian Army	Nil	
10	Hansveer Sahni	Plant Head	2,291,703	Operations	BBA	Sep-15	40	Bubblegum	0.05	Mr. M.B. Sahni & Mr. K.D. Sahni
Employed throughout the year and were in receipt of remuneration not less than Rs. 1,02,00,000/- per annum			NONE							
Employed part of the year and were in receipt of remuneration not less than Rs. 8,50,000/- per month			NONE							

Note:

1. Remuneration includes Basic Salary, Allowances & perquisites, company's contribution to provident fund, superannuation & Gratuity.
2. All perquisites have been computed in accordance with Income Tax Act, 1961.

**On behalf of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN: 00906251
22-B, Ashoka Avenue, Sainik Farms,
New Delhi 110062.

Place: New Delhi
Date: 3, December, 2020

ANNEXURE-IV

Form AOC-1

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

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

1. Details of Contracts or arrangements or transaction at arm's length basis

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in USD/INR)
(Figures in USD)

S. No.	Particulars	Details
1.	Name of the subsidiary	Elofic USA, LLC
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01-04-2019 TO 31-03-2020
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	2472644
7.	Total Liabilities	1714976.17
8.	Investments	757667.89
9.	Turnover	
10.	Profit before taxation	32682.38
11.	Provision for taxation	
12.	Profit after taxation	32682.38
13.	Proposed Dividend	
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

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

S. No.	Name of associates/ Joint Ventures	
1.	Latest audited Balance Sheet Date	
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding%	
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	
6.	Profit/Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**On behalf of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN: 00906251
22-B, Ashoka Avenue, Sainik Farms,
New Delhi 110062.

Place: New Delhi
Date: 3, December, 2020

ANNEXURE – V

Report on Corporate Social Responsibility (CSR) Policy

S. No.	Particulars	Remark										
1	A Brief outline of the Company's CSR policy, including overview of projects, programs proposed to be undertaken/undertaken and a reference to the web-link to the CSR policy and project or programs.	<p>Corporate Social Responsibility ("CSR") at Elofic Industries Limited ("the Company") is our commitment towards Inclusive Growth. The Company believes that long-term sustainability can be achieved by meeting legitimate concerns of all stakeholders. The Company's approach to sustainable development focuses on the triple bottom line of Economic, Environmental and Social performance. As a responsible corporate citizen, the Company is constantly engaged in delivering value to its stakeholders through its promise of Together Safer, Everywhere.</p> <p>The company is running a nursing home at Village Rajpura ,Nalagarh for promotion of health care activities through a charitable trust for the last few years. During the year under review the company has incurred reasonable amount on women empowerment through a Trust which is established for such objectives.</p>										
2	The Composition of the CSR Committee	The composition of CSR Committee comprises of Three directors of the Company Mr. Prem Arora and Mr. Mohanjit Singh and Mr. Mohan Bir Sahni. At the time of preparing this report the composition of CSR committee has been changed. Mr. S.K. Jain, the independent director who has replaced Mr. Mohanjit Singh, retiring independent director after completing his term.										
3	Average net profit of the Company for last three financial years.	<table><tr><td>FY-2018-19</td><td>Rs. 23,81,81,013</td></tr><tr><td>FY-2017-18</td><td>Rs. 23,12,26,971</td></tr><tr><td>FY-2016-17</td><td>Rs. 11,48,28,854</td></tr><tr><td>Total</td><td>Rs. 58,42,36,838</td></tr><tr><td colspan="2">Average net profit before tax Rs. 19,47,45,613</td></tr></table>	FY-2018-19	Rs. 23,81,81,013	FY-2017-18	Rs. 23,12,26,971	FY-2016-17	Rs. 11,48,28,854	Total	Rs. 58,42,36,838	Average net profit before tax Rs. 19,47,45,613	
FY-2018-19	Rs. 23,81,81,013											
FY-2017-18	Rs. 23,12,26,971											
FY-2016-17	Rs. 11,48,28,854											
Total	Rs. 58,42,36,838											
Average net profit before tax Rs. 19,47,45,613												
4	Prescribed CSR Expenditure (two percent of the amount as in item no-3 above)	Rs. 38,94,912										
5	Details of CSR spent during the financial year.											
	a) Total amount to be spent for the financial year;	Rs. 38,94,912										
	b) Amount unspent, if any;	Rs. 35,94,912										
	c) Manner in which the amount spent during the financial year is detailed below.											

ANNEXURE - V

(1) S. No	(2) CSR Project or activity Identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where the projects or programs was undertaken	(5) Amount outlay (budget) Project or program wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expen - diture on projects or programs (2) Over-heads	(7) Cumulative expen - diture up to the reporting period	(8) Amount Spent: Direct or through implementing agency
1	To promote nursing home with ambulance service : Under Planning stage	Healthcare	Healthcare program; (Other) State of Him-achal Pradesh; District Solan	Rs. 3,500,000	Rs. 150,000	Rs. 2,850,000	Rs. 2,850,000
2	To promote Women Empowerment	promoting gender equality and empowering women;	A trust established with an aim to empower the women of the society in Delhi	NA	150,000	300,000	300,000
3	Kerala Relief fund	Healthcare	Chief Minister Distress relief fund	NA		139,031	139,031
	Total			3,500,000	300,000	3,289,031	3,289,031

Reason for not spending the prescribed amount:

During the period under review, company has setup a solar energy system at its premises situated at Faridabad (Haryana) to ensure the safety of the environment with a perspective of the activity is being covered under Schedule VII of the Companies Act, 2013 under the line item of environmental sustainability and ecological balance and consequently spent Rs. 57,71,999/- toward the installation of the solar system. However, later as per Answer to questions raised during the live webcast on "CSR Rules, Accounting and Taxation" held on 29th April, 2020 by the CSR Committee of the Institute of Chartered Accountants of India, it was stated that the amount spent on generating renewable electricity cannot be considered as CSR expense if it is meant for its captive use. Since such installation is being for the captive use and amount spent toward the same cannot be accounted for the CSR expenditure. Consequent to this company has capitalized the amount spent and added same to the Fixed Assets. The company is now actively looking for new avenues where it can incur expenditure to meet out its CSR liability.

Responsibility statement of the CSR Committee

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

**On behalf of Board of Directors
For ELOFIC INDUSTRIES LIMITED**

Mohan Bir Sahni
Chairman
DIN: 00906251
22-B, Ashoka Avenue, Sainik Farms,
New Delhi 110062.

Place: New Delhi
Date: 3, December, 2020

ANNEXURE – VI

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. This policy on nomination and remuneration of Directors, Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

1. Definitions

In this Policy unless the context otherwise requires:

- 1) '**Act**' means Companies Act, 2013 and rules thereunder
- 2) '**Board of Directors**' or 'Board', in relation to the Company, means the collective body of the directors of the Company
- 3) '**Committee**' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
- 4) '**Company**' means **Elofic Industries Limited**
- 5) '**Directors**' means Directors of the Company
- 6) '**Independent Director**' means a director referred to in Section 149 (6) of the Companies Act, 2013
- 7) '**Ministry**' means the Ministry of Corporate Affairs
- 8) '**Regulations**' refers to and comprise of Companies Act, 2013, The Companies (Meeting of Board and its Powers) Rules, 2014, The Companies (Appointment and Qualification of Directors), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and such other rules and provisions as applicable to the matters dealt in by this Policy '**Senior Management Personnel**' for this purpose shall mean employees of the company who are members of its core management team excluding Board of Director of management one level below the executive director(s), including the functional.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein, rank equivalent to General Manager and above.

2. OBJECTIVE

The objective of the policy is to ensure that

- ñ The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- ñ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ñ Remuneration to directors and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. ROLE OF THE COMMITTEE:

- ñ The role of the NRC will be the following:

ANNEXURE – VI

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors Personnel and Senior Management.
- g) To devise a policy on Board diversity, composition, size.
- h) Succession planning for replacing Key Executives and overseeing.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

4. APPOINTMENT AND REMOVAL OF DIRECTOR AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or Senior Management level and recommend his / her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy five years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

5. TERM / TENURE:

- a) **Managing Director/Whole-time Director** : The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director** : An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity,

ANNEXURE-VI

either directly or indirectly.

6. **EVALUATION:**

- ñ The Committee shall carry out evaluation of performance of Director and Senior Management Personnel yearly or at such intervals as may be considered necessary.

7. **REMOVAL:**

- ñ The Committee may recommend with reasons recorded in writing, removal of a Director, and Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

8. **RETIREMENT:**

- ñ The Director and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

9. **POLICY FOR REMUNERATION TO DIRECTORS/MP/SENIOR MANAGEMENT PERSONNEL:**

- 1) Remuneration to Managing Director / Whole-time Directors:
 - a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.
- 2) Remuneration to Non- Executive / Independent Directors:
 - a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
 - b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
 - c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

ANNEXURE – VI

- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
 - e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).
- 3) Remuneration to Senior Management:
- a) The remuneration to Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time.
 - c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Senior Management, to be decided annually or at such intervals as may be considered appropriate.

10. IMPLEMENTATION:

- ñ The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- ñ The Committee may Delegate any of its powers to one or more of its members.

11. AMENDMENT:

- ñ The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.

INDEPENDENT AUDITORS REPORT

To The Members of Elofic Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Elofic Industries Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020, and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014, as amended, ("AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its **profit** and its cash flows for the year ended on that date.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other

INDEPENDENT AUDITORS REPORT

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

INDEPENDENT AUDITORS REPORT

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. With respect to the matter to be included in the Auditors' report under Section 197(16):
 In our opinion and according to the information and explanation given to us, the Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act.

For S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN: 20083689AAAAGE2122

Place of Signature: New Delhi

Date: 28, November, 2020

elofic
Filters & Lubricants

Annexure A To the Independent Auditors Report of even date on the standalone financial statements of Elofic Industries Limited

The Annexure referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2020, we report that:

- i) In respect of fixed assets (including property, plant and equipment):
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets .
 - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified at regular intervals. Fixed assets were verified during the year in accordance with this programme and no material discrepancies were noticed on such verification. In our opinion, periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c) On the basis of information and explanation provided by the Management, title deed of immovable property held in the name of the Company are mortgaged with Banks for securing the cash credit taken from banks. In case of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, we report that the lease agreements are in name of the Company.
- ii) In respect of its inventory:
 - a) On the basis of information and explanation provided by the Management, inventories have been physically verified by the Management during the year. In our opinion the frequency of physical verification followed by the management is reasonable.
 - b) We have been explained that discrepancies noticed on physical verification as compared to book records were not material and the same have been properly dealt with in the books of account.
- iii) According to the information and explanation given to us, the Company had not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iii) (a) to (c) of the Order are not applicable.
- iv) According to the information and explanation given to us, the Company has no loans, investments and security covered under the provisions of section 185 and 186 of the Companies Act, 2013.. Therefore, the provisions of paragraph 3(iv) of the Order are not applicable to the Company.

- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items maintained by the company as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii) In respect to statutory dues:
- (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, sales tax, value added tax, Goods and Services Tax, cess and any other material statutory dues applicable to it with appropriate authorities. Further there were no undisputed outstanding statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax or sales tax or Goods and Services Tax or Service Tax or duty of customs or duty of excise or value added tax and other statutory dues, except the following, which have not been deposited on account of any dispute.

Name of the Statute	Nature of Dues	Amount (₹)	Period to which amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty*	1,193,017	Financial years:1998-2000	Commissioner Central Excise, Delhi IV, Faridabad
Income Tax Act,1961	Income Tax	93,632	Assessment year 2003-04	Assessing Officer
The Central Excise Act, 1944	C & F-forms	123,256	Assessment year 2014-15	Excise & Taxation Officer cum -Assessing Authority , Ward 2, Faridabad

* Net of Excise duty paid under protest: ₹ 250,000

- viii) On the basis of information and explanation provided to us, the Company has not defaulted in repayment of loans and borrowings to banks. The Company has not taken any loan from Government/Financial Institution or has not issued any debentures during the year.
- ix) The Company did not raise any money by the way of initial public or further public offer (including debt instruments) during the year. However, the term loans taken during the year are applied for the purpose for which the same has been raised.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) The Company has paid or provided managerial remuneration to its directors during the year in accordance with provisions of section 197 read with Schedule V to the Companies Act, 2013 as applicable to the Company.
- xii) The Company is not a Nidhi Company, Accordingly, provisions of paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiii) During the course of our examination of the books and records of the Company, all transactions entered with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3 (xvi) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

FOR S. R. DINODIA & CO., LLP.

Chartered Accountants,

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN: 20083689AAAAGE2122

Place of Signature: New Delhi

Date: 28, November, 2020



Annexure B to the Independent Auditors Report of even date on the standalone financial statement of Elofic Industries Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Elofic Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on "the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia & Co. LLP

Chartered Accountants,

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN: 20083689AAAAGE2122

Place of Signature: New Delhi

Date: 28, November, 2020

BALANCE SHEET

Standalone Balance sheet As At March 31, 2020

(Amount in '₹' unless otherwise stated)

Particulars	Note No.	As March 31, 2020	At March 31, 2019
I Equity And Liabilities			
Shareholders' Funds			
(a) Share Capital	3	25,083,700	25,083,700
(b) Reserves and Surplus	4	1,108,020,817	936,818,688
		1,133,104,517	961,902,388
Non-Current Liabilities			
(a) Long Term Borrowings	5	2,732,657	2,142,592
(b) Deferred Tax Liabilities (Net)	6	4,568,769	4,204,110
(c) Long Term Provisions	7	2,782,662	2,126,243
		10,084,088	8,472,945
Current Liabilities			
(a) Short Term Borrowings	8	96,408,113	229,518,156
(b) Trade Payables	9		
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises		41,112,439	12,761,290
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		190,337,203	270,151,027
(c) Other Current Liabilities	10	65,260,198	68,229,250
(d) Short Term Provisions	7	7,993,881	12,088,678
		401,111,834	592,748,400
Total		1,544,300,439	1,563,123,734
II Assets			
Non-Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	11	514,858,996	501,040,216
(ii) Intangible Assets	11	3,347,165	4,393,798
(iii) Capital Work-in-Progress	11	3,433,599	1,432,558
(b) Non-Current Investments	12	43,433,605	43,205,949
(c) Long-Term Loans and Advances	13	32,735,659	19,401,158
(d) Other Non-Current Assets	14	9,670	2,823,876
		597,818,694	572,297,556
Current Assets			
(a) Inventories	15	377,369,102	352,345,157
(b) Trade Receivables	16	314,328,240	422,311,487
(c) Cash and Bank Balances	17	95,406,018	64,607,826
(d) Short-Term Loans and Advances	13	106,724,452	113,834,546
(e) Other Current Assets	14	52,653,933	37,727,162
		946,481,745	990,826,178
Total		1,544,300,439	1,563,123,734

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

For S. R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
Partner
Membership Number 083689

(K.D.Sahni)
Jt. Managing Director
DIN 00901216

(Jatinder Singh Bedi)
Director
DIN 08583060

**"For & on behalf of the Board of Directors of
Elofic Industries Limited"**

(M.B. Sahni)
Managing Director
DIN 00906251

(Adish Suri)
GM- Finance &
Accounts

Place of Signature: New Delhi
Date: 28, November, 2020



Filters & Lubricants

PROFIT & LOSS ACCOUNT

Standalone Statement of Profit & Loss For The Year Ended March 31, 2020

(Amount in ₹+ unless otherwise stated)			
Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	18	2,185,848,345	2,268,226,555
II Other income	19	37,390,262	35,772,517
III Total Revenue (I + II)		2,223,238,607	2,303,999,072
IV Expenses			
(a) Cost of materials consumed	20	1,000,947,638	1,064,657,906
(b) Purchases of Stock-in-Trade	21	18,860,074	16,752,112
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	5,276,754	3,510,279
(d) Employee benefits expense	23	363,018,787	347,759,914
(e) Finance costs	24	17,826,864	24,771,897
(f) Depreciation and amortization expense	11	95,444,257	93,870,252
(g) Other expenses	25	476,310,427	496,217,631
Total Expenses		1,977,684,800	2,047,539,991
V Profit/(Loss) Before Exceptional items and Tax (III - IV)		245,553,807	256,459,081
VI Exceptional items		-	-
VII Profit from Elofic USA LLC		2,317,080	9,188,814
Profit/(Loss) Before Tax (V + VI + VII)		247,870,887	265,647,895
VIII Tax expense:			
(a) Current Tax		68,437,850	72,631,000
(b) Deferred Tax		364,659	(1,445,733)
(c) Tax Adjustment of earlier years		(1,326,539)	694,751
IX Profit After Tax For The Year		180,394,917	193,767,877
X Earnings Per Equity Share (face value of ₹ 10 per share)			
(a) Basic	27	71.92	77.25
(b) Diluted	27	71.92	77.25

Significant Accounting Policies

2

The accompanying notes are an integral part of the financials statements.

As per our Report of even date attached
For S. R. Dinodia & Co. LLP.
 Chartered Accountants
 Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)
 Partner
 Membership Number 083689

(K.D.Sahni)
 Jt. Managing Director
 DIN 00901216

(Jatinder Singh Bedi)
 Director
 DIN 08583060

"For & on behalf of the Board of Directors of
Elofic Industries Limited"

(M.B. Sahni)
 Managing Director
 DIN 00906251

(Adish Suri)
 GM- Finance &
 Accounts

Place of Signature: New Delhi
 Date: 28, November, 2020

CASH FLOW STATEMENT

Standalone Cash Flow Statement for the Year Ended March 31, 2020

(Amount in ₹ unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow From Operating Activities		
Net Profit Before Tax	247,870,887	265,647,895
Adjustment for		
Depreciation and Amortization	95,444,257	93,870,252
Finance Cost	17,826,864	24,771,897
Interest Received on Fixed Deposit and Others	(4,233,173)	(3,267,032)
Allowance for Bad & Doubtful Debts	-	719,943
Gain/(loss) on disposal of property, plant and equipment (net)	(281,081)	(70,730)
Deferred Income	(120,868)	
	108,635,999	(148,820)
		115,875,510
Operating Profit Before Working Capital Changes	356,506,885	381,523,405
(Increase)/Decrease in Inventories	(25,023,945)	6,107,017
(Increase)/Decrease in Trade Receivables	107,983,247	(46,180,727)
(Increase)/Decrease in Loans and Advances	(5,357,627)	3,710,019
(Increase)/Decrease in Other Assets	(14,562,629)	(20,862,315)
Increase/(Decrease) in Liabilities & Provisions	(57,870,104)	(12,317,372)
	5,168,944	(69,543,378)
Cash Generated From Operations	361,675,829	311,980,027
Income Taxes Paid (Net)	(67,978,091)	(112,382,963)
Net Cash Provided/(Used) in Operating Activities (A)	293,697,738	199,597,064
Cash Flow From Investing Activities		
Purchase of property, plant and equipment/ intangible assets including Capital Work-in-Progress	(110,622,899)	(98,663,451)
Increase in Non Trade Long Term Investments	(227,656)	(7,353,595)
Sale of property, plant and equipment	686,535	308,800
Investments in Fixed Deposits with Bank	(3,636,116)	(45,054,956)
Interest Received on Fixed Deposit and Others	4,058,680	761,330
Net Cash Provided/(Used) in Investing Activities (B)	(109,741,455)	(150,001,873)
Cash Flow From Financing Activities		
Proceeds/(Payments) from/of Long term Borrowings	590,064	(3,253,480)
Payment of Short Term loans	(133,110,043)	(15,519,115)
Interest Paid	(17,852,828)	(23,180,728)
Dividend Paid	(7,565,660)	(7,533,210)
Dividend Tax Paid	(1,546,810)	(1,532,113)
Net Cash Provided/(Used) in Financing Activities (C)	(159,485,277)	(51,018,647)
Net Increase(decrease) in Cash and Cash Equivalents (A+B+C)	24,471,006	(1,423,456)
Cash and Cash Equivalent At The Beginning of The Year (Refer Note No. 17)	10,820,805	12,244,261
Cash and Cash Equivalent At The End of The Year (Refer Note No. 17)	35,291,811	10,820,805
Notes To Cash Flow Statement		
Components Of Cash And Cash Equivalent		
Cash on hand	172,901	710,972
Balance In current Account	35,118,910	10,109,833
	35,291,811	10,820,805

As per our Report of even date attached

For S. R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

"For & on behalf of the Board of Directors of Eloflc Industries Limited"

(Sandeep Dinodia)
Partner
Membership Number 083689

(K.D.Sahni)
Jt. Managing Director
DIN 00901216

(M.B. Sahni)
Managing Director
DIN 00906251

(Jatinder Singh Bedi)
Director
DIN 08583060

(Adish Suri)
GM- Finance & Accounts

Place of Signature: New Delhi
Date: 28, November, 2020



Filters & Lubricants

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 1

Corporate Information

Elofic Industries Limited ("the Company") was incorporated on June 2, 1973 under the provisions of the Companies Act, 1956. The company has six manufacturing units located in Faridabad, Noida, Hosur and Nalagarh. The company is engaged in manufacturing and supplying of automobile filters and lubes. The Company has its Registered Office at 14/4, Mathura Road, Faridabad-121003.

Note 2 : Significant Accounting Policies And Notes To The Account

a) Accounting Convention

These standalone financial statements have been prepared in accordance with applicable accounting standards and relevant presentation requirements of the Companies Act, 2013 and are based on the historical cost convention. The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP), on accrual and going concern basis. The Company has complied in all material respects with Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Uses of Estimates

The preparation of standalone financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets & liabilities (including contingent liabilities) at the end of the reporting period. Although these estimates are based on the managements' best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount(s) of assets or liabilities in future periods. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c) Inventories

Inventories (including those in transit) are valued at the lower of cost or net realisable value after providing for obsolescence and other losses wherever considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of purchase consists of the purchase price including duties and taxes (other than those subsequently recoverable by the enterprise), freight inwards and other expenditure directly attributable for its acquisition.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

The methods of determining cost of various categories of inventories are as under :

Nature of inventories	Method of valuation
Raw Materials, Packing Material and Stores and Spares	First In First Out Method
Stock-in-Trade	Raw Material cost on First In First Out method plus appropriate share of labour and manufacturing overheads.
Finished Goods and Work In Progress	Raw Material cost on First In First Out method plus conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

d) Tangible Assets and Capital Work-In-Progress

Tangible assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of tangible assets includes non-refundable taxes, duties, freight, insurance, labour cost, allocable borrowing costs and other directly attributable cost to the construction / acquisition of the assets. Subsequent expenditure relating to tangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gain or loss arising on account of sale of tangible assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognized in the standalone Statement of Profit and Loss in the year in which the asset is sold.

Tangible assets under construction, advance paid towards acquisition of tangible assets and cost of assets not ready to use before year end are shown as capital work in progress. Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

e) Intangible Assets

Intangible assets represent computer software (which are not integral part of related hardware) ,Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

f) Depreciation / Amortisation

Depreciation on tangible assets is provided using written down value method as per useful life specified in Part "C" of Schedule II to the Companies Act, 2013 and after retaining residual value of 5% of the original cost of the assets as specified in the said schedule. Depreciation for assets purchased / sold during a period is proportionately charged to standalone Statement of Profit & Loss. Leasehold improvements are amortised over the lease term or the useful life of the assets. Assets costing individually ₹ 5,000/- or less are fully depreciated in the year of purchase. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the Company for their use.

g) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

- i) Revenue relating to sale of goods is recognised on dispatch of goods which coincides with the transfer of significant risks and rewards related to goods and are accounted for net of returns. Net sales, as disclosed, are exclusive of sales tax and GST.
- ii) Revenue relating to interest income is recognised on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.
- iii) Revenue relating to service income is recognised on accrual basis in accordance with the service agreements. Export Incentives are also recognised on accrual basis.

h) Purchases

- i) Domestic purchases are booked on the basis of date of material inward receipt (MIR) note.
- ii) Import purchases are booked when the risks and rewards are transferred to the Company.

i) Foreign Currency Transactions

Initial Recognition: Transactions denominated in foreign currencies are recorded at an exchange rate prevailing at the time of the transaction.

Conversion: Monetary items denominated in foreign currency and not covered by forward exchange contracts are reported using the closing exchange rate on each Balance Sheet Date and those covered by forward exchange contracts are translated at the rate prevailing on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of contract. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Exchange Difference: The exchange difference arising on the settlement of monetary items or reporting these items at rates different from rates at which these were initially recorded / reported in previous period are recognized as income/expense in the period in which they arise.

Forward Contracts: In case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of the contract as well as exchange difference on such contracts i.e. difference between the exchange rates at the reporting/settlement date and the exchange rate on the date of inception of contract / the reporting date, is recognized as income / expense for the period.

j) Investment

Long term investments are stated at cost except those investments which in the management's opinion have suffered a permanent diminution and thus valued at nominal rate. Investment which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investment. Current investments are carried in the standalone financial statements at lower of cost and fair value determined on an individual investment basis

k) Employees Benefits

Expense and Liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 — Employee Benefits (Revised 2005) :

Short Term Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the standalone Statement of Profit or Loss of the year in which related services are rendered. Such Benefits include Salaries, Wages, Bonus etc. The liability for leave encashment in respect of employees (other than workers) is in the nature of short term employee benefits which has provided on the basis of estimation made by the management. Terminal Benefits, if any, are recognised as an expense immediately.

Defined Contribution Plan

Contributions payable to recognized Provident Fund and Employee State Insurance scheme, which are substantially defined contribution plans, are recognised as expense in the standalone Statement of Profit & Loss, as they are incurred.

Defined Benefit Plan

The cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the standalone Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Other Long Term Benefits

The Company treats accumulated leave of workers as long-term employee benefit for measurement purposes. Long term compensated absences are provided for on the basis of actuarial valuation, using the Projected Unit Credit method, at the end of each financial year. Actuarial gains/ losses, if any, are recognised immediately in the standalone Statement of Profit and Loss.

l) Borrowing Costs

The borrowing costs which are directly attributable to the acquisition or construction of qualifying tangible assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized as part of cost of the assets. All other borrowing costs are immediately recognised as an expense in the standalone Statement of Profit and Loss .

m) Leases

The Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. The assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals in case of Operating leases are charged to the standalone Statement of Profit & Loss on accrual basis on straight line basis.

n) Taxes On Income

Tax expense comprises current tax and deferred tax.

Current Tax

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals with respect to the Company. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the standalone Statement of Profit and Loss.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the standalone Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred Tax

Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

o) Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset or Cash Generating Unit (CGU) may be impaired. If any indication exists, the recoverable amount of the same is determined. Where 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognised impairment loss is reversed in standalone Statement of Profit & Loss only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised.

p) Provision, Contingent Liabilities And Contingent Assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Provision for onerous contracts, i.e. contracts

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation. Contingent Assets are neither recognized nor disclosed in the standalone Financial Statements.

q) Earning per Share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

r) Segmental Reporting

Identification of Segments: The geographical segment of the Company is based on the location of customer in India & outside India.

Segment Revenue and Expense: Segment revenue and expense which are directly attributable to the segments are considered under respective segment. Common Expenses are allocated to the two segments on turnover basis.

Segment Asset & Liabilities: Segment Assets include all operating assets used by a segment and consist principally of Debtors, inventories, Investment which are reported in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

Segment Policies: The Company prepares its segment information in confrmity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole.

s) Government grant and subsidies

Grants and subsidies from the government is recognised when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

to match the related cost, which they are intended to compensate. Where the grant relates to an assets, it is recognized as deferred income and released to income on a systematic and rational basis in the proportions in which depreciation on related assets is charged to the standalone Statement of Profit and Loss.

Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value. Government grants of the nature of promoters contribution are credited to capital reserve and treated as a part of the shareholders fund.

t) Cash Flow Statement

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated as specified in Accounting Standard -3 (AS-3) "Cash Flow Statement.

u) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

v) Classification of Current / Non Current Assets and Liabilities

All assets and liabilities are presented as Current or Non Current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and time between acquisition of assets and disposal of liabilities, the Company has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities. Operating Cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalent.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

	As March 31, 2020	At March 31, 2019
Note 3 : Share Capital		
Authorised		
3,000,000 (March 31, 2019: 3,000,000) Equity Shares of ₹ 10/- each	30,000,000	30,000,000
	30,000,000	30,000,000

Issued, Subscribed & Paid-up		
2,508,370 (March 31, 2019: 2,508,370) Equity Shares of ₹ 10/- each fully paid up	25,083,700	25,083,700
	25,083,700	25,083,700

(a) Reconciliation Statement of Share Capital:

	March 31, 2020		March 31, 2019	
Equity Shares	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Balance of Shares at the beginning of the year	2,508,370	25,083,700	2,508,370	25,083,700
Add:- Addition during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Balance of Shares at the end of the year	2,508,370	25,083,700	2,508,370	25,083,700

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. For the year ended March 31, 2020, the Board of Directors has proposed dividend of ₹ 2 (March 31, 2019: ₹ 3) for distribution to shareholders.

c) Details of Shareholder's holding more than 5 percent shares in the Company

	March 31, 2020		March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	713,435	28.44	713,435	28.44
Kanwal Deep Sahni	751,285	29.95	751,285	29.95
Satinder Sahni	172,800	6.89	172,800	6.89
Saheb Sahni	159,600	6.36	159,600	6.36
Karam Sahni	159,600	6.36	159,600	6.36
Mohinder Singh Sahni & Sons (HUF)	134,920	5.38	134,920	5.38

	As March 31, 2020	At March 31, 2019
Note 4 : Reserves And Surplus		
Security Premium		
Balance at the beginning of the year	6,477,750	6,477,750
Add:- Addition during the year	-	-
Less:- Utilised during the year	-	-
Balance at the end of the year	6,477,750	6,477,750
Deferred Government Grant (Refer Note No. 19)		
Balance at the beginning of the year	643,514	792,334
Add:- Addition during the year	-	-
Less:- Utilised during the year	120,868	148,820
Balance at the end of the year	522,646	643,514
General Reserve		
Balance at the beginning of the year	80,786,524	61,409,736
Add:- Addition during the year	18,039,492	19,376,788
Add:- Transfer from Revaluation Reserve	-	-
Less:- Utilised during the year	-	-
Balance at the end of the year	98,826,015	80,786,524

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Surplus / Profit & Loss

Balance at the beginning of the year	848,910,901	683,577,035
Profit for the year	180,394,917	193,767,877
Less: Appropriations during the year		
- Transfer to General Reserve	18,039,492	19,376,788
- Dividend on Equity Shares	7,525,110	7,525,110
- Dividend Distribution Tax on Dividend	1,546,810	1,532,113
Balance at the end of the year	<u>1,002,194,406</u>	<u>848,910,901</u>
Total Reserves & Surplus	<u>1,108,020,817</u>	<u>936,818,688</u>

Note 5 : Long-term borrowings

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Term Loan from Banks (Secured)				
Indian Rupee Term loan from banks	-	-	-	-
Vehicle Loan (Refer sub-note 'a' below)	2,732,657	2,142,592	2,779,396	3,064,442
	<u>2,732,657</u>	<u>2,142,592</u>	<u>2,779,396</u>	<u>3,064,442</u>
Other loans and advances (Unsecured)				
Deferred Sales Tax (Refer Note 'b' below)	-	-	-	393,738
	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,738</u>
Less: - Amount disclosed under "Other Current Liabilities" (Refer Note 10)	-	-	2,779,396	3,458,180
	<u>2,732,657</u>	<u>2,142,592</u>	<u>-</u>	<u>-</u>
The above amount includes -				
Secured borrowings	2,732,657	2,142,592	2,779,396	3,064,442
Unsecured borrowings	-	-	-	393,738

a) Vehicle loans are secured against hypothecation of respective vehicles and carries 8.5% to 10% (Reducing) rate of interest p.a. Loan No 93313903 and 93317640 are repayable in total 36 Installments. Other vehicle loans are repayable in total 60 installments.

Maturity profile of Secured Vehicle Loan is set out as below:

Financial Year	Amount
2020-21	2,779,395
2021-22	1,773,041
2022-23	959,617

b) The Company has been granted interest-free sales tax loan to the tune of ₹ 192.32 lakh in the form of sales tax deferral for a period of 9 years with respect to sales tax payable on filters manufactured in the Hosur plant in Tamil Nadu under the TNGST Act, 1959 subject to the terms and conditions contained in the agreement dated 30th December, 2002 entered into between Company and Govt of Tamil Nadu through Territorial Assistant Commissioner of Commercial Taxes, Dharmapuri, Tamil Nadu. Balance amount has been fully paid as on 31.03.20.

Note 6 : Deferred Tax Liabilities (Net)

	As At March 31, 2020	As At March 31, 2019
Gross Deferred Tax Liabilities		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	12,226,642	11,422,038
Others	-	11,178
Total A	<u>12,226,642</u>	<u>11,433,216</u>

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Gross Deferred Tax Assets

Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis

6,833,881 6,271,680

Provision for Doubtful debts/Advances

751,079 946,329

Others

72,913 11,098

Total B

7,657,873 7,229,106

Deferred tax Liability (Net) (A-B)

4,568,769 4,204,110

Note 7 : Provisions

	Non Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for employee benefits				
Gratuity (Refer Note No. 23)	-	-	28,499	2,698,733
Compensated Absence #	2,721,671	1,999,206	6,653,461	6,109,710
Other provisions				
Lease Equalisation Reserve	60,991	127,037	-	-
Provision for Income Tax	-	-	461,921	2,083,386
(Net of Advance Tax of ₹ 149,727,853)				
(March 31 2019: ₹ 71,330,930)				
Provision for Warranty (Refer Note No. 7.1)	-	-	850,000	1,196,848
	2,782,662	2,126,243	7,993,881	12,088,678

Compensated absences in nature of short term employee benefits are included in current liability.

Note 7.1 : Disclosure Required By AS-29 (Provisions, Contingent Liabilities And Contingent Assets)

Provision for warranty

	As March 31, 2020	At March 31, 2019
Balance at the beginning of the year	1,196,848	1,184,848
Provision made during the year	167,361	850,101
Amount utilised during the year	514,209	838,101
Balance at the end of the year	850,000	1,196,848

Note 7.2 : Capital Commitment and Contingent Liabilities

a) Capital Commitment

Estimated amount of contracts remaining to be executed on the capital account and not provided for in the accounts ₹ 91,61,783 (net of advance of ₹ 41,60,221) [March 31, 2019: ₹ 14,980,964 (net of advance of ₹ 5,041,210)]

b) Contingent Liabilities:

Claims against the company not acknowledged as debts:-

	As March 31, 2020	At March 31, 2019
Civil Suits	-	1,171,738
Letter of Credit Net of margin money : ₹ 337,239 (March 31, 2019 : ₹ 331,085)	3,035,149	2,979,765
Bank Guarantee Net of margin money : ₹ 239,262 (March 31, 2019 : ₹ 240,340)	2,153,356	2,163,061

Other money for which the Company is contingently liable *

Excise duty demand Net of Excise duty paid under protest (March 31, 2019 : ₹ 250,000)	₹ 250,000	1,443,017	1,443,017
Income tax demand			
- A.Y. 2003-04		93,632	93,632
Central Sales Tax Demand			
- A.Y. 2014-15		123,256	-
		6,848,411	7,851,213

i) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

* The Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Note 8 : Short-Term Borrowings

Loan From Banks (Secured)

	As March 31, 2020	At March 31, 2019
-Cash Credit	5,108,113	128,218,156

Loan and advances from related parties (Unsecured) (Refer Note No. 30 (b))	91,300,000	101,300,000
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The above amount includes

Secured borrowings	5,108,113	128,218,156
Unsecured borrowings	91,300,000	101,300,000

a) Cash Credit facility from HDFC bank is secured primarily by hypothecation of stock and book debts under first pari passu charge and collaterally secured by Pari-Pasu charge on factory land and building located at 14/4, Mathura Road Industrial, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating at MCLR+0.85% (March 31, 2019 MCLR + 0.85%)

b) Cash Credit facility from HSBC bank is secured by pari passu charge on movable fixed assets excluding those fund ed out of other Bank's Term Loan and pari passu charge on stocks and receivables and Pari-Pasu charge on factory land and building located at 14/4, Mathura Road Industrial, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating at MCLR+0.90% (March 31, 2019 : MCLR +0.70 % p.a.)

c) Unsecured loan from related party is taken during ordinary course of business and balance outstanding as at March 31, 2020 is repayable on demand and carries interest rate of 8.40 % p.a (March 31, 2019 : 7.40 % p.a.)

Note 9 : Trade Payables

Trade Payables

Amount due to Micro and Small Enterprises (Refer Para 'a' below)

	As March 31, 2020	At March 31, 2019
- Principal amount	41,056,300	12,568,632
- Interest payable	56,139	192,658
Others	190,337,203	270,151,027
	231,449,642	282,912,317

a) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 & as certified by the Management, the amount due to Micro, & small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

	As March 31, 2020	At March 31, 2019
i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.		
- Principal Amount	41,056,300	12,568,632
- Interest	56,139	175,845
- The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		
- Principal Amount	12,568,632	2,779,036
- Interest	175,845	38,747
-The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	16,813
-The amount of interest accrued and remaining unpaid at the end of each accounting year.	56,139	192,658
-The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

(b) The above amount does not includes any amount due to be transferred to Investor Education & Protection Fund

Note 10 : Other Current liabilities

	As March 31, 2020	At March 31, 2019
Interest accrued but not due on borrowings from Banks	37,902	63,866
Interest accrued and due on borrowings from Related Parties	-	1,727,038
Deposits from Dealers *	22,824,010	20,454,010
Other Deposits	500,000	500,000
Unpaid dividends	1,482,300	1,441,750
Other Payables		
Statutory dues payable	26,015,064	28,043,484
Advances from customers	5,505,465	11,103,588
Creditors for Capital Goods	6,116,061	1,437,334
	65,260,198	68,229,250

* Deposits from dealers carry interest @ 8% p.a. and repayable on expiry/ Termination of agreement.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

Note 11 : Property, Plant and Equipment (Amount in '₹' unless otherwise stated)

Particulars	Gross Block		Depreciation/Amortisation		Net Block	
	As April 1, 2019	At Addition during the year	Deletion/ Adjustment During the Year	As March 31, 2020	At March 31, 2020	At March 31, 2019
Tangible Assets						
Land : Freehold	22,660,171	-	-	22,660,171	22,660,171	22,660,171
Leasehold	774,944	-	-	774,944	521,476	539,663
Building: Factory	119,309,056	1,30,220	1,567,144	117,872,132	42,797,428	49,066,135
: Adminis- trative	13,431,367	236,430	-	13,667,797	8,365,163	8,549,527
Plant and Equipment	952,842,729	99,102,520	203,529	1,051,741,720	635,489,806	396,561,660
Furniture and fixtures	20,414,379	597,614	-	21,011,993	6,106,239	7,410,811
Vehicles	41,712,883	5,616,083	6,357,559	40,971,407	10,145,966	7,943,515
Office Equipment	14,510,689	1,741,676	28,172	16,224,193	30,825,441	1,566,413
Electrical Installation	18,548,723	254,950	-	18,803,673	2,532,837	3,753,376
Computer	19,456,712	925,937	-	20,382,649	3,200,479	2,988,944
Total Tangible Asset (I)	1,223,661,654	108,605,430	8,156,404	1,324,110,681	809,251,685	501,040,216
Intangible Assets						
Computer software	13,366,373	800,000	-	14,166,373	10,819,208	4,393,798
Total Intangible Asset (II)	13,366,373	800,000	-	14,166,373	3,347,165	4,393,798
Capital Work in Progress (Refer sub-note 'a' below)	1,432,558	3,433,599	1,432,558	3,433,599	-	1,432,558
Total CWIP (III)	1,432,558	3,433,599	1,432,558	3,433,599	-	1,432,558
Grand Total (I+II+III)	1,238,460,586	112,839,029	9,588,962	1,341,710,653	820,070,893	506,866,573
March 31, 2020	1,144,558,521	100,202,999	6,300,940	1,238,460,586	731,594,013	-

Sub-notes:

a) The details of capital work in progress is as under:

Particulars	As March 31, 2020	At March 31, 2019
Office Equipment	-	209,925
Electrical Installation	548,244	-
Plant and equipment	2,885,355	1,222,633
Total	3,433,599	1,432,558

b) The total capital expenditure towards research & development incurred during the year as per books of account is

₹ 1,626,856 (March 31, 2019 : ₹ 1,695,154) being Plant & Machinery.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

			As March 31, 2020	At March 31, 2020	As March 31, 2019	At March 31, 2019
Note 12 : Non-Current Investments						
Non-trade investments (Valued at Cost, unless stated otherwise)						
Investments in Government securities						
-National Saving Certificate (NSC)			-		9,000	
	(A)		-		9,000	
Trade investments						
Investments in capital of Wholly Owned Subsidiary - Elofic USA, LLC						
Opening balance			43,196,949		35,843,354	
Add: Profit during the year			2,317,080		9,188,814	
Less: Drawing during the year			2,080,424		1,835,219	
Closing Balance	(B)		43,433,605		43,196,949	
Total Investments	(A+B)		43,433,605		43,205,949	
Note 13: Loans and Advances						
		Non-Current	March 31, 2020	March 31, 2019	Current	March 31, 2020
						March 31, 2019
Capital Advances						
Unsecured, Considered Good	(A)		4,160,221	5,041,210	-	-
Security Deposits						
Unsecured, Considered Good	(B)		8,732,155	8,136,884	267,316	197,316
Advances Recoverable in cash or kind						
Advance Recoverable in cash or in Kind						
-Unsecured - Considered Good			-	-	10,175,432	3,565,473
-Unsecured - Considered Doubtful			-	-	457,488	457,488
			-	-	10,632,920	4,022,961
Less: Provision for Doubtful Advances			-	-	457,488	457,488
	(C)		-	-	10,175,432	3,565,473
Other Loans and Advances						
Advance Tax (Net of provisions of ₹ 126,739,645) (March 31 2019: ₹ 196,691,178)			16,081,376	2,582,175	-	3,492,839
Prepaid Expenses			361,018	240,000	2,411,174	2,015,956
Loans to Employees			-	-	945,202	810,339
Balances with Government Authorities			3,400,889	3,400,889	92,925,327	103,752,623
	(D)		19,843,283	6,223,064	96,281,703	110,071,757
	(A+B+C+D)		32,735,659	19,401,158	106,724,452	113,834,546
Note 14 : Other Assets						
		Non-Current	March 31, 2020	March 31, 2019	Current	March 31, 2020
						March 31, 2019
Unsecured, considered good unless stated otherwise						
Non-Current Bank Balances (Refer Note No. 17)			9,656	2,660,176	-	-
Others						
Interest accrued on Fixed Deposits			14	162,700	2,855,577	2,518,399
Interest accrued on Investment/Others			-	1,000	17,968	20,961
Export Incentive Recoverable			-	-	49,193,928	35,187,802
Insurance Premium Recoverable			-	-	586,460	-
			9,670	2,823,876	52,653,933	37,727,162
Note 15 : Inventories						
(as taken, valued and certified by the management)*						
Raw Materials					236,334,578	206,653,713
Raw Material - In- Transit					364,698	-
Finished goods					122,577,327	136,829,593
Finished goods - Goods in Transit					8,298,865	2,367,374
Stock-In-Trade					5,692,696	2,648,675
Stores and Spares					2,670,024	2,388,395
Packing Materials					1,430,914	1,457,407
					377,369,102	352,345,157

* For mode of valuation refer Note No 2 ('c')

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 16 : Trade Receivable	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Trade Receivables				
Outstanding for the period exceeding six months from the date they are due for payment				
Secured, considered Good	-	-	239,919	-
Unsecured, considered Good	-	-	11,127,667	22,823,242
Unsecured, considered Doubtful	-	-	2,121,765	2,792,267
	-	-	13,489,351	25,615,509
Less: Allowance for Doubtful Receivables	-	-	2,121,765	2,792,267
	-	-	11,367,586	22,823,242
Other Receivables				
Secured, considered Good	-	-	8,809,302	9,433,089
Unsecured, considered Good	-	-	294,151,352	390,055,156
	-	-	302,960,654	399,488,245
	-	-	314,328,240	422,311,487

Note 17 : Cash and Bank Balances	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash and Cash Equivalents				
Balances with Banks:-				
On Current Accounts	-	-	35,118,910	10,109,833
Cash on Hand	-	-	172,901	710,972
(A)	-	-	35,291,811	10,820,805
Other Bank Balances				
Balance with bank				
Unpaid Dividend	-	-	1,482,300	1,441,750
Deposit having original maturity more than 3 months but less than 12 months	-	-	51,618,462	48,420,101
Deposits with original maturity of more than twelve months	9,656	2,660,176	7,013,445	3,925,170
(B)	9,656	2,660,176	60,114,207	53,787,021
Amount disclosed under non-current assets (Refer Note No. 14)	9,656	2,660,176	-	-
(A+B)	-	-	95,406,018	64,607,826

a) Out of total fixed deposits of ₹ 576,501 (March 31 2019: ₹ 571,425) are pledged as security for margin money with the banks.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 18 : Revenue from operations	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Sale of Products (Refer sub-note 'a' Below)		
- Finished Goods	2,087,521,724	2,154,462,158
- Traded Goods	21,690,932	22,668,040
Other operating revenues		
Export Incentive	40,722,126	47,986,151
Scrap Sales	31,630,023	40,017,078
Others	4,283,540	3,093,128
Revenue from operations(Net)	2,185,848,345	2,268,226,555
a) Detail of Products sold		
Finished goods sold		
- Filter & Lubes	2,087,521,724	2,154,462,158
	2,087,521,724	2,154,462,158
Traded good sold		
- Coolants	21,690,932	22,668,040
	21,690,932	22,668,040
b) Earning in foreign currency		
FOB value of Exports	683,776,862	788,932,127
Tooling Charges	2,667,464	2,859,519
Other Charges	178,297	157,035
	686,622,623	791,948,681
Note 19 : Other Income	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Interest Income		
- On Fixed Deposits	4,233,173	3,267,032
- On Electricity Deposits	125,082	48,877
- On Income Tax Refund	470,892	121,628
- Others	3,317,682	2,658,697
Exchange Fluctuation (Net)	27,946,046	19,839,342
Other Non-Operating Income		
- Allowance for Doubtful Advances Written Back	-	430,030
- Sundry Balances Written Back	413,645	8,547,815
- Profit on Sale of Fixed Asset	281,081	70,730
- Reversal of Deferred Govt Grant (Refer Sub-note 'a' below)	120,868	148,820
- Miscellaneous Income	481,793	639,546
	37,390,262	35,772,517
a) During the financial year 2011-12, the Company had recognized a grant amounting to ₹ 3,000,000 from Government of Himachal Pradesh against installation of Plant and Machinery at Nalagarh Plant. Out of this ₹ 120,868 (March 31, 2019 : ₹ 148,820) is being recognised as income in the Statement of Profit and Loss and ₹ 5,22,646 (March 31, 2019 : ₹ 6,43,514) is considered as deferred Government grant under ' Reserve and Surplus' in note no. 4 of Financial Statements.		
b) Income in Foreign Currency		
Interest received	3,317,682	2,658,697
	3,317,682	2,658,697
Note 20 : Cost of Raw Material Consumed	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Inventory at the beginning of the year	206,653,713	207,988,328
Add: Purchases during the year	1,030,993,200	1,063,323,290
Total	1,237,646,913	1,271,311,618
Less: Inventory at the end of the year	236,699,275	206,653,713
Cost of materials consumed	1,000,947,638	1,064,657,906
a) Details of Raw Materials Consumed		
Filter Paper	95,717,676	98,487,614
Iron Sheet	296,214,278	290,655,287
Rubber item	112,090,930	101,072,075
Others	496,924,754	574,442,930
	1,000,947,638	1,064,657,906

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

b) C.I.F Value of Imports

Raw Materials	111,529,858	119,706,708
Capital Goods	76,378,962	59,343,600
Other Material	16,603,764	8,321,743
	204,512,584	187,372,050

c) Details of Indigenous and Imported Raw Material Consumed

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Value	%	Value	%
Imported	102,961,899	10	142,286,717	13
Indigenous	897,985,739	90	922,371,189	87
	1,000,947,638	100	1,064,657,906	100

Note 21 : Details of Purchase of Traded Goods

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Coolants	18,860,074	16,752,112
	18,860,074	16,752,112

Note 22 : Increase/(Decrease) in Inventories

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Inventories at the beginning of the year		
- Work-in-progress	-	4,432,966
- Finished goods (Including in Transit)	139,196,967	138,958,805
- Traded Goods	2,648,675	1,964,150
	(A) 141,845,642	145,355,921
Inventories at the end of the year		
- Work-in-progress	-	-
- Finished Goods	122,577,327	136,829,593
- Finished Goods- in-Transit	8,298,865	2,367,374
- Traded Goods	5,692,696	2,648,675
	(B) 136,568,888	141,845,642
	(A - B) (5,276,754)	(3,510,279)

a) Details of Inventories

Finished Goods

Filters & Lubes	122,577,327	136,829,593
	122,577,327	136,829,593

Traded Goods

Coolants	5,692,696	2,648,675
	5,692,696	2,648,675

Note 23 : Employee Benefit Expense

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Salaries, Wages and Bonus	318,377,224	305,526,960
Contribution to Provident and other funds	23,889,918	24,440,703
Gratuity (Refer Note Below)	9,829,766	8,175,881
Compensated Absences (Refer Note Below)	5,582,742	5,218,904
Staff Welfare Expenses	5,339,137	4,397,466
	363,018,787	347,759,914

(I) The Company has classified the various benefits provided to employees as under:-

(i) Defined Contribution Plan

The Company makes contribution towards Provident Fund (PF), Employee State Insurance (ESI) and Labour Welfare fund as defined contribution retirement plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Provident Fund	18,785,266	18,084,355
Employee State Insurance	4,698,166	6,141,168
Labour Welfare Fund	406,486	215,180

(ii) Defined Benefit Plan:

Defined benefit plans include Gratuity (Funded) and Compensated Absences (unfunded).

Gratuity is a funded defined benefit plan for qualifying employees. Employees Gratuity Fund scheme is managed by Elofic Industries Limited Employee Gratuity Fund Trust. The present value of defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet. The obligation for Compensated Absence for workers is a defined unfunded benefit plan, which is recognized in the same manner as gratuity.

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit or loss of the year in which related service is rendered. The liability for leave encashment in respect of employees (other than workers) is in the nature of short term employee benefits which is provided on the basis of estimation made by the management.

On account of short term leave encashment policy of the Company, a provision of ₹ 65,54,984 (March 31, 2019 : ₹ 59,85,752) is outstanding in addition to long term obligation recognised by Actuary as at March 31, 2020.

Compensated Absence Expenses includes Long Term Compensated Expenses amounting ₹ 828,597 (March 31, 2019: ₹ 558,042) for workers and Short Term Compensated Expenses ₹ 4,754,145 (March 31, 2019: ₹ 4,660,862) for staff employees and Short Term Compensated Expenses ₹ 665,431 (March 31, 2019: ₹ 506,712) for R&D staff employees.

(II) The details of Actuarial Valuation Certificate(s) are as under :

(a) Reconciliation of opening and closing balances of Defined Benefit Obligations

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Defined Benefit Obligation at the beginning of the year	38,349,034	2,123,164	31,785,630	1,908,851
Interest cost	2,684,432	148,621	2,463,386	147,936
Current Service Cost	4,782,944	645,649	3,571,816	449,930
Past Service Cost	-	-	-	-
Benefits Paid	(1,254,876)	(131,613)	(3,606,178)	(343,729)
Actuarial (gain)/loss on obligation	4,915,633	34,327	4,134,380	(39,824)
Defined Benefit Obligation at the end of the year	49,477,167	2,820,148	38,349,034	2,123,164

(b) Reconciliation of opening and closing balances of Fair Value of Plan Assets

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Fair value of plan assets at beginning of the year	35,650,301	Not applicable as liability is not funded	33,562,778	Not applicable as liability is not funded
Expected return on Plan Assets	2,495,521		2,601,115	
Contribution by employer	12,500,000		3,700,000	
Benefits Paid	(1,254,876)		(3,606,178)	
Actuarial gain/(loss) on Plan Assets	57,722		(607,414)	
Fair value of plan assets at end of the year	49,448,668		35,650,301	

(c) Reconciliation of Fair Value of Assets and Obligations

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Present Value of Defined Benefit Obligation	(49,477,167)	(2,820,148)	(38,349,034)	(2,123,164)
Fair value of Plan Assets	49,448,668	-	35,650,299	-
Net assets/(liability) recognized in the balance sheet	(28,499)	(2,820,148)	(2,698,735)	(2,123,164)

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Particulars	As At March 31, 2018		As At March 31, 2017	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Present Value of Defined Benefit Obligation	(31,785,630)	(1,908,851)	(31,095,863)	(1,535,355)
Fair value of Plan Assets	33,562,778	-	30,312,843	-
Net assets/(liability) recognized in the balance sheet	1,777,148	(1,908,851)	(783,020)	(1,535,355)

Particulars	As At March 31, 2016	
	Gratuity (Funded)	Compensated Absences (Unfunded)
Present Value of Defined Benefit Obligation	(26,880,286)	(1,378,284)
Fair value of Plan Assets	28,643,970	-
Net assets/(liability) recognized in the balance sheet	1,763,684	(1,378,284)

(d) Expense recognized during the year

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Current Service Cost	4,782,944	645,649	3,571,816	449,930
Past Service Cost	-	-	-	-
Interest Cost on benefit obligation	2,684,432	148,621	2,463,386	147,936
Expected return on plan assets	(2,495,521)	-	(2,601,115)	-
Actuarial(gain)/loss recognised in the year	4,857,911	34,327	4,741,794	(39,824)
Net expense/ (benefit)	9,829,766	828,597	8,175,881	558,042

(e) Actuarial Assumptions

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Discount Rate (per annum)	7.00%	7.00%	7.75%	7.75%
Future increase in compensation	5.00%	5.00%	5.00%	5.00%
In Service Mortality	IALM 2012-14	IALM 2012-14	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Retirement age	60 Years	60 Years	60 Years	60 Years
Withdrawal rates:-				
18 to 30 years	3%	3%	3%	3%
30 to 44 years	2%	2%	2%	2%
44 to 60 years	1%	1%	1%	1%

III. The major categories of Plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Eloflc Industries Ltd Employee Gratuity Fund Trust	100%	NA	100%	NA

Sub-note:

Actuarial valuation is based on escalation in future salary on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 24 : Finance Cost

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Interest Expense		
- On Term Loans	506,698	692,387
- On Cash Credits/Other Facilities	3,682,425	9,401,795
- On Security Deposits from dealers	1,590,049	1,535,056
- On Loans from Related Parties	11,511,636	10,251,431
- On Others	59,056	194,600
Interest on Delayed Payment of Advance Taxes	-	1,632,004
Other Borrowing Cost	477,000	1,064,625
	17,826,864	24,771,897

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 25 : Other Expenses	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Consumption of Stores & Spares	13,609,845	14,805,440
Consumption of Packing Material	32,785,837	37,899,218
Jobwork Charges	80,270,258	70,378,608
Power & Fuel	63,817,026	68,113,752
Rent	18,600,142	17,409,129
Repair & Maintenance		
- Buildings	8,595,051	4,729,525
- Plant & Machinery	35,341,166	29,641,893
- Others	9,868,672	8,480,124
Insurance	3,407,172	3,841,357
Rates & Taxes	2,663,243	3,802,182
Legal & Professional	4,831,793	5,930,668
Travelling and Conveyance	14,171,672	16,880,816
Freight Outward	43,183,015	46,371,623
Shipping and Forwarding	33,050,944	38,747,617
Licence Fee	13,785,665	13,511,794
Postage and Courier	1,555,841	1,786,032
Printing and Stationery	1,647,783	1,536,097
Communication Expenses	1,772,713	1,598,970
Sales Promotion	26,033,098	40,623,928
Payment to Auditors (Refer Note 'b' below)	1,468,882	1,351,858
Research and Development Expenses (Refer Note 'c' below)	23,322,977	22,004,020
Cash Discount	25,491,135	26,658,922
Bank Charges	1,046,773	929,172
CSR Expenses (Refer Note No. 31)	300,000	289,031
Provision for Warranty	167,360	884,228
Conventions & Exhibitions	2,018,390	1,635,783
Balances Written Off	3,593,404	715,665
Doubtful Advances Written Off	-	416,006
Allowance for Doubtful Debts	-	719,943
Miscellaneous Expenses	9,910,571	14,524,229
	476,310,427	496,217,631
a) Details of Indigenous and Imported Stores & Spares Consumed		
	For the year ended March 31, 2020	For the year ended March 31, 2019
	Value %	Value %
Imported	- 0%	- 0%
Indigenous	13,609,845 100%	14,805,440 100%
	13,609,845 100%	14,805,440 100%
b) Payment to Auditors		
As Auditor:		
Statutory Audit Fees	710,000	710,000
Tax Audit Fees	150,000	150,000
In other Capacity:		
Taxation Matters	70,000	-
Other Services	465,000	465,000
Out of Pocket Expenses	73,882	26,858
	1,468,882	1,351,858
c) Research and Development Expenditure:		
Revenue Expenditure		
Salary	19,711,408	18,116,742
Repair & Maintenance	2,447,470	2,026,124
Communication	82,500	5,048
Consumables and Samples	689,157	831,917
Printing & Stationary	-	8,059
Staff Welfare	-	22,437
Travelling	72,426	70,319
Miscellaneous	320,016	923,374
	23,322,977	22,004,020
Capital Expenditure		
Plant and Machinery	1,626,856	1,695,154
	1,626,856	1,695,154

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

d) Expenditure in Foreign Currency

Travelling	1,077,226	1,207,409
Bank Charges	150,496	197,958
Machinery Parts	16,595,412	8,315,544
Exhibition Expenses	17,325	26,328
	17,840,459	9,747,239

Note 26: Details of hedged and unhedged foreign currency exposure

Particular	As At March 31, 2020		As At March 31, 2019	
	Hedged	Unhedged	Hedged	Unhedged
Export	-	150,201,291 (1,992,432.15 USD)	-	216,338,064 (3,127,570 USD)
	-	21,585,170 (259,906.97 EURO)	-	21,719,042 (279,516 EURO)
	-	1,482,289 (15,925.58 GBP)	-	1991,612 (22,013 GBP)
Import	-	9,132,812 (1,21,147.50 USD)	-	9,837,389 (142,218 USD)
	-	49,946 (601.40 EURO)	-	46,730 (601.40 EURO)

Note 27 : Earning Per share

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Profit/Loss attributable to the equity share holders	180,394,917	193,767,877
Number/Weighted Average number of equity shares outstanding at the end of the year	2,508,370	2,508,370
Nominal value of equity shares	10	10
Basic/Diluted Earnings per share	71.92	77.25

Note 28: Leases

Assets Taken On Lease

The Company has entered into several operating lease arrangements for office premises and warehouses. The lease agreements are in nature of both cancellable and non-cancellable operating lease with an option of renewal at the end of lease term (which is 1 year in most of the cases) and escalation clause applicable in few cases. Lease Rentals amounting ₹ 18,600,142 (March 31, 2019: ₹ 17,409,129) in respect of such leases have been recognized in statement of Profit & Loss for the year including transfer to Lease Equilisation Reserve. The details of Non-cancellable operating lease rentals payable (Future Minimum Lease Payments) are as under :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Not later than one Year	986,979	1,438,255
Later than one year and not later than five years	2,511,792	2,448,377
Total	3,498,771	3,886,632

Note 29: Segment Reporting

The Company identifies geographical segment as reportable segment. The Company reports standalone financial statement along with consolidated financial statement. In accordance with Accounting Standard-17- Segment Reporting, the company has disclosed the segment information in consolidated financial statement.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 30 : Disclosure of Related parties/ Related parties transactions :

a) List of Related Parties and Nature of Relationships

i) Subsidiary	Eloflc USA, LLC
ii) Associates/ Enterprise over which key managerial person has significant influence	Eloflc Industries (India)
	Mettler Auto Private Limited
	Jasmo Kamal & Company
	Eloflc Private Limited
	YESS Charitable Trust
iii) Key Management Personnel	B.Bhagwan Singh Eloflc Charitable Trust
	Shri M.B.Sahni (Managing Director)
	Shri K.D.Sahni (Whole Time Director)
	Shri J.S. Bedi (Additional Director) (w.e.f 14/10/2019)
iv) Relatives of Key Management Personnel	Smt. Brita Sahni (Wife of K.D. Sahni)
	Mr. Karam Sahni (Son of K.D. Sahni)
	Ms. Asheen Sahni (Daughter of M.B. Sahni)
	Mr. Saheb Sahni (Son of M.B. Sahni)

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

b) Transactions with Related Parties :														
S. No.	Particulars	Wholly owned subsidiary Elofic USA, LLC	Associates/ Enterprise over which key managerial person has significant influence		Key Managerial Personnels				Relatives of Key Managerial Personnel					
			Elofic Industries (India)	Mettler Auto (P) Ltd	YES Charitable Trust	B. Bhagwan Singh Elofic Charitable Trust	Others	M B Sahni	K D Sahni	J.S. Bedi	Brita Sahni	Saheb Sahni	Karam Sahni	Asheen Sahni
I	Sale of goods	399,051,763 (447,980,539)	-	-	-	-	-	-	-	-	-	-	-	-
II	Rent paid	-	15,543,233 (14,129,634)	31,145 (31,145)	-	25,954 (25,954)	-	-	-	-	-	440,000 (495,135)	-	-
III	Licence fees	-	13,785,665 (13,511,794)	-	-	-	-	-	-	-	-	-	-	-
IV	Loans Taken	-	-	-	-	-	-	55,000,000 (50,000,000)	-	-	-	-	-	-
V	Repayment of loans	-	-	-	-	-	-	65,000,000 (30,000,000)	-	-	-	-	-	-
VI	Interest paid	-	-	-	-	-	-	2,088,908 (3,286,817)	9,422,728 (6,964,614)	-	-	-	-	-
VII	Interest Received	3,317,682 (2,658,697)	-	-	-	-	-	-	-	-	-	-	-	-
VIII	Remuneration paid	-	-	-	-	-	-	9,281,852 (8,517,944)	9,281,852 (8,526,714)	1,416,766	-	649,597 (502,871)	898,037 (688,958)	-
IX	Misc. Receipts	178,296 (157,035)	-	-	-	-	-	-	-	-	-	-	-	-
X	Expenses recovered	410,266 (291,663)	784,027	-	-	-	-	-	-	-	-	-	-	-
XI	Donation given	-	-	150,000 (150,000)	-	150,000	-	-	-	-	-	-	-	-
XII	Club Fees	-	-	-	-	-	-	25,044 (38,406)	81,038 (66,339)	-	-	-	-	-
XIII	Consultancy	-	-	1,007,765 (869,715)	-	-	-	-	-	-	-	-	-	631,035 (488,710)
XIV	Outstanding as at year end :	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Receivable	127,106,924 (187,758,342)	-	-	-	-	-	-	-	-	-	-	-	-
	- Payable	-	14,909,807 (14,626,844)	-	-	-	-	25,207,069 (25,113,200)	66,907,069 (78,425,238)	163,595	-	63,505 (14,810)	82,921 (28,767)	117,931

Sub-Notes:

- Figures in brackets showing previous year figures.
 - All the transactions with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash within 12 month of reporting date.
 - There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of bad or doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.
 - Remuneration does not include expense in respect of gratuity as the same is determined on actuarial basis for the company as a whole.

Notes To The Standalone Financial Statements For The Year Ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 31: CSR Expenditure

(a) Gross amount required to be spent by the Company during the year (i.e. 2% of Average Net profits u/s 198 of Companies Act, 2013 of last three years): ₹ 3,894,912 (March 31, 2019: ₹ 2,916,666)

(b) Amount spent during the year:

Purpose for which expenditure incurred	Remarks	Amount Spent	Outstanding Amount to be Spent
For Year Ended March 31, 2020			
Construction/acquisition of any asset	-	-	3,594,912.00
On purposes other than (a) above	(i) YESS Charitable Trust #	150,000	
	(ii) B. Bhagwan Singh Elofic Charitable Trust #	150,000	
For Year Ended March 31, 2019			
Construction/acquisition of any asset	-	-	2,627,635.00
On purposes other than (a) above	(i) YESS Charitable Trust #	150,000	
	(ii) Prime Minister Relief Fund	139,031	

Yess Charitable Trust and B.Bhagwan Singh Elofic Charitable Trust are related parties as per Accounting Standard (AS) 18.

Note 32 : Company incurred following cost on Research & Development activities for R&D centre at Faridabad, up to March 31, 2020 from the year 2009-10.

Financial Year	Capital Expenses	Revenue Expenses
2009-10	385,811	3,975,041
2010-11	681,600	4,769,078
2011-12	7,306,021	5,501,830
2012-13	3,017,100	8,251,176
2013-14	7,979,550	10,233,540
2014-15	3,495,013	13,261,152
2015-16	1,737,466	13,322,889
2016-17	6,265,479	11,203,703
2017-18	3,522,500	15,035,475
2018-19	1,695,154	22,004,020
2019-20	1,626,856	23,322,977

Note 33 : In view of the management, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2020.

Note 34 : The receiving of balance confirmation for trade receivables/trade payables and their reconciliations is an ongoing process. The balances of certain trade receivables and trade payables are subject to reconciliation and confirmation as at March 31, 2020 .

Note 35 : Event occurring after balance sheet date

(a) Dividend paid and Proposed:

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(i) Declared and paid during the year:		
Final dividend for the year 2018-19: ₹ 3.00 per share (2017-18: ₹ 3.00 per share)	7,525,110	7,525,110
(ii) Proposed for approval at the Annual General Meeting (not recognised as a liability)		
Final dividend for the year 2019-20: ₹ 2.00 per share (2018-19: ₹ 3.00 per share)	5,016,740	7,525,110

(b) In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on 25 March 2020, which has impacted the business activities of the Industry and accordingly the Company has also assessed the impact that may result from this pandemic on its liquidity position, carrying amounts of receivables, tangible and intangible assets and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has considered internal and external information available till the date of approval of these financial statements and has assessed its situation. In that context and based on the current estimates, the Company believes that COVID 19 is not likely to have any material impact on its financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID 19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant periods.

Note 36 : The previous year figures have been regrouped & reclassified wherever considered necessary.

Note 37 : The figures have been rounded off in rupees (₹), unless stated otherwise.

As per our Report of even date attached

For S. R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

(K.D.Sahni)

Jt. Managing Director

DIN 00901216

(Jatinder Singh Bedi)

Director

DIN 08583060

**"For & on behalf of the Board of Directors of
Eloflc Industries Limited"**

(M.B. Sahni)

Managing Director

DIN 00906251

(Adish Suri)

GM- Finance &

Accounts

Place of Signature: New Delhi

Date: 28, November, 2020



INDEPENDENT AUDITORS REPORT

To The Members of Elofic Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Elofic Industries Limited** ("the Holding Company") and its Subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flows Statement for the year ended , and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounts) Rules, 2014, as amended ("AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of the consolidated Profit and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Information other than Consolidated Financial Statements and Auditor's Reports thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the

INDEPENDENT AUDITORS REPORT

AS specified under Section 133 of the Act. The respective Board of Directors/ Management of the company/entity included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors/ Management of the Company/entity included in the group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors/ Management of the company/entity included in the Group are also responsible for overseeing their financial reporting process of the Group.

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

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

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

- ñ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ñ Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Companies included in the Group has adequate internal financial controls with reference to the consolidated financial statements in place and the operating effectiveness of such controls.
- ñ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ñ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ñ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements

INDEPENDENT AUDITORS REPORT

represent the underlying transactions and events in a manner that achieves fair presentation.

- ñ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditor. For the entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor is responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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.

Other Matters

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets (before eliminating inter-company balances ₹ 66,517,064) of ₹ 186,402,493 as at March 31, 2020, total revenue (before eliminating inter-company transaction Nil) of ₹ 481,373,578 and net cash inflow amounting to ₹ 1,979,368 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Further, in respect of the above subsidiary which is located outside India, the financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. These converted financial statements have been audited by other auditor whose report has been furnished to us by the Management. Our opinion, in so far as it relates to the financial statements of such subsidiary located outside India, is based on the report of other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditor.

INDEPENDENT AUDITORS REPORT

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flows Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the holding company is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act. In respect of subsidiary, which is incorporated outside India, the provision of section 164 (2) of the Companies Act, 2013 are not applicable.
- f) With respect to the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, refer to our separate Report in "**Annexure A**". In respect of subsidiary, which is incorporated outside India, the provision of section 143(3)(i) on adequacy and operating effectiveness of the internal financial controls, of the Companies Act, 2013 are not applicable.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the report of other auditor on separate financial statement of subsidiary, as given in the 'Other Matters' paragraph above :
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

2. With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanation given to us, the Holding Company has paid remuneration to its directors during the year is in accordance with the provisions of and limit laid down under section 197 read with Schedule V of the Act. In respect of subsidiary, which is incorporated outside India, the provision of section 197 of the Act are not applicable.

For S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN:20083689AAAAGF1089

Place of Signature: New Delhi

Date: 28, November, 2020

Annexure A to the Independent Auditors Report of even date on the Consolidated Financial Statement of Elofic Industries Limited

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of **Elofic Industries Limited** (hereinafter referred to as "the Holding Company").

Management's Responsibility for Internal Financial Controls

The Board of director of holding company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; (3) Provide reasonable assurance regarding

prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion, the Holding Company which is incorporated in India, have , in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on "the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Dinodia & Co. LLP.

Chartered Accountants,

Firm's Registration Number 001478N/N500005

(Sandeep Dinodia)

Partner

Membership Number 083689

UDIN:20083689AAAAGF1089

Place of Signature: New Delhi

Date: 28, November, 2020

BALANCE SHEET

Consolidated Balance sheet As At March 31, 2020

(Amount in '₹' unless otherwise stated)

Particulars	Note No.	As March 31, 2020	At March 31, 2019
I Equity And Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	3	25,083,700	25,083,700
(b) Reserves and Surplus	4	1,055,187,622	885,952,926
		1,080,271,322	911,036,626
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	2,732,657	2,142,592
(b) Deferred Tax Liabilities (Net)	6	4,568,769	4,204,110
(c) Long Term Provisions	7	2,782,662	2,126,242
		10,084,088	8,472,944
(3) Current Liabilities			
(a) Short Term Borrowings	8	96,408,113	229,518,156
(b) Trade Payables	9		
(A) Total Outstanding Dues of Micro Enterprises and Small Enterprises		41,112,439	12,761,290
(B) Total Outstanding Dues of Creditors Other than Micro Enterprises and Small Enterprises		192,515,301	271,827,396
(c) Other Current Liabilities	10	65,260,198	68,229,250
(d) Short Term Provisions	7	7,993,881	12,088,678
		403,289,932	594,424,769
Total		1,493,645,342	1,513,934,340
II Assets			
(1) Non-Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	11	514,858,996	501,040,215
(ii) Intangible Assets	11	3,347,165	4,393,798
(iii) Capital Work-in-Progress	11	3,433,599	1,432,558
(b) Non-Current Investments	12	-	9,000
(c) Long-Term Loans and Advances	13	32,735,659	19,401,157
(d) Other Non-Current Assets	14	9,670	2,823,876
		554,385,089	529,100,604
(2) Current Assets			
(a) Inventories	15	454,224,299	465,724,927
(b) Trade Receivables	16	227,766,482	302,541,428
(c) Cash and Bank Balances	17	97,719,471	64,941,911
(d) Short-Term Loans and Advances	13	106,896,067	113,898,307
(e) Other Current Assets	14	52,653,933	37,727,162
		939,260,253	984,833,736
Total		1,493,645,342	1,513,934,340

Significant Accounting Policies

2

The accompanying notes are an integral part of the financials statements.

As per our Report of even date attached

For S. R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

"For & on behalf of the Board of Directors of Elofic Industries Limited"

(Sandeep Dinodia)
Partner
Membership Number 083689

(K.D.Sahni)
Jt. Managing Director
DIN 00901216

(M.B. Sahni)
Managing Director
DIN 00906251

(Jatinder Singh Bedi)
Director
DIN 08583060

(Adish Suri)
GM- Finance & Accounts

Place of Signature: New Delhi
Date: 28, November, 2020

PROFIT & LOSS ACCOUNT

Consolidated Statement of Profit & Loss For The Year Ended March 31, 2020

		(Amount in '₹' unless otherwise stated)	
Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I Revenue from operations	18	2,267,991,865	2,296,974,069
II Other income	19	27,191,206	28,744,188
III Total Revenue (I + II)		2,295,183,071	2,325,718,257
IV Expenses			
(a) Cost of materials consumed	20	1,000,947,638	1,069,442,226
(b) Purchases of Stock-in-Trade	21	35,788,590	16,752,112
(c) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	54,655,184	(13,811,787)
(d) Employee benefits expense	23	363,018,787	347,759,914
(e) Finance costs	24	17,826,864	24,771,897
(f) Depreciation and amortization expense	11	95,444,257	93,870,252
(g) Other expenses	25	486,422,026	511,504,623
Total Expenses		2,054,103,346	2,050,289,238
V Profit/(Loss) Before Exceptional items and Tax (III - IV)		241,079,725	275,429,019
VI Exceptional items		-	-
Profit/(Loss) Before Tax (V + VI + VII)		241,079,725	275,429,019
VII Tax expense:			
(a) Current Tax		68,437,850	72,631,000
(b) Deferred Tax		364,659	(1,445,733)
(c) Tax Adjustment of earlier years		(1,326,539)	694,751
VIII Profit After Tax For The Year		173,603,755	203,549,001
IX Earnings Per Equity Share (face value of ₹ 10 per share)			
(a) Basic	26	69.21	81.15
(b) Diluted	26	69.21	81.15

Significant Accounting Policies

2

The accompanying notes are an integral part of the financial statements.

As per our Report of even date attached

For S. R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

"For & on behalf of the Board of Directors of Elofic Industries Limited"

(Sandeep Dinodia)
Partner
Membership Number 083689

(K.D.Sahni)
Jt. Managing Director
DIN 00901216

(M.B. Sahni)
Managing Director
DIN 00906251

(Jatinder Singh Bedi)
Director
DIN 08583060

(Adish Suri)
GM- Finance & Accounts

Place of Signature: New Delhi

Date: 28, November, 2020


Filters & Lubricants

CASH FLOW STATEMENT

Consolidated Cash Flow Statement for the Year Ended March 31, 2020

(Amount in ₹ unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow From Operating Activities		
Net Profit Before Tax	245,903,453	284,289,160
Adjustment for		
Depreciation and Amortization	95,444,257	93,870,252
Finance Cost	17,826,864	24,771,897
Interest Received on Fixed Deposit and Others	(4,233,173)	(3,267,032)
Allowance for Bad & Doubtful Debts	-	719,943
Gain/(loss) on disposal of property, plant and equipment (net)	(281,081)	(70,730)
Deferred Income	(120,868)	
	108,635,999	(148,820)
		115,875,510
Operating Profit Before Working Capital Changes	354,539,453	400,164,670
(Increase)/Decrease in Inventories	11,500,628	(29,184,487)
(Increase)/Decrease in Trade Receivables	74,774,945	(44,040,648)
(Increase)/Decrease in Loans and Advances	(5,465,481)	3,679,462
(Increase)/Decrease in Other Bank Balance		
(Increase)/Decrease in Other Assets	(14,562,629)	(20,862,315)
Increase/(Decrease) in Liabilities & Provisions	(57,368,374)	(13,019,897)
	8,879,090	(103,427,884)
Cash Generated From Operations	363,418,543	296,736,786
Income Taxes Paid (Net)	(67,978,091)	(112,382,963)
Net Cash Provided/(Used) in Operating Activities (A)	295,440,452	184,353,823
Cash Flow From Investing Activities		
Purchase of property, plant and equipment/ intangible assets including Capital Work-in-Progress	(110,622,900)	(98,663,454)
Increase in Non Trade Long Term Investments	9,000	-
Sale of property, plant and equipment	686,535	308,800
Investments in Fixed Deposits with Bank	(3,636,116)	(45,054,956)
Interest Received on Fixed Deposit and Others	4,058,680	761,331
Net Cash Provided/(Used) in Investing Activities (B)	(109,504,801)	(142,648,280)
Cash Flow From Financing Activities		
Proceeds/(Payments) from/of Long term Borrowings	590,064	(3,253,480)
Payment of Short Term loans	(133,110,043)	(15,519,115)
Interest Paid	(17,852,828)	(23,180,728)
Dividend Paid	(7,565,660)	(7,533,210)
Dividend Tax Paid	(1,546,810)	(1,532,113)
Net Cash Provided/(Used) in Financing Activities (C)	(159,485,277)	(51,018,647)
Net Increase(decrease) in Cash and Cash Equivalents (A+B+C)	26,450,374	(9,313,103)
Cash and Cash Equivalent At The Beginning of The Year (Refer Note No. 16)	11,154,891	20,467,995
Cash and Cash Equivalent At The End of The Year (Refer Note No. 16)	37,605,265	11,154,891

Notes To Cash Flow Statement

Components Of Cash And Cash Equivalent

Cash on hand	172,901	710,972
Balance In current Account	37,432,364	10,443,919
	37,605,265	11,154,891

As per our Report of even date attached

For S. R. Dinodia & Co. LLP.

Chartered Accountants

Firm's Registration Number 001478N/N500005

"For & on behalf of the Board of Directors of Elofic Industries Limited"

(Sandeep Dinodia)
Partner
Membership Number 083689

(K.D.Sahni)
Jt. Managing Director
DIN 00901216

(M.B. Sahni)
Managing Director
DIN 00906251

(Jatinder Singh Bedi)
Director
DIN 08583060

(Adish Suri)
GM- Finance & Accounts

Place of Signature: New Delhi
Date: 28, November, 2020

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 1

Group Information

Eloflc Industries Limited was incorporated on June 2, 1973 under the provisions of the Companies Act, 1956. The company along with its subsidiary (collectively referred to as "the Group") is engaged in manufacturing and supplying of automobile filters and lubes. The Holding Company has its Registered Office at 14/4, Mathura Road, Faridabad-121003.

Note 2 : Significant Accounting Policies And Notes To The Account

a) Accounting Convention

The consolidated financial statements have been prepared in accordance with applicable accounting standards and relevant presentation requirements of the Companies Act, 2013 and are based on the historical cost convention. The financial statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP), on accrual and going concern basis. The Company has complied in all material respects with Accounting Standards notified under section 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b) Uses of Estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires the management to make judgement, estimates and assumptions that affect the reported amounts of revenues, expenses, assets & liabilities (including contingent liabilities) at the end of the reporting period. Although these estimates are based on the managements' best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount(s) of assets or liabilities in future periods. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c) Basis of Consolidation

- The financial statements of the Holding Company and its share in the subsidiary have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income, and expenses, after eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses in accordance with AS-21: Consolidated Financial Statements.
- The financial statements of foreign subsidiaries, being Non integral foreign operations, have been translated using the principles and procedures as laid down in AS-11.
- To the extent possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the holding company's individual financial statements. Inconsistency, if any, between the accounting policies of the subsidiary have been disclosed in the notes to accounts.
- The difference, if any of the cost to the holding company of its investment in subsidiary over its share in the equity of the subsidiary company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.
- The Consolidated Financial Statements are presented, to the extent possible, in the same format as adopted by the parent company for its individual financial statements.

d) Detail of entities considered in consolidated financial statements

Name of the Enterprise	Country of Incorporation	% of voting power held as at March 31, 2016
Eloflc USA, LLC	USA	100%

e) Inventories

Inventories (including those in transit) are valued at the lower of cost and net realisable value after providing for obsolescence and other losses where considered necessary. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of purchase consists of the purchase price including duties and taxes other than those subsequently recoverable by the enterprise, freight inwards and other expenditure directly attributable for its acquisition.

The methods of determining cost of various categories of inventories are as under :

Nature of inventories	Method of valuation
Raw Materials, Packing Material and Stores and Spares	First In First Out Method
Stock-in-Trade	Raw Material cost on First In First Out method plus appropriate share of labour and manufacturing overheads.
Finished Goods and Work In Progress	Raw Material cost on First In First Out method plus conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

f) Tangible Assets and Capital Work-In-Progress

Tangible assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of tangible assets includes non-refundable taxes, duties, freight, insurance, labour cost, allocable borrowing costs and other directly attributable cost to the construction / acquisition of the assets. Subsequent expenditure relating to tangible assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gain or loss arising on account of sale of tangible assets are measured as the difference between the net proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss in the year in which the asset is sold.

Tangible assets under construction, advance paid towards acquisition of tangible assets and cost of assets not put to use before end are shown as capital work in progress. Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

g) Intangible Assets

Intangible assets representing computer software (which does not an integral part of related hardware) ,Technical Know-How and Guidance Fee. Computer software which is acquired separately, is recognized initially at cost. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

h) Depreciation / Amortisation

Depreciation on tangible fixed assets is provided using written down value method as per useful life specified in Part "C" of Schedule II to the Companies Act, 2013 and after retaining residual value of 5% of the original cost of the assets as specified in the said schedule. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit & Loss. Leasehold improvements are amortised over the lease term or the useful life of the assets.

Assets costing individually ` 5,000/- or less are fully depreciated in the year of purchase. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the Holding Company for their use.

i) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Following are the specific revenue recognition criteria:

- i) Revenue relating to sale of goods is recognised on dispatch of goods which coincides with the transfer of significant risks and rewards related to goods and are accounted for net of returns. Net sales, as disclosed, are exclusive of sales tax and GST.
- ii) Revenue relating to interest income is recognised on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.
- iii) Revenue relating to service income is recognised on accrual basis in accordance with the service agreements. Export Incentives are also recognised on accrual basis.

j) Purchases

- i) Domestic purchases are booked on the basis of date of material inward receipt (MIR) note.
- ii) Import purchases are booked when the risks and rewards are transferred to the Group.

k) Foreign Currency Transactions

Initial Recognition: Transactions denominated in foreign currencies are recorded at an exchange rate prevailing at the time of the transaction.

Conversion: Monetary items denominated in foreign currency and not covered by forward exchange contracts are reported using the closing exchange rate on each Balance Sheet Date and those covered by forward exchange contracts are translated at the rate prevailing on the date of transaction as increased or decreased by the proportionate difference between the forward rate and exchange rate on the date of transaction, such difference having been recognised over the life of contract. Non-Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange Difference: The exchange difference arising on the settlement of monetary items or reporting these items at rates different from rates at which these were initially recorded / reported in previous consolidated financial statements are recognized as income/expense in the period in which they arise.

Forward Contracts: In case of forward exchange contracts, the premium or discount arising at the inception of such contracts, is amortized as income or expense over the life of the contract as well as exchange difference on such contracts i.e. difference between the exchange rates at the reporting/settlement date and the exchange rate on the date of inception of contract / the reporting date, is recognized as income / expense for the period.

l) Investment

Long term investments are stated at cost except those investments which in the management's opinion have suffered a permanent diminution and thus valued at nominal rate. Investment which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as Current Investment

m) Employees Benefits

Expense and Liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 — Employee Benefits (Revised 2005) :

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Short Term Employee Benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit or Loss of the year in which related services are rendered. Such Benefits include Salaries, Wages, Bonus etc. The liability for leave encashment in respect of employees (other than workers) is in the nature of short term employee benefits which has provided on the basis of estimation made by the management. Terminal Benefits, if any, are recognised as an expense immediately.

Defined Contribution Plan

Contributions payable to recognized Provident Fund and Employee State Insurance scheme, which are substantially defined contribution plans, are recognised as expense in the Statement of Profit & Loss, as they are incurred.

Defined Benefit Plan

The cost of providing defined benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur. Past service cost is recognized immediately to the extent the benefits are already vested, and otherwise is amortized on a straight line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized past service cost and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

Other Long Term Benefits

The Holding Company treats accumulated leave of workers as long-term employee benefit for measurement purposes. Long term compensated absences are provided for on the basis of actuarial valuation, using the Projected Unit Credit method, at the end of each financial year. Actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss.

n) Borrowing Costs

The borrowing costs which are directly attributable to the acquisition or construction of qualifying tangible assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalized as part of cost of the assets. All other borrowing costs are immediately recognised as an expense in the Statement of Profit and Loss.

o) Leases

The Lease under which the Holding Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalized at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period. The assets acquired under leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals in case of Operating leases are charged to the Statement of Profit & Loss on accrual basis on straight line basis.

p) Taxes On Income

Tax expense comprises current tax and deferred tax.

Current Tax

Current Tax is measured and expected to be paid to the tax authorities in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of assessment/appeals with respect to the Holding Company. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current Income Tax relating to the items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Holding Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Holding Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Holding Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement". The Holding Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Holding Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred Tax

Deferred tax reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Deferred tax assets subject to consideration of prudence, are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Such assets are reviewed as at each balance sheet date to re-assess realization.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

q) Impairment of Assets

The Holding Company assesses at each reporting date whether there is an indication that an asset or Cash Generating Unit (CGU) may be impaired. If any indication exists, the recoverable amount of the same is determined. Where 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

A previously recognised impairment loss is reversed in Statement of Profit & Loss only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognised.

r) Provision, Contingent Liabilities And Contingent Assets

The Holding Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation. Contingent Assets are neither recognized nor disclosed in the Consolidated Financial Statements.

s) Earning per Share (EPS)

In determining earnings per share, the Group considers the net profit after tax and includes the post tax effect of any extra ordinary items.

- Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

- For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

t) Segmental Reporting

Identification of Segments: The geographical segment of the Group is based on the location of customer in India & outside India.

Segment Revenue and Expense: Segment revenue and expense which are directly attributable to the segments are considered under respective segment. Common Expenses are allocated to the two segments on turnover basis.

Segment Asset & Liabilities: Segment Assets include all operating assets used by a segment and consist principally of Debtors, inventories, Investment which are reported in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes.

Segment Policies: The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

u) Government grant and subsidies

Grants and subsidies from the government is recognised when there is reasonable assurance that (i) the Holding company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match the related cost, which they are intended to compensate. Where the grant relates to an assets, it is recognized as deferred income and released to income on a systematic and rational basis in the proportions in which depreciation on related assets is charged to the Statement of Profit and Loss.

Where the holding company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value. Government grants of the nature of promoters contribution are credited to capital reserve and treated as a part of the shareholders fund.

v) Cash Flow Statement

The cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated as specified in Accounting Standard -3 (AS-3) "Cash Flow Statement".

w) Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

x) Classification of Current / Non Current Assets and Liabilities

All assets and liabilities are presented as Current or Non Current as per the Company's normal operating cycle and other criteria set out in Schedule II of the Companies Act, 2013. Based on the nature of products and time between acquisition of assets and disposal of liabilities, the group has ascertained its operating cycle as 12 months for the purpose of current / non current classification of assets and liabilities. Operating Cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalent.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 3 : Share Capital	As March 31, 2020	At March 31, 2019
Authorised		
3,000,000 (March 31, 2019: 3,000,000) Equity Shares of ₹ 10/- each	30,000,000	30,000,000
	30,000,000	30,000,000
Issued, Subscribed & Paid-up		
2,508,370 (March 31, 2019: 2,508,370) Equity Shares of ₹ 10/- each fully paid up	25,083,700	25,083,700
	25,083,700	25,083,700

(a) Reconciliation Statement of Share Capital:

	March 31, 2020		March 31, 2019	
Equity Shares	No. of shares	Amount (₹)	No. of shares	Amount (₹)
Balance of Shares at the beginning of the year	2,508,370	25,083,700	2,508,370	25,083,700
Add:- Addition during the year	-	-	-	-
Less:- Buy back during the year	-	-	-	-
Balance of Shares at the end of the year	2,508,370	25,083,700	2,508,370	25,083,700

b) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. For the year ended March 31, 2020, the Board of Directors has proposed dividend of ₹ 2 (March 31, 2019: ₹ 3) for distribution to shareholders.

c) Details of Shareholder+s holding more than 5 percent shares in the Company

	March 31, 2020		March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	713,435	28.44	713,435	28.44
Kanwal Deep Sahni	751,285	29.95	751,285	29.95
Satinder Sahni	172,800	6.89	172,800	6.89
Saheb Sahni	159,600	6.36	159,600	6.36
Karam Sahni	159,600	6.36	159,600	6.36
Mohinder Singh Sahni & Sons (HUF)	134,920	5.38	134,920	5.38

Note 4 : Reserves And Surplus	As March 31, 2020	At March 31, 2019
Security Premium		
Balance at the beginning of the year	6,477,750	6,477,750
Add:- Addition during the year	-	-
Less:- Utilised during the year	-	-
Balance at the end of the year	6,477,750	6,477,750
Deferred Government Grant (Refer Note No. 19)		
Balance at the beginning of the year	643,514	792,334
Add:- Addition during the year	-	-
Less:- Utilised during the year	120,868	148,820
Balance at the end of the year	522,646	643,514
Foreign Currency Translation Reserve		
Balance at the beginning of the year	8,860,142	-
Add:- Addition during the year	4,823,729	8,860,142
Less:- Utilised during the year	-	-
Balance at the end of the year	13,683,871	8,860,142
General Reserve		
Balance at the beginning of the year	80,788,519	61,409,736
Add:- Addition during the year	17,546,087	19,378,783
Add:- Transfer from Revaluation Reserve	-	-
Less:- Utilised during the year	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Balance at the end of the year	98,334,606	80,788,519
Surplus / Profit & Loss		
Balance at the beginning of the year	789,183,002	614,070,007
Profit for the year	173,603,755	203,549,001
Less: Appropriations during the year		
- Transfer to General Reserve	17,546,087	19,378,783
- Dividend on Equity Shares	7,525,110	7,525,110
- Dividend Distribution Tax on Dividend	1,546,810	1,532,113
Balance at the end of the year	936,168,750	789,183,002
Total Reserves & Surplus	1,055,187,622	885,952,926

Note 5 : Long-term borrowings	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Term Loan from Banks (Secured)				
Vehicle Loan (Refer sub-note 'a' below)	2,732,657	2,142,592	2,779,396	3,064,442
	2,732,657	2,142,592	2,779,396	3,064,442
Other loans and advances (Unsecured)				
Deferred Sales Tax (Refer Note 'b' below)	-	-	-	393,738
	-	-	-	393,738
Less: - Amount disclosed under "Other Current Liabilities"	-	-	2,779,396	3,458,180
(Refer Note 10)				
	2,732,657	2,142,592	-	-

The above amount includes -

Secured borrowings	2,732,657	2,142,592	2,779,396	3,064,442
Unsecured borrowings	-	-	-	393,738

a) Vehicle loans are secured against hypothecation of respective vehicles and carries 8.5% to 10% (Reducing) rate of interest p.a. Loan No 93313903 and 93317640 are repayable in total 36 installments. Other vehicle loans are repayable in total 60 installments.

Maturity profile of Secured Vehicle Loan is set out as below:

Financial Year	Amount
2020-21	2,779,395
2021-22	1,773,041
2022-23	959,617

b) The Company has been granted interest-free sales tax loan to the tune of ₹ 192.32 lakh in the form of sales tax deferral for a period of 9 years with respect to sales tax payable on filters manufactured in the Hosur plant in Tamil Nadu under the TNGST Act, 1959 subject to the terms and conditions contained in the agreement dated 30th December, 2002 entered into between Company and Govt of Tamil Nadu through Territorial Assistant Commissioner of Commercial Taxes, Dharmapuri, Tamil Nadu. Balance amount has been fully paid as on 31.03.20.

Note 6 : Deferred Tax Liabilities (Net)	As March 31, 2020	At March 31, 2019
Gross Deferred Tax Liabilities		
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	12,226,642	11,422,038
Others	-	11,178
Total A	12,226,642	11,433,216
Gross Deferred Tax Assets		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	6,833,881	6,271,680
Provision for Doubtful debts/Advances	751,079	946,328
Others	72,913	11,098
Total B	7,657,873	7,229,106

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Deferred tax Liability (Net) (A-B)			4,568,769	4,204,111
	Non Current	Current		
Note 7 : Provisions	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Provision for employee benefits				
Gratuity (Refer Note No. 23)	-	-	28,499	2,698,733
Compensated Absence #	2,721,671	1,999,206	6,653,461	6,109,710
Other provisions				
Lease Equalisation Reserve	60,991	127,037	-	-
Provision for Income Tax	-	-	461,921	2,083,386
(Net of Advance Tax of ₹ 149,727,853)				
(March 31 2019: ₹ 71,330,930)				
Provision for Warranty (Refer Note No. 7.1)	-	-	850,000	1,196,848
	2,782,662	2,126,242	7,993,881	12,088,678

Compensated absences in nature of short term employee benefits are included in current liability.

Note 7.1 : Disclosure Required By AS-29 (Provisions, Contingent Liabilities And Contingent Assets)

Provision for warranty

	As March 31, 2020	At March 31, 2019
Balance at the beginning of the year	1,196,848	1,184,848
Provision made during the year	167,361	850,101
Amount utilised during the year	514,209	838,101
Balance at the end of the year	850,000	1,196,848

Note 7.2 : Capital Commitment and Contingent Liabilities

a) Capital Commitment

Estimated amount of contracts remaining to be executed on the capital account and not provided for in the accounts ₹ 91,61,783 (net of advance of ₹ 41,60,221) [March 31, 2019: ₹ 14,980,964 (net of advance of ₹ 5,041,210)]

b) Contingent Liabilities:

Claims against the company not acknowledged as debts:-

	As March 31, 2020	At March 31, 2019
Civil Suits	-	1,171,738
Letter of Credit (Net of margin money : ₹ 337,239 (March 31, 2019 : ₹ 331,085)	3,035,149	2,979,765
Bank Guarantee (Net of margin money : ₹ 239,262 (March 31, 2019 : ₹ 240,340)	2,153,356	2,163,061
Excise duty demand (Net of Excise duty paid under protest ₹250,000 (March 31, 2019 : ₹ 250,000)	1,443,017	1,443,017
Income tax demand		
- A.Y. 2003-04	93,632	93,632
Central Sales Tax Demand		
- A.Y. 2014-15	123,256	-
	6,848,411	7,851,213

i) Income tax had raised demand of ₹ 17,436,565 for the A.Y. 2014-15 against which Holding Company has filed an appeal with Commissioner of Income Tax Appeals vide appeal number 58519701070117 for Assessment year 2014-15. The company had paid under protest ₹ 3,488,308. Appeal has been allowed in favour of the assessee during financial year 2018-19.

ii) The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1 (33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

* The holding Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

	As March 31, 2020	At March 31, 2019
Note 8 : Short-Term Borrowings		
Loan From Banks (Secured)		
-Cash Credit	5,108,113	128,218,156
Loan and advances from related parties (Unsecured) (Refer Note No. 28 (b))	91,300,000	101,300,000
	96,408,113	229,518,156
The above amount includes		
Secured borrowings	5,108,113	128,218,156
Unsecured borrowings	91,300,000	101,300,000

a) Cash Credit facility from HDFC bank is secured primarily by hypothecation of stock and book debts under first pari passu charge and collaterally secured by Pari-Pasu charge on factory land and building located at 14/4, Mathura Road Industrial, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating at MCLR+0.85% (March 31, 2019 MCLR + .85%)

b) Cash Credit facility from HSBC bank is secured by pari passu charge on movable fixed assets excluding those funded out of other Bank's Term Loan and pari passu charge on stocks and receivables and Pari-Pasu charge on factory land and building located at 14/4, Mathura Road Industrial, Faridabad, Haryana. The rate of interest applicable on cash credit limit is floating at MCLR+0.90% (March 31, 2019 : MCLR +.70 % p.a.)

c) Unsecured loan from related party is taken during ordinary course of business and balance outstanding as at March 31, 2020 is repayable on demand and carries interest rate of 8.40 % p.a (March 31, 2019 : 7.40 % p.a.)

	As March 31, 2020	At March 31, 2019
Note 9 : Trade Payables		
Trade Payables		
Amount due to Micro and Small Enterprises		
- Principal amount	41,056,300	12,568,632
- Interest payable	56,139	192,658
Others	192,515,301	271,827,396
	233,627,740	284,588,686

Note 10 : Other Current liabilities

Current maturities of long-term borrowings (Refer Note No. 5)	2,779,396	3,458,180
Interest accrued but not due on borrowings from Banks	37,902	63,866
Interest accrued and due on borrowings from Related Parties	-	1,727,038
Deposits from Dealers *	22,824,010	20,454,010
Other Deposits	500,000	500,000
Unpaid dividends	1,482,300	1,441,750
Other Payables		
Statutory dues payable	26,015,064	28,043,484
Advances from customers	5,505,465	11,103,588
Creditors for Capital Goods	6,116,061	1,437,334
	65,260,198	68,229,250

* Deposits from dealers carry interest @ 8% p.a. and repayable on termination/ expiry of respective agreements.

Note 11 : Property, Plant and Equipment

Particulars	Gross Block			Depreciation/Amortisation			Net Block	
	As April 1, 2019	At Addition during the year	Deletion/Adjustment During the Year	As March 31, 2020	At April 1, 2019	For the Year	As At March 31, 2020	At March 31, 2019
Tangible Assets								
Land : Freehold Leasehold	22,660,171	-	-	22,660,171	-	18,187	22,660,171	22,660,171
	774,944	-	-	774,944	235,281	-	521,476	539,663
Building : Factory	119,309,056	130,220	1,567,144	117,872,132	70,242,921	5,615,356	42,797,428	49,066,135
Administrative	13,431,367	236,430	-	13,667,797	4,881,840	420,794	8,365,163	8,549,527
Plant and Equipment	952,842,729	99,102,520	203,529	1,051,741,720	556,281,069	79,326,099	416,251,914	396,561,660
Furniture and fixtures	20,414,379	597,614	-	21,011,993	13,003,568	1,902,186	6,106,239	7,410,811
Vehicles	41,712,883	5,616,083	6,357,559	40,971,407	33,769,368	3,095,753	10,145,966	7,943,515
Office Equipment	14,510,689	1,741,676	28,172	16,224,193	12,944,276	773,844	2,532,837	1,566,413
Electrical Installation	18,548,723	254,950	-	18,803,673	14,795,347	807,848	3,200,479	3,753,376
Computer	19,456,712	925,937	-	20,382,649	16,467,768	1,637,558	2,277,324	2,988,944
Total Tangible Asset (I)	1,223,661,654	108,605,430	8,156,404	1,324,110,681	722,621,438	93,597,624	514,858,996	501,040,216
Intangible Assets								
Computer software	13,366,373	800,000	-	14,166,373	8,972,575	1,846,633	3,347,165	4,393,798
Total Intangible Asset (II)	13,366,373	800,000	-	14,166,373	8,972,575	1,846,633	3,347,165	4,393,798
Capital Work in Progress (Refer sub-note 'a' below)	1,432,558	3,433,599	1,432,558	3,433,599	-	-	3,433,599	1,432,558
Total CWIP (III)	1,432,558	3,433,599	1,432,558	3,433,599	-	-	3,433,599	1,432,558
Grand Total (I+II+III)	1,238,460,586	112,839,029	9,588,962	1,341,710,653	731,594,013	95,444,257	521,639,760	506,866,573
March 31, 2020	1,144,558,527	100,202,999	6,300,940	1,238,460,586	642,247,084	94,453,099	506,866,573	-

Sub-notes:

a) The details of capital work in progress is as under:

Particulars	As March 31, 2020	At March 31, 2019
Office Equipment	-	209,925
Electrical Installation	548,244	-
Plant and equipment	2,885,355	1,222,633
Total	3,433,599	1,432,558

b) The total capital expenditure towards research & development incurred during the year as per books of account is

₹ 1,626,856 (March 31, 2019 : ₹ 1,695,154) being Plant & Machinery.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

	As March 31, 2020	At March 31, 2019
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Note 12 : Non-Current Investments

Non-trade investments (Valued at Cost, unless stated otherwise)

Investments in Government securities		
-National Saving Certificate (NSC)	-	9,000
	-	9,000

	Non-Current March 31, 2020	Non-Current March 31, 2019	Current March 31, 2020	Current March 31, 2019
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Note 13: Loans and Advances

Capital Advances

Unsecured, Considered Good	(A)	4,160,221	5,041,210	-	-
Security Deposits					
Unsecured, Considered Good	(B)	8,732,155	8,136,884	267,316	197,316

Advances Recoverable in cash or kind

Advance Recoverable in cash or in Kind					
-Unsecured - Considered Good		-	-	10,175,432	3,565,473
-Unsecured - Considered Doubtful		-	-	457,488	457,488
		-	-	10,632,920	4,022,961
Less: Provision for Doubtful Advances		-	-	457,488	457,488
	(C)	-	-	10,175,432	3,565,473

Other Loans and Advances

Advance Tax (Net of provisions of ₹ 126,739,645) (March 31 2019: ₹ 196,691,178)		16,081,376	2,582,174	-	3,492,839
Prepaid Expenses		361,018	240,000	2,582,789	2,079,718
Loans to Employees		-	-	945,202	810,339
Balances with Government Authorities		3,400,889	3,400,889	92,925,327	103,752,623
	(D)	19,843,283	6,223,063	96,453,318	110,135,519
	(A+B+C+D)	32,735,659	19,401,157	106,896,067	113,898,307

Note 14 : Other Assets

Unsecured, considered good unless stated otherwise

Non-Current Bank Balances (Refer Note No. 17)		9,656	2,660,176	-	-
Others					
Interest accrued on Fixed Deposits		14	162,700	2,855,577	2,518,399
Interest accrued on Investment/Others		-	1,000	17,968	20,961
Export Incentive Recoverable		-	-	49,193,928	35,187,802
Insurance Premium Recoverable		-	-	586,460	-
		9,670	2,823,876	52,653,933	37,727,162

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

	As March 31, 2020	At March 31, 2019
Note 15 : Inventories		
(as taken, valued and certified by the management)*		
Raw Materials	236,334,578	206,653,713
Raw Material - In- Transit	364,697	-
Finished goods	199,432,524	250,209,363
Finished goods - Goods in Transit	8,298,865	2,367,374
Stock-In-Trade	5,692,696	2,648,675
Stores and Spares	2,670,024	2,388,395
Packing Materials	1,430,914	1,457,407
	454,224,299	465,724,927

* For mode of valuation refer Note No 2 (e)

	Non-Current		Current	
Note 16 : Trade Receivable	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Trade Receivables				
Outstanding for the period exceeding six months from the date they are due for payment				
Secured, considered Good	-	-	239,919	-
Unsecured, considered Good	-	-	11,127,667	22,823,244
Unsecured, considered Doubtful	-	-	2,121,765	2,792,267
			13,489,351	25,615,511
Less: Allowance for Doubtful Receivables	-	-	2,121,765	2,792,267
	-	-	11,367,586	22,823,244
Other Receivables				
Secured, considered Good	-	-	8,809,302	9,433,089
Unsecured, considered Good	-	-	207,589,594	270,285,095
			216,398,896	279,718,184
	-	-	227,766,482	302,541,428

	Non-Current		Current	
Note 17 : Cash and Bank Balances	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash and Cash Equivalents				
Balances with Banks:-				
On Current Accounts	-	-	37,432,364	10,443,919
Cash on Hand	-	-	172,901	710,972
(A)	-	-	37,605,265	11,154,891
Other Bank Balances				
Balance with bank				
Unpaid Dividend	-	-	1,482,300	1,441,750
Deposit having original maturity more than 3 months but less than 12 months	-	-	51,618,462	48,420,101
Deposits with original maturity of more than twelve months	9,656	2,660,176	7,013,445	3,925,170
(B)	9,656	2,660,176	60,114,207	53,787,021
Amount disclosed under non-current assets (Refer Note No. 14)	9,656	2,660,176	-	-
(A+B)	-	-	97,719,471	64,941,912

a) Out of total fixed deposits of ₹ 576,501 (March 31 2019: ₹ 571,425) are pledged as security for margin money with the banks.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 18 : Revenue from operations

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Sale of Products (Refer sub-note 'a' Below)		
- Finished Goods	2,166,603,674	2,178,604,364
- Traded Goods	21,690,932	22,668,040
Other operating revenues		
Export Incentive	40,722,126	47,986,151
Scrap Sales	31,630,023	40,017,078
Others	7,345,110	7,698,436
Revenue from operations(Net)	2,267,991,865	2,296,974,069

Note 19 : Other Income

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Interest Income		
- On Fixed Deposits	4,233,173	3,267,032
- On Electricity Deposits	125,082	48,877
- On Income Tax Refund	470,892	121,628
- Others	-	-
Exchange Fluctuation (Net)	21,064,672	15,469,710
Other Non-Operating Income		
- Allowance for Doubtful Advances Written Back	-	430,030
- Sundry Balances Written Back	413,645	8,547,815
- Profit on Sale of Fixed Asset	281,081	70,730
- Reversal of Deferred Govt Grant (Refer Sub-note 'a' below)	120,868	148,820
- Miscellaneous Income	481,793	639,546
	27,191,206	28,744,188

a) During the financial year 2011-12, the Company had recognized a grant amounting to ₹ 3,000,000 from Government of Himachal Pradesh against installation of Plant and Machinery at Nalagarh Plant. Out of this ₹ 120,868 (March 31, 2019 : ₹ 148,820) is being recognised as income in the Statement of Profit and Loss and ₹ 5,22,646 (March 31, 2019 : ₹ 6,43,514) is considered as deferred Government grant under ' Reserve and Surplus' in note no. 4 of Financial Statements.

Note 20 : Cost of Raw Material Consumed

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Inventory at the beginning of the year	206,653,713	207,988,328
Add: Purchases during the year	1,030,993,200	1,068,107,611
Total	1,237,646,913	1,276,095,939
Less: Inventory at the end of the year	236,699,275	206,653,713
Cost of materials consumed	1,000,947,638	1,069,442,226

Note 21 : Details of Purchase of Traded Goods

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Filters & Lubricants	35,788,590	16,752,112
	35,788,590	16,752,112

Note 22 : Increase/(Decrease) in Inventories

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Inventories at the beginning of the year		
- Work-in-progress	-	4,432,966
- Finished goods (Including in Transit)	254,457,665	217,047,071
- Traded Goods	2,648,675	1,964,150
Impact of exchange fluctuation & reinstatement (net)	2,435,628	19,850,366
(A) Inventories at the end of the year	259,541,967	243,294,553
Inventories at the end of the year		
- Work-in-progress	-	-
- Finished Goods	199,432,524	252,090,291
- Finished Goods- in-Transit	8,298,865	2,367,374

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

- Traded Goods (Including in-Transit)	5,692,696	2,648,675
Impact of exchange fluctuation & reinstatement (net)	(8,537,301)	-
(B)	204,886,784	257,106,340
(A - B)	(54,655,184)	13,811,787

a) Details of Inventories

Finished Goods

Filters & Lubes

199,432,524	252,090,291
199,432,524	252,090,291

Traded Goods

Filters & Lubes

5,692,696	2,648,675
5,692,696	2,648,675

Note 23 : Employee Benefit Expense

	For the Year Ended March 31, 2020	For the Year End- ed March 31, 2019
Salaries, Wages and Bonus	318,377,224	305,526,960
Contribution to Provident and other funds	23,889,918	24,440,703
Gratuity (Refer Note Below)	9,829,766	8,175,881
Compensated Absences (Refer Note Below)	5,582,742	5,218,904
Staff Welfare Expenses	5,339,137	4,397,466
	363,018,787	347,759,914

(I) The Company has classified the various benefits provided to employees as under:-

(i) Defined Contribution Plan

The Company makes contribution towards Provident Fund (PF), Employee State Insurance (ESI) and Labour Welfare fund as defined contribution retirement plan for the qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company contributes a specified percentage of payroll cost to the said schemes to fund the benefits. Similarly, contribution is made at a specified percentage in case of Employee State Insurance.

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Provident Fund	18,785,266	18,084,355
Employee State Insurance	4,698,166	6,141,168
Labour Welfare Fund	406,486	215,180

(ii) Defined Benefit Plan:

Defined benefit plans include Gratuity (Funded) and Compensated Absences (unfunded).

Gratuity is a funded defined benefit plan for qualifying employees. Employees Gratuity Fund scheme is managed by Elofic Industries Limited Employee Gratuity Fund Trust. The present value of defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet. The obligation for Compensated Absence for workers is a defined unfunded benefit plan, which is recognized in the same manner as gratuity.

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit or loss of the year in which related service is rendered. The liability for leave encashment in respect of employees (other than workers) is in the nature of short term employee benefits which is provided on the basis of estimation made by the management.

On account of short term leave encashment policy of the Company, a provision of ₹ 65,54,984 (March 31, 2019 : ₹ 59,85,752) is outstanding in addition to long term obligation recognised by Actuary as at March 31, 2020.

Compensated Absence Expenses includes Long Term Compensated Expenses amounting ₹ 828,597 (March 31, 2019: ₹ 558,042) for workers and Short Term Compensated Expenses ₹ 4,754,145 (March 31, 2019: ₹ 4,660,862) for staff employees and Short Term Compensated Expenses ₹ 665,431 (March 31, 2019: ₹ 506,712) for R&D staff employees.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

(II) The details of Actuarial Valuation Certificate(s) are as under :

(a) Reconciliation of opening and closing balances of Defined Benefit Obligations

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Defined Benefit Obligation at the beginning of the year	38,349,034	2,123,164	31,785,630	1,908,851
Interest cost	2,684,432	148,621	2,463,386	147,936
Current Service Cost	4,782,944	645,649	3,571,816	449,930
Past Service Cost	-	-	-	-
Benefits Paid	(1,254,876)	(131,613)	(3,606,178)	(343,729)
Actuarial (gain)/loss on obligation	4,915,633	34,327	4,134,380	(39,824)
Defined Benefit Obligation at the end of the year	49,477,167	2,820,148	38,349,034	2,123,164

(b) Reconciliation of opening and closing balances of Fair Value of Plan Assets

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Fair value of plan assets at beginning of the year	35,650,301	Not applicable as liability is not funded	33,562,778	Not applicable as liability is not funded
Expected return on Plan Assets	2,495,521		2,601,115	
Contribution by employer	12,500,000		3,700,000	
Benefits Paid	(1,254,876)		(3,606,178)	
Actuarial gain/(loss) on Plan Assets	57,722		(607,414)	
Fair value of plan assets at end of the year	49,448,668		35,650,301	

(c) Reconciliation of Fair Value of Assets and Obligations

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Present Value of Defined Benefit Obligation	(49,477,167)	(2,820,148)	(38,349,034)	(2,123,164)
Fair value of Plan Assets	49,448,668	-	35,650,299	-
Net assets/(liability) recognized in the balance sheet	(28,499)	(2,820,148)	(2,698,735)	(2,123,164)

Particulars	As At March 31, 2018		As At March 31, 2017	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Present Value of Defined Benefit Obligation	(31,785,630)	(1,908,851)	(31,095,863)	(1,535,355)
Fair value of Plan Assets	33,562,778	-	30,312,843	-
Net assets/(liability) recognized in the balance sheet	1,777,148	(1,908,851)	(783,020)	(1,535,355)

Particulars	As At March 31, 2016	
	Gratuity (Funded)	Compensated Absences (Unfunded)
Present Value of Defined Benefit Obligation	(26,880,286)	(1,378,284)
Fair value of Plan Assets	28,643,970	-
Net assets/(liability) recognized in the balance sheet	1,763,684	(1,378,284)

(d) Expense recognized during the year

Particulars	For the year ended March 31, 2020		For the year ended March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Current Service Cost	4,782,944	645,649	3,571,816	449,930
Past Service Cost	-	-	-	-
Interest Cost on benefit obligation	2,684,432	148,621	2,463,386	147,936
Expected return on plan assets	(2,495,521)	-	(2,601,115)	-
Actuarial(gain)/loss recognised in the year	4,857,911	34,327	4,741,794	(39,824)
Net expense/ (benefit)	9,829,766	828,597	8,175,881	558,042

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

(e) Actuarial Assumptions

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Discount Rate (per annum)	7.00%	7.00%	7.75%	7.75%
Future increase in compensation	5.00%	5.00%	5.00%	5.00%
In Service Mortality	IALM 2012-14	IALM 2012-14	IALM 2006-08 Ultimate	IALM 2006-08 Ultimate
Retirement age	60 Years	60 Years	60 Years	60 Years
Withdrawal rates:-				
18 to 30 years	3%	3%	3%	3%
30 to 44 years	2%	2%	2%	2%
44 to 60 years	1%	1%	1%	1%

III. The major categories of Plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As At March 31, 2020		As At March 31, 2019	
	Gratuity (Funded)	Compensated Absences (Unfunded)	Gratuity (Funded)	Compensated Absences (Unfunded)
Elofic Industries Ltd Employees Gratuity Fund Trust	100%	NA	100%	NA

Sub-note:

Actuarial valuation is based on escalation in future salary on account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 24 : Finance Cost

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Interest Expense		
Interest for shortfall in advance tax payment		-
- On Term Loans	506,698	692,387
- On Cash Credits/Other Facilities	3,682,425	9,401,795
- On Security Deposits from dealers	1,590,049	1,535,056
- On Loans from Related Parties	11,511,636	10,251,431
- On Others	59,056	194,600
Interest on Delayed Payment of Advance Taxes	-	1,632,004
Other Borrowing Cost	477,000	1,064,625
	17,826,864	24,771,897

Note 25 : Other Expenses

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Consumption of Stores & Spares	13,609,845	14,805,440
Consumption of Packing Material	32,785,837	37,899,218
Jobwork Charges	80,270,258	70,378,608
Power & Fuel	63,817,026	68,113,752
Rent	23,605,875	17,409,129
Repair & Maintenance		
- Buildings	8,595,051	4,729,525
- Plant & Machinery	35,341,166	29,641,893
- Others	9,868,672	8,480,124
Insurance	3,943,523	4,335,368
Rates & Taxes	3,134,920	4,248,011
Legal & Professional	4,909,779	6,007,583
Travelling and Conveyance	15,480,260	17,810,550
Freight Outward	43,183,015	46,371,623
Shipping and Forwarding	33,050,944	38,747,617
Licence Fee	13,785,665	13,511,794
Postage and Courier	1,555,841	1,786,032
Printing and Stationery	1,647,783	1,536,097
Communication Expenses	1,772,713	1,598,970
Sales Promotion	26,033,098	40,623,928

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Payment to Auditors	1,468,882	1,351,858
Research and Development Expenses (Refer Note 'a' below)	23,322,977	22,004,020
Cash Discount	27,818,095	26,658,922
Bank Charges	1,142,130	1,052,817
CSR Expenses	300,000	289,031
Provision for Warranty	167,361	884,228
Conventions & Exhibitions	2,018,390	1,635,783
Balances Written Off	3,880,354	-
Doubtful Advances Written Off	-	416,006
Allowance for Doubtful Debts	-	719,943
Miscellaneous Expenses	9,912,566	28,456,752
	486,422,026	511,504,623

a) Research and Development Expenditure:

Revenue Expenditure

Salary	19,711,408	18,116,742
Repair & Maintenance	2,447,470	2,026,124
Communication	82,500	5,048
Consumables and Samples	689,157	831,917
Printing & Stationary	-	8,059
Staff Welfare	-	22,437
Travelling	72,426	70,319
Miscellaneous	320,016	923,374
	23,322,977	22,004,020

Capital Expenditure

Plant and Machinery	1,626,856	1,695,154
	1,626,856	1,695,154

Note 26 : Earning Per share

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Profit/Loss attributable to the equity shareholders	173,603,755	203,549,001
Number/Weighted Average number of equity shares outstanding at the end of the year	2,508,370	2,508,370
Nominal value of equity shares	10	10
Basic/Diluted Earnings per share	69.21	81.15

Note 27: Segment Reporting For the year ended March 31, 2020, the group has identified export market as its geographical segment, as under:

a) The geographical segments of the group based on the location of Customer in India & Outside India.

The Details are given as under:

Geographical Segment

Particulars	Outside India		In India		Unallocated		(Amount in ₹)	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue	783,110,624	837,206,382	1,405,183,982	1,364,066,022	-	-	2,188,294,606	2,201,272,404
Segment Sales	783,110,624	837,206,382	1,405,183,982	1,364,066,022	-	-	2,188,294,606	2,201,272,404
Other Operating Income	71,961,180	86,523,381	29,684,493	38,854,567	-	-	106,888,465	125,377,948
Total Segment Revenue	855,071,804	923,729,763	1,434,868,475	1,402,920,589	5,242,792	-	2,295,183,071	2,326,650,352
Total Revenue of each segment as a percentage of total revenue of all segment	241	40	405	60	1	-	648	100
Total Segment Operating Profit before Depreciation, Interest & Taxes/Extraordinary activities	200,392,822	200,045,257	155,591,628	190,588,374	(1,633,605)	3,437,537	354,350,846	394,071,168
Depreciation	31,858,093	35,056,488	63,586,164	58,813,764	-	-	95,444,257	93,870,252
Total Segment Result before Interest & Taxes/Extraordinary & Exceptional items	168,534,729	164,988,769	92,005,464	131,774,610	(1,633,605)	3,437,537	258,906,589	300,200,916
Exceptional Items	-	-	-	-	-	-	-	-
Total Segment Result before Interest & Taxes	168,534,729	164,988,769	92,005,464	131,774,610	(1,633,605)	3,437,537	258,906,589	300,200,916
Financing Cost (Net)	-	-	-	-	17,826,864	24,771,897	17,826,864	24,771,897
Total Segment Result before Taxes	168,534,729	164,988,769	92,005,464	131,774,610	(19,460,469)	(21,334,360)	241,079,725	275,429,018
Tax Expenses	-	-	-	-	67,475,970	71,880,018	348,060,019	71,880,018
Profit/(Loss) after Taxes	168,534,729	164,988,770	92,005,464	131,774,610	(86,936,439)	(93,214,378)	173,603,755	203,549,001
Segment Assets	522,193,416	588,776,613	857,081,316	927,457,727	114,370,609	-	1,493,645,342	1,516,234,339
Segment Liabilities	93,484,111	212,233,790	211,418,851	392,963,923	108,471,058	-	413,374,019	605,197,713
Segment Capital Employed	325,382,851	308,363,270	754,888,471	602,673,357	-	-	1,080,271,322	911,036,626
Capital Expenditure	34,463,575	35,068,367	58,833,692	58,833,692	-	-	93,297,267	93,902,059

Note 28 : Disclosure of Related parties/ Related parties transactions :

a) List of Related Parties and Nature of Relationships

i) Associates/ Enterprise over which key managerial person has significant influence	Elofic Industries (India)
	Mettler Auto Private Limited
	Jasmo Kamal & Company
	Elofic Private Limited
	YES Charitable Trust
ii) Key Management Personnel	B. Bhagwan Singh Elofic Charitable Trust
	Shri M.B.Sahni (Managing Director)
	Shri K.D.Sahni (Whole Time Director)
	Shri J.S. Bedi (Additional Director) (w.e.f 14/10/2019)
iii) Relatives of Key Management Personnel	Smt. Brita Sahni (Wife of KD Sahni)
	Mr. Karam Sahni (Son of KD Sahni)
	Ms. Asheen Sahni (Daughter of MB Sahni)
	Mr. Saheb Sahni (Son of MB Sahni)

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b) Transactions with Related Parties :													
S. No.	Particulars	Associates/ Enterprise over which key managerial person has significant influence				Key Managerial Personnels			Relatives of Key Managerial Personnel				
		Elofic Industries (India)	Mettler Auto (P) Ltd	YES Charitable Trust	B. Bhagwan Singh Elofic Charitable Trust	Others	M B Sahni	K D Sahni	J.S. Bedi	Brifa Sahni	Saheb Sahni	Karam Sahni	Asheen Sahni
I	Sale of goods	-	-	-	-	-	-	-	-	-	-	-	-
II	Rent paid	15,543,233 (14,129,634)	31,145 (31,145)	-	-	25,954 (25,954)	-	-	-	440,000 (495,135)	-	-	-
III	Licence fees	13,785,663 (13,511,794)	-	-	-	-	-	-	-	-	-	-	-
IV	Loans Taken	-	-	-	-	-	(20,000,000)	55,000,000 (50,000,000)	-	-	-	-	-
V	Repayment of loans	-	-	-	-	-	-	65,000,000 (30,000,000)	-	-	-	-	-
VI	Interest paid	-	-	-	-	-	2,088,908 (3,286,817)	9,422,728 (6,964,614)	-	-	-	-	-
VII	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-
VIII	Remuneration paid	-	-	-	-	-	9,281,852 (8,517,944)	9,281,852 (8,526,714)	1,416,761	-	649,597 (502,871)	898,037 (688,958)	-
IX	Misc. Receipts	-	-	-	-	-	-	-	-	-	-	-	-
X	Expenses recovered	784,027	-	-	-	-	-	-	-	-	-	-	-
XI	Donation given	-	-	150,000 (150,000)	150,000	-	-	-	-	-	-	-	-
XII	Club Fees	-	-	-	-	-	25,044 (38,406)	81,038 (66,339)	-	-	-	-	-
XIII	Consultancy	-	1,007,765 (869,715)	-	-	-	-	-	-	-	-	631,035 (488,710)	-
XIV	Outstanding as at year end :	-	-	-	-	-	-	-	-	-	-	-	-
	- Receivable	-	-	-	-	-	-	-	-	-	-	-	-
	- Payable	14,909,807 (14,626,844)	-	-	-	-	25,207,069 (25,113,200)	66,907,069 (78,425,238)	163,595	-	63,505 (14,810)	82,921 (28,767)	117,931

Sub-Notes:

-Figures in brackets showing previous year figures.
 -All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash within 12 months of reporting date. There have been no guarantees provided or received for any related party payables/receivables. No expenses has been recognized in the current year in respect of doubtful debts/advances and further no specific provision for doubtful debts/advances has been made in respect of outstanding balances.
 - Remuneration does not include expense in respect of gratuity as the same is determined on actuarial basis for the company as a whole.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 29: Leases**Assets Taken On Lease**

The Holding Company has entered into several operating lease arrangements for office premises and warehouses. The lease agreements are in nature of both cancellable and non-cancellable operating lease with an option of renewal at the end of lease term (which is 1 year in most of the cases) and escalation clause applicable in few cases. Lease Rentals amounting ₹ 23,605,875 (March 31, 2019: ₹ 17,409,129) in respect of such leases have been recognized in statement of Profit & Loss for the year including transfer to Lease Equilisation Reserve. The details of Non-cancellable operating lease rentals payable (Future Minimum Lease Payments) are as under :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Not later than one Year	986,979	1,438,255
Later than one year and not later than five years	2,511,792	2,448,377
Total	3,498,771	3,886,632

Note 30 : Disclosure of the additional information as required by the Schedule III:**a) As at and for the year ended March 31, 2020**

Particulars	Net Assets (i.e.Total Assets minusTotal Liability)		Share in Profit & Loss	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount
Parent Company				
Elofic Industries Limited	98.70%	1,041,503,751.73	98.67%	171,286,674.33
Foreign Subsidiary				
Elofic USA LLC	1.30%	13,683,870.68	1.33%	2,317,080.40
Total		1,055,187,622.41		173,603,754.73

b) As at and for the year ended March 31, 2019

Particulars	Net Assets (i.e.Total Assets minusTotal Liability)		Share in Profit & Loss	
	As a % of Consolidated Net Asset	Amount	As % of Consolidated Profit or Loss	Amount
Parent Company				
Elofic Industries Limited	99.03%	902,176,484.50	95.49%	194,360,186.87
Foreign Subsidiary				
Elofic USA LLC	0.97%	8,860,142.00	4.51%	9,188,814.00
Total		911,036,626.50		203,549,000.87

Note 31 : The Holding Company incurred following cost on Research & Development activities for R&D centre at Faridabad, up to March 31, 2020 from the year 2009-10.

Financial Year	Capital Expenses	Revenue Expenses
2009-10	385,811	3,975,041
2010-11	681,600	4,769,078
2011-12	7,306,021	5,501,830
2012-13	3,017,100	8,251,176
2013-14	7,979,550	10,233,540
2014-15	3,495,013	13,261,152
2015-16	1,737,466	13,322,889
2016-17	6,265,479	11,203,703
2017-18	3,522,500	15,035,475
2018-19	1,695,154	22,004,020
2019-20	1,626,856	23,322,977

Note 32 : In view of the management, the current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet as at March 31, 2020.

Note 33 : The receiving of balance confirmation for trade receivables/trade payables and their reconciliations is an ongoing process. The balances of certain trade receivables and trade payables are subject to reconciliation and confirmation as at March 31, 2020.

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

(Amount in '₹' unless otherwise stated)

Note 34 : Event occurring after balance sheet date

(a)

Dividend paid and Proposed:

	Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
(i)	Declared and paid during the year: Final dividend for the year 2018-19: ₹ 3.00 per share (2017-18: ₹ 3.00 per share)	7,525,110	7,525,110
(ii)	Proposed for approval at the Annual General Meeting (not recognised as a liability) Final dividend for the year 2019-20: ₹ 2.00 per share (2018-19: ₹ 3.00 per share)	5,016,740	7,525,110

(b)

In March 2020, the World Health Organisation declared COVID 19 to be a pandemic. Consequent to this, Government of India declared a national lockdown on 25 March 2020, which has impacted the business activities of the Industry and accordingly the Company has also assessed the impact that may result from this pandemic on its liquidity position, carrying amounts of receivables, tangible and intangible assets and other assets / liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has considered internal and external information available till the date of approval of these financial statements and has assessed its situation.

In that context and based on the current estimates, the Company believes that COVID 19 is not likely to have any material impact on its financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID 19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at the date of approval of these financial statements. The Company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant periods.

Note 35 : The previous year figures have been regrouped & reclassified wherever considered necessary.

Note 36 : The figures have been rounded off in rupees (₹), unless stated otherwise.

"For & on behalf of the Board of Directors of Elofic Industries Limited"

(K.D.Sahni)
Jt. Managing Director
DIN 00901216

(M.B. Sahni)
Managing Director
DIN 00906251

(Jatinder Singh Bedi)
Director
DIN 08583060

(Adish Suri)
GM- Finance & Accounts

Place of Signature: New Delhi
Date: 28, November, 2020

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN:	U74999HR1973PLC070262
Name of the company:	Elofic Industries Limited
Registered office:	14/4, Mathura Road, Faridabad – 121003 (Haryana)

Name of the member(s): Registered address: Email Id: Folio No./Client Id: DP ID:
--

I/We, being the member (s) of shares of the above named company, hereby appoint

1.	Name:	
	Address:	
	E-mail Id:	
	Signature:	
2.	Name:	
	Address:	
	E-mail Id:	
	Signature:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47th Annual General Meeting of the company, to be held on 30th day of December, 2020, at 3:00 PM at Hotel Delite, 17-18, Neelam Bata Road, N.I.T., Faridabad – 121001 (Haryana) and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Particulars
	To consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard..
	To Declare Dividend for the financial year ended 31 st March, 2020.
	To appoint Directors in place of Sh. Mohan Bir Sahni (DIN: 00906251) who is retiring by rotation and being eligible offer himself for reappointment.
	To Appoint Statutory Auditors of the Company.
	To ratify the remuneration of cost auditors for the financial year ending on March 31, 2021.
	To ratify the appointment of Mr. Jatinder Singh Bedi as Whole Time Director as per the terms and conditions of his appointment and remuneration thereof agreed by Board of Directors.
	To approve the appointment of Mr Subodh Kumar Jain as a Non- Executive Independent Director as per the terms and conditions of his appointment and remuneration thereof agreed by the Board of Directors.

Signed this..... day of..... 20.....

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



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ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the 47th Annual General Meeting of Elofic Industries Limited on 30th day of December 2020 at 3:00PM at Hotel Delite, 17-18, Neelam Bata Road, N.I.T., Faridabad – 121001 (Haryana).

Folio No./DP ID-Client ID _____

Full Name of the Shareholder in Block Letters: _____

No. of Shares held: _____

Name of Proxy (if any) in Block Letters: _____

Signature of the Shareholder/
Proxy/Representative*

* Strike out whichever is not applicable.







ELOFIC INDUSTRIES LIMITED

14/4, Mathura Road, Faridabad-121003

www.elofic.com