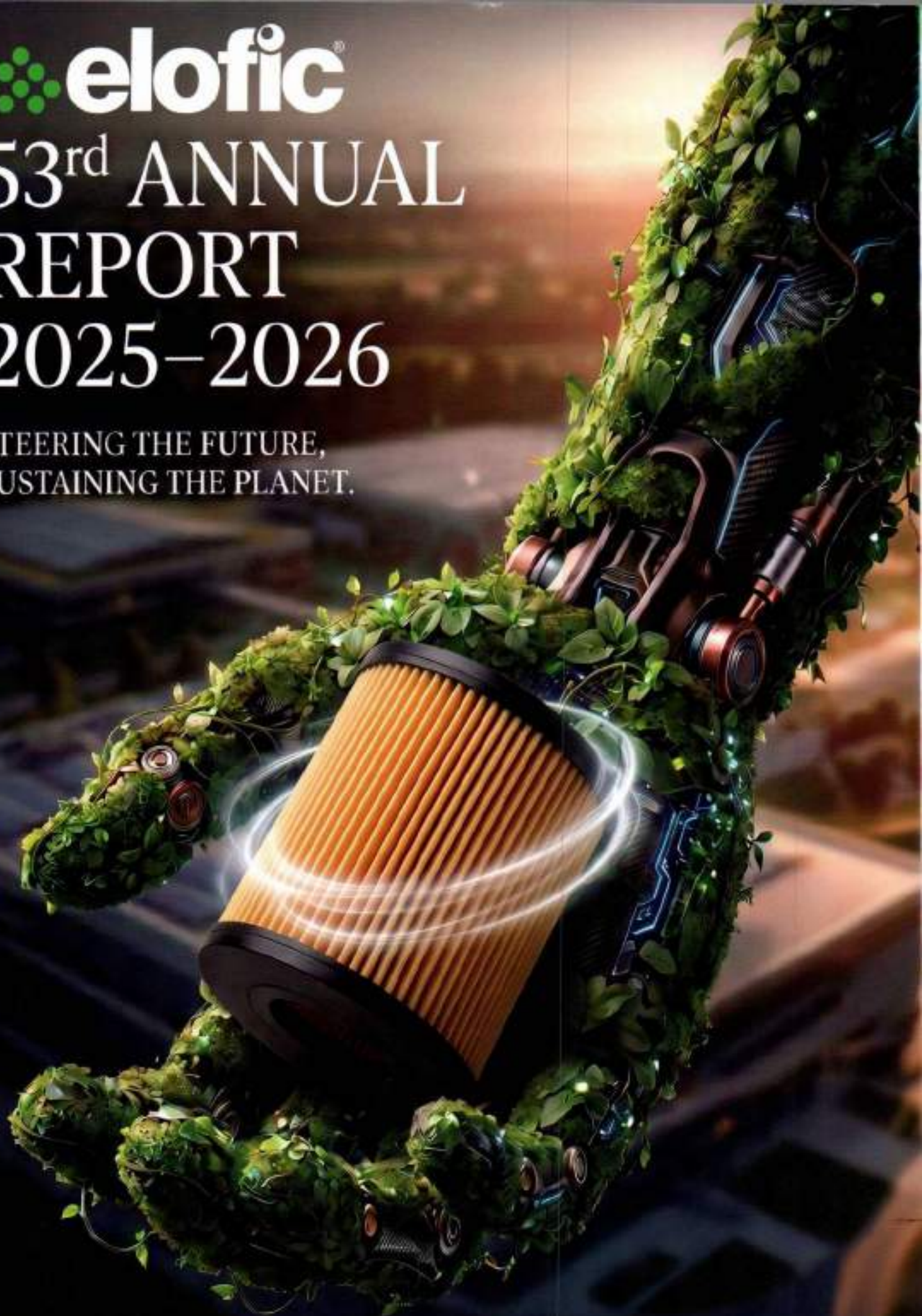




53rd ANNUAL REPORT 2025–2026

STEERING THE FUTURE,
SUSTAINING THE PLANET.



HIGHLIGHTS



Received ACMA Excellence Awards for Export Excellence and New Product Development & Localization.



WINNER CII National Best Practices Award on Future Ready Manufacturing 2026

Enhanced quality and productivity through AI-based inspection systems, automation, and smart manufacturing.



Exporting worldwide to USA, Europe, Africa, South America, Japan, China, etc.



Developed next-generation filtration solutions including Reusable Filters, ESP Filters, Premium Cabin Filters, and Battery Venting Devices.



Six state of the art manufacturing units at Faridabad, Hosur, Noida, and Nalagarh with production capacity of over 110 million pcs per annum

Filed 4 new patents, taking the cumulative intellectual property portfolio to 33 patents.



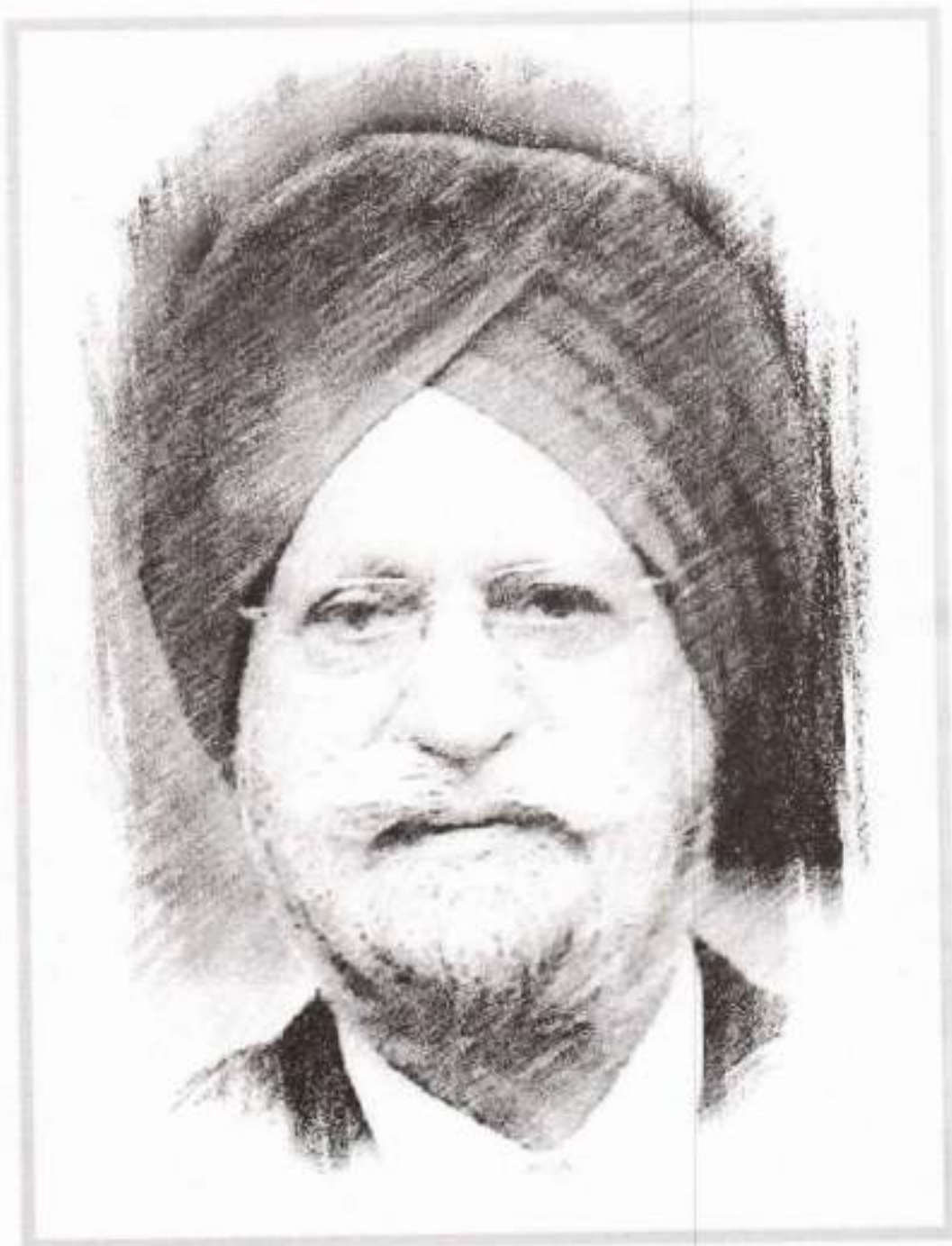
Partnerships established with over 48 automotive OEMs in India



Network of 1,400 Distributors & 55,000 Dealers in India.



NABL Certified Lab.



S. Mohinder Singh Sahni
(1930-2017)

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



53rd Annual Report 2025-26**BOARD OF DIRECTORS**

Mr. Mohan Bir Sahni	Chairman cum Managing Director
Mr. Kanwal Deep Sahni	Vice Chairman cum Joint Managing Director
Maj. Gen. Jatinder Singh Bedi (Retd.)	Whole Time Director
Mr. Mehul Gupta	Non- Executive Director
Mrs. Sangeeta Bajaj	Independent Director
Mr. Prashant Jain	Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Kamlesh Koul

CHIEF FINANCIAL OFFICER

Mr. Pankaj Kumar Jain

AUDITORS

M/s. S.N. Dhawan & Co. LLP, Chartered Accountants-	(Statutory Auditor)
M/s. PI & Associates, Company Secretaries-	(Secretarial Auditor)
M/s. Vandana Bansal & Associates, Cost Accountants-	(Cost Auditor)
M/s. MNRS & Associates, Chartered Accountants-	(Internal Auditor)

REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited
205-208, Anarkali Complex,
Jhandewalan Extension,
New Delhi – 110055, India

BANKERS

HDFC Bank Ltd.
Bank of India
Bank of Maharashtra

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, Phase-II, Hosur – 635109, Tamil Nadu
- 11/7, Mathura Road, Faridabad – 121003, Haryana
- Rajpura Village, Tehsil Nalogorh, District Solan, Himachal Pradesh
- B-4, Sector-8, Noida – 201301, Uttar Pradesh
- Nagla Bhiku Village, Khasra No. 31/13/2/2, 17 Min, Palwal- 121102, Haryana

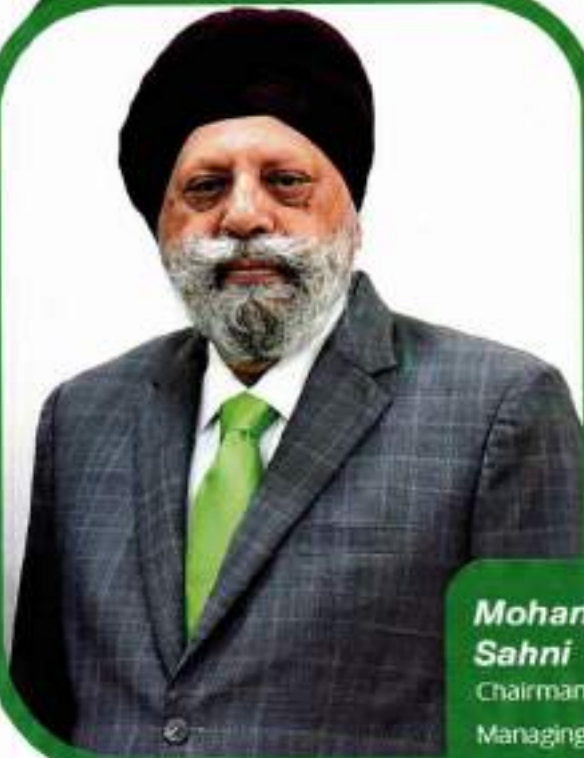
WAREHOUSES

- Ahmedabad • Faridabad • Lucknow • Hosur • Nagpur • Zirakpur

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CHAIRMAN'S COMMUNIQUE



Mohan Bir Sahni
Chairman &
Managing Director

Dear Members,

Over seventy-five years ago, we began our journey with the objective to deliver high-quality filtration products. Guided by our founder's vision, we look back with immense pride at our achievements and look forward to a future of limitless potential. I take pride in mentioning that the vision of our founder with which we started our journey in the year of 1951 has achieved glorious milestone of completion of **75 years**.



From the very beginning, our journey has been built on trust, innovation, and absolute safety. These values define our past and shape our future. Today, my confidence is fuelled by the Team Elofic, armed with deep domain knowledge, foresight into new trends, and a bold global outlook, they are leading us into an exciting new era while honouring our foundational ethos.



As the world transitions toward cleaner solutions, our expertise in the filtration domain is unlocking exciting global opportunities. Our products enhance the performance and longevity of automotive engines, compressors, and other applications, directly contributing to a cleaner and more efficient world.



We remain ahead of the curve by continuously investing in technology, safety, and digital transformation at Elofic.



Our foundation is strong, our direction is clear, and our future is powered by purpose. As we expand our global footprint, embrace digital transformation, and lead with innovation, we remain fiercely committed to the mission that started it all: delivering exceptional, high-quality filtration solutions.

— Warm Regards, —

Mohan Bir Sahni
Chairman & Managing Director

75 Years of Excellence

1951-2026



Elofic proudly completed 75 remarkable years on 11th May 2026, marking a journey of trust, innovation, and excellence.

CORPORATE SOCIAL RESPONSIBILITY

Transforming Lives Through Healthcare,
Education & Community Support



Elofic has contributed by presenting an ambulance and a water cooler equipped with RO system to ESI Hospital, Sector 8 Faridabad

Installed 21 Water Coolers with RO Systems across government schools and institutes in Nalagarh, Hosur, Faridabad, Noida and Palwal, further fostering safe drinking water access to the society in whole.



We believe that healthy and educated children are the backbone of a Nation's Economy. In line with this fundamental, we contributed books to Utsav Foundation and Janki Social Welfare Society, NGOs in Gurugram. Through this initiative, we aim to support education and make a positive difference in the community.

"Creating Lasting Impact Beyond Business."

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 53rd **Annual General Meeting** of the Members of **Elofic Industries Limited** will be held on Thursday, July 30, 2026 at Radisson Blu Hotel, Faridabad, Mathura Road, Sector 20B, New Industrial Township, Faridabad, Haryana – 121007 at 04:00 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, 2026, together with the report of the Board of Directors and Auditors thereon;
 - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2026, and the report of Auditors thereon.
2. To Declare a Final Dividend of Rs. 5/- per equity share for the financial year ended March 31, 2026.
3. To appoint Director in place of Mr. Mohan Bir Sahni (DIN: 00906251) who is liable to retire by rotation and is eligible offer himself for reappointment.

SPECIAL BUSINESS:

ORDINARY RESOLUTION:

4. APPOINTMENT OF MR. PRASHANT JAIN (DIN: 00066215) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A TERM OF FIVE (5) CONSECUTIVE YEARS

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 Sections 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the consent of the members of the Company be and is hereby accorded for the appointment of **Mr. Prashant Jain (DIN: 00066215)** as an Independent Director of the Company for a term of five consecutive years commencing from the conclusion of the 53rd Annual General Meeting and ending on the conclusion of the 58th Annual General Meeting, not liable to retire by rotation.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper, and expedient to give effect to this resolution".

5. TO APPROVE THE REMUNERATION OF THE COST AUDITORS' FOR THE FINANCIAL YEAR 2026-27

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Audit Committee and approval of the Board of Directors, the professional remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses incurred during the course of audit for the Financial Year 2026-27 be and is hereby approved to be payable to **M/s Vandana Bansal & Associates, Cost Accountants, (Firm Registration No. 100203)** as appointed by the Board of Directors of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper, and expedient to give effect to this resolution".

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

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

Date: June 15, 2026
Place: Faridabad

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. The explanatory statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, relating to special business to be transacted at the Meeting is annexed.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING ("AGM") MAY APPOINT A PROXY TO ATTEND ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY SHALL NOT BE ENTITLED TO VOTE EXCEPT ON A POLL, IF ANY, CONDUCTED AT THE MEETING. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE ANNUAL GENERAL MEETING.**
3. **A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN TEN PERCENT 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.**
4. During the period commencing twenty-four (24) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, members shall be entitled to inspect the proxies lodged with the Company during business hours.
5. The quorum for the Annual General Meeting shall be as prescribed under Section 103 of the Companies Act, 2013.
6. The Chairman of the Board shall preside over the Meeting. In his absence, the Directors present shall elect one of themselves as Chairman of the Meeting.
7. Voting at the Meeting shall be conducted by show of hands unless a poll is demanded in accordance with the provisions of the Companies Act, 2013. In case of a poll, voting shall be conducted in accordance with applicable provisions of the Act.
8. The Chairman may, with the consent of the members present, adjourn the Meeting from time to time and place to place.
9. The Chairman shall regulate the conduct of the Meeting in accordance with the Articles of Association of the Company and applicable provisions of the Companies Act, 2013.
10. The proceedings of the AGM shall be recorded in the Minutes Book maintained by the Company in accordance with the provisions of the Companies Act, 2013.
11. Members desirous of obtaining any information regarding the accounts or operations of the Company are requested to send their queries to the Company at least seven (7) days in advance of the Meeting, so that the requisite information may be made available at the Meeting.
12. All documents referred to in the Notice and the accompanying Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days (except Saturdays, Sundays and public holidays) during business hours up to the date of the Meeting, and shall also be available for inspection at the venue of the Meeting during the Meeting.
13. Members are requested to immediately notify the Company of any change in their address or demise of any member, in order to prevent fraudulent transactions and ensure proper communication.
14. In case of joint holders attending the AGM, the member whose name appears first in the Register of Members shall be entitled to vote.
15. Corporate members intending to send their authorised representative(s) to attend the Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified true copy of the Board Resolution together with specimen signature(s) of the authorised representative(s) empowered to attend and vote on their behalf at the Meeting.

NOTICE OF THE ANNUAL GENERAL MEETING

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, and the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013, shall be available for inspection by the members at the Registered Office of the Company. Members desirous of inspecting the same may contact the Company at email: fbid@elofic.com
17. Members/Proxies/Authorised Representatives are requested to bring the Attendance Slip duly completed and signed, along with a copy of the Annual Report, for attending the Meeting. Members holding shares in dematerialized form are requested to mention their Client ID and DP ID, and members holding shares in physical form are requested to mention their Folio Number in the Attendance Slip.
18. The dividend on equity shares, as recommended by the Board, if declared at the Annual General Meeting, shall be paid within thirty (30) days from the date of declaration, to those members whose names appear:
 - (a) as members in the Register of Members of the Company as on **Friday, July 24, 2026**; and
 - (b) as beneficial owners as on that date as per the records furnished by M/s Alankit Assignments Limited, Registrar and Share Transfer Agent, in respect of shares held in electronic form.
19. The Register of Members and Share Transfer Books of the Company shall remain closed from **Friday, July 24, 2026 to Thursday, July 30, 2026** (both days inclusive) for the purpose of the Annual General Meeting and payment of dividend, declared at Annual General Meeting.
20. Unclaimed / Unpaid Dividend:
Pursuant to Section 124 of the Companies Act, 2013, dividend for the financial year ended 31st March, 2019 which remains unpaid or unclaimed for a period of seven (7) years, become due for transfer on **October 31, 2026** to the Investor Education and Protection Fund of the Central Government.

Members who have not claimed their dividend for the aforesaid year are requested to lodge their claims with the Company at the Registered Office of the Company at 14/4, Mathura Road, Faridabad - 121003 or at email id fbid@elofic.com or to the Registrars & Share Transfer Agents of the Company at Alankit Assignments Limited, Alankit House, 4E/2 Jhandewalan Extension, New Delhi - 110055 as early as possible but not later than August 31, 2026.
21. The Company has already transferred all shares (in respect of which dividend has not been paid or claimed for seven consecutive years or more) along with unpaid or unclaimed dividend declared for the financial year ended March 31, 2018 and earlier periods to the Investor Education and Protection Fund.
Members who have so far not claimed or collected their dividends for the said period may claim their dividend and shares from the Investor Education and Protection Fund, by submitting an application in the prescribed form.
22. A physical copy of the Annual Report is being sent to all members at their registered address as available in the records of the Company. Members are requested to promptly inform the Company/Registrar and Share Transfer Agent of any change in their address.
23. The route map to the venue of the meeting is attached to the Notice.

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

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

Date: June 15, 2026
Place: Faridabad

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

The Board of Directors in its Board Meeting held July 10, 2025 on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Prashant Jain (DIN: 00066215) as an Additional Director in capacity of Independent Director of the Company pursuant to Sections 149, 150, 152 and 161 of the Companies Act, 2013, who holds office up to the date of the ensuing i.e. 53rd Annual General Meeting of the Company.

The Nomination and Remuneration Committee meeting held on June 15, 2026 has recommended his appointment as an Independent Director of the Company for a term of five consecutive years, subject to approval of the shareholders. The Board has considered the qualifications, professional experience, expertise, skills and background of Mr. Prashant Jain and noted that he possesses rich experience in business management, finance, administration, industry operations, strategy, governance and regulatory matters, which would be beneficial to the Company.

The Board further noted that Mr. Prashant Jain has submitted the requisite declarations, including consent to act as Director, declaration of independence under Section 149(6) of the Companies Act, 2013, declaration under the Companies (Appointment and Qualification of Directors) Rules, 2014, Form MBP-1 disclosure of interest in other entities, and confirmation that he is not disqualified under Section 164 of the Act.

Based on the declarations and disclosures submitted, the Board is satisfied that Mr. Prashant Jain meets the criteria of independence and is independent of the management of the Company. The Board is of the opinion that his appointment as an Independent Director would strengthen the governance framework of the Company and bring valuable contribution to Board deliberations.

Accordingly, the Board recommends the resolution set out in Item No. 04 for approval of the members of the Company by way of an Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives, except Mr. Prashant Jain himself, is in anyway concerned or interested, financially or otherwise, in the said resolution.

Item No. 5

The Board of Directors of the Company, on the recommendation of the Audit Committee in the Board Meeting held on June 15, 2026 has approved the re-appointment of **M/s Vandana Bansal & Associates, Cost Accountants, (Firm Registration No. 100203)**, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2026-27 at a remuneration of 75,000 per annum [Rupees Seventy Five Thousand only per annum] plus applicable taxes and reasonable out of pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as approved by the Board on the recommendation of the Audit Committee, has to be approved by the members of the Company. Accordingly, approval of the members is being sought by way of an Ordinary Resolution as set out at item no. 5 of the Notice.

The Board of Directors recommend the resolution for the approval of the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolution.

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

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

Date: June 15, 2026
Place: Faridabad

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 53rd Annual General Meeting of the company, to be held on Thursday July 30, 2026, at 04:00 P.M. at Radisson Blu Hotel, Faridabad, Mathura Road, Sector 20B, New Industrial Township, Faridabad, Haryana – 121007 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Particulars
1.	To consider and adopt; (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2026 together with the report of the Board of Directors and Auditors thereon; (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2026 and the report of Auditors thereon.
2.	To Declare Final Dividend of Rs. 5/- per Equity Share for the financial year ended March 31, 2026.
3.	To appoint Director in place of Mr. Mohan Bir Sahni (DIN: 00906251) who is liable to retire by rotation and is eligible offer himself for reappointment.
4.	Appointment of Mr. Prashant Jain (DIN: 00066215) as an Independent Director of the Company for a term of five (5) consecutive years.
5.	To approve the Remuneration of the Cost Auditors' for the Financial Year 2026-27

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

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp

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.

ATTENDANCE SLIP

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

I hereby record my presence at the 53rd Annual General Meeting of Elofic Industries Limited on Thursday July 30, 2026 at 04:00 P.M. at Radisson Blu Hotel, Faridabad, Mathura Road, Sector 20B, New Industrial Township, Faridabad and Haryana – 121007.

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.



BOARD'S REPORT

Dear Esteemed Members,

The Board of Directors of Elofic Industries Limited ("the Company") are pleased to present the Fifty Third (53rd) Annual Report on the business and operations of the Company along with the Audited Financial Statements and Audit Report thereon for the financial year ended March 31, 2026 ('year under review') prepared in due compliance to the provisions of the Companies Act, 2013 read with rules made thereunder.

FINANCIAL SUMMARY OR HIGHLIGHTS

Your Company's financial affairs & performance during the year as compared with previous year is summarized below:

PARTICULARS	Standalone (Figures)	
	YEAR ENDED MARCH 2026 (Rs. In lakhs)	YEAR ENDED MARCH 2025 (Rs. In lakhs)
Revenue from operations	45221	43908
Other Income	3134	1351
Total Income	48355	45259
Profit Before Interest Depreciation & Tax	11192	11996
Finance Cost including Interest	47	75
Depreciation	2007	1471
Profit Before Tax***	9138	10450
Provision for Tax & Deferred Tax	2050	2992
Profit After Tax	7088	7458
Profit available for appropriation	7088	7458
General reserve	709	746
Dividend including Tax on Dividend	125	100
Profit Carried over to the Balance Sheet	6254	6612
Earnings per share (Rs.)	282.57	297.33

THE STATE OF THE COMPANY'S AFFAIRS AND OPERATION / PERFORMANCE

During the financial year ended March 31, 2026, the Company continued to demonstrate operational resilience and financial stability amidst a dynamic business environment.

The Company's revenue from operations increased to **Rs. 45,221 Lakhs** as compared to **Rs. 43,908 Lakhs** in the previous financial year, registering a healthy growth of approximately 3.0%. Total income stood at **Rs. 48,355 Lakhs** as against **Rs. 45,259 Lakhs** in the previous year, reflecting an increase of approximately 6.8%, supported by improved operational efficiencies and higher other income.

The Company reported a Profit before Tax (PBT) of **Rs. 9,138 Lakhs** during the year. The Company maintained a strong profitability profile in a dynamic business environment.

The Profit after Tax (PAT) for the year stood at **Rs. 7,088 Lakhs** as compared to **Rs. 7,458 Lakhs** in the previous year. The Company recorded a Total Comprehensive Income of **Rs. 7,089 Lakhs**, reflecting its sustained focus on long-term value creation and financial discipline.

BOARD'S REPORT

During the year, the Company continued to strengthen its operational processes, optimize resource utilization, enhance product quality standards, and maintain strong customer relationships. The management remained focused on cost optimization, productivity enhancement, technological improvements, and strengthening its market presence across key business segments.

The Directors are pleased to note that the Company continues to maintain a strong financial position, healthy cash flows, and a robust balance sheet, which provides a solid foundation for future growth and expansion opportunities. The management remains committed to pursuing sustainable growth, improving operational excellence, and delivering consistent value to all stakeholders.

The profit figure does not include profits from Elofic USA, LLC the Company's wholly-owned subsidiary in the USA.

CONSOLIDATED FINANCIAL STATEMENTS

During the financial year ended March 31, 2026, in accordance with the provisions of the Companies Act, 2013, the applicable Accounting Standards requirements, wherever applicable, the Consolidated Financial Statements of the Company and its subsidiary have been prepared.

The Consolidated Financial Statements, together with the Auditors' Report thereon, form part of the Annual Report. The Consolidated Financial Statements provide a comprehensive view of the financial performance, financial position, cash flows, assets and liabilities of the Company and its subsidiary as a single economic entity.

The Board believes that the Consolidated Financial Statements present a fair and holistic view of the state of affairs and operational performance of the Group during the financial year ended March 31, 2026.

CHANGE IN NATURE OF BUSINESS, IF ANY

The Company has neither commenced any new business nor discontinued/ sold or disposed off any of its existing businesses and has not hived off any segment or division during the year under review.

SHARE CAPITAL AND DEBT STRUCTURE

Authorised Share Capital

The Authorized Share Capital of the Company as on March 31, 2026 is ₹ 3,00,00,000/- (Rupees Three Crore only) divided into 30,00,000 (Thirty Lakh) Equity Shares of the face value of ₹ 10/- (Rupees Ten) each.

During the year under review, the Company has not increased its Authorized Share Capital.

A. Issued, Subscribed and Paid-Up Share Capital

The issued, subscribed and paid-up Share Capital of the Company as on March 31, 2026 is ₹ 2,50,83,700/- (Rupees Two Crore Fifty Lakh Eighty-Three Thousand Seven Hundred Only) divided into 25,08,370 (Twenty-Five Lakh Eight Thousand Three Hundred Seventy) Equity shares of the face value of ₹ 10/- (Rupees Ten) each.

During the year under review, the Company has not increased its Issued, Subscribed and Paid-up Share Capital.

B. Reclassification and Sub-Division of Authorised Share Capital

During the year under review, there was no reclassification or sub-division undertaken.

C. Reduction of Share Capital or Buy Back of Shares

During the year under review, there is no reduction in the Share Capital, and the Company has not bought back any of its securities.

BOARD'S REPORT

D. Change in Voting Rights

During the year under review, there is no change in the Voting Rights.

E. Issue of shares or other convertible securities

During the year under review, Company has not issued any kind of shares or securities which carry a right or option to convert such securities into shares.

F. Issue of Equity shares with differential rights

During the year under review, Company has not issued any equity shares with differential rights.

G. Issue of Sweat Equity Shares

During the year under review, Company has not issued any Sweat Equity Shares.

H. Employee Stock Options Scheme(s)

During the year under review, no Employee Stock Option Scheme was implemented.

I. Issue of debentures, bonds or any non-convertible securities

During the year under review, Company has not issued any debentures, bonds or any non-convertible securities.

TRANSFER TO GENERAL RESERVE

In accordance with the Company's policy of maintaining a strong financial position and creating adequate reserves for future growth and business requirements, the Board of Directors has transferred an amount of Rs. 709 Lakhs from the profits earned during the Financial Year 2025-26 to the General Reserve of the Company.

The transfer has been made after considering the Company's operational performance, profitability, future expansion plans, working capital requirements and overall financial strength. The augmentation of reserves will further strengthen the Company's net worth and enhance its ability to capitalize on future growth opportunities while ensuring long-term financial stability.

After the aforesaid transfer, the General Reserve of the Company stands Rs. 4045 Lakhs, reflecting the Company's prudent financial management practices and commitment towards creating sustainable value for all stakeholders.

DIVIDEND

a) Declaration and Payment of Dividend

Considering the Company's satisfactory financial performance during the Financial Year 2025-26, the Board of Directors is pleased to recommend a dividend of Rs. 5/- (Rupees Five Only) per Equity Share of face value Rs. 10/- each for the financial year ended March 31, 2026, subject to the approval of the members at the ensuing Annual General Meeting ("AGM").

The total dividend outgo, including applicable taxes, will be appropriated from the profits of the Company for the financial year 2025-26.

b) Record Date

The dividend, if approved by the Members, will be paid to those shareholders whose names appear in the Register of Members of the Company as on the date of record date i.e. July 24, 2026 fixed for the purpose of the AGM and payment of dividend.

BOARD'S REPORT

DECLARATION OF INDEPENDENCE BY INDEPENDENT DIRECTOR AND STATEMENT ON COMPLIANCE OF CONDUCT

During the year under review, the Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and that they have complied with the Code for Independent Directors prescribed under Schedule IV to the Companies Act, 2013.

In the opinion of the Board, the Independent Directors possess the requisite integrity, expertise, experience and proficiency required to effectively discharge their duties and responsibilities. The Board is satisfied that the Independent Directors fulfil the conditions specified under the Companies Act, 2013 and are independent of the management.

STATEMENT ON OPINION OF BOARD OF DIRECTORS WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE OF INDEPENDENT DIRECTORS APPOINTED DURING THE FINANCIAL YEAR 2025-2026

In the opinion of the Board, all the Independent Directors appointed on the Board possess high standards of integrity, requisite expertise, experience, proficiency and knowledge in their respective fields. The Independent Directors bring significant value to the deliberations of the Board through their diverse experience, professional competence and independent judgment, thereby contributing effectively to the governance and growth of the Company.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has in place a system to familiarize the Independent Directors with the Company, its business operations, industry environment, strategic plans, policies, regulatory framework, and their roles, rights, responsibilities, and duties as Independent Directors. The Independent Directors are provided with relevant information and updates on the Company's business performance, operational matters, risk management framework, and changes in applicable laws and regulations from time to time to enable them to effectively discharge their responsibilities and contribute meaningfully to the governance of the Company.

STATEMENT INDICATING ALL PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS VIS-À-VIS THE COMPANY

None of the Non-Executive Directors had any pecuniary relation or transactions with the Company other than the sitting fees, if any and reimbursement of expenses incurred by them (as applicable), for the purpose of attending meetings of the Board/Committee of the Company.

DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year under review, ELOFIC USA, LLC is the wholly-owned subsidiary of the Company, through which it undertakes and supports its business operations in the overseas market.

The Board continuously reviews the business operations, financial performance, governance framework, and strategic initiatives of the subsidiary to ensure alignment with the overall objectives of the Group. The subsidiary operates in accordance with the applicable laws and regulations of the jurisdiction in which it is incorporated.

As at March 31, 2026, the Company does not have any Associate Company or Joint Venture within the meaning of the provisions of the Companies Act, 2013.

CESSATION OF SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

During the financial year under review, no entity ceased to be a Subsidiary of the Company. The Company's subsidiary structure remained unchanged during the year, and there were no events or transactions resulting in the loss of control over any subsidiary.

Further, the Company did not have any Associate Company or Joint Venture as on the date of the financial year under review. Accordingly, the disclosure requirements relating to the cessation of Associate Companies and Joint Ventures are not applicable to the Company.

BOARD'S REPORT

REPORT ON FINANCIAL POSITION OF THE SUBSIDIARY AND THEIR CONTRIBUTION TO OVERALL PERFORMANCE OF THE COMPANY DURING THE PERIOD UNDER REPORT

Pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, Report on the performance and financial position of ELOFIC USA, LLC, wholly-owned subsidiary of the Company and its contribution to the overall performance of the Company is attached to the Financial Statements and forms an integral part of this Annual Report as **Annexure I**.

During the financial year under review, the subsidiary continued to carry out its business activities in accordance with its business objectives and contributed towards strengthening the Company's international presence and operational capabilities. The Board has reviewed the affairs of the subsidiary and is satisfied with its overall performance and financial position during the year.

The financial performance of the subsidiary is included in the Consolidated Financial Statements of the Company prepared in accordance with the applicable Accounting Standards and regulatory requirements.

DEPOSITS

During the year under review, the Company has not accepted any deposits from the public falling within the ambit of Section 73 and other applicable provisions of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

The details with regard to deposits, covered under Chapter V of the Companies Act, 2013 are mentioned hereunder:

S. No.	Particulars	Amount
a)	Amount accepted during the year	Nil
b)	Amount remain unpaid or unclaimed as at the end of the year	Nil
c)	Default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved	Nil
	i. at the beginning of the year	
	ii. maximum during the year	
	iii. at the end of the year	
d)	Details of deposits which are not in compliance with the requirements of the Act	Nil

ANNUAL RETURN

Pursuant to provisions of Sections 92(3) and 134(3)(a) of the Act and the rules made thereunder, the Annual Return as on 31st March 2026 in Form MGT-7 would be available on the Company's website on www.elofic.com.

INVESTOR EDUCATION & PROTECTION FUND

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, dividends remaining unpaid or unclaimed for a period of seven consecutive years are required to be transferred to the Investor Education and Protection Fund ("IEPF").

During the year under review, the Company transferred an amount of Rs. 1,92,900/- pertaining to the unpaid/unclaimed dividend for the Financial Year 2017-18 to the Investor Education and Protection Fund.

Further, during the year under review, the Company transferred 1,500 equity shares to the demat account of the Investor Education and Protection Fund Authority in respect of shares on which dividend had remained unpaid or unclaimed for seven consecutive years. The requisite Corporate Action was filed with National Securities Depository Limited (NSDL), and the transfer was executed on August 20, 2025.

BOARD'S REPORT

The details of unpaid/unclaimed dividend remaining in the Unpaid Dividend Account of the Company as on March 31, 2026 are set out below:

S. No.	Financial Year	Unpaid Dividend
1	2018-19	Rs. 1,90,350.00
2	2019-20	Rs. 92,550.00
3	2020-21	Rs. 96,858.00
4	2021-22	Rs. 1,25,874.00
5	2022-23	Rs. 1,12,038.00
6	2023-24	Rs. 1,85,760.00
7	2024-25	Rs. 2,15,230.00
Total Amount		Rs. 10,18,660.00

Members are requested to claim their unpaid or unclaimed dividend from the Company before the same becomes due for transfer to the Investor Education and Protection Fund. Members may further note that the unclaimed dividend and corresponding shares transferred to the IEPF Authority may be claimed back by making an application in Form IEPF-5 in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of the Company is duly constituted as per the requirements of the Companies Act, 2013. None of the Directors of the Company is disqualified under the provisions of Companies Act, 2013 and the Company has received and taken on record, the requisite disclosures and undertakings from all the Directors in compliance with the provisions of the Companies Act, 2013.

A. Composition of Board of Directors

As on March 31, 2026, Board of your company comprises of Six (6) Directors .

i) Change in Composition of Board of Directors

During the year under review, following changes took place in the composition of the Board of Directors.

Mr. Prashant Jain (DIN: 00066215) was appointed as an Additional Director in the capacity of Independent Director of the Company w.e.f. July 10, 2025, pursuant to the provisions of Sections 149, 150, 152 and 161 of the Companies Act, 2013 and the rules made thereunder, by the Board of Directors.

Mr. Subodh Kumar Jain (DIN: 00165755), Independent Director whose first term of five years as Independent Director expires on July 10, 2025 and due to ill health, has not offered himself for re-appointment for the second term. The Board places on record its sincere appreciation for the valuable guidance, support and contribution made by him during his tenure as a Director of the Company.

The Company has received the requisite declarations and confirmations from Mr. Prashant Jain regarding his eligibility for appointment as Director in accordance with the provisions of the Companies Act, 2013.

The Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee, further recommends shareholders of the Company to appoint Mr. Prashant Jain, (DIN: 00066215) as an Independent Director of the Company for a term of five consecutive years commencing from the conclusion of the 53rd Annual General Meeting and ending on the conclusion of the 58th Annual General Meeting, not liable to retire by rotation.

None of the Company's Directors are disqualified from being appointed as Directors as specified in Section 164 of the Act. Members' approval is being sought at the ensuing AGM for the aforesaid appointment/re-appointment of Directors.

ii) Appointment of Key Managerial Personnel

During the year under review, the Board of Directors, pursuant to the provisions of Section 203 of the Companies Act, 2013, appointed Mr. Pankaj Kumar Jain as the Chief Financial Officer (CFO) of the Company with effect from January 01, 2026.

BOARD'S REPORT

MEETINGS OF THE BOARD

During the financial year under review, 9 (Nine) meetings of the Board of Directors were held between April 1, 2025 and March 31, 2026 in compliance with the provisions of the Companies Act, 2013. The maximum interval between any two consecutive Board Meetings did not exceed one hundred and twenty days as prescribed under the Act.

The requisite quorum was present throughout all the meetings. The proceedings of the meetings were duly recorded and entered in the Minutes Book maintained for the purpose in accordance with the provisions of the Companies Act, 2013 and applicable Secretarial Standards.

During the year under review, no resolution was passed by circulation pursuant to the provisions of Section 175 of the Companies Act, 2013.

The details of the Board Meetings held during the financial year and the attendance of the Directors thereat are provided below:

Sl. No.	Date of Meeting	Total No. of Directors on date of meeting	Attendance	
			No. of Directors attended	% of Attendance
1.	April 01, 2025	6	3	50.00
2.	May 10, 2025	6	4	66.67
3.	May 30, 2025	6	6	100.00
4.	June 25, 2025	6	4	66.67
5.	July 10, 2025	6	4	66.67
6.	September 02, 2025	6	4	66.67
7.	December 18, 2025	6	3	50.00
8.	January 01, 2026	6	6	100.00
9.	January 27, 2026	6	3	50.00

BOARD COMMITTEES & MEETINGS

The Committees of the Board focus on certain specific areas and make well informed decisions in line with the delegated authority and their terms of reference. Presently, the Board has constituted Audit Committee, Nomination & Remuneration Committee (NRC) and Corporate Social Responsibility (CSR) Committee.

During the year under review, consequent to the completion of term of Mr. Subodh Kumar Jain (DIN: 00165755) from the office of Independent Director with effect from July 10, 2025 and due to ill health, has not offered himself for re-appointment for the second term and the appointment of Mr. Prashant Jain (DIN: 00066215) as an Additional Director in the capacity of Independent Director with effect from July 10, 2025, the Board of Directors reconstituted the Audit Committee, Nomination and Remuneration Committee and CSR Committee in order to ensure compliance with the applicable provisions of the Companies Act, 2013.

Accordingly, the Audit Committee, Nomination and Remuneration Committee and CSR Committee were reconstituted by the Board with effect from July 10, 2025.

a. Audit Committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has re-constituted an Audit Committee of the Board of Directors.

The composition of the Audit Committee as on March 31, 2026 was as follows:

BOARD'S REPORT

S. No.	Name of the Member	Designation in Committee	Category
1	Mrs. Sangeeta Bajaj	Chairperson & Member	Independent Director
2	Mr. Prashant Jain	Member	Independent Director
3	Mr. Karwal Deep Sahni	Member	Whole-time director

During the financial year under review, the Audit Committee met 5 (Five) times.

Sl. No.	Date of Meeting	Total No. of Members on date of meeting	Attendance	
			No. of Members attended	% of Attendance
1.	May 20, 2025	3	3	100.00
2.	June 25, 2025	3	2	66.67
3.	August 22, 2025	3	3	100.00
4.	November 20, 2025	3	3	100.00
5.	January 01, 2026	3	3	100.00

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

b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

The composition of the Nomination and Remuneration Committee as on March 31, 2026 was as follows:

S. No.	Name of the Member	Designation in Committee	Category
1	Mrs. Sangeeta Bajaj	Chairperson & Member	Independent Director
2	Mr. Prashant Jain	Member	Independent Director
3	Mr. Mehul Gupta	Member	Non-Executive Director

During the financial year under review, the Nomination & Remuneration Committee met 3 (Three) times.

Sl. No.	Date of Meeting	Total No. of Members on date of meeting	Attendance	
			No. of Members attended	% of Attendance
1.	May 20, 2025	3	3	100.00
2.	July 08, 2025	3	2	66.67
3.	January 01, 2026	3	3	100.00

The Committee oversees matters relating to appointment, remuneration, performance evaluation and succession planning of Directors and Key Managerial Personnel in accordance with the Nomination and Remuneration Policy of the Company.

c. Corporate Social Responsibility Committee

Pursuant to the provisions of section 135 of the Companies Act, 2013, the provisions of Section 135 are applicable to the Company as its net profit before tax exceeds the prescribed threshold limit.

Further, as per section 135(9) of Companies Act 2013, any entity whose CSR obligation does not exceed ₹ 50,00,000/- (Fifty Lakh Rupees), the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable to such entities and the functions of such Committee, in such cases, can be discharged by the Board of Directors of such Company.

BOARD'S REPORT

Since, the CSR obligation of the Company exceed ₹ 50,00,000/- the Company has constituted a Corporate Social Responsibility Committee of the Board in compliance with the requirements of Section 135 of the Companies Act, 2013. The Committee is entrusted with the responsibility of formulating and recommending the Corporate Social Responsibility Policy to the Board, recommending the amount of expenditure to be incurred on CSR activities, monitoring the implementation of the CSR Policy and carrying out such other functions as prescribed under the Act and the Rules made thereunder. The policy, including an overview of projects or programs proposed to be undertaken, is provided on the Company website: <https://www.elofic.com>

During the year under review, the CSR Committee was reconstituted consequent to the changes in the composition of the Board of Directors.

The composition of the CSR Committee as on March 31, 2026 was as follows:

S. No.	Name of the Member	Designation in Committee	Category
1	Mrs. Sangeeta Bajaj	Chairperson & Member	Independent Director
2	Mr. Prashant Jain	Member	Independent Director
3	Mr. Mohan Bir Sahni	Member	Whole-Time Director

During the financial year under review, the CSR Committee met 2 (Two) times.

Sl. No.	Date of Meeting	Total No. of Members on date of meeting	Attendance	
			No. of Members attended	% of Attendance
1.	July 08, 2025	3	3	100.00
2.	March 28, 2026	3	3	100.00

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of Schedule IV to the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on May 20, 2025 without the attendance of the Non-Independent Directors and members of the management.

The Independent Directors, inter alia, reviewed and assessed:

- The performance of the Non-Independent Directors and the Board as a whole;
- The performance of the Chairperson of the Company, taking into account the views of the Executive Directors and Non-Executive Directors;
- The quality, quantity and timeliness of the flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall functioning of the Board and its Committees and the effectiveness of the governance framework of the Company.

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.

STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

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

BOARD'S REPORT

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The particulars of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements.

During the financial year under review, the Company has not granted any loans, provided any guarantees, furnished any securities or made any investments requiring disclosure under Section 186 of the Companies Act, 2013.

Accordingly, the disclosure requirements prescribed under Section 186 of the Companies Act, 2013 are not applicable to the Company for the financial year under review.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

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 Indian Accounting Standards (IND-AS 24) has been made in the Notes to the Financial Statements.

- **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.

- **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.

PARTICULAR OF EMPLOYEES

The details and particulars of the employees who are getting remuneration, which require disclosures under section 197(12) of the Companies Act, 2013, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are set out in **Annexure III**.

CORPORATE SOCIAL RESPONSIBILITY POLICY & INITIATIVES

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.

At the heart of the Company's CSR philosophy lies a commitment to creating a meaningful and lasting impact on society. During the Financial Year 2025-26, the Company continued its journey of giving back to the community through various initiatives focused on healthcare, women Empowerment, Clean drinking water, promoting education, public welfare, humanitarian assistance, and community development.

Driven by the belief that business growth must go hand-in-hand with social progress, the Company contributed to charitable organizations such as **B Bhagwan Singh Elofic Charitable Trust, YESS Charitable Trust** and **Janki Social Welfare Society**, enabling them to carry forward their efforts in improving the lives of underprivileged and vulnerable sections of society.

The Company also made contributions to the **Prime Minister's National Relief Fund (PMNRF)** at various times during the year, reaffirming its commitment to national causes and providing support for relief, rehabilitation, and humanitarian assistance during times of need.

BOARD'S REPORT

Recognizing the importance of accessible healthcare services, the Company supported the community by providing an **Ambulance equipped with essential ambulance fittings** to Government ESI hospital, Faridabad helping strengthen emergency medical response and healthcare accessibility for those in need.

In a significant step towards promoting public health and well-being and clean drinking water initiative, the Company installed **water coolers** across multiple government schools/ education institutes/ hospital, including locations at Nalagarh (Himachal Pradesh), Faridabad (Haryana), Noida (Uttar Pradesh), and Hosur (Tamil Nadu). This initiative ensures the availability of clean and safe drinking water, benefiting thousands of individuals and contributing to healthier communities.

These initiatives reflect the Company's unwavering commitment to being a responsible corporate citizen. Beyond contributions, the Company strives to create a positive social impact by supporting causes that improve quality of life, promote community welfare, and contribute to the nation's development. The Board takes pride in the Company's CSR efforts and remains committed to building a more inclusive, healthier, and sustainable future for all.

The Annual Report on the CSR activities in terms of Section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Report in **Annexure IV**.

NOMINATION & REMUNERATION COMMITTEE & POLICY

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee ('NRC'), has approved the Nomination and Remuneration Policy in accordance with the provisions of the Companies Act, 2013.

The Policy lays down the criteria for appointment, qualifications, positive attributes, independence, evaluation, and remuneration of Directors, Key Managerial Personnel (KMPs), and Senior Management Personnel. It aims to attract, retain, and motivate competent professionals while ensuring that remuneration is fair, performance-driven, and aligned with the long-term interests of the Company and its stakeholders.

The Nomination and Remuneration Policy is annexed to this Report as **Annexure V**.

MAINTENANCE OF COST RECORDS

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to maintain cost records in respect of its specified products/activities.

Accordingly, the Company has made and maintained such accounts and records as prescribed under the aforesaid provisions during the financial year under review. The Board of Directors confirms that the prescribed cost records have been duly maintained by the Company.

STATUTORY AUDITORS

The appointment of M/s S.N. Dhawan & Co. LLP, Chartered Accountants, (Firm Registration No. 000050N/N500045) as the statutory auditors, were approved by the members of the Company at the 52nd AGM held on July 04, 2025 to hold office for a term of five consecutive years commencing from the conclusion of 52nd Annual General Meeting till the conclusion of 57th Annual General Meeting of the Company to be held for financial year 2029-30.

The Statutory Auditors have audited the Financial Statements of the Company for the financial year ended March 31, 2026 and have issued their Audit Report thereon.

STATUTORY AUDITORS REPORT

The Company has obtained the Statutory Auditors' report from the S.N. Dhawan & Co. LLP, Chartered Accountants, (Firm Registration No. 000050N/N500045).

BOARD'S REPORT

The notes on financial statements of the Company for the financial year ended as on March 31, 2026, referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

FRAUDS REPORTED BY THE AUDITOR UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

No frauds have been reported to the Audit Committee/ Board during FY 2025-26, therefore, Section 134(3)(ca) of the Act pertaining to details of frauds reported by auditors under Section 143(12) other than those which are reportable to the Central Government is not applicable to the Company.

COST AUDITOR

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, re-appointed M/s Vandana Bansal and Associates, Cost Accountants (Firm Registration Number: 100203), as the Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2026.

The Cost Audit Report for the financial year under review shall be filed with the Central Government within the prescribed statutory timelines.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Board of Directors had appointed M/s MNRS & Associates, Chartered Accountants (Firm registration no. 018340N), as the Internal Auditors of the Company for the financial year 2025-26.

The Internal Auditors periodically review the adequacy and effectiveness of the internal control systems, risk management framework and compliance mechanisms of the Company and submit their reports to the Audit Committee and the Board of Directors for review and appropriate action, wherever required.

The Audit Committee regularly reviews the Internal Audit Reports and monitors the implementation of corrective actions and recommendations arising out of such audits.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s PI & Associates, Company Secretaries (Peer Review No. 1498/2021), to conduct the Secretarial Audit of the Company for the Financial Year 2025-26.

M/s PI & Associates, Company Secretaries, has conducted the Secretarial audit of the Company for the year under review.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report submitted by M/s PI & Associates, Company Secretaries, for the Financial Year 2025-26 in the prescribed form MR-3, pursuant to the provisions of Section 204 of the Act is annexed as **Annexure VI** to this report.

The Secretarial Audit Report issued by the Secretarial Auditors confirms that the Company has generally complied with the provisions of the Act, rules, regulations and guidelines.

DETAILS OF SIGNIFICANT & MATERIALS ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL

During the financial year under review, no significant or material order has been passed by the regulators or courts or tribunals which impact the going-concern status and future operations of the Company.

BOARD'S REPORT

MATERIAL CHANGES & COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes that have occurred and/ or commitments have been made during the period between end of the financial year till the date of this report, which may affect the financial position of the Company.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has constituted an Audit Committee in compliance with the applicable provisions of the Companies Act, 2013. However, the provisions of Section 177(9) relating to the establishment of a Vigil Mechanism are not applicable to the Company during the year under review.

BOARD EVALUATION

Pursuant to Section 134(3)(p) of the Companies Act, 2013 read with Rule 8(4) of the Companies (Accounts) Rules, 2014, formal annual evaluation of the performance of the Board, its Committees and individual Directors is applicable to every listed company and every other public company having a paid-up share capital of ₹25 Crore or more at the end of the preceding financial year.

Since the paid-up share capital of the Company is below ₹25 Crore, the aforesaid provisions are not applicable to the Company. Nevertheless, as a matter of good corporate governance, the Board voluntarily carried out an evaluation of its own performance, the performance of its Committees and individual Directors during the financial year under review.

The evaluation was conducted on the basis of criteria including composition of the Board, effectiveness of Board processes, participation and contribution of Directors, strategic guidance, governance practices, oversight functions and effectiveness of the Committees. Based on the evaluation, the Board was satisfied with its overall performance and that of its Committees and individual Directors. During the year under review, the recommendations made in the previous year were satisfactorily implemented.

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.

REMUNERATION RECEIVED BY WHOLE-TIME DIRECTORS FROM SUBSIDIARY COMPANY

During the financial year under review, none of the Whole-Time Directors of the Company received any remuneration or commission from any subsidiary company. The remuneration paid to the Whole-Time Directors was solely by the Company and was in accordance with the provisions of the Companies Act, 2013 and the applicable policies of the Company.

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

Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo are furnished below:

	Particulars	Activities
A.	Conservation of energy:	
(i)	The steps taken or impact on conservation of energy	a) Installed 100 TR cooling single cooling tower in place of 9 cooling towers - Replacement of lights with LED lights consuming lesser electricity.

BOARD'S REPORT

(ii)	The steps taken by the company for utilizing alternate sources of energy	a) Initiated installation of solar 290 KW in plant b) Modification in Paint shop reduce consumption of PNG
(iii)	The Capital Investment on Energy Conservation Equipment's	Company has paid an amount of Rs 40,76,662 towards installation of solar plant at its manufacturing facility situated at Faridabad (Haryana) and Installation of the same was in process as on 31.03.2026.
B Technology Absorption		
(i)	the efforts made towards technology absorption	Company has state of art inhouse R&D facility and stringent quality protocols which provides technological edge to company.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	The Company employs a homegrown platform in its operations and uses appropriate technology in its maintenance and improvements: - Accelerated product innovation cycles delivering superior performance metrics - Enhanced market differentiation through proprietary technologies - Improved operational sustainability and regulatory compliance - Strengthened global competitiveness through collaborative research - Sustained organizational capability via world-class talent development
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NIL
	a) the details of technology imported	NIL
	b) the year of import;	NIL
	c) whether the technology been fully absorbed	NIL
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	NIL
(iv)	the expenditure incurred on Research and Development	Total Expenditure incurred on R&D: a) Capital Expenses: Rs 23,46,050/- b) Revenue Expenses: Rs 3,82,62,531/- c) Total Expenses: Rs 4,06,08,581/- d) Percentage of Total Turnover: 0.84%
C Foreign Exchange Earnings & Outgo (in terms of actual inflow/outflow)		
	a) Foreign Exchange Earnings	Foreign Exchange earned (in terms of actual inflows): Rs 206,35.42 Lacs
	b) Foreign Exchange Outgo	Foreign Exchange outgo (in terms of actual outflows): Rs. 42,82.93 Lacs.

A. Research & Development and Technology Absorption

a). Research & Development (R&D)

1. Specified areas in which R&D has been carried out by the company.

- Development of Filters for Electric Vehicles.
- Development of Clean Air Tower with Electrostatic Filters
- Premium Cabin Air Filters

BOARD'S REPORT

- Technology improvement in manufacturing facilities.
- External Testing with In house R and D Laboratory
- Improvement in work practices.

2. Benefits of R&D

The continuous investment in our R&D department has yielded numerous benefits, including:

- **Market Leadership** Our sustained R&D investment has established Elofic as the preferred choice in vehicular filtration technology. Continuous product innovation and technological advancement have strengthened our competitive positioning, enabling robust expansion of market reach and revenue generation across key customer segments.
- **Regulatory Alignment:** Through deliberate product and process innovation, we have integrated sustainability into our core business model. Our eco-conscious filtration solutions address both regulatory mandates and growing market demand for environmentally responsible technologies, creating long-term business resilience.
- **Customer Experience and Brand Loyalty :** Our cutting-edge filtration systems deliver measurable improvements in vehicle efficiency and cabin air quality. This translates directly into improved customer perception, repeat purchases, and strengthened brand equity in both domestic and international markets.

Strategic R&D Roadmap & Development Initiatives

Looking ahead, our R&D centre is committed to furthering our legacy of innovation and excellence. Our plans include:

- **Futuristic Filters:** We are pioneering advanced filter architectures that leverage cutting-edge material science and nanotechnology innovations. Our development strategy focuses on delivering superior filtration performance, extended operational lifespan, and cost-efficiency through proprietary material compositions and novel fibre structures.
- **Digital Integration:** Smart filtration represents a transformative opportunity to enhance customer value through real-time system monitoring and predictive maintenance capabilities. We are developing comprehensive IoT-enabled platforms with integrated AI analytics, supported by dedicated mobile applications for both Android and iOS platforms. These solutions will initially target our air purifier product line, with planned expansion to vehicular applications.
- **Circular Economy Transitions :** Our commitment to sustainability extends beyond product design to encompass the entire manufacturing footprint. We are transitioning to renewable energy sources, implementing advanced waste reduction protocols, and developing next-generation reusable and roof-mounted filter systems that deliver superior environmental performance while meeting customer durability requirements.
- **Global Research Collaborations:** We will continue to strengthen our partnerships with leading research institutions and industry experts globally, fostering collaborative innovation to stay at the forefront of technology advancements (Recent MOU with NIT Jalandhar, Interaction with Faculties from University of Borås, Sweden and IIT Delhi).
- **Talent Development:** We are committed to nurturing the next generation of innovators by providing ongoing training and development opportunities for our R&D team members. (R and D) Team members are encouraged to attend different exhibitions, Seminars, Conferences.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the provisions of the applicable Secretarial Standards issued by Institute of Companies Secretaries of India i.e., SS-1 ("Board of Directors Meeting") and SS-2 ("General Meeting"). The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

BOARD'S REPORT

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is an equal employment opportunity employer and is committed to creating a healthy and productive work environment that enables employees 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 the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company's policy on the prevention of sexual harassment at the 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, the Board states that there was no case or complaint/incident of sexual harassment, reported in the Company, pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed of during the year:

- (a) number of complaints of sexual harassment received in the year; - Nil
- (b) number of complaints disposed off during the year; - Nil
- (c) number of cases pending for more than ninety days - Nil

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions under section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm that:

- i) In the preparation of the annual accounts for the year ended March 31, 2026, the applicable Accounting Standards have been followed, and no material departures had been made from the same.
- ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are 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 that period.
- iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors had prepared the annual accounts on a going concern basis; and
- v) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

During the year under review and till the signing of this report of Board of Directors, your Company has not filed any application for corporate insolvency under the IBC before the National Company Law Tribunal ('NCLT') and no creditor (financial or operational) has filed any application for corporate insolvency under the IBC before the NCLT against the Company.

BOARD'S REPORT

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

STATEMENT ON COMPLIANCE WITH MATERNITY BENEFITS ACT, 1961

The Company is committed to providing a supportive and inclusive work environment for its employees and complies with the provisions of the Maternity Benefit Act, 1961, as amended from time to time.

The Company has adopted appropriate policies and practices to ensure that eligible women employees are provided maternity benefits, including maternity leave and other related benefits, in accordance with the applicable provisions of the Act. During the financial year under review, the Company continued to comply with all statutory requirements relating to maternity benefits and employee welfare.

OTHER DISCLOSURES

A. Awards and Recognition

The Company continues to be recognized by industry bodies for its commitment to excellence, innovation, quality, operational efficiency, and sustainable business practices. During the financial year under review, the Company received several prestigious accolades from the Automotive Component Manufacturers Association of India (ACMA), reaffirming its position as a leading and responsible manufacturer in the automotive component industry.

The Company was honoured with the following awards under the Large Category:

- ACMA Excellence Silver Award for Excellence in Export in Large Category
- ACMA Excellence Bronze Award for Excellence in NPDD & Localization in Large Category
- ACMA Excellence Award - Certificate of Merit in Safety in Large Category
- ACMA Excellence Award - Certificate of Merit in Manufacturing in Large Category
- ACMA Excellence Award - Certificate of Merit in Skill Development in Large Category

These recognitions reflect the Company's unwavering focus on export growth, innovation, localization initiatives, manufacturing excellence, workplace safety, and continuous skill enhancement of its workforce. The Board places on record its appreciation for the dedication and commitment of the employees, whose collective efforts have contributed significantly to achieving these milestones.

B. Production

Operational Excellence and Technology Upgradation

Our productivity and process capabilities continued to strengthen during the year, driven by focused operational excellence initiatives and ongoing investments in manufacturing technology. Enhanced production processes, improved quality controls, and greater process discipline have contributed to a reduction in in-house rejections and material wastage, resulting in higher operational efficiency and cost optimization.

To support growing market demand, we have invested in state-of-the-art machinery and advanced automation solutions across our production facilities. Our efforts have been further strengthened through the implementation of advanced low-cost automation projects, expanded IoT-enabled smart factory monitoring systems, and digital manufacturing platforms that provide real-time visibility into production performance. These initiatives have increased manufacturing capacity, improved process consistency, enhanced traceability, and significantly boosted overall productivity.

As part of our digital transformation journey, we have accelerated the adoption of Industry 4.0 and connected manufacturing solutions. AI-based quality inspection systems are being leveraged to improve defect detection, strengthen process controls, reduce downtime, and enable data-driven decision-making.

BOARD'S REPORT

In response to evolving industry requirements and increasing customer expectations, we have continued to upgrade our existing production lines by incorporating advanced manufacturing technologies, energy-efficient systems, excellence project deployment initiatives, and strengthened quality assurance mechanisms. These improvements have enabled better resource utilization, improved operational reliability, reduced environmental impact, and created a more efficient, sustainable, and future-ready manufacturing.

Going forward, we remain committed to continuous improvement, technological advancement, operational excellence, and sustainable manufacturing practices. Through ongoing investments in automation, digitalization, data analytics, and energy efficiency initiatives, we aim to further enhance competitiveness, strengthen customer satisfaction, and deliver long-term value to all our stakeholders.

C. Marketing

MARKETING DOMESTIC:

OEM Market:

The Company has continued to secure a high level of on-time filter supplies to our customers and catered to their product demands in its entirety across our OE customers in the passenger vehicle (ICE/EV), two-wheeler, agricultural, off highway, commercial vehicle and industrial/earthmoving segments.

Our share of business has grown across all varied segments and we continue to see an upward trend in the overall demand going forward.

The company has a strategy of working closely with its customers which has enabled customized filtration solutions to meet the specific needs of different vehicles.

Sales to OEM & Institutional sales have witnessed a growth of approximately 30 % on a year-on-year basis.

We have added EV OEM's to our list of customers in the current financial year.

AFTER Market:

In a competitive environment, we maintained the market share, contributed by new product introductions and improved penetrations, we sold close to 600 SKUs in the year 2025-26 and will take to 650 SKU's in upcoming financial year.

MARKETING-INTERNATIONAL

This year was started with chaotic global environment with tariff changes, and also witnessed conflicts in Middle East impacting supply chains and increased logistics costs in later part of the year.

Your company managed to navigate the dynamic business environment impacted by global developments and ensured that customer base along with market share with them remain intact.

This retention of our existing OEM clients in face of adverse global scenario underscores our commitment to position ourselves as a strategic partner to them, enhancing trust and collaboration.

Looking ahead your company is poised to not only recover the sales but to move towards growth again.

D. Quality and Engineering

We are delighted to announce another year of strong progress in customer satisfaction, reflecting our unwavering commitment to excellence, innovation, and customer-centric growth. Maintaining high levels of customer satisfaction remains a key strategic priority, as satisfied customers are more likely to build long-term partnerships, recommend our products and services, and contribute to sustainable business success.

Our focus continues to be on understanding customer expectations, proactively gathering feedback, and transforming insights into meaningful improvements across our products, processes, and services.

BOARD'S REPORT

To sustain the highest quality standards, we continuously strengthen our supplier partnerships and enhance supply chain capabilities. Through strict adherence to globally recognized Quality Management Systems, including ISO 9001:2015 and IATF 16949:2016, we ensure the consistent delivery of high-quality products, improved reliability, and superior customer satisfaction.

All our manufacturing facilities continue to maintain full compliance with IATF 16949 requirements through robust quality management practices, risk-based thinking, and ongoing process improvements. Critical manufacturing processes have been further enhanced through advanced Poka-Yoke (Error-Proofing) systems, AI-enabled inspection technologies, automated quality controls, and real-time process monitoring to ensure defect prevention and operational excellence.

As part of our commitment to innovation, digital transformation, and manufacturing excellence, we continue to invest in advanced technologies and smart manufacturing initiatives. Our key focus areas include:

- Advanced Low-Cost Automation Projects
- Expanded IoT Integration and Smart Factory Monitoring Systems
- AI-Based Quality Inspection and Predictive Analytics
- Excellence Project Deployment Across Manufacturing Operations
- Digital Manufacturing Dashboards and Real-Time Performance Tracking
- Enhanced Data Analytics for Process Optimization and Faster Decision-Making
- Industry 4.0 Adoption and Connected Manufacturing Solutions
- Energy Efficiency and Sustainability Improvement Initiatives

These strategic initiatives reinforce our commitment to continuous improvement and enable us to exceed customer expectations through superior product quality, enhanced operational efficiency, faster response times, and the adoption of cutting-edge technologies. By leveraging innovation and operational excellence, we aim to create greater value for our customers, strengthen our competitive advantage, and drive sustainable growth in the years ahead.

E. Research & Development

At Elofic, the R&D function is where the company's future is engineered. It is the source of the differentiation that keeps Elofic ahead in a fast-moving filtration landscape, and the work of the past year reflects that mandate clearly. Below is an account of where the team has made its mark — in the products it has brought to life, the intellectual property it has secured, the laboratory capabilities it has built, and the recognition it has drawn. Each of these threads has done two things at once: extended the range of problems Elofic can solve, and deepened the company's hold on the markets that matter most.

i. New Product Developments

The past twelve months saw the team move several genuinely new ideas from concept to working prototype, each aimed squarely at where the industry is heading — lighter, cleaner, reusable, and built to perform. The headline programs were:

Reusable Filter Housing: Rather than discard an entire filter at every service, this housing is built to be kept. Only the element inside is renewed; the structure itself endures across many cycles. The payoff is threefold — far less material sent to waste, a lower cost of ownership over the product's life, and a clear answer to the circular-economy demands now coming from OEMs and large fleet operators alike.

Electrostatic Precipitator (ESP) Filters for Clean Air Towers: Here the team set aside conventional mechanical media in favour of electrostatic capture — charging fine particles and collecting them electrically. Built for Clean Air Tower duty, the result is a filter that pulls down ultrafine particulate that ordinary media let slip through, while holding pressure drop low and stretching the interval between services.

Premium Cabin Air Filters: This range was developed to do far more than catch dust. Layered particulate stages work alongside activated and impregnated carbon to take on PM2.5, allergens, viruses, bacteria, fungal spores, odours, and harmful gases together. It is a direct response to how seriously drivers — and regulators — now treat the quality of the air inside the cabin, across both combustion and electric vehicles.

BOARD'S REPORT

Battery Venting Devices: Designed for the sealed world of the EV battery pack, these devices let gas move and pressure equalize when it must, yet hold the line against water, dust, and contamination trying to get in. In doing so they protect the integrity and safety of the pack itself — a quiet but essential piece of the electric-mobility puzzle.

ii. Patents Filed

Invention at Elofic is measured, ultimately, in protected ideas. Last year the team filed 4 new patents. That brings the cumulative tally to **33 patents filed**, of which 22 stands granted and 11 are working their way through the process — a body of protected technology that both guards what Elofic has built and underwrites the advantage it carries into the years ahead.

iii. New Capabilities Developed

Good research needs good tools, and this year the team invested deliberately in both equipment and facilities:

External Testing Services: Elofic's R and D laboratory carries both DSIR and NABL accreditation — a mark of recognized technical competence and quality assurance. On the strength of these credentials, we have opened our doors beyond Elofic's own programs and begun offering external testing services to outside customers. It is a step that turns our in-house capability into a revenue-generating, industry-facing asset, and positions the lab as a trusted, independent testing partner within the wider filtration and automotive ecosystem.

iv. Accreditation and Awards

The standard of this work has not gone unnoticed. Over the year Elofic's R&D has continued to earn respected accreditations and association honours (Bronze in ACMA awards in New Product Design and Development) — each one an external confirmation of the company's steady commitment to quality, invention, and engineering leadership.

ACKNOWLEDGEMENT

Your directors would like to express their grateful appreciation for the assistance and cooperation 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 teamwork and a high degree of professionalism and enthusiasm displayed by them during the year.

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: June 15, 2026
Place: Faridabad

Annexure-I**Form AOC-1**

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

Statement containing salient features of the financial statement of subsidiaries / associate companies/joint ventures**Part "A": Subsidiaries**

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Elofic USA, LLC
2.	The date since when subsidiary was acquired	
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2025 - 31/03/2026
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Reporting Currency: USD Exchange Rate as on 31 March 2026: 1 USD = ₹94.6543
5.	Share capital	Not applicable
6.	Reserves & surplus	Not applicable
7.	Total assets	73,68,568.27
8.	Total Liabilities	39,39,165.24
9.	Investments	34,29,403.03
10.	Turnover	90,30,286.69
11.	Profit before taxation	16,68,442.36
12.	Provision for taxation	-
13.	Profit after taxation	16,68,442.36
14.	Proposed Dividend	-
15.	% 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: Not Applicable.

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

Annexure-I

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

The Company does not have any Associate Company or Joint Venture as on 31 March 2026.

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

Date: June 15, 2026

Place: Faridabad

By Order of Board of Directors

For ELOFIC INDUSTRIES LIMITED

Mohan Bir Sahni

Chairman

DIN- 00906251

22-B, ASHOKA AVENUE, SAINIK FARMS,
NEW DELHI 110062

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 arm's 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/ arrangement/ transactions	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:
Elofic USA, LLC	Sales of Goods	Not Specified	Refer Note 42.1 (IND AS-24 disclosure) in financial statement	NA	NA
Elofic Industries (India) (Partnership Firm)	Rent paid	Not Specified	Refer Note 42.1 (IND AS-24 disclosure) in financial statement	NA	NA
Jasma Kamal & Company (Partnership Firm)	Rent paid	Not Specified	Refer Note 42.1 (IND AS-24 disclosure) in financial statement	NA	NA
Elofic Industries (India) (Partnership Firm)	Trademark Purchase	2 Years	Elofic Industries Ltd. had proposed to purchase the brand "ELOFIC", owned by Elofic Industries (India), for a consideration not exceeding ₹98.16 Crore (Rupees Ninety-Eight Crore Sixteen Lakh Only),	July 13, 2024	NA

Annexure-II

			based on the valuation carried out by Corporate Professional, New Delhi, a SEBI Registered Valuer (Registration No. INM00001143510), vide valuation report bearing reference no. CPC/MB/065/2024-25 dated 12 July 2024.		
Mettler Auto Pvt. Ltd.	Rent Paid	Not Specified	Refer Note 42.1 (IND AS-24 disclosure) in financial statement	NA	NA
Mettler Auto Pvt. Ltd.	Consultancy	Not Specified	Refer Note 42.1 (IND AS-24 disclosure) in financial statement	NA	NA

Date: June 15, 2026
Place: Faridabad

By Order of Board of Directors
For ELOFIC INDUSTRIES LIMITED

Mohan Bir Sahni
Chairman
DIN- 00906251
22-B, ASHOKA AVENUE, SAINIK FARMS,
NEW DELHI 110062

Annexure – III

Particulars of Employees for the Financial Year ended on March 31, 2026

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, 2026

Detail of top ten employees in terms of remuneration drawn

S. No.	Name	Designation	Remuneration (In Rs.)	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	Chairman Cum Managing Director	3,07,63,210	Whole Time Director	Graduate	Apr-06	74	NA	35.57	Brother of Mr. Karwal Deep Sahni
	Karwal Deep Sahni	Vice Chairman Cum Joint Managing Director	3,07,63,210	Whole Time Director	B.Sc. (Hons)	Apr-06	68	NA	25.99	Brother of Mr. Mohan Bir Sahni
2	Jatinder Singh Bedi	Executive Director	61,87,544	HR, Admin and Legal	PG-Strategic Studies, Masters in Management Sciences & Distinguished in Artillery Technology and Automation	Nov-18	67	Indian Army	Nil	-
3	Kamlesh Koul	Chief Executive Officer	71,13,087	R&D	B.E (MECH)	Jul-12	46	Mallic Filters Systems Ltd.	Nil	-
4	Jamail Singh	Vice President	58,26,996	Operations	LLB	May-96	58	NA	0.013	-
5	Pankaj Kumar Jain	Chief Financial Officer	18,35,958	Finance & Accounts	Chartered Accountant	Nov-26	45	Ever Enrich Resource Management Private Limited	Nil	-
6	Ajay Kumar	General Manager	49,20,128	Quality	B.TECH	Apr-17	47	Minds Corporation	Nil	-
7	S Krishnan	Head - Aftermarket Business	43,43,867	Marketing-Aftermarket	MBA (Marketing)	Jan-23	57	Anand Motor Products	Nil	-
8	Kunal Chaudhry	HEAD- EXPORT BUSINESS	47,74,582	Export	B.E in Computer Science and PGP in Management	Dec-23	48	Unipatch Rubber Limited	Nil	-
9	Hemveer Sahni	Plant Manager	42,17,563	Operations	BBA	Sep-15	46	Bubblegum	0.05	Nephew of Mr. Mohan Bir Sahni and Mr. Karwal Deep Sahni
10	Karam Sahni	Head - OEM Business	36,77,933	Marketing	Graduate	Jan-11	37	NA	6.36	Son of Mr. Karwal Deep Sahni
	Sahab Sahni	Head of Excellence Department	36,77,933	Excellence	B.Sc	Jan-11	41	NA	6.36	Son of Mr. Mohan Bir Sahni

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.

Date: June 15, 2026

Place: Faridabad

By Order of Board of Directors
For ELOFIC INDUSTRIES LIMITED

Mohan Bir Sahni

Chairman

DIN- 00906251

22-B, ASHOKA AVENUE, SAINIK FARMS,
NEW DELHI 110062

Annexure – IV

1. Brief outline on CSR Policy of the Company

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.

The company is running a nursing home at Village Rajpura, Nalagarh, and Himachal Pradesh for the promotion of healthcare activities through a charitable trust for the last few years. Also, the company has incurred a reasonable amount on women empowerment through a Trust which is established for such objectives.

The company also contributed towards Prime Minister National Relief Fund, to render immediate relief to families of those killed in natural calamities like floods, cyclones and earthquakes, etc. and to assist partially to defray the expenses for medical treatment like heart surgery, kidney transplantation, cancer treatment of needy people and acid attack, etc.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Sangeeta Bajaj	Chairperson (Independent Director)	2	2
2.	Mr. Subodh Kumar Jain*	Member (Independent Director)	1	1
3.	Mr. Mohan Bir Sahni	Member (Whole Time Director)	2	2
4.	Mr. Prashant Jain*	Member (Independent Director)	1	1

* [Consequent to the completion of first term of Mr. Subodh Kumar Jain (DIN: 00165755) from the office of Independent Director with effect from July 10, 2025 and due to ill health, has not offered himself for re-appointment for the second term and the appointment of Mr. Prashant Jain (DIN: 00066215) as an Additional Director in the capacity of Independent Director with effect from July 10, 2025, the Board of Directors reconstituted CSR Committee in order to ensure compliance with the applicable provisions of the Companies Act, 2013.]

3. Provide the web link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: www.elofic.com
4. Provide the executive summary along with the web link(s) of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **N.A.**
5.
 - (a) Average net profit of the Company as per Sub-section (5) of Section 135: **70,17,65,980**
 - (b) Two percent of the average net profit of the Company as per Sub-section (5) of Section 135: **1,40,35,320**
 - (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **0**
 - (d) Amount required to be set off for the financial year, if any: **0**
 - (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : **1,40,35,320**

Annexure – IV

6. (a) Amount spent on CSR projects (both ongoing project and other than Ongoing projects): **1,40,35,400**
- (b) Amount spent in administrative overheads: **0**
- (c) Amount spent on Impact assessment, if applicable: **0**
- (d) Total amount spent for the financial year [(a)+(b)+(c)]: **1,40,35,400**
- (e) CSR Amount spent or unspent for the financial year: **1,40,35,400**

Total amount spent for the financial year (In Rs.) 1,40,35,400	Amount unspent (In Rs.)				
	N.A.				
	Total amount transferred to unspent CSR Account as per sub section (6) of section 135		Amount transferred to any fund specified under schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of the fund	Amount	Date of transfer
			B Bhagwan Singh Elofic Charitable Trust	4,00,000	May 15, 2025
			Prime Minister National Relief Fund	14,00,000	June 27, 2025
			Prime Minister National Relief Fund	14,00,000	July 07, 2025
			Prime Minister National Relief Fund	14,00,000	August 02, 2025
			B Bhagwan Singh Elofic Charitable Trust	2,00,000	August 08, 2025
			Prime Minister National Relief Fund	14,00,000	September 09, 2025
			Prime Minister National Relief Fund	14,00,000	October 08, 2025
			Prime Minister National Relief Fund	14,00,000	November 06, 2025
			Prime Minister National Relief Fund	14,00,000	December 03, 2025
			YESS Charitable Trust	1,50,000	December 04, 2025
			YESS Charitable Trust	1,50,000	February 03, 2026
			B Bhagwan Singh Elofic Charitable Trust	2,00,000	February 03, 2026
			Eeco Car-Ambulance	7,11,962	March 16, 2026

Annexure – IV

		Ambulance Fittings	94,400	March 19, 2026
		Water Coolers- 21 Pcs at various locations at Nalagarh (Himachal Pradesh), Faridabad/Palwal (Haryana), Noida (Uttar Pradesh), Hosur (Tamil Nadu)	13,10,862	March 13, 26 and March 25, 2026
		YESS Charitable Trust	2,50,000	March 25, 2026
		B Bhagwan Singh Elofic Charitable Trust	5,33,176	March 25, 2026
		Janki Social Welfare Society	2,35,000	March 25, 2026

(f) Excess amount for set-off, if any:

S. No.	Particulars	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of the average net profit of the Company as per Sub-section (5) of Section 135	1,40,35,320
(ii)	Total amount spent for the financial year	1,40,35,400
(iii)	Excess amount spent for the financial year [(ii)-(i)]	80
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	80

[The Company has an excess amount of ₹7,525 available for set-off from preceding financial year and had decided not to set-off the excess amount of CSR Expenditure.]

7 (a) Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:
N.A.

1	2	3	4	5	6	7	8
S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section 6 of the section 135 (in Rs.)	Balance amount in unspent CSR Account under sub-section 6 of the section 135 (in Rs.)	Amount spent in the Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per second provision to the sub section (5) of the section 135, if any.	Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, if any
					Amount (in Rs.) Date of transfer		
1.	FY-1						
2.	FY-2						
3.	FY-3						

Annexure – IV

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project - Completed /Ongoing
1								
2								
3								
Total								

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

✓ No

Yes

If Yes, enter the number of Capital assets created/ acquire

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if Applicable	Name	Registered address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135. N. A.

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

Mohan Bir Sahni
Managing Director
DIN- 00906251
22-B, ASHOKA AVENUE,
SAINIK FARMS, NEW DELHI 110062

Sangeeta Bajaj
Chairperson CSR Committee
DIN- 09534086
C-1, KAILASH COLONY,
SOUTH DELHI-110048

Date: June 15, 2026
Place: Faridabad

Annexure – V

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) Rules, 2014, The Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, 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, including all functional heads.

2. OBJECTIVE:

The objective of the policy is to ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- 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:

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

Annexure – V**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 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, either directly or indirectly.

6. EVALUATION:

- 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:

- 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:

- 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.

Annexure – V

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.
- 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:

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

11. AMENDMENT:

- 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.

Date: June 15, 2026
Place: Faridabad

By Order of Board of Directors
For ELOFIC INDUSTRIES LIMITED

Mohan Bir Sahni

Chairman
DIN- 00906251
22-B, ASHOKA AVENUE, SAINIK FARMS,
NEW DELHI 110062

Annexure – VI**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026**

To,
The Members
ELOFIC Industries Limited
CIN: U74999HR1973PLC070262

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Elofic Industries Limited (hereinafter called "the Company")**. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon for the financial year ended on March 31, 2026 ("**Audit Period**").

Limitation of the Auditors

- (i) Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company and the information provided by the Company, its officers, agents, and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and
- (ii) Based on the management representation, confirmation and explanation wherever required by us, the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors Responsibility

- (i) Our responsibility is to express the opinion on the compliance with the applicable laws and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit ("**Guidance Note**") and Auditing Standards issued by the Institute of Company Secretaries of India ("**ICSI**"). The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and that we plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.
- (ii) Due to the inherent limitations of an audit including internal, financials and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.
- (iii) Our audit involves performing procedures to obtain audit evidence about the adequacy of compliance mechanisms that exist in the Company to assess any material weakness and testing and evaluating the design and operating effectiveness of compliance mechanism based upon the assessed risk. The procedures selected depend upon the auditor's judgement, including assessment of the risk of material non-compliance whether due to error or fraud.
- (iv) 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 Board processes and compliance mechanism.

Annexure – VI

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the Audit Period, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder; (Not Applicable)
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): --
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable)
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not Applicable)
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable)
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable)
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable)
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable)
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable)
 - h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; (Not Applicable) and
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') (Not Applicable).

It is further reported that with respect to the compliance of other applicable laws, we have relied on the representation made by the Company and its officers for system and mechanism framed by the Company for compliances under general laws (including Labour Laws, Tax Laws, etc.) and as informed to us, there are no laws which are specifically applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the ICSI wherein the Company is generally complying with the standards; and
- (ii) The Listing Agreements entered by the Company with the Stock Exchange(s) and Listing Regulations. (Not Applicable)

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

Annexure – VI**Form No. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH 2026**

We further report that:

- (i) The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors during the Audit Period. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.
- (ii) Further, the composition of all statutory committees was also in compliance with the Act and applicable Rules and Regulations.
- (iii) Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iv) The majority of decisions were carried through and there were no instances where any director expressed any dissenting views.

We further report that in our opinion, the Company has, in all material respects, adequate systems and processes commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

We further report that during the audit period the Company had no specific events or actions which are having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above except as under:

- the members of the Company, at its annual general meeting held on July 04, 2025, approved the proposal for declaration of final dividend of Rs. 5/- per equity share for the financial year ended March 31, 2025.

**For PI & Associates,
Company Secretaries**

**Ajay Khandelwal
(Partner)**

FCS No.: 12387

CP No.: 18606

Peer Review No.: 1498/2021

UDIN: F012387H000631225

Date: 15.06.2026

Place: New Delhi

Disclaimer

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Annexure – VI

The Members
Elofic Industries Limited
CIN: U74999HR1973PLC070262
14/4, Mathura Road,
Faridabad, Haryana-121003

Our Secretarial Audit Report of even date is to be read along with this letter:

- (i) Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
- (ii) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on a sampling basis to ensure that the correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- (iii) We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
- (iv) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
- (v) The compliance of the provisions of corporate and other sector specific laws applicable on the Company, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on sampling basis.
- (vi) The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

Ajay Khandelwal
(Partner)
FCS No.: 12387
CP No.: 18606
Peer Review No.: 1498/2021
UDIN:F012387H000631225

Date: 15.06.2026
Place: New Delhi

INDEPENDENT AUDITOR'S 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 Standalone Balance Sheet as at March 31, 2026, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

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 Indian Accounting Standards prescribed under Section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026 and its profit and total comprehensive income, changes in equity 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 ("the 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 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 the standalone financial statements.

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, which we obtained prior to the date of this auditor's report.

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

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

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report 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, (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT

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

The Board of Directors is 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 the management.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the 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 financial controls 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.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal And Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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.
 - (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 (including Other Comprehensive Income), the Statement of Changes in Equity 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 Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 37(a) to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 37(f) to the standalone financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 37(e) to the standalone financial statements.

INDEPENDENT AUDITOR'S REPORT

- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN:

Place: Gurugram

Date: June 15, 2026

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **Elofic Industries Limited** on the standalone financial statements as of and for the year ended March 31, 2026)

- (I) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right of use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

- (b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which these assets are verified in a phased manner to cover all assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and according to the information and explanation given to us, no material discrepancies were noticed on such verification.

- (c) According to the information and explanations given to us and based on the examination of the registered sale deed and conveyance deed provided to us, we report that, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements are held in the name of the Company.

- (d) The Company has not revalued its property, plant and equipment including right of use assets and intangible assets during the year.

- (e) There are no proceedings which have been initiated or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year except for stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on physical verification as compared to the book records.

- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rupees 500 Lakhs, in aggregate, at any point of time during the year from banks or financial institutions on the basis of security of current assets. Accordingly, the provisions of clause 3(ii) (b) of the Order are not applicable.

- (iii) (a) The Company has granted loans to employees, the details of which are as given below:

Particulars	Loans (Rupees Lakhs)
Aggregate amount granted during the year	
- Employees	43.30
Balance outstanding as at balance sheet date in respect of above cases	
- Employees	10.09

Annexure A to the Independent Auditor's Report

The Company has not provided any advances in the nature of loans, guarantee or security to companies, firms, Limited Liability Partnership (LLPs) or any other party other than as described above.

(b) In our opinion and according to the information and explanations given to us the investments made, guarantees provided, security given and the terms and conditions of grant of all loans and advances in the nature of loans and guarantees provided are not, prima facie, prejudicial to the Company's interest.

(c) In respect of loans, the loans given are interest free and the schedule of repayment of principal has been stipulated and the repayment of the principal amount is regular.

(d) According to the information and explanations given to us, in respect of loans or advances in the nature of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) According to the information and explanations given to us, there are no loans granted which have fallen due during the year. Accordingly, the provisions of clause 3(iii)(e) of the Order are not applicable.

(f) The Company has not granted any loans or advances in the nature of loans which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, the provisions of clause 3(iii)(f) of the Order are not applicable.

(iv) The Company has not granted any loan, made investment or provided guarantees or securities. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) The Company has not accepted any deposits and in our opinion, the Company is not holding any amounts which are deemed to be deposits during the year. Further the Company had no unclaimed deposits at the beginning of the year. Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of Company's products/ services. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained by the Company. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess, and other material statutory dues, as applicable to the Company, have generally been regularly deposited with the appropriate authorities during the year. There were no undisputed amounts payable in respect thereof which were outstanding at the year-end for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditor's Report

- (b) According to the information and explanations given to us, there are no statutory dues referred to in sub-clause (a) that have not been deposited with the appropriate authorities on account of any dispute except for the following cases:

Name of the statute	Nature of dues	Amount (Rupees Lakhs)	Amount paid under protest (Rupees Lakhs)	Period to which the amount relates	Forum where dispute is pending
Goods and Services Tax Act, 2017 (IGST, CGST and SGST)	Goods and services tax	13.51	0.64	Financial Year 2017-2018	Deputy Commissioner, Goods and Services Tax, Noida Sector-4, Gautam Budh Nagar, Uttar Pradesh
	Goods and services tax	51.18	2.30	Financial Year 2017-2018	Excise and Taxation Officer, Faridabad (East) Ward 2, Faridabad, Haryana
	Goods and services tax	12.33	1.23	Financial Year 2019-2020	Assistant Commissioner, Goods and Services Tax Commissionerate, Faridabad, GST Bhawan, Block C & D, New C.G.O Complex, NH-IV, Faridabad, Haryana
	Goods and services tax	1.24	0.06	Financial Year 2018-2019	Office of Superintendent Central Goods and Service Tax & Central Excise Range-II, Division City, Nagpur-II Commissionerate Ground Floor (East Wing), New Secretariat Building, Opp. VCA Ground, Civil Lines, Nagpur
	Goods and services tax	1.00	0.03	Financial Year 2018-2019	Deputy Commissioner, Goods and Services Tax, Gautam Buddha Nagar Sector-2, Gautam Buddha Nagar(A), Gautam Buddha Nagar, Uttar Pradesh
	Goods and services tax	2.51	0.21	Financial Year 2021-2022	Assistant Commissioner, Division Faridabad East, CGST Commissionerate, GST Bhawan, Block D, New C.G.O Complex, NH-IV, Faridabad, Haryana

- (viii) According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- (ix) (a) The Company has not taken any loans or other borrowings from any lender. Accordingly, the provisions of clause 3(ix) of the Order are not applicable

- (b) According to the information and explanations given to us, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- (c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable.

Annexure A to the Independent Auditor's Report

- (d) On an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have prima facie, not been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) The Company has not raised any loan during the year on the pledge of securities held in its subsidiary.
- (x) (a) The Company had not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of clause 3(x)(a) of the Order are not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally). Accordingly, provisions of clause 3(x)(b) of the Order are not applicable.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii)(a) to (c) of the Order are not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi)(a) of the Order are not applicable.
- (b) The Company has not conducted any non-banking financial or housing finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, provisions of clause 3(xvi)(c) of the Order are not applicable.
- (d) The Group does not have any CIC as part of the Group.
- (xvii) The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Annexure A to the Independent Auditor's Report

- (xi) (a) In respect of other than ongoing projects, the Company has no unspent amount towards Corporate Social Responsibility (CSR) requiring a transfer to a Fund specified in Schedule VII to the Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act.
- (b) In respect of ongoing projects, the Company has no unspent amount towards Corporate Social Responsibility (CSR) requiring transfer to a special account in compliance with provision of sub-section (6) of Section 135 of the said Act.
- (xii) The reporting under clause 3(xii) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN:

Place: Gurugram

Date: 15 JUNE, 2026

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **Elofic Industries Limited** on the standalone financial statements as of and for the year ended March 31, 2026)

Independent Auditor's report on the Internal Financial Controls with reference to financial statements 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 financial statements of **Elofic Industries Limited** ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls 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 (the 'Guidance Note') 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 the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure B to the Independent Auditor's Report**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 controls 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, and to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN:

Place: Gurugram

Date: June 15, 2025

STANDALONE BALANCE SHEET AS AT MARCH 31, 2026

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Note no.	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
(a) Property, plant and equipment	3	7,484.74	6,908.04
(b) Capital work-in-progress	4	178.82	231.46
(c) Other intangible assets	5	9,742.65	117.88
(d) Intangible assets under development	6	6.97	5.25
(e) Right of use assets	7	270.51	359.54
(f) Financial assets			
(i) Investments	8	0.49	0.49
(ii) Other financial assets	10	803.49	1,127.38
(g) Non current tax assets (net)	11	33.92	112.94
(h) Other non-current assets	12	138.04	267.52
		18,659.63	9,130.50
Current assets			
(a) Inventories	13	6,223.39	5,760.00
(b) Financial assets			
(i) Investments	8	463.48	439.37
(ii) Trade receivables	14	7,493.57	9,500.35
(iii) Cash and cash equivalents	15	5,967.90	286.94
(iv) Bank balances other than (ii) above	16	2,999.04	11,198.10
(v) Loans	9	10.09	10.55
(vi) Other financial assets	10	905.17	427.82
(c) Other current assets	12	2,573.78	1,602.77
		26,634.42	29,226.40
Total assets		45,294.05	38,356.90
Equity and liabilities			
Equity			
(a) Equity share capital	17	250.84	250.84
(b) Other equity	18	39,946.08	32,982.45
Total equity		40,196.92	33,233.29
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	23	178.16	278.32
(b) Deferred tax liabilities (net)	19	121.96	56.39
		300.12	335.21
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	23	129.32	109.89
(ii) Trade payables	22		
(A) Total outstanding dues of micro enterprises and small enterprises		1,742.02	531.67
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,563.08	2,750.52
(iii) Other financial liabilities	24	867.71	823.79
(b) Other current liabilities	25	207.76	174.52
(c) Provisions	20	187.08	172.00
(d) Current tax liabilities (net)	21	100.04	226.01
		4,797.01	4,788.40
Total liabilities		5,097.13	5,123.61
Total equity and liabilities		45,294.05	38,356.90

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

As per our report of even date attached

For S N Dhasan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 15, 2026

For and on behalf of the Board of Directors of
Elofic Industries Limited

K. D. Sahni
Joint Managing Director
DIN: 00903216

Place: Faridabad
Date: June 15, 2026

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060

Place: Faridabad
Date: June 15, 2026

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 15, 2026

Pankaj Kumar Jain
Chief Financial Officer

Place: Faridabad
Date: June 15, 2026

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Note no.	Year ended March 31, 2026	Year ended March 31, 2025
I Revenue from operations	26	45,220.90	43,907.79
II Other income	27	3,134.17	1,350.79
III Total income (I + II)		<u>48,355.07</u>	<u>45,258.58</u>
IV Expenses			
(a) Cost of materials consumed	28	21,926.34	19,082.95
(b) Purchases of stock-in-trade	29	207.21	180.75
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(415.00)	(124.87)
(d) Employee benefits expense	31	7,185.76	6,114.00
(e) Finance cost	32	47.35	75.48
(f) Depreciation and amortization expense	33	2,006.61	1,471.11
(g) Other expense	34	8,258.92	8,009.82
Total expenses (IV)		<u>39,217.19</u>	<u>34,809.21</u>
V Profit before tax (III - IV)		<u>9,137.88</u>	<u>10,449.37</u>
VI Tax expense			
(a) Current tax		1,973.05	3,035.82
(b) Deferred tax		65.21	13.21
(c) Tax adjustment of earlier years		11.65	(57.89)
Net tax expense		<u>2,049.91</u>	<u>2,991.14</u>
VII Profit for the year (V-VI)		<u>7,087.97</u>	<u>7,458.23</u>
VIII Other comprehensive income ('OCI')			
(a) Items that will not be reclassified to profit or loss - re-measurement of defined benefit plans		1.44	(44.55)
(b) Income tax relating to items that will not be reclassified to profit and loss		(0.36)	12.97
Other comprehensive income for the year		<u>1.08</u>	<u>(31.58)</u>
IX Total comprehensive income (VII+VIII)		<u>7,089.05</u>	<u>7,426.65</u>
X Earnings per equity share (face value of Rs. 10 per share)			
(a) Basic	35	282.57	297.33
(b) Diluted	35	282.57	297.33

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

As per our report of even date attached

For S N Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of the Board of Directors of
Elofic Industries Limited

Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 15, 2026

K. D. Sahni
Joint Managing Director
DIN: 00901216
Place: Faridabad
Date: June 15, 2026

M. B. Sahni
Managing Director
DIN: 00906251
Place: Faridabad
Date: June 15, 2026

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583050
Place: Faridabad
Date: June 15, 2026

Pankaj Kumar Jain
Chief Financial Officer
Place: Faridabad
Date: June 15, 2026

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

Particulars	(Amount in 'Rupees Lakhs' unless otherwise stated)		
	Note No.	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities			
Net profit before tax		9,137.88	10,449.37
Adjustment for			
Depreciation and amortization expense		2,006.61	1,471.11
Finance cost		47.35	75.45
Interest income		(1,879.78)	(771.51)
(Profit)/ loss on sale of property, plant and equipment		4.92	(1.39)
(Profit)/loss on sale of mutual fund investments		(24.10)	(15.85)
Sundry balances written back		(0.08)	(67.19)
(Gain)/loss on exchange fluctuation		(236.88)	(64.58)
Provision for doubtful trade receivables		16.41	17.86
Balances written off		1.09	42.51
Operating profit before working capital changes		9,271.44	11,135.88
Changes in working capital:			
Adjustments for (increase)/ decrease in operating assets:			
Inventories		(463.39)	(725.71)
Trade receivables		2,224.88	(2,370.04)
Other assets		(973.42)	(844.18)
Other financial assets		(507.83)	(69.94)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		21.00	808.44
Other financial liabilities		52.04	(37.90)
Other current liabilities		33.24	48.37
Provisions		16.52	(79.57)
Cash generated from operations		9,674.38	7,865.05
Income taxes paid (Net)		(2,031.65)	(2,935.18)
Net cash generated from / (used) in operating activities (A)		7,642.73	4,929.87
Cash flow from investing activities			
Purchase of property, plant and equipment, including capital work-in-progress, intangible assets		(11,927.85)	(1,754.02)
Sale proceeds of property, plant and equipment		12.13	46.00
Fixed deposits (made)/ matured during the year		355.59	(780.14)
Loans given		0.46	(3.98)
Investments in mutual funds		(0.01)	(400.00)
(Increase)/decrease in bank balances not classified as cash and cash equivalent (net)		8,199.06	(2,395.98)
Interest income received		1,678.68	770.44
Net cash generated from / (used) in investing activities (B)		(1,681.96)	(4,517.68)
Cash flow from financing activities			
Repayment of lease liabilities		(144.17)	(132.42)
Interest paid		(18.20)	(41.60)
Dividend paid		(125.19)	(100.75)
Net cash generated from / (used) in financing activities (C)		(287.56)	(274.77)
Net increase / (decrease) in cash and cash equivalents		5,673.21	(62.58)
Cash and cash equivalents at the beginning of the year		286.94	341.92
Effect of exchange differences on balances with banks in foreign currency		7.75	7.60
Cash and cash equivalents at the end of the year		5,967.90	286.94
Cash and cash equivalents at the end of the year comprises	18		
Balances with banks			
- Balance with banks in current accounts		1,549.61	286.89
- Deposit with Original Maturity of less than 3 Months		4,418.29	-
Cash on hand		-	0.25
		5,967.90	286.94

Notes:

1. The Company has an EEFC account which has a balance of USD 9.12 (March 31, 2025: USD 1.75) equivalent to Rs. 863.09 (March 31, 2025: Rs. 157.28). The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date attached

For S N Dhasan & CO LLP
Chartered Accountants
Firm Registration No.: 000504/N/500045
Bhaskar Sen
Partner
Membership No.: 096985

Place: Guwahati
Date: June 15, 2026

For and on behalf of the Board of Directors of
Elofic Industries Limited

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 15, 2026

Maj. Gen. J.S. Bied (Retd.)
Director
DIN: 08583060

Place: Faridabad
Date: June 15, 2026

N. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 15, 2026

Pankaj Kumar Jain
Chief Financial Officer

Place: Faridabad
Date: June 15, 2026

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026

(Amount in 'Rupees Lakhs' unless otherwise stated)

a. Equity share capital

Particular	No. of shares	Amount
Balance as at April 01, 2024	25,08,370	250.84
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	25,08,370	250.84
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	25,08,370	250.84

b. Other equity

	Reserves and surplus			Other comprehensive income	Total
	General reserve	Securities premium	Retained earnings	Remeasurement of defined benefit plans	
Balance as at April 01, 2024	2,590.17	64.78	23,047.32	(46.14)	25,656.13
Profit for the year	-	-	7,458.23	-	7,458.23
Dividend paid	-	-	(100.33)	-	(100.33)
Transfer to general reserve	745.82	-	(745.82)	-	-
Remeasurement gain/(loss) on defined benefit plans, net of income tax	-	-	-	(31.58)	(31.58)
Balance as at March 31, 2025	3,335.99	64.78	29,659.40	(77.72)	32,982.45
Profit for the year	-	-	7,087.97	-	7,087.97
Dividend paid	-	-	(125.42)	-	(125.42)
Transfer to general reserve	708.80	-	(708.80)	-	-
Remeasurement gain/(loss) on defined benefit plans, net of income tax	-	-	-	1.08	1.08
Balance as at March 31, 2026	4,044.79	64.78	35,913.15	(76.64)	39,946.08

Note: During the year there has been no change in equity share capital and other equity on account of prior period errors.

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

For S N Dhawan & CO LLP
Chartered Accountants
Firm Registration No. 000050N/NS00045

For and on behalf of the Board of Directors of
Elofic Industries Limited

Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 15, 2026

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 15, 2026

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 15, 2026

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060

Place: Faridabad
Date: June 15, 2026

Pankaj Kumar Jain
Chief Financial Officer

Place: Faridabad
Date: June 15, 2026

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1. Corporate Information

Elofic Industries Limited ("the Company") incorporated in India, with its registered office situated at 14/4, Mathura Road, Faridabad-121003. The Company's CIN is U74999HR1973PLC070262. It was incorporated on June 02, 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.

1.1 Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the companies (Indian Accounting Standards) Amendment Rules, 2016 and relevant amendment rules issued there after and other accounting principles generally accepted in India.

1.2 Basis of preparation and presentation

The standalone financial statements have been prepared on a historical cost basis, except for

- Certain financial assets and liabilities at fair value (refer to accounting policy regarding financial instruments);
- Employee's defined benefit plan measured as per actuarial valuation;

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle. Based on nature of operations, the Company has considered an operating cycle of 12 months.

The standalone financial statements are presented in Indian Rupee, which is the functional currency of the Company and all values are rounded to the nearest lakhs (Rs./00000), except when otherwise indicated.

1.3 Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

2. Material accounting policies

2.01 Property, plant and equipment (Tangible assets and capital work-in-progress)

Property, plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment, if any.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of tax credit availed, wherever applicable. When material parts of plant and equipment are required to be replaced at intervals, such cost of replacement is capitalised (if the recognition criteria is met) in the carrying amount of plant and equipment, the Company depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Company and the cost of items can be measured reliably.

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

All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work in progress'.

Impairment of property, plant and equipment

At the end of each reporting year, the Company assesses whether there are any indications of impairment for its property, plant and equipment. If there is any indication, the Company estimates the recoverable amount of the asset to determine the extent of impairment loss, if any. If it's not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to individual cash-generating units if a reasonable and consistent allocation basis can be identified.

2.02 Intangible assets

Acquired intangible assets are initially measured at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

The amortisation of an intangible asset with a finite useful life begins when the asset is available for use - i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation of intangible assets that is to be used in conjunction with other assets commences, once the asset group as a whole is ready to commence operations. Such Intangible assets are recorded as "intangible assets under development" till the time they are not available for use.

Impairment of intangible assets

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, as well as when there is an indication of impairment. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. Value in use is assessed by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and asset-specific risks.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.03 Leases

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

- the contract involves the use of identified asset;
- the Company has substantially all of the economic benefits from the use of the asset through the period of lease and;
- the Company has the right to direct the use of the asset.

Company as a lessee

(i) Right to use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings administrative – 3 to 5 years

The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value asset

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.04 Inventories

Inventories are valued at the lower of cost or 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. Work-in-progress and finished goods include appropriate proportion of overheads.

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

S.No.	Particulars	Method of Valuation
a.	Raw materials, packing materials and stores and spares	Moving average method
b.	Stock-in-trade	Raw material cost on moving average method plus appropriate share of labour and manufacturing overheads.
c.	Finished goods and work In progress	Raw material cost on moving average 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.

2.05 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less and deposits which are subject to insignificant risk of changes in value.

2.06 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Leasehold improvements are amortized over the lease term or the useful life of the assets.

Computer software are amortized over a period of 5 years

Trademark are amortized over a period of 10 years

Assets costing individually Rs. 5,000 or less are fully depreciated in the year of purchase.

Depreciation for assets purchased / sold during a period is proportionately charged to standalone statement of profit and loss. 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.

2.07 Revenue recognition

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of discounts or incentives offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

a. Sale of goods

Revenue from the sale of products is recognised when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

b. Income from services

Revenue from rendering services is recognised over time in the accounting period in which the services are rendered and the Company has an enforceable right to payment for services.

2.08 Other income

a. Interest income is recognized on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

b. Export Incentives are also recognized on accrual basis.

2.09 Investments in subsidiary

Investments in subsidiary is recognised at cost less any impairment loss and are not adjusted to fair value. The cost of investment represents the amount paid for the acquisition of the said investment. The Company assesses carrying value of investments annually, or more frequently if there are any indications of impairment on such investments. If the carrying amount of an investment exceeds its estimated recoverable amount, the impairment loss is recognized in the Statement of Profit and Loss..

2.10 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal benefits.

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 compensated absences in respect of employees (other than workers) is in the nature of short term employee benefits which has provided on the basis of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences and in case of non-accumulating compensated absences, when the absences occur. Terminal benefits, if any, are recognized as an expense immediately. The Company provides for compensated absences based on best estimated basis.

Defined contribution plan

Contributions payable to recognized provident fund and employee state insurance scheme, which are substantially defined contribution plans, are recognized as expense in the standalone statement of profit and loss, as they are incurred.

Defined benefit plan

For defined benefit plans in the form of gratuity fund, 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 benefits become vested. The retirement benefit obligation recognized 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 schemes.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Other long term benefits

The Company treated the compensated absences as short term employee benefits and provided based on best estimation basis.

Termination benefits:

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary retirement scheme in exchange for these benefits. Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

2.11 Foreign currency transactions and translations

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian rupee (INR), which is also the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's functional currency at exchange rates prevailing at the date the transaction first qualifies for recognition.

At each Balance Sheet date, Monetary assets and liabilities denominated in foreign currencies are reported at closing spot rate. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or statement of profit and loss, are also recognised in OCI or statement of profit and loss, respectively).

2.12 Financial Instruments

Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade receivables, loan to subsidiary, joint ventures, and associates, and loans to employees.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
 - a. the Company has transferred substantially all the risks and rewards of the asset, or
 - b. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company reassesses the risk of the debt instruments. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by accounting standards. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in accounting standards are satisfied.

Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing borrowings and instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii. Off setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone financial statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv. Dividend and interest income

- a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).
- b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.13 Segment reporting

Identification of segments:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance. The geographical segment of the Company is based on the location of customer in India and outside India.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 and 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 conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole.

2.14 Cash flow statement

Cash flows are reported using the indirect method, whereby the net 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.

2.15 Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

Refer Note 35 to the standalone financial statements.

2.16 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

Current tax is based on taxable profit for the year. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

If the recoverable amount of an asset or cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized immediately in the Statement of Profit and Loss.

2.17 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

2.18 Fair value measurement

The Company measures financial instruments, such as investments (other than equity investments in Subsidiary at fair values at each Balance Sheet date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

2.19 Recent accounting pronouncements

A. New and amended standards adopted during the year

The Ministry of Corporate Affairs ("MCA") has, vide notifications G.S.R. 291(E) dated May 7, 2025 and G.S.R. 549(E) dated August 13, 2025, notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, amending certain Indian Accounting Standards. These amendments are effective for annual reporting periods beginning on or after April 1, 2025 and have been applied by the Company, to the extent applicable, in the preparation of these financial statements.

The principal amendments include:

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability):

introduces guidance on assessing whether a currency is exchangeable into another currency, estimating the spot exchange rate when a currency is not exchangeable, and the related disclosure requirements.

Ind AS 1 - Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants):

refocuses classification on the entity's right to defer settlement existing at the end of the reporting period, requires the right to have substance, and introduces additional disclosure requirements for non-current liabilities subject to future covenants.

Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures (Supplier Finance Arrangements):

introduce qualitative and quantitative disclosure requirements for supplier finance arrangements (including reverse factoring) to enable users of the financial statements to assess the effect of such arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.

Ind AS 12 - Income Taxes (International Tax Reform - Pillar Two Model Rules):

introduces a temporary mandatory exception from recognising and disclosing information about deferred tax assets and liabilities arising from the OECD Pillar Two model rules, together with targeted disclosure requirements for entities within the scope of these rules.

In addition, consequential and editorial amendments have been made to Ind AS 101 - First-time Adoption of Indian Accounting Standards, Ind AS 108 - Operating Segments, Ind AS 109 - Financial Instruments, Ind AS 115 - Revenue from Contracts with Customers, Ind AS 28 - Investments in Associates and Joint Ventures and Ind AS 32 - Financial Instruments: Presentation, primarily to align with international practices and ensure internal consistency.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

The Company has assessed the above amendments and concluded that they did not have a material impact on the recognition, measurement, presentation or disclosure of items in the financial statements. Specifically, the Company does not have material exposures to currencies that are not exchangeable at the reporting date; has evaluated the terms of its borrowing arrangements and concluded that the amendments to Ind AS 1 did not result in a material change in the classification of its liabilities; has not entered into supplier finance arrangements requiring additional disclosure under amended Ind AS 7 and Ind AS 107; and is not within the scope of the OECD Pillar Two model rules requiring application of the exception or related disclosures under Ind AS 12.

B. Amendments adopted in the prior year that continue to be in effect

For completeness, the Company has continued to apply the amendments notified by the MCA during the previous year, which were effective for annual reporting periods beginning on or after April 1, 2024, comprising:

Ind AS 117 – Insurance Contracts and consequential amendments to other Indian Accounting Standards, notified vide the Companies (Indian Accounting Standards) Amendment Rules, 2024 (G.S.R. 492(E) dated August 12, 2024); and

Amendments to Ind AS 116 – Leases in respect of Lease Liability in a Sale and Leaseback, notified vide the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 (G.S.R. 554(E) dated September 9, 2024).

The Company has evaluated these amendments and concluded that they are either not applicable to the Company or do not have a material impact on its financial statements.

C. New and amended standards issued but not yet effective.

The MCA, vide notification G.S.R. 549(E) dated August 13, 2025, has also notified amendments to Ind AS 1 – Presentation of Financial Statements and Ind AS 10 – Events after the Reporting Period relating to the alignment of classification and subsequent-event guidance for liabilities subject to covenants, including the substitution of the term "provision" with "covenant" for consistency. These amendments are effective for annual reporting periods beginning on or after April 1, 2026.

The Company has evaluated the above amendments and does not expect them to have a material impact on its financial statements.

2.20. Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about significant judgments and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.
- Useful lives of depreciable/amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- Employee benefit:** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases, and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- Provisions and Contingencies:** The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities, and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.
- Impairment of financial assets:** The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- Warranty:** Warranty Provision is measured at discounted present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable, and the amount can be reasonably estimated.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	(Amount in 'Rupees Lakhs' unless otherwise stated)									
	Land : Freehold	Building: Factory	Building : Administrative	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical Installation	Computers	Total
At cost or deemed cost										
Balance as at April 01, 2024	226.60	553.71	72.14	6,385.25	45.23	418.25	36.96	210.33	39.98	7,988.45
Additions	-	40.30	-	1,238.46	14.96	79.39	20.61	36.32	23.63	1,453.66
Disposals	-	-	-	141.03	-	24.77	-	-	-	165.80
Balance as at March 31, 2025	226.60	594.01	72.14	7,482.67	60.19	472.87	57.57	246.65	63.61	9,276.31
Additions	-	71.06	21.52	1,671.51	9.26	129.73	29.18	16.84	22.70	1,971.80
Disposals	-	-	-	10.72	-	23.66	-	0.84	0.68	35.80
Balance as at March 31, 2026	226.60	665.07	93.66	9,143.46	69.45	579.04	86.75	262.65	85.63	11,212.31
Accumulated depreciation										
Accumulated depreciation										
Balance as at April 01, 2024	-	50.39	3.48	961.56	10.49	96.22	10.40	29.68	15.29	1,177.51
Charge for the year	-	49.92	3.30	1,058.74	12.19	106.17	16.21	47.83	16.59	1,311.95
Disposals	-	-	-	97.66	-	23.53	-	-	-	121.19
Balance as at March 31, 2025	-	100.31	6.78	1,923.64	22.68	178.86	26.61	77.51	31.88	2,368.27
Charge for the year	-	46.59	4.19	1,126.63	10.13	107.16	16.67	44.11	22.57	1,378.05
Disposals	-	-	-	4.76	-	13.94	-	0.03	0.02	18.75
Balance as at March 31, 2026	-	146.90	10.97	3,045.51	32.81	272.08	43.28	121.59	54.43	3,727.57
Net carrying amount										
Balance as at March 31, 2025	226.60	493.70	65.36	5,559.03	37.51	294.01	30.96	169.14	31.73	6,908.04
Balance as at March 31, 2026	226.60	518.17	82.69	6,097.95	36.64	306.96	43.47	141.06	31.20	7,484.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Notes

- No property, plant and equipment has been pledged as security.
- The total capital expenditure towards research and development incurred as per books of account which is included in plant and machinery are as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Capital expenditure towards research and development	23.46	18.04

- During the current financial year and in the previous financial years there are no revaluation of property, plant and equipment.
- There are no proceedings against the Company, being the Company registered under "the Act", that have been initiated or pending against them for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

4 Capital work-in-progress

	As at March 31, 2026	As at March 31, 2025
Opening	231.46	95.24
Additions during the year	104.05	231.46
Capitalized during the year	156.69	95.24
Closing balance	178.82	231.46

Notes

i. Classification of capital work-in-progress

	As at March 31, 2026	As at March 31, 2025
Office equipment	0.21	-
Building: Factory	-	45.13
Plant and equipment	178.61	186.33
Total	178.82	231.46

ii. Capital work-in-progress ageing schedule as at March 31, 2026

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Project in progress	100.45	78.37	-	-	178.82

Capital work-in-progress ageing schedule as at March 31, 2025

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Project in progress	231.46	-	-	-	231.46

- Projects in progress comprises projects of office equipment, building: factory, plant and equipment.
- There is no capital project in progress, whose completion is overdue or has exceeded its cost compared to its original value.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

5 Other intangible assets

Particulars	Computer software	Trademark	Total
At cost or deemed cost			
Balance as at April 01, 2024	188.34	-	188.34
Additions	10.19	-	10.19
Disposals	-	-	-
Balance as at March 31, 2025	198.53	-	198.53
Additions	13.19	10,116.14	10,129.33
Disposals	-	-	-
Balance as at March 31, 2026	211.72	10,116.14	10,327.86
Accumulated amortization			
Balance as at April 01, 2024	41.03	-	41.03
Charge for the year	39.62	-	39.62
Disposals	-	-	-
Balance as at March 31, 2025	80.65	-	80.65
Charge for the year	41.71	462.85	504.56
Disposals	-	-	-
Balance as at March 31, 2026	122.36	462.85	585.21
Net carrying amount			
As at March 31, 2025	117.88	-	117.88
As at March 31, 2026	89.36	9,653.29	9,742.65

Notes

i. The Company has acquired a trademarks during the year at a cost of Rs. 10,116.14. Based on management's assessment of expected economic benefits, the asset has been considered to have a finite useful life of 10 years. Accordingly, the asset is amortised on a straight-line basis over 10 years. Amortisation is recognised in the Statement of Profit and Loss from the date the asset is available for use. The amortisation period, method and residual value are reviewed at each financial year end and revised prospectively, if required, in accordance with Ind AS 8. The carrying value of the asset is assessed for impairment at each reporting date and no impairment has been identified during the year.

ii. During the current financial year and in the previous financial years there are no revaluation of intangible assets.

6 Intangible assets under development

	As at March 31, 2026	As at March 31, 2025
Computer software	6.97	5.25
	6.97	5.25

Note

i. Intangible assets under development ageing schedule as at March 31, 2026

Particular	Amount in intangible assets under development for a period				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Project in progress	6.97	-	-	-	6.97

Intangible assets under development ageing schedule as at March 31, 2025

Particular	Amount in intangible assets under development for a period				Total
	Less than 1 year	1- 2 years	2-3 years	More than 3 years	
Project in progress	5.25	-	-	-	5.25

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

7 Right of use assets

Carrying value of right of use assets

	As at March 31, 2026	As at March 31, 2025
Leasehold land	4.25	4.40
Building - administrative	266.26	355.14
	270.51	359.54

a. Right-of-use assets

i. Carrying amount of right of use assets

Opening balance	359.54	171.37
Additions during the year	-	307.71
Remeasurement of lease	34.97	-
	394.51	479.08
Depreciation during the year	124.00	119.54
Derecognised during the year	-	-
Subtotal	124.00	119.54
Closing balance	270.51	359.54

Notes

- i. The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss.
- ii. For the information of lease liabilities and other disclosures see note no. 23

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

8 Investments

I. Non-current investments

(Valued at cost, unless stated otherwise)

Investments in limited liability company

Investments in capital of Wholly Owned Subsidiary

- Elofic USA, LLC

	As at March 31, 2026	As at March 31, 2025
	0.49	0.49
	<u>0.49</u>	<u>0.49</u>

Notes:

Measurement of investments:

Investment carried at amortised cost

Investment carried at fair value through profit and loss "FVTPL"

Investment carried at fair value through other comprehensive income "FVTOCI"

Aggregate carrying value of unquoted investments

	0.49	0.49
	-	-
	-	-
	<u>0.49</u>	<u>0.49</u>

Other details relating to investment in limited liability company

Name of Company

Total capital

Equity share capital

	As at March 31, 2026	As at March 31, 2025
Elofic USA, LLC	Elofic USA, LLC	
	0.49	0.49
	100%	100%

II. Current investments

Investments in mutual funds

(Unquoted, carried at fair value through profit and loss)

- ICICI Overnight Fund DP-Growth

No. of units	As at March 31, 2026	No. of units	As at March 31, 2025
31,932.83	463.48	31,932.83	439.37
<u>31,932.83</u>	<u>463.48</u>	<u>31,932.83</u>	<u>439.37</u>

Measurement of investments:

Investment carried at amortised cost

Investment carried at fair value through profit and loss "FVTPL"

Investment carried at fair value through other comprehensive income "FVTOCI"

Aggregate carrying value of unquoted investments

	As at March 31, 2026	As at March 31, 2025
	-	-
	463.48	439.37
	-	-
	<u>463.48</u>	<u>439.37</u>

9 Loans

(Unsecured, considered good)

Current

Loans to employees (Refer note below)

	As at March 31, 2026	As at March 31, 2025
	10.09	10.55
	<u>10.09</u>	<u>10.55</u>

The disclosures of loans and advances in the nature of loans are granted to promoters, directors, KMPs and the related parties

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount outstanding*	% of Total [^]	Amount outstanding*	% of Total [^]
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	-	-	-	-
Others	10.09	100%	10.55	100%
Total	<u>10.09</u>		<u>10.55</u>	

* Represents loans and advances in nature of loans

[^] Represents percentage to the loans and advances in the nature of loans

Note: - Loan to employees are interest free and are given in the capacity of employee only as per terms of HR policy of the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

10 Other financial assets

I. Non current

Margin money deposits	141.42	134.28
Deposit with Banks with remaining maturity more than 12 Months	487.74	850.47
Security deposits	174.33	142.63
	803.49	1,127.38

II. Current

Security deposits	3.59	3.59
Amount receivables from government authorities (incentive)	901.36	423.72
Imprest recoverable from employees	0.22	0.51
	905.17	427.82

11 Non current tax assets (net)

Advance income tax net of provision Rs. 2,605.81 (March 31, 2025 Rs.5,704.71)

As at March 31, 2026	As at March 31, 2025
33.92	112.94
33.92	112.94

12 Other assets

I. Non current

Capital advances	104.60	235.31
Prepaid expenses	8.64	7.41
Balances with government authorities		
-Unsecured - considered good	24.80	24.80
-Unsecured - considered doubtful	6.71	6.71
	31.51	31.51
Less: Provision for doubtful balances	6.71	6.71
	24.80	24.80
	138.04	267.52

II. Current

Insurance claim recoverable	6.29	8.33
Prepaid expenses	69.16	45.81
Gratuity fund recoverable (Refer note 40)	72.81	6.59
Advances to suppliers		
-Unsecured - considered good	244.05	145.95
-Unsecured - considered doubtful	-	-
	244.05	145.95
Less: Provision for doubtful advances	-	-
	244.05	145.95
Balances with government authorities		
-Unsecured - considered good	2,181.47	1,396.09
-Unsecured - considered doubtful	-	-
	2,181.47	1,396.09
Less: Provision for doubtful advances	-	-
	2,181.47	1,396.09
	2,573.78	1,602.77

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

13 Inventories

(Valued at lower of cost and net realizable value)

	As at March 31, 2026	As at March 31, 2025
Raw material, store and spares and packing material etc.		
- in stock	3,401.37	3,342.56
Work in progress	632.81	560.43
Finished goods	2,079.11	1,731.60
Stock-in-trade (acquired for trading)	14.95	19.84
Stores and spares	41.29	56.47
Packing materials	53.86	49.10
	6,223.39	5,760.00

Note: For details of inventories pledged as security for borrowings, see note 38.

14 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Secured, considered good	102.26	141.45
Unsecured, considered good	7,389.31	9,359.40
Trade receivables which have significant increase in credit risk	17.99	17.66
Trade receivables - credit impaired	-	-
	7,509.56	9,518.51
Impairment allowance (allowance for bad and doubtful debts)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	17.99	17.66
Trade receivables - credit impaired	-	-
	17.99	17.66
	7,491.57	9,500.85

Ageing for trade receivables outstanding as at March 31, 2026 is as follows:

	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	7,367.57	9.52	66.66	37.82	9.89	7,491.57
Undisputed trade receivables- which have significant increase in credit risk	5.56	1.13	1.71	6.84	2.76	17.99
Undisputed trade receivables- credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
	7,373.13	10.75	68.37	44.66	12.65	7,509.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Ageing for trade receivables outstanding as at March 31, 2025 is as follows:

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables—considered good	9,063.09	375.67	52.20	-	9.89	9,500.85
Undisputed trade receivables—which have significant increase in credit risk	-	-	12.84	4.82	-	17.66
Undisputed trade receivables—credit impaired	-	-	-	-	-	-
Disputed trade receivables—considered good	-	-	-	-	-	-
Disputed trade receivables—which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables—credit impaired	-	-	-	-	-	-
	9,063.09	375.67	65.04	4.82	9.89	9,518.51

15 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Balances with banks		
In current accounts	1,549.61	286.69
Deposit with Original Maturity of less than 3 Months	4,418.29	-
Cash on hand	-	0.25
	5,967.90	286.94

Note:

(a) There are no cash and cash equivalent balances held by the entity that are not available for use by the Company.

(b) The Company has an EEFC Account - balance is mentioned below:

(i) USD	9.12	1.75
(ii) INR	863.09	157.28

16 Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Deposits with remaining maturity of more than 3 months but less than 12 months	2,988.85	11,188.14
Balance in earmarked account - unpaid dividend accounts	10.19	9.56
	2,999.04	11,198.10

17 Share capital

	March 31, 2026		March 31, 2025	
	No.'s	Amount	No.'s	Amount
Authorized				
Equity shares of Rs. 10 each	30,00,000	300.00	30,00,000	300.00
	30,00,000	300.00	30,00,000	300.00
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each fully paid up	25,08,370	250.84	25,08,370	250.84
	25,08,370	250.84	25,08,370	250.84

a. Reconciliation statement of share capital

Equity shares	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Balance of shares at the beginning of the year	25,08,370	250.84	25,08,370	250.84
Add: Movement during the year	-	-	-	-
Balance of shares at the end of the year	25,08,370	250.84	25,08,370	250.84

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

c. Details of shareholder's holding more than 5% shares in the Company

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	8,87,235	35.37	7,14,335	28.48
Kanwal Deep Sahni	7,52,285	29.99	7,52,185	29.99
Satinder Sahni	-	0.00	1,72,800	6.89
Saheb Sahni	1,59,600	6.36	1,59,600	6.36
Karam Sahni	1,59,600	6.36	1,59,600	6.36
Mohinder Singh Sahni & Sons (HUF)	1,34,920	5.38	1,34,520	5.38

d. Details of promoter's shareholding

S.No.	Promoter name	As at March 31, 2026		As at March 31, 2025		% change during the year
		Number of shares	% of holding	Number of shares	% of holding	
1	Mohan Bir Sahni	8,87,235	35.37	7,14,335	28.48	6.89
2	Kanwal Deep Sahni	7,52,285	29.99	7,52,185	29.99	0.00

During the year, the shareholding of the promoter, Mr. Mohan Bir Sahni, increased on account of transmission of shares consequent to the demise of his spouse late Mrs. Satinder Sahni. The said increase represents transmission and not a purchase or sale transaction.

e. Proposed dividend

Summary of dividend and proposed dividend

	As at March 31, 2026	As at March 31, 2025
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on March 31, 2026: Rs. 5 per share and (March 31, 2025 Rs. 4 per share)	125.42	100.33
	<u>125.42</u>	<u>100.33</u>
Proposed dividends on equity shares		
Final dividend for the year ended on March 31, 2026: Rs. 5 per share and (year ended March 31, 2025 Rs. 5 per share)	125.42	125.42
	<u>125.42</u>	<u>125.42</u>

f. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date- Nil

g. Shares held by holding or ultimate holding company
The Company does not have any holding company.

18 Other equity

	As at March 31, 2026	As at March 31, 2025
a. General reserve	6,044.79	3,335.99
b. Securities premium	64.78	64.78
c. Retained earnings	35,913.15	29,659.40
d. Other comprehensive income	(76.64)	(77.72)
	<u>39,946.08</u>	<u>32,982.45</u>
	As at March 31, 2026	As at March 31, 2025
a. General reserve		
Balance at the beginning of the year	3,335.99	2,590.17
Add: Additions during the year	708.80	745.82
Balance at the end of the year	<u>4,044.79</u>	<u>3,335.99</u>
b. Securities premium		
Balance at the beginning of the year	64.78	64.78
Balance at the end of the year	<u>64.78</u>	<u>64.78</u>
c. Retained earnings		
Balance at the beginning of the year	29,659.40	23,047.32
Add: Profit for the year	7,087.97	7,458.23
Less: Appropriations during the year		
-Transfer to general reserve	708.80	745.82
-Dividends distributed to equity shareholders (Rs. 5 per share) (Previous year Rs. 4 per share)	125.42	100.33
	<u>35,913.15</u>	<u>29,659.40</u>
d. Other comprehensive income		
Remeasurement of defined benefit plans		
Opening balance	(77.72)	(46.14)
Movement during the year	1.08	(31.58)
Closing balance	<u>(76.64)</u>	<u>(77.72)</u>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Notes:

- a. **General reserve:**
The Company had transferred a part of the net profit of the Company to general reserve each year.
- b. **Securities premium:**
Securities premium account is used to record the premium on issue of shares. The reserve can be utilised in accordance with provisions of the Companies Act, 2013.
- c. **Retained earnings:**
Retained earnings are profits of the Company earned till date less transferred to other reserves and dividend paid during the year.
- d. **Other comprehensive income:**
Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.
- e. During the year there has been no change in equity share capital and other equity on account of prior period errors.

19 Deferred tax liabilities (net)	(Amount in 'Rupees Lakhs' unless otherwise stated)	
	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Difference between tax depreciation and depreciation/amortisation charged in financial statement	208.32	159.11
Impact due to fair value of investment	10.57	5.64
Right of use assets	67.01	103.42
Others	(0.01)	0.08
Total A	285.89	268.25
Deferred tax assets		
Provision for doubtful trade receivables	4.53	5.14
Provision for employee benefits	82.00	93.50
Lease liabilities	77.39	113.19
Security deposit	0.01	0.03
Total B	163.93	211.86
Deferred tax liability (net) (A-B)	121.96	56.39
Amount charge to / (credit in) Statement of Profit and Loss	65.21	13.21
Amount charge to / (credit in) Other Comprehensive Income	0.36	(12.97)

Note-

1 Movement in the deferred tax liabilities (net):

	As at March 31, 2026	As at March 31, 2025
Deferred tax (net)		
a. Deferred tax liability	285.89	268.25
b. Deferred tax assets	163.93	211.86
	121.96	56.39

	As at April 01, 2025	Recognised in profit and loss	Recognised in other comprehensive income * OCI*	As at March 31, 2026
Deferred tax liabilities				
- Difference between tax depreciation and depreciation/amortisation charged in financial statement	159.11	49.21	-	208.32
- Impact due to fair value of investment	5.64	4.93	-	10.57
- Right of use assets	103.42	(36.41)	-	67.01
- Others	0.08	(0.09)	-	(0.01)
	268.25	17.64	-	285.89
Deferred tax assets				
- Provision for doubtful trade receivables	5.14	(0.61)	-	4.53
- Provision for employee benefits	93.50	(11.14)	(0.36)	82.00
- Lease liabilities	113.19	(35.80)	-	77.39
- Security deposit	0.03	(0.02)	-	0.01
	211.86	(47.57)	(0.36)	163.93
	56.39	65.21	0.36	121.96

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

	(Amount in 'Rupees Lakhs' unless otherwise stated)		
	As at April 01, 2024	Recognised in profit and loss	Recognised in other comprehensive income "OCI"
Deferred tax liabilities			
- Difference between tax depreciation and depreciation/amortisation charged in financial statement	165.60	(6.49)	-
- Impact due to fair value of investment	1.03	4.61	-
- Right of use assets	48.58	54.84	-
- Others	0.08	-	-
	215.29	52.96	-
Deferred tax assets			
- Provision for doubtful advances	1.33	(1.33)	-
- Provision for doubtful trade receivables	4.76	0.38	-
- Provision for employee benefits	100.46	(19.93)	12.97
- Lease liabilities	52.58	60.61	-
- Security deposit	0.01	0.02	-
	159.14	39.75	12.97
	56.15	13.21	(12.97)

20 Provisions

	As at March 31, 2026	As at March 31, 2025
I. Current		
-Compensated absence (Refer sub-note 'I' below)	187.08	172.00
	187.08	172.00

Notes:

- i. Provision for compensated absences have been created at the year end as per the employee's entitlement, which have been paid to the employees subsequent to year end.

21 Current tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Current tax liabilities (net of advance tax and tax deducted at source of Rs. 3,060.91, March 31, 2025 : 2,834.32)	100.04	226.01
	100.04	226.01

22 Trade payables

	As at March 31, 2026	As at March 31, 2025
a. Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note I below)	1,742.02	531.67
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,563.08	2,750.52
	3,305.10	3,282.19

Trade payables ageing schedule
As at March 31, 2026

	Outstanding for following periods from due date of payment				
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
MSME	-	1,742.02	-	-	-
Others	533.12	1,008.85	15.97	1.06	4.08
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
	533.12	2,750.87	15.97	1.06	4.08

Trade payables ageing schedule
As at March 31, 2025

	Outstanding for following periods from due date of payment				
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
MSME	-	531.67	-	-	-
Others	494.94	2,247.68	1.38	3.14	3.38
Disputed dues - MSME	-	-	-	-	-
Disputed dues - others	-	-	-	-	-
	494.94	2,779.35	1.38	3.14	3.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

MSME - Micro, Small and Medium Enterprises

Note:

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

	As at March 31, 2026	As at March 31, 2025
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.		
- Principal	1,742.02	531.67
- Interest due thereon	-	-
(ii) 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	531.67	354.58
- Interest	-	-
(iii) 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.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) 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.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

23 Lease liabilities

	As at March 31, 2026	As at March 31, 2025
A) Non current		
(i) Lease liability	178.16	278.82
	178.16	278.82
B) Current		
(i) Lease liability	129.32	109.89
	129.32	109.89
I Movement in lease liabilities during the year:		
	As at March 31, 2026	As at March 31, 2025
a. Lease liabilities		
-Non current	178.16	278.82
-Current	129.32	109.89
	307.48	388.71
b. Balance at the beginning of the year	388.71	180.70
Additions during the year	-	307.72
Remeasurement of lease	34.97	-
	423.68	488.42
Finance cost accrued during the year:		
- Statement of profit and loss account	27.97	32.72
Cash outflow for leases	144.17	132.42
Balance as at end of the year	307.48	388.71

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

c. Maturity analysis of lease liabilities:

i. The table below provides details regarding the maturities of lease liabilities on discounted basis:

	As at March 31, 2026	As at March 31, 2025
0-3 Months	31.13	27.47
3-6 Months	32.09	27.49
6-12 Months	66.10	54.92
1-3 years	178.16	190.69
3-5 years	-	88.14
Above 5 years	-	-
Total	307.48	388.71

ii. The table below provides details regarding of lease liabilities on undiscounted basis:

0-3 Months	36.46	34.36
3-6 months	36.89	33.94
6-12 months	73.78	66.15
1-3 years	191.17	215.82
3-5 years	-	91.05
Above 5 years	-	-
Total	338.30	441.32

d. Other disclosure

	Note no.	As at March 31, 2026	As at March 31, 2025
Depreciation charge for right-of-use assets by class of underlying asset	33	124.00	119.54
Interest expense on lease liabilities.	32	27.97	32.72
The expense relating to short-term leases including leases with a lease term of one month or less	34	257.53	222.12
Payment of lease liabilities	23	144.17	132.42
Total cash outflow for leases.		401.70	354.54
Additions to right-of-use assets	7	-	307.71
Gains or (losses) arising from lease modification/closure		-	-
The carrying amount of right-of-use assets	7	270.51	359.54
Impact of remeasurement of lease		34.97	-

i. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. Lease contracts entered by the Company majorly pertains to buildings taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitment towards variable rent as per the contract.

iii. 7.5% to 8.25% of interest rate implicit in the lease or lessee's incremental borrowing rate used for the measurement of lease liabilities.

II Disclosures for operating leases other than leases covered in Ind AS 116

i. The Company has entered into cancellable operating leases and transactions for leasing of accommodation for administrative building, office space and godown etc. The tenure of lease is generally one year.

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

Lease expenses/income recognised during the year

	See Note	Year ended March 31, 2026	Year ended March 31, 2025
a. As a lessee -rent expenses			
Administrative building, office space and godown	34	257.53	222.12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

24 Other financial liabilities

(Amount in 'Rupees Lakhs' unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Unpaid dividends	10.19	9.96
Deposits from dealers (Refer sub-note below)	248.27	276.54
Employee related liabilities	577.88	497.57
Payables on purchase of property, plant and equipment	31.37	39.72
	867.71	823.79

Note:

Deposits from dealers carry interest @ 6% per annum and repayable on expiry/ termination of agreement.

25 Other current liabilities

	As at March 31, 2026	As at March 31, 2025
Statutory dues payable	90.98	119.46
Advances from customers	116.78	55.06
	207.76	174.52

26 Revenue from operations

	Year ended March 31, 2026	Year ended March 31, 2025
I. Sale of products		
a. Manufactured goods	43,723.33	42,241.41
b. Traded goods	277.30	249.70
	44,000.63	42,491.11
II. Other operating revenues	1,220.27	1,416.68
	45,220.90	43,907.79

Notes

A. Revenue from contracts with customers disaggregated based on nature of product or service

a. Revenue from sale of products

Manufactured goods

- Filter and lubes

43,723.33 42,241.41

Traded goods

- Coolants

277.30 249.70

b. Other operating revenues

Export incentives

442.74 565.22

Sale of scrap

765.79 851.46

Sale of tools

11.74 -

1,220.27 1,416.68

Total revenue from operations

45,220.90 43,907.79

B. Revenue from contracts with customers disaggregated based on geography

Product

- Domestic

26,588.04 21,014.83

- Export

17,412.59 21,476.28

Other operating revenue

- Domestic

1,217.85 1,416.68

- Export

2.42 -

45,220.90 43,907.79

C. Reconciliation of gross revenue from contracts with customers

Gross revenue from sale of products

44,352.07 42,813.91

Add: Cash discount and sales return etc

(351.44) (322.80)

Net revenue recognised from contracts with customers

44,000.63 42,491.11

D. Disclosure based on time

Sale of products

Manufactured goods

43,723.33 42,241.41

Traded goods

277.30 249.70

Export incentives

442.74 565.22

Sale of scrap

765.79 851.46

Sale of tools

11.74 -

45,220.90 43,907.79

E. Export benefit and other incentives

On systematic basis when benefit accrued

442.74 565.22

442.74 565.22

F. Assets and liabilities related to contracts with customers

Contract liabilities related to sale of goods

116.78 55.06

Advance from customers

116.78 55.06

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
27 Other income		
Interest income		
- From banks on deposits	407.07	730.44
- On electricity deposits	1.16	1.00
- On gas connection deposits	0.53	0.64
- Interest income on financial assets	1.12	1.07
- Interest on compensation on compulsory acquisition of land (See note below)	1,238.90	-
- Others	31.00	38.36
Net gain on foreign currency transactions and translation	703.46	452.82
Other non-operating income		
- Sundry balances written back	0.08	67.19
- Profit on sale of property, plant and equipment	-	1.39
- Gain on sale or fair value of mutual funds (FVTPL)	24.10	15.85
- Insurance claim received	40.41	9.58
- Miscellaneous income	69.72	32.45
- Compensation received on compulsory acquisition of land (See note below)	616.62	-
	3,134.17	1,350.79

Note

During the year, the Company received enhanced compensation amounting to Rs. 1,855.52 pursuant to the Award dated October 18, 2019 passed by the Additional District Judge, Faridabad, in connection with the compulsory acquisition of the Company's land admeasuring 2 Kanal 9 Marla (1482.25 square yards) situated at Village Mewla Maharajpur, Tehsil and District Faridabad, under Notification dated July 04, 2012 issued under Section 4 of the Land Acquisition Act, 1894 for development of metro stations and parking facilities from Badarpur to YMCA Chowk, Faridabad. The gross amount comprises enhanced land compensation of Rs. 616.62 and interest thereon of Rs. 1,238.90. Tax deducted at source of Rs. 237.49 has been deducted and the net amount of Rs. 1,618.03 has been received vide Demand Draft dated January 16, 2026. The said amount has been recognised as Other Income in the standalone financial statements during the current year, being the year in which the amount is received.

	Year ended March 31, 2026	Year ended March 31, 2025
28 Cost of materials consumed		
Inventory at the beginning of the year	3,342.56	2,746.70
Add: Purchases during the year	21,985.35	19,678.81
	25,327.91	22,425.51
Less: Inventory at the end of the year	3,401.37	3,342.56
Cost of materials consumed	21,926.54	19,082.95
29 Purchases of stock-in-trade (traded goods)		
Coolants	207.21	180.75
	207.21	180.75
30 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the beginning of the year		
- Finished goods	1,731.60	1,491.21
- Work in progress	560.43	567.52
- Traded goods	19.84	28.27
	2,311.87	2,187.00
Inventories at the end of the year		
- Finished goods	2,079.11	1,731.60
- Work in progress	632.61	560.43
- Traded goods	14.95	19.84
	2,726.67	2,311.87
	415.80	124.87
31 Employee benefits expense		
Salaries, wages and bonus	6,816.40	5,757.08
Contribution to provident fund and other funds	204.52	198.88
Gratuity expense (Refer Note 4(i))	67.32	74.85
Staff welfare expenses	97.62	83.19
	7,185.86	6,114.00
32 Finance cost		
Interest expense		
- On security deposits from dealers	14.80	16.57
- On others	1.11	0.16
Interest on delayed payment of income tax	1.94	24.57
Interest on lease liabilities	27.97	32.72
Amortisation of prepaid security deposit	1.18	1.13
Other borrowing costs	0.35	0.30
	47.35	75.45

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

33. Depreciation and amortization expense

Depreciation on property, plant and equipment	1,378.05	1,311.95
Amortisation of intangible assets	504.56	39.62
Depreciation on right-of-use assets	324.00	119.54

Year ended March 31, 2026	Year ended March 31, 2025
1,378.05	1,311.95
504.56	39.62
324.00	119.54
2,006.61	1,471.11

34. Other expense

Consumption of stores and spare parts	424.99	396.21
Consumption of packing materials	773.18	729.52
Job work charges	1,512.15	1,420.21
Power and fuel	1,109.70	979.06
Rent including lease rentals	257.53	221.12
Repairs and maintenance		
- Buildings	100.88	101.04
- Plant and machinery	802.80	567.43
- Others	226.30	178.14
Insurance	73.18	43.23
Rates and taxes	22.32	14.76
Legal and professional	78.83	64.57
Traveling and conveyance	206.74	162.68
Freight outward	766.90	681.55
Shipping and forwarding	432.47	574.22
Licence fee	-	200.41
Postage and courier	17.93	17.67
Printing and stationery	21.56	20.11
Communication expenses	13.85	13.67
Sales promotion	506.94	445.49
Payment to auditors (Refer note 'a' below)	11.44	12.06
Research and development expenses (Refer note 'b' below)	382.63	443.09
Cash discount	351.44	322.59
Bank charges	11.34	9.53
Corporate social responsibility expenses (Refer note 35)	140.35	109.75
Warranty expenses	7.09	7.85
Conventions and exhibitions	45.29	28.68
Loss on sale of property, plant and equipment	4.92	-
Balances written off	1.09	42.51
Loss due to fire (Refer note 49)	-	32.59
Provision for doubtful trade receivables	16.41	17.66
Miscellaneous expenses	138.67	151.42
	8,258.92	8,009.82

Notes

a. Payment to auditor

As auditor:

For statutory audit	8.50	7.50
For tax audit	2.25	1.50
For other services	-	2.50

In other capacity:

For certification	0.15	0.15
Reimbursement of expenses	0.54	0.41
	11.44	12.06

Net (Income) / Expenditure

b. Research and development expenditure

Revenue expenditure

Salaries	315.78	380.87
Repairs and maintenance	14.03	32.29
Consumables and samples	18.45	8.26
Traveling	5.16	7.44
Miscellaneous	9.21	14.73
	382.63	443.09

Capital expenditure

Plant and equipment	13.42	15.74
Furniture and fixture	0.04	1.47
Office equipment	-	0.09
Computers	-	0.74
	23.46	18.04

35. Earnings per share

a. Basic EPS

Profit for the year	No's	7,087.97	7,458.23
Weighted average number of equity shares outstanding	Rs.	25,08,370.00	25,08,370.00
Face value of per share	Rs.	10.00	10.00
Basic earnings per share	Rs.	282.57	297.33

b. Diluted EPS

Profit for the year	No's	7,087.97	7,458.23
Weighted average number of equity shares for calculation of diluted EPS	Rs.	25,08,370.00	25,08,370.00
Face value of per share	Rs.	10.00	10.00
Diluted earnings per share	Rs.	282.57	297.33

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
36 Tax expense		
Current tax expense	1,073.05	3,035.82
Deferred tax benefit	65.21	11.21
	2,038.26	3,049.03
Income tax for earlier years (net)	11.65	(57.89)
Tax expenses for the year recognised in Profit and loss	2,049.91	2,991.14
Tax expense recognised in other comprehensive income ('OCI')	(0.36)	12.97
	(0.96)	12.97
Total	2,049.55	3,004.11

Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025

Profit before tax	9,137.88	10,445.37
Applicable income tax rate	25.17%	29.12%
Estimated income tax expense	2,299.82	3,041.86
Tax effect of adjustments to reconcile expected income tax expense to reported		
Non taxable expenses	36.08	8.96
Capital gain taxable at lower rate	(63.02)	-
Non taxable income	(155.90)	-
Income tax for earlier years	11.65	(57.89)
Others	(78.72)	(2.79)
Income Tax expense in the Statement of Profit and Loss	2,049.91	2,991.14

Note

During the current financial year, the Company has exercised the option to be taxed under Section 115BAA of the Income-tax Act, 1961.

37 Contingent liabilities and commitments (to the extent not provided for)**a. Claims against the Company not acknowledged as debt****I. Disputed tax and other liabilities for :****(a) Goods and services tax**

As at March 31, 2026	As at March 31, 2025
81.77	77.02
81.77	77.02

II. Summary of amount paid under protest against above:**(a) Goods and services tax**

4.48	4.17
4.48	4.17

Note

The Company has reviewed its disputed liabilities and proceedings and does not expect material impact on financial position of the Company. Further cash outflow in respects of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

b. Guarantees excluding financial guarantees

Guarantees issued by bankers on behalf of Company. (These are covered by the charge created in favour of Company's banker by way of hypothecation of stock and trade receivables besides pledge of fixed deposits as margin money)

As at March 31, 2026	As at March 31, 2025
41.70	41.70
41.70	41.70

c. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided

As at March 31, 2026	As at March 31, 2025
469.23	424.06
469.23	424.06

d. The Company has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.**e.** There are no amount which were required to be transferred to Investor Education and Protection Fund by the Company.**f.** The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

38 Assets pledged as security

The carrying amount of assets mortgaged as security for current and non-current borrowings are:

	Year ended March 31, 2026	Year ended March 31, 2025
Current assets:		
Financial assets		
Trade receivables (net)		
Amount as per books of accounts (A)	7,491.57	9,500.85
Amount as per bank statement (B)	7,133.71	9,446.52
Difference(A-B)	357.86	54.33
Inventories (excluding in transit)		
Amount as per books of accounts (A)	6,223.39	5,760.00
Amount as per bank statement (B)	6,223.39	5,792.60
Difference(A-B)	-	(32.68)
Total current assets mortgaged as security	13,714.96	15,260.83

Reasons for material discrepancies in the month of March 31, 2026 and March 31, 2025

The quarterly returns or statements filed by the Company for working capital limits with banks are in agreement with the books of account of the Company except for statements filed for the quarter and year ended March 31, 2026 and March 31, 2025, where differences were noted between the amount as per books of account for quarter and amount as reported in the quarterly statements due to differences in case of trade receivables amounting to Rs. 357.86 and Rs. 54.33. The difference is primarily due to recording of foreign exchange fluctuation at year end and presentation of credit balance with customer as advance from customer in financial statements. Differences in case of inventories is Nil as on March 31, 2026.

39 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of average net profit of the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. The nature of CSR activities identified are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. The Company has formed a CSR committee as per the Act.

(i) The amount spent by the Company on CSR activities is as below:

	Year ended March 31, 2026	Year ended March 31, 2025
A. Gross amount required to be spent by the Company	140.35	109.68
Total (A)	140.35	109.68
B. Amount spent by the company:		
a. Expenditure/payments		
(i) YESS Charitable Trust #	5.50	3.00
(ii) B.Bhagwan Singh Elofic Charitable Trust #	13.33	7.00
(iii) Prime Minister's National Relief Fund	98.00	99.75
(iv) Janki Social Welfare Society	2.36	-
(v) Ambulance to Government Hospital	8.06	-
(vi) RO Cum Water Cooler to Government Education Institutes/Hospitals	13.11	-
Total expenditure	140.35	109.75
C. Shortfall/(Excess) at the end of the year	-	(0.07)
D. Yess Charitable Trust and B.Bhagwan Singh Elofic Charitable Trust are related parties as per Indian Accounting Standard (Ind AS) 24.		

(ii) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	(0.12)	(0.05)
Amount required to be spent during the year	140.35	109.68
Amount spent during the year	140.35	109.75
Shortfall/(excess) as at the closing of the year	(0.12)	(0.12)

(iii) Details of excess CSR expenditure under Section 135(5) of the Act

	As at March 31, 2026	As at March 31, 2025
Balance excess spent as at the beginning of the year	(0.12)	(0.05)
Amount required to be spent during the year	140.35	109.68
Amount spent during the year	140.35	109.75
Shortfall/(excess) as at the closing of the year	(0.12)	(0.12)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

40 Employee benefit obligations

a. Defined contribution plan

Provident Fund and Other Funds : A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions for provident fund and pension as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and other acts to the government. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The company's obligation is limited to the amounts contributed by it.

	Year ended March 31, 2026	Year ended March 31, 2025
Contribution to provident fund and other funds		
a. Contribution to provident fund	169.91	163.56
b. Contribution to employee state insurance	29.34	31.31
c. Contribution to welfare fund	4.43	4.01
d. Contribution to national pension scheme	0.84	-
	204.52	198.88

b. Defined benefits plan

Gratuity: The Company provides gratuity benefits to its employees in accordance with the provisions of the Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(i) Principal actuarial assumptions

	As at March 31, 2026	As at March 31, 2025
Future salary increase	5.00%	5.00%
Discount rate	7.25%	6.75%
Mortality rates	100% of IAM (2012-14)	100% of IAM (2012-14)
Attributes of ages: withdrawal rate (%)		
up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age (years)	60	60

(ii) Amount recognised in the Statement of Profit and Loss

	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	71.37	69.18
Net interest cost	49.64	44.74
Expected return on plan asset	(53.79)	(35.07)
Expense recognised in the statement of profit and loss	67.22	74.85

(iii) Amount recognised in other comprehensive income (OCI)

Remeasurement on the net defined benefit liability:		
Actuarial (gain) / loss for the year on defined benefit obligation	(7.31)	45.37
Actuarial (gain) / loss for the year on plan assets	6.07	(0.82)
Amount recognised in other comprehensive income	(1.44)	44.55
	65.78	119.40

Notes:

- The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income.
- The Company gratuity scheme is funded and 100% of the fund is managed by Insurance Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

(iv) Movements in the present value of the defined benefit obligation

	As at March 31, 2026	As at March 31, 2025
(a) Liability at the beginning of the year	735.37	617.18
Interest costs	49.64	44.74
Current service costs	71.37	69.18
Benefits paid	(56.99)	(41.10)
Actuarial (gain) / loss on obligations due to change in obligation	(7.51)	45.37
Liability at the end of the year	791.88	735.37

(b) Fair value of plan assets at beginning of the year

	741.96	578.82
Expected return on plan assets	53.79	39.07
Contributions	132.00	164.35
Benefits paid	(56.99)	(41.10)
Actuarial gain / (loss) on plan assets	(6.07)	0.82
Fair value of plan assets at end of the year	864.69	741.96

Provision for gratuity (net)

Gratuity fund receivable (net)

Total

	As at March 31, 2026	As at March 31, 2025
	-	-
	72.81	6.59
	72.81	6.59

Provision for gratuity

- Non-current

- Current

	As at March 31, 2026	As at March 31, 2025
	-	-
	-	-
	-	-

Gratuity fund receivable

- Non-current

- Current

	As at March 31, 2026	As at March 31, 2025
	-	-
	72.81	6.59
	72.81	6.59

(v) Experience adjustments

	Year ended March 31, 2026	Year ended March 31, 2025
Present value of DBO	791.88	735.37
Fair value of plan assets	864.69	741.96
Funded status	-	-
(Gain)/loss on obligation	32.47	10.88
Gain/(loss) on plan assets	(6.07)	0.82

(vi) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

	As at March 31, 2026	As at March 31, 2025
A. Impact of the change in discount rate		
Impact due to increase of 1 %	714.27	660.68
Impact due to decrease of 1 %	883.45	824.17
B. Impact of the change in salary increase		
Impact due to increase of 1 %	884.63	824.87
Impact due to decrease of 1 %	712.04	658.87
C. Impact of the change in withdrawal rate		
Impact due to increase of 1 %	807.55	747.13
Impact due to decrease of 1 %	773.98	721.87

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Notes:

- i. Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated.
- ii. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.
- iii. The above sensitivity analysis are without giving the impact of tax.

(vii) Maturity profile of defined benefit obligation

Financial year	As at March 31, 2026	As at March 31, 2025
0 to 1 Year	73.38	81.25
1 to 2 Year	35.38	11.62
2 to 3 Year	30.15	32.75
3 to 4 Year	14.70	21.88
4 to 5 Year	24.18	14.91
Above 5 years	614.09	572.96
	791.88	735.37

Description of actuarial risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- a. Salary increases: Change in rate of future salary increase in subsequent years will result in higher liability.
 - b. Discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
 - c. Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
 - d. Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates in subsequent valuations can impact plan's liability.
- c. Actuarial assumptions for compensated absences are as below

	As at March 31, 2026	As at March 31, 2025
i. Discounting rate	7.25%	6.75%
ii. Future increase salary	5.00%	5.00%

d. Expected contribution for the next year

	As at March 31, 2026	As at March 31, 2025
Expected contribution for the next year	85.16	80.82

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

41. Segment information

The Company is engaged in the manufacture and supply of automobile filters and lubes and has classified the operations as primary segment. Accordingly, there is no reporting requirements of primary segment. Geographical revenues are allocated based on the location of the customer. Geographical segments of the Company are India and Outside India. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

	India	Outside India	Total
Revenue from external customers by location of customers			
Sale of products			
Year ended March 31, 2026	26,588.04	17,412.59	44,000.63
Year ended March 31, 2025	(21,014.83)	(21,476.28)	(42,491.11)
Other operating revenues			
Year ended March 31, 2026	469.83	750.44	1,220.27
Year ended March 31, 2025	(421.11)	(995.57)	(1,416.68)
Other income			
Year ended March 31, 2026	1,124.28	306.01	1,430.29
Year ended March 31, 2025	(284.20)	(279.23)	(563.43)
Total revenue			
Year ended March 31, 2026	28,182.15	18,469.04	46,651.19
Year ended March 31, 2025	(21,720.14)	(22,751.08)	(44,471.22)
Segment result			
Year ended March 31, 2026	3,895.02	3,586.33	7,481.35
Year ended March 31, 2025	(2,083.38)	(7,654.08)	(9,737.46)
Unallocable expenses (net)			
Year ended March 31, 2026			47.35
Year ended March 31, 2025			(75.45)
Operating income			
Year ended March 31, 2026			7,434.00
Year ended March 31, 2025			(9,662.01)
Other income (net)			
Year ended March 31, 2026			1,703.88
Year ended March 31, 2025			(787.36)
Profit before tax			
Year ended March 31, 2026			9,117.88
Year ended March 31, 2025			(10,449.37)
Tax expense			
Year ended March 31, 2026			2,049.91
Year ended March 31, 2025			(2,991.14)
Profit after tax for the year			
Year ended March 31, 2026			7,067.97
Year ended March 31, 2025			(7,458.23)
Segment assets			
As at March 31, 2026	40,101.79	4,694.37	44,796.16
As at March 31, 2025	(30,483.75)	(7,320.35)	(37,804.10)
Unallocated assets			
As at March 31, 2026			497.89
As at March 31, 2025			(552.80)
Total assets			
As at March 31, 2026			45,294.05
As at March 31, 2025			(38,356.90)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	India	Outside India	Total
Segment liabilities			
As at March 31, 2026	4,801.48	63.66	4,864.94
As at March 31, 2025	(4,526.79)	(304.46)	(4,831.25)
Unallocated liabilities			
As at March 31, 2026			232.19
As at March 31, 2025			(292.36)
Total liabilities			
As at March 31, 2026			5,097.13
As at March 31, 2025			(5,123.61)
Depreciation and amortization expense (see note 'd' below)			
Year ended March 31, 2026	1,212.52	794.09	2,006.61
Year ended March 31, 2025	(727.57)	(743.54)	(1,471.11)
Cost to acquire tangible and intangible fixed assets			
Year ended March 31, 2026	12,212.15	-	12,212.15
Year ended March 31, 2025	(1,700.56)	(-)	(1,700.56)
Non-cash expenses other than depreciation and amortisation			
Year ended March 31, 2026	-	-	-
Year ended March 31, 2025	(-)	(-)	(-)

Notes:

- The unallocated expenses comprises finance costs and unallocated income comprises interest income and gain on fair value of mutual fund.
- Unallocated assets include investments, advance tax and tax deducted at source.
- Unallocated liabilities include borrowings, deferred tax/current tax liabilities and unpaid dividend.
- Other income, expenses and depreciation not directly allocable to segments are allocated to the segment based on proportionate sales in the segments.
- The measurement of segment results is consistent with that in the statement of profit and loss. Items included in other comprehensive income are not allocated to operating segments.
- Revenue from two customers (previous year two customers) of the Company represented approximately 26.18% (previous year 28.70%) of the total revenue.

42 Related party disclosures**a. List of related parties****i. Wholly owned subsidiary companies**

- Elofic USA, LLC

ii. Key management personnel

- | | |
|--------------------------------|---|
| a. Mr. M.B.Sahni | Managing Director |
| b. Mr. K.D.Sahni | Joint Managing Director |
| c. Maj. Gen. J.S. Bedi (Retd.) | Whole Time Director |
| d. Mr. Pankaj Kumar Jain | Chief Financial Officer (with effect from January 01, 2026) |

iii. Close member of key managerial personnel

- | | |
|---|----------------------------|
| a. Mr. Karam Sahni (Son of Mr. K.D.Sahni) | Head OEM Business |
| b. Mr. Saheb Sahni (Son of Mr. M.B.Sahni) | Head Excellence Department |

iv. Entities over which executive directors or relatives are able to exercise control/significant influence

- Elofic Industries (India) (Partnership Firm)
- Mettler Auto Private Limited
- Jasmo Kamal & Company (Partnership Firm)
- YESS Charitable Trust
- B.Bhagwan Singh Elofic Charitable Trust

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

b. Transactions / Balances outstanding with related parties

	Subsidiary		Key management personnel		Close member of key managerial personnel		Entities over which executive directors or relatives are able to exercise control/significant influence				Total	
	Year ended		Year ended		Year ended		Year ended		Year ended		Year ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
A. Transactions during the year												
Interest income												
Elifc USA, LLC	25.56	36.69	-	-	-	-	-	-	-	-	25.56	36.69
	25.56	36.69	-	-	-	-	-	-	-	-	25.56	36.69
Sale of goods												
Elifc USA, LLC	7,226.10	8,079.94	-	-	-	-	-	-	-	-	7,226.10	8,079.94
	7,226.10	8,079.94	-	-	-	-	-	-	-	-	7,226.10	8,079.94
Discount allowed												
Elifc USA, LLC	-	105.10	-	-	-	-	-	-	-	-	-	105.10
	-	105.10	-	-	-	-	-	-	-	-	-	105.10
Service charges												
Elifc USA, LLC	1.45	1.67	-	-	-	-	-	-	-	-	1.45	1.67
	1.45	1.67	-	-	-	-	-	-	-	-	1.45	1.67
Expenses recovered												
Elifc USA, LLC	9.18	7.32	-	-	-	-	-	-	-	-	9.18	7.32
	9.18	7.32	-	-	-	-	-	-	-	-	9.18	7.32
Rent paid												
Elifc Industries (India) (Partnership Firm)	-	-	-	-	-	-	251.88	220.95	-	-	251.88	220.95
	-	-	-	-	-	-	251.88	220.95	-	-	251.88	220.95
Mettler Auto Private Limited	-	-	-	-	-	-	0.21	0.31	-	-	0.21	0.31
Jainco Karmal & Company (Partnership Firm)	-	-	-	-	-	-	0.17	0.26	-	-	0.17	0.26
	-	-	-	-	-	-	0.17	0.26	-	-	0.17	0.26
Trademark Purchase												
Elifc Industries (India) (Partnership Firm)	-	-	-	-	-	-	9,316.00	-	-	-	9,316.00	-
	-	-	-	-	-	-	9,316.00	-	-	-	9,316.00	-
License fees												
Elifc Industries (India) (Partnership Firm)	-	-	-	-	-	-	-	200.41	-	-	-	200.41
	-	-	-	-	-	-	-	200.41	-	-	-	200.41
Donation given												
YES Charitable Trust	-	-	-	-	-	-	18.83	10.06	-	-	18.83	10.06
B. Bhagwan Singh Elifc Charitable Trust	-	-	-	-	-	-	5.50	3.06	-	-	5.50	3.06
	-	-	-	-	-	-	13.33	7.06	-	-	13.33	7.06
Consultancy												
Mettler Auto Private Limited	-	-	-	-	-	-	17.69	14.04	-	-	17.69	14.04
	-	-	-	-	-	-	17.69	14.04	-	-	17.69	14.04
Remuneration paid												
Mr. M. B. Sahni	-	-	488.48	487.88	-	-	72.10	-	-	-	762.04	583.28
	-	-	488.48	487.88	-	-	72.10	-	-	-	762.04	583.28
Mr. R. D. Sahni	-	-	107.63	222.70	-	-	-	-	-	-	207.63	222.78
	-	-	107.63	222.70	-	-	-	-	-	-	207.63	222.78
Mr. G. S. Bedi (Retd.)	-	-	61.88	52.32	-	-	-	-	-	-	61.88	52.32
	-	-	61.88	52.32	-	-	-	-	-	-	61.88	52.32
Mr. Karan Sahni	-	-	-	-	-	-	36.05	-	-	-	36.05	-
	-	-	-	-	-	-	36.05	-	-	-	36.05	-
Mr. Sahib Sahni	-	-	-	-	-	-	36.05	-	-	-	36.05	-
	-	-	-	-	-	-	36.05	-	-	-	36.05	-
Mr. Parkash Kumar Jain	-	-	11.34	-	-	-	-	-	-	-	11.34	-
	-	-	11.34	-	-	-	-	-	-	-	11.34	-
Club fees												
Mr. M. B. Sahni	-	-	0.96	1.81	-	-	-	-	-	-	0.96	1.81
	-	-	0.96	1.81	-	-	-	-	-	-	0.96	1.81
Mr. R. D. Sahni	-	-	0.25	0.19	-	-	-	-	-	-	0.25	0.19
	-	-	0.25	0.19	-	-	-	-	-	-	0.25	0.19

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Outstanding balances		
Trade payables		
Entities over which executive directors or relatives are able to exercise control/significant influence		232.47
Elofic Industries (India) (Partnership Firm)	-	232.47
Employee related liabilities		
Key Management Personnel	22.84	17.33
Mr. M.B.Sahni	7.22	5.84
Mr. K.D.Sahni	6.67	6.15
Maj. Gen. J.S. Bedi (Retd.)	2.46	1.68
Mr. Pankaj Kumar Jain	2.11	-
Close member of key managerial personnel		
Mr. Karam Sahni	2.19	1.83
Mr. Sahab Sahni	2.19	1.83
Trade receivables	2,493.84	2,913.58
Subsidiary		
Elofic USA, LLC	2,493.84	2,913.58
Investments	0.49	0.49
Subsidiary		
Elofic USA, LLC	0.49	0.49

Notes:

- All 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 during 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 an actuarial basis for the Company as a whole.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

43 Financial Instruments

a. Categories of financial instruments

The carrying amount of the Company's financial instruments is as below:

	As at March 31, 2026	As at March 31, 2025
Financial asset		
I Measured at cost		
I. Investments in subsidiaries and jointly controlled entities	0.49	0.49
II Measured at amortised cost		
I. Other financial assets		
- Non-current	803.49	1,127.38
- Current	905.17	427.82
II. Trade receivables	7,491.57	9,500.85
III. Cash and cash equivalents	5,967.90	285.94
IV. Other bank balances	2,999.04	11,198.10
V. Loans		
- Current	10.09	10.55
III Measured at fair value through Profit and Loss (FVTPL)		
I. Investments		
- Current	463.48	439.37
	As at March 31, 2026	As at March 31, 2025
Financial liabilities		
I Measured at amortised cost		
I. Lease liabilities		
- Non current	178.16	278.82
- Current	129.32	109.89
II. Trade payables	3,305.10	3,282.19
III. Other current financial liabilities	867.71	823.79

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level I: includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level II: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level III: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset are included in level 3.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- I. Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

- ii. The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- iii. The fair values of the remaining fair value through other comprehensive income "FVTOCI" financial assets are derived from quoted market prices in active markets.

b. Fair value hierarchy

The disclosure of the financial instruments measured at fair value and valuation technique are as follows:

	Fair value hierarchy	As at March 31, 2026	As at March 31, 2025
Financial assets			
Investments in mutual fund (FVTPL)	Level I	863.48	439.37

c. Financial risk management objectives and policies

The Company's principal financial liabilities comprise lease liabilities, other financial liabilities and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

The Company's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Company are accountable to the Board of Directors and Audit Committee. This process provides assurance to Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Company policies and Company risk objective.

d. Financial risk management

The Company's senior management oversees the risk management framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk
- Liquidity risk

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

I. Currency risk

- a. The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in "Rupees Lakhs" unless otherwise stated)

- b. Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates. The risks primarily relate to fluctuations in Euro, USD, and GBP against the functional currencies of the Company. Any weakening of the functional currency may impact the Company's exports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

- c. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign currency exposures for the year ended are as follows:

Currency		As at March 31, 2026			As at March 31, 2025		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Receivables	Rupees	4,311.43	-	4,311.43	6,818.50	-	6,818.50
	USD	45.55	-	45.55	79.67	-	79.67
	Rupees	350.46	-	350.46	490.09	-	490.09
	EURO	3.31	-	3.31	5.31	-	5.31
	Rupees	22.48	-	22.48	11.76	-	11.76
	GBP	0.18	-	0.18	0.11	-	0.11
Payables	Rupees	50.52	-	50.52	301.91	-	301.91
	USD	0.53	-	0.53	3.53	-	3.53
	Rupees	12.94	-	12.94	2.55	-	2.55
	EURO	0.12	-	0.12	0.03	-	0.03

I. Foreign currency risk exposure (unhedged only)

	As at March 31, 2026	As at March 31, 2025
Financial assets	4,694.37	7,320.35
Financial liabilities	63.46	304.46
Net exposure (Assets)	(4,630.91)	(7,015.89)

II. Sensitivity

The details of the Company's sensitivity to a 1% increase and decrease in the Rs. against the relevant foreign currency ("USD"). 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

	As at March 31, 2026	As at March 31, 2025
Impact on profit or loss for the year	(46.31)	(70.16)
Impact on total equity as at the end of reporting year	(34.65)	(52.50)

This is mainly attributable to the exposure outstanding on Currency USD receivables and payables by the Company at the end of the reporting period. Impact on profit for the year are gross of tax.

iii. The Company has open derivative positions as at March 31, 2026, March 31, 2025 as follows.

		As at March 31, 2026	As at March 31, 2025
Receivables	Rupees	507.99	-
	USD	5.50	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

II. Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period as the Company uses the buyers credit and other credit instruments for short period of time whenever required. There is no credit utilised at the year end in current year and in previous year.

III. Other price risks

The Company is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Equity price sensitivity analysis

Company has invested in subsidiary. Hence no amount recognised in the statement of profit and loss as all amount of investment are carried at cost.

B Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's exposure to customers is diversified and two customers contributes to more than 10% of outstanding trade receivable

Reconciliation of loss allowance provision

	As at March 31, 2024	As at March 31, 2023
Opening balance	17.66	16.33
Additional provision made	16.41	17.66
Reversal of provision during the year	-	16.33
Provision adjusted against the amount written off	16.08	-
Closing provision	17.99	17.66

The provision for loss allowances of trade receivables have been made by the management on the evaluation of trade receivables. The management at each reporting period made an assessment on recoverability of balances and on the best estimate basis the provision for loss allowances have been created.

C Liquidity risk management

a. Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b. The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The tables include principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Maturities of financial liabilities

	0-12 Months	1-3 years	3-5 years	More than 5 year	Total
As on March 31, 2026					
Non derivative					
Trade payables	3,305.10	-	-	-	3,305.10
Lease liability	129.32	178.16	-	-	307.48
Other financial liabilities	867.71	-	-	-	867.71
	0-12 Months	1-3 years	3-5 years	More than 5 year	Total
As on March 31, 2025					
Non derivative					
Trade payables	3,282.19	-	-	-	3,282.19
Lease liability	109.88	190.69	88.14	-	388.71
Other financial liabilities	823.79	-	-	-	823.79

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturities of financial assets

	0-12 Months	1-3 years	3-5 years	More than 5 year	Total
As on March 31, 2026					
Non derivative					
Other financial assets					
- Current	905.17	-	-	-	905.17
- Non-current	-	803.49	-	-	803.49
Investments	463.48	-	-	0.49	463.97
Trade receivables	7,491.57	-	-	-	7,491.57
Cash and cash equivalents	5,967.90	-	-	-	5,967.90
Bank balances other than cash and cash equivalent	2,999.04	-	-	-	2,999.04
Loans					
- Current	10.09	-	-	-	10.09
As on March 31, 2025					
Non derivative					
Other financial assets					
- Current	427.82	-	-	-	427.82
- Non-current	-	1,118.38	9.00	-	1,127.38
Investments	439.37	-	-	0.49	439.86
Trade receivables	9,500.85	-	-	-	9,500.85
Cash and cash equivalents	286.94	-	-	-	286.94
Bank balances other than cash and cash equivalent	11,198.10	-	-	-	11,198.10
Loans					
- Current	10.55	-	-	-	10.55

e. Capital management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

The Company monitors its capital using a gearing ratio, which is net debt divided by total equity. Net debt includes interest bearing loans and borrowings less cash and cash equivalents and current investments.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
Net debt		
a. Lease liabilities	307.48	388.71
	<u>307.48</u>	<u>388.71</u>
b. Cash and cash equivalents	5,967.90	286.94
c. Current investments	463.48	439.37
	<u>6,431.38</u>	<u>726.31</u>
Net debt	<u>(6,123.90)</u>	<u>(337.60)</u>
Total equity	40,196.92	33,233.29
Net debt to equity ratio	-15.23%	-1.02%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.

- 44 The Board of Directors have recommended a final dividend of 50% (Rs. 5.00/- per Equity Share of Rs. 10/- each) for the financial year 2025-2026 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company.

45 Disclosure of financial ratios

Particulars	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	Variance %	Reason for variance
Current ratio	Current assets	Current liabilities	5.55	6.10	-9%	Not material
Debt-equity ratio	Total debt	Total equity	0.01	0.01	0%	Not material
Debt service coverage ratio	Net operating income	Total debt service	83.19	160.66	-48%	Due to debt servicing base is nominal
Inventory turnover ratio	Cost of goods sold	Average inventory	3.59	3.51	2%	Not material
Trade receivable turnover ratio	Net sales	Average trade receivables	5.32	5.28	1%	Not material
Trade payable turnover ratio	Net purchases	Average trade payables	6.74	6.59	2%	Not material
Net capital turnover ratio	Net sales	Working capital	2.07	1.80	15%	Not material
Net profit ratio	Profit after tax	Net sales	0.16	0.17	-8%	Not material
Return on equity ratio	Profit after tax	Total equity	0.18	0.22	-21%	Not material
Return on capital employed	Earning before interest and tax	Capital employed	0.23	0.31	-28%	Due to decrease in the current year profit
Return on investment	Earning before interest and tax	Total assets	0.20	0.27	-26%	Due to decrease in the current year profit

Note:

Where the variation is more than 25%, it is due to the inclusion of profitability / income of the current year and whereas there is no significant change in debts from previous year.

(Amount in 'Rupees Lakhs' unless otherwise stated)

(i) Working of the ratios

Basis of ratios	Year ended March 31, 2026	Ratio	Year ended March 31, 2025	Ratio
a. Current ratio				
Current assets	26,634.42	5.55	29,226.40	6.10
Current liability	4,797.01		4,788.40	
b. Debt equity ratio				
Total debt (see note ii)	307.48	0.01	388.71	0.01
Total equity (equity share capital+ other equity)	40,196.92		33,233.29	
c. Debt service coverage ratio				
Net operating income (Profit after tax+Finance cost+Depreciation and amortisation expenses)	9,141.93	83.19	9,004.79	160.66
Total debt service during the year (Long term debt+Short term debt+Capital lease obligation)	109.89		56.05	
d. Inventory turnover ratio				
Cost of goods sold	21,511.34	3.59	18,958.08	3.51
Average Inventory = (Opening stock + Closing stock) / 2	5,991.70		5,397.15	
e. Trade receivables turnover ratio				
Net sales (Total sales - Sales return)	45,220.90	5.32	43,907.79	5.28
Average trade receivables = (Opening debtors +Closing debtors) / 2	8,496.21		8,320.41	
f. Trade payables turnover ratio				
Total purchases (Net of purchase return)	22,192.36	6.74	19,859.56	6.59
Average trade payables = (Opening creditors + Closing creditors) / 2	3,293.65		3,014.55	
g. Net capital turnover ratio				
Net sales (Total sales - Sales return)	45,220.90	2.07	43,907.79	1.80
Working capital = Current assets - Current liabilities	21,837.41		24,438.00	
h. Net profit ratio				
Profit after tax	7,087.97	0.16	7,458.23	0.17
Net sales (Total sales - Sales return)	45,220.90		43,907.79	
i. Return on equity ratio				
Profit after tax	7,087.97	0.18	7,458.23	0.22
Total equity (Equity share capital+ other equity)	40,196.92		33,233.29	
j. Return on capital employed				
Earnings before interest and tax	9,185.23	0.23	10,524.82	0.31
Capital employed = Total assets - Current liabilities	40,497.04		33,568.50	
k. Return on investment				
Earnings before interest and tax	9,185.23	0.20	10,524.82	0.27
Total assets	45,294.05		38,356.90	

(ii) Total debt

	As at March 31, 2026	As at March 31, 2025
a. Lease liability		
Non-current	178.16	278.82
Current	129.32	109.89
	307.48	388.71

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

- 46 The Company has incurred the following cost of research and development activities at its center at Faridabad

Financial year	Capital expenses	Revenue expenses
2009-10	3.86	39.75
2010-11	6.82	47.69
2011-12	73.06	55.02
2012-13	30.17	82.51
2013-14	79.80	102.34
2014-15	34.95	132.61
2015-16	17.37	133.23
2016-17	62.65	112.04
2017-18	35.23	150.35
2018-19	16.95	220.04
2019-20	16.27	233.23
2020-21	30.96	222.76
2021-22	7.01	258.07
2022-23	0.16	285.10
2023-24	206.12	357.45
2024-25	18.04	443.09
2025-26	23.46	382.63

- 47 The charges which yet to be satisfied with Registrar of Companies (ROC) as at March 31, 2026 are as follows:

Brief description of charges	Location of ROC	Amount	Date of creation / modification
Book debts	New Delhi	300.00	23.02.2024
Immovable properties	New Delhi	300.00	23.02.2024

During the year, the Company has not made any change in terms of its cash credit.

- 48 The Ministry of Corporate Affairs vide Notification No. G.S.R. 549(E) dated August 13, 2025 has amended Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures, through the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, to introduce disclosure requirements in respect of supplier finance arrangements, effective for annual reporting periods beginning on or after April 1, 2025.

Supplier finance arrangements, as defined under the amended Ind AS 7, are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers, and the entity agreeing to repay the finance providers on the same date as, or a date later than, the date on which the suppliers are paid. Such arrangements are commonly known as reverse factoring, payables finance or supply chain financing.

The Company has assessed that it has not entered into any such supplier finance arrangement with any bank, financial institution or other finance provider during the year ended March 31, 2026. Accordingly, the disclosure requirements introduced under the said amendments to Ind AS 7 and Ind AS 107 in respect of supplier finance arrangements are not applicable to the Company.

- 49 A fire incident occurred at the Company's paper plant located at 11/7, Mathura Road, Faridabad, on January 13, 2025. Following the incident, the necessary survey and assessment were carried out, and the management assessed a total loss of Rs. 38.47 including GST of Rs. 5.87 on account of burnt stock.

An insurance claim for the assessed loss was duly filed in the current financial year, after completing a proper assessment. The filing is supported by documentary evidence submitted to the insurance company.

During the current financial year, the Company has received Rs. 38.47 as full and final settlement of the insurance claim. Accordingly, no further loss or claim remains outstanding in respect of the said incident.

- 50 On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. Based on the Company's assessment, the existing compensation structure is largely aligned with the provisions of the aforesaid Codes and no significant modifications were considered necessary. Accordingly, the implementation of these Labour Codes has not had any material financial impact on the Company's financial statements, including the Statement of Profit and Loss, for the year ended March 31, 2026. Further, the Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

51 Other statutory information

- a. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- b. No penalties were imposed on the Company by any regulator during the period ended March 31, 2026.
- c. There is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961) that has not been recorded in the books of account of the Company.
- d. The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- e. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder.
- f. The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- g. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- h. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- i. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- j. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- k. During the year ended March 31, 2026, the Company has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- l. The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company.
- m. The Corporate Social Responsibility (CSR) provisions under section 135 of the Companies Act, 2013 are applicable to the Company. The disclosures relating to CSR are given in Note 39.
- n. Disclosures relating to related party transactions are given in Note 42.
- o. Analytical ratios prescribed under Schedule III to the Companies Act, 2013 are disclosed in Note 45.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

52. There are no subsequent event observed after the reporting period which have material impact on the Company's operation.
53. The Board of Directors of the Company approved the standalone financial statements for issuance by resolution passed at the board meeting held on June 15, 2026 and authorised the Directors to sign the standalone financial statements.

As per our report of even date attached

For S N Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of the Board of Directors of
Elofic Industries Limited

Bhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 15, 2026

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 15, 2026

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 15, 2026

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060

Place: Faridabad
Date: June 15, 2026

Pankaj Kumar Jain
Chief Financial Officer

Place: Faridabad
Date: June 15, 2026

INDEPENDENT AUDITOR'S 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, 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditor on separate financial statements and other financial information of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act (Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2026, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (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 ("the 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 and the audit evidence obtained by other auditor in terms of their report referred to Other Matter paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

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

The Holding 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 consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

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

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

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report 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 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 the preparation and presentation of these consolidated financial statements, that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive

INDEPENDENT AUDITOR'S REPORT

income), consolidated changes in equity and the consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 management and Board of Directors of the entities included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are also responsible for overseeing the financial reporting process of the respective entities.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the consolidated 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 the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, 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 entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain 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 and such other entity included in the consolidated financial statements 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 financial controls 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 Matter

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 6,974.66 lakhs as at March 31, 2026, total revenues of Rs. 7,978.52 lakhs and net cash inflow amounting to Rs. 145.79 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information has been audited by other auditor whose reports 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xii) of the Companies (Auditor's Report) Order, 2020 ("the Order"/CARO), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit report for the Holding Company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in the CARO report. In respect of the subsidiary, which is incorporated outside India, the provisions of CARO are not applicable.
2. As required by Section 143(3) of the Act based on our audit and on the consideration of report of other auditor on separate financial statements and the other financial information of subsidiary, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor

INDEPENDENT AUDITOR'S REPORT

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of Holding Company taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company, refer to our separate report in Annexure A. In respect of the subsidiary, which is incorporated outside India, the provisions 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act. In respect of the subsidiary, which is incorporated outside India, the provisions of Section 197 of the Act are not applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of the subsidiary, as noted in the 'Other matter' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 37 (a) to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 37 (f) to the consolidated financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. In respect of the subsidiary, which is incorporated outside India, the provisions of amount to be transferred to the Investor Education and Protection Fund are not applicable – Refer Note 37 (e) to the consolidated financial statements.
- iv. (a) The respective management of the Holding Company, whose financial statements have been audited under the Act, has represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Holding Company, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or the subsidiary, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. In respect of the subsidiary, which is incorporated outside India, the provisions of this clause are not applicable.

INDEPENDENT AUDITOR'S REPORT

- (b) The respective management of the Holding Company, whose financial statements have been audited under the Act, has represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. In respect of the subsidiary, which is incorporated outside India, the provisions of this clause are not applicable.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us whose financial statements have been audited under the Act, nothing has come to our notice that has caused us or other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement. In respect of the subsidiary, which is incorporated outside India, the provisions of this clause are not applicable.
- v. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- vi. Based on our examination which included test checks, the Holding Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Holding Company as per the statutory requirements for record retention. In respect of the subsidiary, which is incorporated outside India, these provisions are not applicable.

For S.N. Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN:

Place: Gurugram

Date: June 15, 2026

INDEPENDENT AUDITOR'S REPORT

Annexure A to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **Elofic Industries Limited** on the consolidated financial statements as of and for the year ended March 31, 2026)

Independent Auditor's report on the Internal Financial Controls with reference to consolidated financial statements 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, 2026, we have audited the internal financial controls with reference to consolidated financial statements of **Elofic Industries Limited** (hereinafter referred to as the "Holding Company"), as of that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The respective Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') 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 the company's business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary, as aforesaid, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

INDEPENDENT AUDITOR'S REPORT

Inherent Limitations of Internal Financial Controls with reference to 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 controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company, which is a company incorporated in India, has, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2026, based on the internal financial controls with reference to financial statements criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note. Our opinion is not modified in respect of this matter.

Other matter

As per the information provided to us, reporting on internal financial controls over financial reporting was not applicable for the subsidiary, as it is a foreign entity. The financial statements of this subsidiary has been audited by other auditor for the purpose of consolidation, and they have not issued a report on the internal financial controls of the subsidiary.

For **S.N. Dhawan & CO LLP**

Chartered Accountants

Firm Registration No.: 000050N/N500045

Bhaskar Sen

Partner

Membership No.: 096985

UDIN:

Place: Gurugram

Date: June 15, 2026

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2026

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Note no.	As at March 31, 2026	As at March 31, 2025
Assets			
Non-current assets			
(a) Property, plant and equipment	3	7,484.74	6,908.04
(b) Capital work-in-progress	4	178.82	231.46
(c) Other intangible assets	5	9,742.65	117.88
(d) Intangible assets under development	6	6.97	5.25
(e) Right of use assets	7	270.51	359.54
(f) Financial assets			
(i) Other financial assets	10	803.49	1,127.38
(g) Non current tax assets (net)	11	33.92	112.94
(h) Other non-current assets	12	138.04	267.52
		18,659.14	9,130.91
Current assets			
(a) Inventories	13	7,886.73	6,766.44
(b) Financial assets			
(i) Investments	8	463.48	439.37
(ii) Trade receivables	14	6,831.36	8,484.32
(iii) Cash and cash equivalents	15	6,205.77	379.02
(iv) Bank balances other than (iii) above	16	2,999.04	11,198.10
(v) Loans	9	10.09	10.55
(vi) Other financial assets	10	1,728.01	427.62
(c) Other current assets	12	2,574.28	1,604.07
		28,696.76	29,309.69
Total assets		47,355.90	38,439.70
Equity and liabilities			
Equity			
(a) Equity share capital	17	250.84	250.84
(b) Other equity	18	40,775.15	33,028.77
Total equity		41,025.99	33,279.61
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	23	178.16	278.82
(b) Deferred tax liabilities (net)	19	121.96	56.39
		300.12	335.21
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	23	129.32	109.89
(ii) Trade payables	22		
(A) Total outstanding dues of micro enterprises and small enterprises		1,742.02	531.67
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,673.27	2,787.00
(iii) Other financial liabilities	24	867.71	623.79
(b) Other current liabilities	25	1,330.35	174.52
(c) Provisions	20	187.08	172.00
(d) Current tax liabilities (net)	21	100.04	226.01
		6,029.79	4,824.88
Total liabilities		6,329.91	5,160.09
Total equity and liabilities		47,355.90	38,439.70

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

As per our report of even date attached

For S N Dhawan & CO LLP

Chartered Accountants

Firm Registration No.: 000050NIN500045

Bhaskar Sen

Partner

Membership No.: 096865

Place: Gurugram

Date: June 15, 2026

For and on behalf of the Board of Directors of Elofic Industries Limited**K. D. Sahni**

Joint Managing Director

DIN: 00901216

Place: Faridabad

Date: June 15, 2026

M. B. Sahni

Managing Director

DIN: 00908251

Place: Faridabad

Date: June 15, 2026

Maj. Gen. J.S. Bodi (Retd.)

Director

DIN: 08583060

Place: Faridabad

Date: June 15, 2026

Pankaj Kumar Jain
Chief Financial Officer

Place: Faridabad

Date: June 15, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Note no.	Year ended March 31, 2026	Year ended March 31, 2025
I Revenue from operations	26	45,963.38	45,005.61
II Other income	27	2,738.48	1,147.98
III Total income (I + II)		<u>48,701.86</u>	<u>46,153.59</u>
IV Expenses			
(a) Cost of materials consumed	28	21,926.34	19,082.95
(b) Purchases of stock-in-trade	29	480.63	515.58
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(1,071.90)	(105.46)
(d) Employee benefits expense	31	7,185.76	6,114.00
(e) Finance costs	32	47.35	75.45
(f) Depreciation and amortization expense	33	2,006.61	1,471.11
(g) Other expense	34	8,473.83	8,230.57
Total expenses (IV)		<u>39,048.62</u>	<u>35,384.26</u>
V Profit before tax (III - IV)		9,653.24	10,769.33
VI Tax expense			
(a) Current tax		1,973.05	3,035.82
(b) Deferred tax		65.21	13.21
(c) Tax adjustment of earlier years		11.60	(5.25)
Net tax expense		<u>2,049.91</u>	<u>3,043.78</u>
VII Profit for the year (V-VI)		<u>7,603.33</u>	<u>7,725.61</u>
VIII Other comprehensive income ('OCI')			
(a) Items that will not be reclassified to profit or loss		1.44	(44.55)
- re-measurement of defined benefit plans			
Income tax relating to items that will not be reclassified to profit and loss		(0.36)	12.97
		1.08	(31.58)
(b) Items that will be reclassified to profit or loss			
- Exchange differences on translating financial statements of foreign subsidiary		267.39	39.31
Other comprehensive income for the year		<u>268.47</u>	<u>7.73</u>
IX Total comprehensive income (VII+VIII)		<u>7,871.80</u>	<u>7,733.34</u>
X Earnings per equity share (face value of Rs. 10 per share)			
(a) Basic	36	303.12	307.99
(b) Diluted	35	303.12	307.99

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

As per our report of even date attached

For S N Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000060N/N500045

Bhaaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 15, 2026

For and on behalf of the Board of Directors of
Elofic Industries Limited

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 15, 2026

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 15, 2026

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 06583060

Place: Faridabad
Date: June 15, 2026

Pankaj Kumar Jain
Chief Financial Officer

Place: Faridabad
Date: June 15, 2026

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2026

(Amount in 'Rupees Lakhs' unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2026	Year ended March 31, 2025
Cash flow from operating activities			
Net profit before tax		9,853.24	10,769.39
Adjustment for			
Depreciation and amortization expense		2,008.01	1,471.11
Finance costs		47.35	75.45
Interest income		(1,650.22)	(734.82)
(Profit)/loss on sale of property, plant and equipment		4.92	(1.39)
(Profit)/loss on sale of mutual fund investments		(24.10)	(15.85)
Sundry balances written back		(0.06)	(75.21)
(Gain)/loss on exchange fluctuation		(238.86)	(64.58)
Provision for doubtful trade receivables		16.41	17.66
Balances written off		1.09	48.61
Operating profit before working capital changes		9,816.36	11,490.37
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(856.20)	(638.25)
Trade receivables		1,967.25	(2,782.65)
Other assets		(972.59)	(843.67)
Other financial assets		(1,275.63)	(89.94)
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		(73.85)	537.86
Other financial liabilities		52.04	(38.32)
Other current liabilities		1,155.83	48.37
Provisions		16.52	(79.57)
Cash generated from operations		9,849.73	7,614.20
Income taxes paid (Net)		(2,031.85)	(2,987.62)
Net cash generated from / (used) in operating activities (A)		7,818.08	4,626.58
Cash flow from investing activities			
Purchase of property, plant and equipment, including capital work-in-progress, intangible assets		(11,627.85)	(1,754.02)
Sale proceeds of property, plant and equipment		12.13	46.00
Fixed deposits (made)/ matured during the year		355.59	(780.14)
Loans given		0.46	(3.98)
Investments in mutual funds		(0.01)	(400.00)
(Increase)/decrease in bank balances not classified as cash and cash equivalent (net)		8,199.06	(2,395.96)
Interest income received		1,649.10	733.75
Net cash generated from / (used) in investing activities (B)		(1,711.52)	(4,554.37)
Cash flow from financing activities			
Repayment of lease liabilities		(144.17)	(132.42)
Interest paid		(18.20)	(41.60)
Dividend paid		(125.19)	(100.33)
Net cash generated from / (used) in financing activities (C)		(287.56)	(274.35)
Net increase / (decrease) in cash and cash equivalents		5,819.00	(202.34)
Cash and cash equivalents at the beginning of the year		379.02	573.76
Effect of exchange differences on balances with banks in foreign currency		7.75	7.60
Cash and cash equivalents at the end of the year		6,205.77	379.02
Cash and cash equivalents at the end of the year comprises	15		
Balances with banks			
- Balance with banks in current accounts		1,767.48	379.77
- Deposit with original maturity of less than 3 months		4,418.29	-
Cash on hand		-	0.25
		6,205.77	379.02

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

As per our report of even date attached

For S N Dhasan & CO LLP
Chartered Accountants
Firm Registration No.: 000050NIN500045

**For and on behalf of the Board of Directors of
Elofic Industries Limited**

Dhaskar Sen
Partner
Membership No.: 096985

Place: Gurugram
Date: June 15, 2026

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 15, 2026

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 15, 2026

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060

Place: Faridabad
Date: June 15, 2026

Pankaj Kumar Jain
Chief Financial Officer

Place: Faridabad
Date: June 15, 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

a. Equity share capital

Particular	No. of shares	Amount
Balance as at April 01, 2024	25,08,379	256.84
Changes in equity share capital during the year	-	-
Balance as at March 31, 2025	25,08,379	256.84
Changes in equity share capital during the year	-	-
Balance as at March 31, 2026	25,08,379	256.84

b. Other equity

	Reserves and surplus			Other comprehensive income		Total
	General reserve	Securities premium	Foreign currency translation reserve	Retained earnings	Remeasurement of defined benefit plans	
Balance as at April 01, 2024	2,543.84	64.78	250.77	22,582.51	(46.14)	25,395.76
Profit for the year	-	-	-	7,725.61	-	7,725.61
Dividend paid	-	-	-	(100.33)	-	(100.33)
Transfer to general reserve	745.79	-	-	(745.79)	-	-
Foreign currency translation reserve	-	-	39.31	-	-	39.31
Remeasurement gain/(loss) on defined benefit plans, net of income tax	-	-	-	-	(31.58)	(31.58)
Balance as at March 31, 2025	3,289.63	64.78	290.08	29,462.00	(77.72)	33,028.77
Profit for the year	-	-	-	7,603.33	-	7,603.33
Dividend paid	-	-	-	(125.42)	-	(125.42)
Transfer to general reserve	708.80	-	-	(708.80)	-	-
Foreign currency translation reserve	-	-	267.39	-	-	267.39
Remeasurement gain/(loss) on defined benefit plans, net of income tax	-	-	-	-	1.08	1.08
Balance as at March 31, 2026	3,998.43	64.78	557.47	36,231.11	(76.64)	40,775.15

Note: During the year there has been no change in equity share capital and other equity on account of prior period errors.

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

For S N Dhawan & CO LLP
Chartered Accountants
Firm Registration No. 000050N/N500045

For and on behalf of the Board of Directors of
Elofic Industries Limited

Bhaskar Sen
Partner
Membership No.: 096965

Place: Gurugram
Date: June 15, 2026

K. D. Sahni
Joint Managing Director
DIN: 00901216

Place: Faridabad
Date: June 15, 2026

M. B. Sahni
Managing Director
DIN: 00906251

Place: Faridabad
Date: June 15, 2026

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583060

Place: Faridabad
Date: June 15, 2026

Pankaj Kumar Jain
Chief Financial Officer

Place: Faridabad
Date: June 15, 2026

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Elofic Industries Limited ("the Holding Company" or "the Company") incorporated in India, with its registered office situated at 14/4, Mathura Road, Faridabad-121003. The Holding Company's CIN is U74999HR1973PLC070262. It was incorporated on June 02, 1973 under the provisions of the Companies Act 1956. The Group has six manufacturing units located in Faridabad, Noida, Hosur and Nalagarh. The Holding Company, along with its subsidiary (collectively referred to as "the Group") is engaged in manufacturing and supplying of automobile filters and lubes.

1.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016 and relevant amendment rules issued there after and other accounting principles generally accepted in India.

1.2 Basis of preparation and presentation of consolidated financial statement

The consolidated financial statements have been prepared on a historical cost basis, except for

- Certain financial assets and liabilities at fair value (refer to accounting policy regarding financial instruments);
- Employee's defined benefit plan measured as per actuarial valuation;

All assets and liabilities have been classified as current and non-current as per group's normal operating cycle. Based on nature of operations, the group has considered an operating cycle of 12 months.

The consolidated financial statements are presented in Indian Rupee, which is the functional currency of the group and all values are rounded to the nearest lakhs (Rs./00000), except when otherwise indicated.

1.3 Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of the consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.4 Basis of consolidation

- a. The consolidated 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 value 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 Indian Accounting Standards 110, 'Consolidated Financial Statements'.
- b. The consolidated financial statements of the foreign subsidiary being non-integral foreign operations, have been translated using the principles and procedures as laid down in Indian Accounting Standards 21, 'The Effects of Changes in Foreign Exchange Rates'.
- c. 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 prepared to the extent possible, in the same policies of the subsidiary have been disclosed in the notes to the accounts.
- d. The difference, if any of the cost to the Holding Company of its investment in subsidiary over its share in the capital of the subsidiary as at the date of acquisition of stake is recognized in consolidated financial statements as goodwill or capital reserve as the case may be.
- e. The consolidated financial statements are presented, to the extent possible, in the same formats adopted by the Holding Company for its individual financial statements.

Details of entities considered in consolidated financial statements

Name of enterprise	Country of incorporation	% of voting power held by holding Company
Elofic USA LLC	United States of America	100%

2. Material accounting policies

2.01 Property, plant and equipment (Tangible assets and capital work-In-progress)

Property, plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment, if any.

The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of tax credit availed, wherever applicable. When material parts of plant and equipment are required to be replaced at intervals, such cost of replacement is capitalised (if the recognition criteria is met) in the carrying amount of plant and equipment, the Group depreciates them separately based on their specific useful life. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Subsequent costs are capitalised on the carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the group and the cost of items can be measured reliably.

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

All repair and maintenance are charged to statement of profit and loss during the reporting period in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under the non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work in progress'.

Impairment of property, plant and equipment

At the end of each reporting year, the group assesses whether there are any indications of impairment for its property, plant and equipment. If there is any indication, the group estimates the recoverable amount of the asset to determine the extent of impairment loss, if any. If it's not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to individual cash-generating units if a reasonable and consistent allocation basis can be identified.

2.02 Intangible assets

Acquired intangible assets are initially measured at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

The amortisation of an intangible asset with a finite useful life begins when the asset is available for use - i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation of intangible assets that is to be used in conjunction with other assets commences, once the asset group as a whole is ready to commence operations. Such Intangible assets are recorded as "intangible assets under development" till the time they are not available for use.

Impairment of intangible assets

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, as well as when there is an indication of impairment. The recoverable amount is determined based on the higher of fair value less costs to sell and value in use. Value in use is assessed by discounting the estimated future cash flows to their present value using a pre-tax discount rate that reflects market assessments of the time value of money and asset-specific risks.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.03 Leases

The group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of identified asset;
- the Group has substantially all of the economic benefits from the use of the asset through the period of lease and;
- the Group has the right to direct the use of the asset.

Group as a lessee

(i) Right to use assets

The group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings administrative – 3 to 5 years

The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(iii) Short-term leases and leases of low-value assets

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

2.04 Inventories

Inventories are valued at the lower of cost or 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. Work-in-progress and finished goods include appropriate proportion of overheads.

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

S. No.	Particulars	Method of valuation
a.	Raw materials, packing materials and stores and spares	Moving average method
b.	Stock-in-trade	Raw material cost on moving average method plus appropriate share of labour and manufacturing overheads.
c.	Finished goods and work in progress	Raw material cost on moving average 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.

2.05 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less and deposits which are subject to insignificant risk of changes in value.

2.06 Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Leasehold improvements are amortized over the lease term or the useful life of the assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Computer software are amortized over a period of 5 years

Trademark are amortized over a period of 10 years

Assets costing individually Rs. 5,000 or less are fully depreciated in the year of purchase.

Depreciation for assets purchased / sold during a period is proportionately charged to consolidated statement of profit and loss. 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 Group for their use.

2.07 Revenue recognition

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of discounts or incentives offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

a. Sale of goods

Revenue from the sale of products is recognised when the control of the goods has been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

b. Income from services

Revenue from rendering services is recognised over time in the accounting period in which the services are rendered and the Group has an enforceable right to payment for services.

2.08 Other income

a. Interest income is recognized on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

b. Export Incentives are also recognized on accrual basis.

2.09 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences and other terminal benefits.

Short term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the consolidated Statement of Profit or Loss of the year in which related services are rendered. Such Benefits include salaries, wages, bonus etc. The liability for compensated absences in respect of employees (other than workers) is in the nature of short term employee benefits which has provided on the basis of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences and in case of non-accumulating compensated absences, when the absences occur. Terminal benefits, if any, are recognized as an expense immediately. The Group provides for compensated absences based on best estimated basis.

Defined contribution plan

Contributions payable to recognized provident fund and employee state insurance scheme, which are substantially defined contribution plans, are recognized as expense in the consolidated statement of profit and loss, as they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Defined benefit plan

For defined benefit plans in the form of gratuity fund, 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 consolidated 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 recognized 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 schemes.

Other long term benefits

The Group treated the compensated absences as short term employee benefits and provided based on best estimation basis.

Termination benefits:

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary retirement scheme in exchange for these benefits. Expenditure on Voluntary Retirement Scheme (VRS) is charged to the Statement of Profit and Loss when incurred.

2.10 Foreign currency transactions and translations

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's consolidated financial statements are presented in Indian rupee (INR), which is also the Group's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's functional currency at exchange rates prevailing at the date the transaction first qualifies for recognition.

At each Balance Sheet date, Monetary assets and liabilities denominated in foreign currencies are reported at closing spot rate. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or statement of profit and loss, are also recognised in OCI or statement of profit and loss, respectively).

2.11 Financial Instruments

Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade receivables, loan to subsidiary, joint ventures, and associates, and loans to employees.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a. the Group has transferred substantially all the risks and rewards of the asset, or
 - b. the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the risk of the debt instruments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by accounting standards. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in accounting standards are satisfied.

Financial liabilities at amortised cost

After initial recognition, interest-bearing borrowings and instruments are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing borrowings and instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

iii. Off setting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

iv. Dividend and interest income

- a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).
- b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.12 Segment reporting

Identification of segments:

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance. The geographical segment of the Group is based on the location of customer in India and 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 and 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.

2.13 Cash flow statement

Cash flows are reported using the indirect method, whereby the net 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.

2.14 Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all potentially dilutive equity shares.

Refer Note 35 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.15 Income taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

Current tax is based on taxable profit for the year. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

If the recoverable amount of an asset or cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognized immediately in the Statement of Profit and Loss.

2.16 Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets

Contingent assets are not recognised in the consolidated financial statements since this may result in the recognition of income that may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.17 Fair value measurement

The Group measures financial instruments, such as investments (other than equity investments in Subsidiary) at fair values at each Balance Sheet date.

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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

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

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

All assets and liabilities (for which fair value is measured or disclosed in the financial statements) are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable other than quoted prices included in Level 1.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for disposal in discontinued operations.

2.18 Recent accounting pronouncements

A. New and amended standards adopted during the year

The Ministry of Corporate Affairs ("MCA") has, vide notifications G.S.R. 291(E) dated May 7, 2025 and G.S.R. 549(E) dated August 13, 2025, notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, amending certain Indian Accounting Standards. These amendments are effective for annual reporting periods beginning on or after April 1, 2025 and have been applied by the Group, to the extent applicable, in the preparation of these financial statements.

The principal amendments include:

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability):

Introduces guidance on assessing whether a currency is exchangeable into another currency, estimating the spot exchange rate when a currency is not exchangeable, and the related disclosure requirements.

Ind AS 1 - Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants):

refocuses classification on the entity's right to defer settlement existing at the end of the reporting period, requires the right to have substance, and introduces additional disclosure requirements for non-current liabilities subject to future covenants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures (Supplier Finance Arrangements):

introduce qualitative and quantitative disclosure requirements for supplier finance arrangements (including reverse factoring) to enable users of the financial statements to assess the effect of such arrangements on the entity's liabilities, cash flows and exposure to liquidity risk.

Ind AS 12 - Income Taxes (International Tax Reform - Pillar Two Model Rules):

introduces a temporary mandatory exception from recognising and disclosing information about deferred tax assets and liabilities arising from the OECD Pillar Two model rules, together with targeted disclosure requirements for entities within the scope of these rules.

In addition, consequential and editorial amendments have been made to Ind AS 101 - First-time Adoption of Indian Accounting Standards; Ind AS 108 - Operating Segments; Ind AS 109 - Financial Instruments; Ind AS 115 - Revenue from Contracts with Customers; Ind AS 28 - Investments in Associates and Joint Ventures and Ind AS 32 - Financial Instruments: Presentation, primarily to align with international practices and ensure internal consistency.

The Group has assessed the above amendments and concluded that they did not have a material impact on the recognition, measurement, presentation or disclosure of items in the financial statements. Specifically, the Group does not have material exposures to currencies that are not exchangeable at the reporting date; has evaluated the terms of its borrowing arrangements and concluded that the amendments to Ind AS 1 did not result in a material change in the classification of its liabilities; has not entered into supplier finance arrangements requiring additional disclosure under amended Ind AS 7 and Ind AS 107; and is not within the scope of the OECD Pillar Two model rules requiring application of the exception or related disclosures under Ind AS 12.

B. Amendments adopted in the prior year that continue to be in effect

For completeness, the Group has continued to apply the amendments notified by the MCA during the previous year, which were effective for annual reporting periods beginning on or after April 1, 2024, comprising:

Ind AS 117 - Insurance Contracts and consequential amendments to other Indian Accounting Standards, notified vide the Companies (Indian Accounting Standards) Amendment Rules, 2024 (G.S.R. 492(E) dated August 12, 2024); and

Amendments to Ind AS 116 - Leases in respect of Lease Liability in a Sale and Leaseback, notified vide the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 (G.S.R. 554(E) dated September 9, 2024).

The Group has evaluated these amendments and concluded that they are either not applicable to the Group or do not have a material impact on its consolidated financial statements.

C. New and amended standards issued but not yet effective

The MCA, vide notification G.S.R. 549(E) dated August 13, 2025, has also notified amendments to Ind AS 1 - Presentation of Financial Statements and Ind AS 10 - Events after the Reporting Period relating to the alignment of classification and subsequent-event guidance for liabilities subject to covenants, including the substitution of the term "provision" with "covenant" for consistency. These amendments are effective for annual reporting periods beginning on or after April 1, 2026.

The Group has evaluated the above amendments and does not expect them to have a material impact on its financial statements. Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

2.19 Significant Judgements and Key sources of Estimation in applying Accounting Policies

Information about significant judgments and key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits.
- Useful lives of depreciable/amortizable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- Classification of Leases:** The Company enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.
- Employee benefit:** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases, and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- Provisions and Contingencies:** The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37 'Provisions, Contingent Liabilities, and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgment by management regarding the probability of exposure to potential loss.
- Impairment of financial assets:** The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is an indication of impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- Warranty:** Warranty Provision is measured at discounted present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the liability. Product warranty liability and warranty expenses are recorded at the time the product is sold, if the claims of the customers under warranty are probable, and the amount can be reasonably estimated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

3 Property, plant and equipment										
Land : Freehold	Building: Factory	Building : Administrative	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Electrical installation	Computers	Total	
At cost or deemed cost										
Balance as at April 01, 2024	226.60	553.71	72.14	6,385.25	45.23	418.25	36.96	210.33	39.98	7,988.45
Additions	-	40.30	-	1,238.45	14.96	79.39	20.61	36.32	23.63	1,453.66
Disposals	-	-	-	141.03	-	24.77	-	-	-	165.80
Balance as at March 31, 2025	226.60	594.01	72.14	7,482.67	60.19	472.87	57.57	246.65	63.61	9,276.31
Additions	-	71.06	21.52	1,671.51	9.26	129.73	20.18	16.84	22.70	1,971.80
Disposals	-	-	-	10.72	-	23.56	-	0.84	0.68	35.80
Balance as at March 31, 2026	226.60	665.07	93.66	9,143.46	69.45	579.04	86.75	262.65	85.63	11,212.31
Accumulated depreciation										
Accumulated depreciation										
Balance as at April 01, 2024	-	50.39	3.48	961.56	10.49	96.22	10.40	29.68	15.29	1,177.51
Charge for the year	-	49.92	3.30	1,059.74	12.19	106.17	16.21	47.83	16.59	1,311.95
Disposals	-	-	-	97.66	-	23.53	-	-	-	121.19
Balance as at March 31, 2025	-	100.31	6.78	1,923.64	22.68	178.86	26.61	77.51	31.88	2,368.27
Charge for the year	-	46.59	4.19	1,126.63	10.13	107.16	16.67	44.11	22.57	1,378.05
Disposals	-	-	-	4.76	-	13.94	-	0.03	0.02	18.75
Balance as at March 31, 2026	-	146.90	10.97	3,045.51	32.81	272.03	43.28	121.59	54.43	3,727.57
Net carrying amount										
Balance as at March 31, 2025	226.60	493.70	65.36	5,559.03	37.51	294.01	30.96	169.14	31.73	6,908.04
Balance as at March 31, 2026	226.60	518.17	82.69	6,097.95	36.64	306.96	43.47	141.06	31.20	7,484.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Notes

- No property, plant and equipment has been pledged as security
- The total capital expenditure towards research and development incurred as per books of account which is included in plant and machinery are as follows:

Particulars	Year ended March 31, 2026	Year ended March 31, 2025
Capital expenditure towards research and development	23.46	18.04

- During the current financial year and in the previous financial years there are no revaluation of property, plant and equipment.
- There are no proceedings against the Group, that have been initiated or pending against them for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

4 Capital work-in-progress

	As at March 31, 2026	As at March 31, 2025
Opening	231.46	95.24
Additions during the year	104.05	231.46
Capitalized during the year	156.69	95.24
Closing balance	178.82	231.46

Notes

i. Classification of capital work-in-progress

	As at March 31, 2026	As at March 31, 2025
Office equipment	0.21	-
Building: Factory	-	45.13
Plant and equipment	178.61	186.33
Total	178.82	231.46

ii. Capital work-in-progress ageing schedule as at March 31, 2026

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	100.45	78.37	-	-	178.82

Capital work-in-progress ageing schedule as at March 31, 2025

Particular	Amount in capital work in progress for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	231.46	-	-	-	231.46

- Projects in progress comprises projects of office equipment, building: factory, plant and equipment.
- There is no capital project in progress, whose completion is overdue or has exceeded its cost compared to its original value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

5 Other intangible assets

Particulars	Computer software	Trademark	Total
At cost or deemed cost			
Balance as at April 01, 2024	188.34	-	188.34
Additions	10.19	-	10.19
Disposals	-	-	-
Balance as at March 31, 2025	198.53	-	198.53
Additions	13.19	10,116.14	10,129.33
Disposals	-	-	-
Balance as at March 31, 2026	211.72	10,116.14	10,327.86
Accumulated amortization			
Balance as at April 01, 2024	41.03	-	41.03
Charge for the year	39.62	-	39.62
Disposals	-	-	-
Balance as at March 31, 2025	80.65	-	80.65
Charge for the year	41.71	462.85	504.56
Disposals	-	-	-
Balance as at March 31, 2026	122.36	462.85	585.21
Net carrying amount			
As at March 31, 2025	117.88	-	117.88
As at March 31, 2026	89.36	9,653.29	9,742.65

Notes

i. The Holding Company has acquired a trademarks during the year at a cost of Rs. 10,116.14. Based on management's assessment of expected economic benefits, the asset has been considered to have a finite useful life of 10 years. Accordingly, the asset is amortised on a straight-line basis over 10 years. Amortisation is recognised in the Statement of Profit and Loss from the date the asset is available for use. The amortisation period, method and residual value are reviewed at each financial year end and revised prospectively, if required, in accordance with Ind AS 8. The carrying value of the asset is assessed for impairment at each reporting date and no impairment has been identified during the year.

ii. During the current financial year and in the previous financial years there are no revaluation of intangible assets.

6 Intangible assets under development

	As at March 31, 2026	As at March 31, 2025
Computer software	6.97	5.25
	6.97	5.25

Note

i. Intangible assets under development ageing schedule as at March 31, 2026

Particular	Amount in intangible assets under development for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	6.97	-	-	-	6.97

Intangible assets under development ageing schedule as at March 31, 2025

Particular	Amount in intangible assets under development for a period				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	5.25	-	-	-	5.25

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
7 Right of use assets		
Carrying value of right of use assets		
Leasehold land	4.25	4.40
Building - administrative	266.26	355.14
	270.51	359.54
a. Right-of-use assets		
i. Carrying amount of right of use assets		
Opening balance	359.54	171.37
Additions during the year	-	307.71
Remeasurement of lease	34.97	-
	394.51	479.08
Depreciation during the year	124.00	119.54
Derecognised during the year	-	-
Subtotal	124.00	119.54
Closing balance	270.51	359.54

Notes

- The aggregate depreciation expense on right-of-use assets is included under depreciation and amortisation expense in the Statement of Profit and Loss.
- For the information of lease liabilities and other disclosures see note no. 23.

8 Investments	No. of units	As at March 31, 2026	No. of units	As at March 31, 2025
i. Current investments				
Investments in mutual funds (Unquoted, carried at fair value through profit and loss)				
- ICICI Overnight Fund DP Growth	31,932.83	463.48	31,932.83	439.37
	31,932.83	463.48	31,932.83	439.37
Measurement of investments:				
Investment carried at amortised cost		-		-
Investment carried at fair value through profit and loss "FVTPL"		463.48		439.37
Investment carried at fair value through other comprehensive income "FVTOCI"		-		-
Aggregate carrying value of unquoted investments		463.48		439.37
9 Loans				
(Unsecured, considered good)				
Current				
Loans to employees (Refer note below)		10.09		10.55
		10.09		10.55

The disclosures of loans and advances in the nature of loans are granted to promoters, directors, KMPs and the related parties

Particulars	As at March 31, 2026		As at March 31, 2025	
	Amount outstanding*	% of Total*	Amount outstanding*	% of Total*
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	-	-	-	-
Others	10.09	100%	10.55	100%
Total	10.09		10.55	

* Represents loans and advances in nature of loans

*Represents percentage to the loans and advances in the nature of loans

Note: - Loan to employees are interest free and are given in the capacity of employee only as per terms of HR policy of the Holding Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

10 Other financial assets

	As at March 31, 2026	As at March 31, 2025
I. Non current		
Margin money deposits	141.42	134.28
Deposit with banks with remaining maturity more than 12 months	487.74	850.47
Security deposits	174.33	142.63
	803.49	1,127.38
II. Current		
Security deposits	3.59	3.59
Amount receivables from government authorities (incentive)	1,722.20	423.72
Imprest recoverable from employees	0.22	0.51
	1,726.01	427.82

11 Non current tax assets (net)

	As at March 31, 2026	As at March 31, 2025
Advance income tax net of provision Rs. 2,605.81 (March 31, 2025 Rs. 5,704.71)	33.92	112.94
	33.92	112.94

12 Other assets

	As at March 31, 2026	As at March 31, 2025
I. Non current		
Capital advances	104.80	235.31
Prepaid expenses	8.64	7.41
Balances with government authorities		
-Unsecured - considered good	24.80	24.80
-Unsecured - considered doubtful	6.71	6.71
	31.51	31.51
Less: Provision for doubtful balances	6.71	6.71
	24.80	24.80
	138.94	267.52
II. Current		
Insurance claim recoverable	6.29	8.33
Prepaid expenses	69.66	47.11
Gratuity fund recoverable (Refer note 40)	72.81	6.59
Advances to suppliers		
-Unsecured - considered good	244.05	145.95
-Unsecured - considered doubtful	-	-
	244.05	145.95
Less: Provision for doubtful advances	-	-
	244.05	145.95
Balances with government authorities		
-Unsecured - considered good	2,181.47	1,396.09
-Unsecured - considered doubtful	-	-
	2,181.47	1,396.09
Less: Provision for doubtful advances	-	-
	2,181.47	1,396.09
	2,574.28	1,604.07

13 Inventories

	As at March 31, 2026	As at March 31, 2025
(Valued at lower of cost and net realizable value)		
Raw material, store and spares and packing material etc.		
- in stock	3,401.37	3,342.56
Work in progress	632.81	560.43
Finished goods	3,742.45	2,738.04
Stock-in-trade (acquired for trading)	14.95	19.84
Stores and spares	41.29	56.47
Packing materials	53.86	49.10
	7,886.73	6,766.44

Note: For details of inventories pledged as security for borrowings, see note 38.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

14 Trade receivables

	As at March 31, 2026	As at March 31, 2025
Secured, considered good	102.26	141.45
Unsecured, considered good	8,729.10	8,342.87
Trade receivables which have significant increase in credit risk	17.99	17.66
Trade receivables - credit impaired	-	-
	8,849.35	8,501.98
Impairment allowance (allowance for bad and doubtful debts)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Trade receivables which have significant increase in credit risk	17.99	17.66
Trade receivables - credit impaired	-	-
	17.99	17.66
	8,831.36	8,484.32

Ageing for trade receivables outstanding as at March 31, 2026 is as follows:

	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	8,707.36	9.82	66.68	37.82	9.89	8,831.36
Undisputed trade receivables- which have significant increase in credit risk	5.56	1.13	1.71	6.84	2.76	17.99
Undisputed trade receivables- credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
	8,712.92	10.75	68.37	44.66	12.65	8,849.35

Ageing for trade receivables outstanding as at March 31, 2025 is as follows:

	Outstanding for the following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	8,046.56	375.67	52.20	-	9.89	8,484.32
Undisputed trade receivables- which have significant increase in credit risk	-	-	12.84	4.82	-	17.66
Undisputed trade receivables- credit impaired	-	-	-	-	-	-
Disputed trade receivables - considered good	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-
	8,046.56	375.67	65.04	4.82	9.89	8,501.98

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

15 Cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Balances with banks		
in current accounts	1,787.48	378.77
Deposit with original maturity of less than 3 months	4,418.29	-
Cash on hand	-	0.25
	<u>6,205.77</u>	<u>379.02</u>

Notes

- (a) There are no cash and cash equivalent balances held by the entity that are not available for use by the Group.
 (b) The Group holds foreign currency accounts, the balances of which are as follows:

(i) EEFC account		
USD	9.12	1.75
INR	863.09	157.28
(ii) Other account		
USD	2.51	1.08
INR	237.87	92.08

16 Bank balances other than cash and cash equivalents

	As at March 31, 2026	As at March 31, 2025
Deposits with remaining maturity of more than 3 months but less than 12 months	2,988.85	11,188.14
Balance in earmarked account - unpaid dividend accounts	10.19	9.96
	<u>2,999.04</u>	<u>11,198.10</u>

17 Share capital

	As at March 31, 2026		As at March 31, 2025	
	No's	Amount	No's	Amount
Authorized				
Equity shares of Rs. 10 each	30,00,000	300.00	30,00,000	300.00
	<u>30,00,000</u>	<u>300.00</u>	<u>30,00,000</u>	<u>300.00</u>
Issued, subscribed and fully paid-up				
Equity shares of Rs. 10 each fully paid up	25,08,370	250.84	25,08,370	250.84
	<u>25,08,370</u>	<u>250.84</u>	<u>25,08,370</u>	<u>250.84</u>

a. Reconciliation statement of share capital

Equity shares

Balance of shares at the beginning of the year
 Add: Movement during the year
 Balance of shares at the end of the year

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	Amount	No. of shares	Amount
Balance of shares at the beginning of the year	25,08,370	250.84	25,08,370	250.84
Add: Movement during the year	-	-	-	-
Balance of shares at the end of the year	<u>25,08,370</u>	<u>250.84</u>	<u>25,08,370</u>	<u>250.84</u>

b. Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding 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 Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholder's holding more than 5 % shares in the Holding Company

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	% holding	No. of shares	% holding
Mohan Bir Sahni	8,87,235	35.37	7,14,335	28.48
Kamwal Deep Sahni	7,52,285	29.99	7,52,185	29.99
Satinder Sahni	-	0.00	1,72,800	6.89
Saheb Sahni	1,59,600	6.36	1,59,600	6.36
Karam Sahni	1,59,600	6.36	1,59,600	6.36
Mohinder Singh Sahni & Sons (HUF)	1,34,920	5.38	1,34,920	5.38

d. Details of promoter's shareholding

	As at March 31, 2026		As at March 31, 2025		
S.No.	Promoter name	Number of shares	% of holding	Number of shares	% of holding
1	Mohan Bir Sahni	8,87,235	35.37	7,14,335	28.48
2	Kamwal Deep Sahni	7,52,285	29.99	7,52,185	29.99
					% change during the year
					6.89
					0.00

During the year, the shareholding of the promoter, Mr. Mohan Bir Sahni, increased on account of transmission of shares consequent to the demise of his spouse late Mrs. Satinder Sahni. The said increase represents transmission and not a purchase or sale transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

e. Proposed dividend

Summary of dividend and proposed dividend

	As at March 31, 2026	As at March 31, 2025
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on March 31, 2026: Rs. 5 per share and (March 31, 2025 Rs. 4 per share)	125.42	100.33
	<u>125.42</u>	<u>100.33</u>
Proposed dividends on equity shares		
Final dividend for the year ended on March 31, 2026: Rs. 5 per share and (year ended March 31, 2025 Rs. 5 per share)	125.42	125.42
	<u>125.42</u>	<u>125.42</u>

f. Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding the reporting date- Nil

g. Shares held by holding or ultimate holding company

The Company does not have any holding company.

18 Other equity

	As at March 31, 2026	As at March 31, 2025
a. General reserve	3,998.43	3,289.63
b. Securities premium	64.78	64.78
c. Retained earnings	36,231.11	29,462.00
d. Foreign currency translation reserve	557.47	290.08
e. Other comprehensive income	(76.64)	(77.72)
	<u>40,775.15</u>	<u>33,028.77</u>
	As at March 31, 2026	As at March 31, 2025
a. General reserve		
Balance at the beginning of the year	3,289.63	2,543.84
Add: Additions during the year	708.80	745.79
Balance at the end of the year	<u>3,998.43</u>	<u>3,289.63</u>
b. Securities premium		
Balance at the beginning of the year	64.78	64.78
Balance at the end of the year	<u>64.78</u>	<u>64.78</u>
c. Retained earnings		
Balance at the beginning of the year	29,462.00	22,582.51
Add: Profit for the year	7,603.33	7,725.61
Less: Appropriations during the year		
-Transfer to general reserve	708.80	745.79
-Dividends distributed to equity shareholders (Rs. 5 per share) (Previous year Rs. 4 per share)	125.42	100.33
	<u>36,231.11</u>	<u>29,462.00</u>
d. Foreign currency translation reserve		
Balance at the beginning of the year	290.08	250.77
Add: Additions during the year	267.39	39.31
Balance at the end of the year	<u>557.47</u>	<u>290.08</u>
e. Other comprehensive income		
Remeasurement of defined benefit plans		
Opening balance	(77.72)	(46.14)
Movement during the year	1.08	(31.58)
Closing balance	<u>(76.64)</u>	<u>(77.72)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Notes:

a. General reserve:

The Group had transferred a part of the net profit of the Group to general reserve each year.

b. Securities premium:

Securities premium account is used to record the premium on issue of shares. The reserve can be utilised in accordance with provisions of the Companies Act, 2013.

c. Retained earnings:

Retained earnings are profits of the Group earned till date less transferred to other reserves and dividend paid during the year.

d. Foreign currency translation reserve:

Other comprehensive income comprises the balance of changes in foreign currency rates.

e. Other comprehensive income:

Other comprehensive income comprises the balance of remeasurement of retirement benefit plans.

f. During the year there has been no change in equity share capital and other equity on account of prior period errors.

19 Deferred tax liabilities (net)

	As at March 31, 2026	As at March 31, 2025
Deferred tax liabilities		
Difference between tax depreciation and depreciation/amortisation charged in financial statements	208.32	159.11
Impact due to fair value of investment	10.57	5.64
Right of use assets	67.01	103.42
Others	(0.01)	0.08
Total A	285.89	268.25
Deferred tax assets		
Provision for doubtful trade receivables	4.53	5.14
Provision for employee benefits	82.00	93.50
Lease liabilities	77.39	113.19
Security deposit	0.01	0.03
Total B	163.93	211.86
Deferred tax liability (net) (A-B)	121.96	56.39
Amount charge to/(credit in) Statement of Profit and Loss	65.21	13.21
Amount charge to/(credit in) Other Comprehensive Income	0.36	(12.97)

Note-

1 Movement in the deferred tax liabilities (net):

	As at March 31, 2026	As at March 31, 2025
Deferred tax (net)		
a. Deferred tax liability	285.89	268.25
b. Deferred tax assets	163.93	211.86
	121.96	56.39

	As at April 01, 2025	Recognised in profit and loss	Recognised in other comprehensive income "OCI"	As at March 31, 2026
Deferred tax liabilities				
- Difference between tax depreciation and depreciation/amortisation charged in financial statement	159.11	49.21	-	208.32
- Impact due to fair value of investment	5.64	4.93	-	10.57
- Right of use assets	103.42	(36.41)	-	67.01
- Others	0.08	(0.09)	-	(0.01)
	268.25	17.64	-	285.89
Deferred tax assets				
- Provision for doubtful trade receivables	5.14	(0.81)	-	4.53
- Provision for employee benefits	93.50	(11.14)	(0.36)	82.00
- Lease liabilities	113.19	(35.80)	-	77.39
- Security deposit	0.03	(0.02)	-	0.01
	211.86	(47.57)	(0.36)	163.93
	56.39	65.21	0.36	121.96

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	(Amount in 'Rupees Lakhs' unless otherwise stated)			
	As at April 01, 2024	Recognised in profit and loss	Recognised in other comprehensive income * OCI*	As at March 31, 2025
Deferred tax liabilities				
- Difference between tax depreciation and depreciation/amortisation charged in financial statement	165.60	(6.49)	-	159.11
- Impact due to fair value of investment	1.03	4.61	-	5.64
- Right of use assets	48.58	54.84	-	103.42
- Others	0.08	-	-	0.08
	215.29	52.96	-	268.25
Deferred tax assets				
- Provision for doubtful advances	1.33	(1.33)	-	-
- Provision for doubtful trade receivables	4.76	0.38	-	5.14
- Provision for employee benefits	100.46	(19.93)	12.97	93.50
- Lease liabilities	52.58	60.61	-	113.19
- Security deposit	0.01	0.02	-	0.03
	159.14	39.75	12.97	211.86
	56.15	13.21	(12.97)	56.39

20 Provisions

I. Current

- Compensated absence (Refer sub-note T below)

	As at March 31, 2026	As at March 31, 2025
- Compensated absence (Refer sub-note T below)	187.08	172.00
	187.08	172.00

Notes:

L. Provision for compensated absences have been created at the year end as per the employee's entitlement, which have been paid to the employees subsequent to year end.

21 Current tax liabilities (net)

Current tax liabilities (net of advance tax and tax deducted at source of Rs. 3,060.91, March 31, 2025 : 2,834.32)

	As at March 31, 2026	As at March 31, 2025
Current tax liabilities (net of advance tax and tax deducted at source of Rs. 3,060.91, March 31, 2025 : 2,834.32)	100.04	226.01
	100.04	226.01

22 Trade payables

a. Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note i below)

Total outstanding dues of creditors other than micro enterprises and small enterprises

	As at March 31, 2026	As at March 31, 2025
Total outstanding dues of micro enterprises and small enterprises (refer note i below)	1,742.02	531.67
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,673.27	2,787.00
	3,415.29	3,318.67

Trade payables ageing schedule

As at March 31, 2026

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	1,742.02	-	-	-	1,742.02
Others	533.12	1,119.04	15.97	1.06	4.08	1,673.27
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
	533.12	2,861.06	15.97	1.06	4.08	3,415.29

Trade payables ageing schedule

As at March 31, 2025

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	531.67	-	-	-	531.67
Others	494.94	2,284.16	1.38	3.14	3.38	2,787.00
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - others	-	-	-	-	-	-
	494.94	2,815.83	1.38	3.14	3.38	3,318.67

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

MSME - Micro, Small and Medium Enterprises

Note:

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

	As at March 31, 2026	As at March 31, 2025
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal	1,742.02	531.67
- Interest due thereon	-	-
(ii) 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	531.67	364.58
- Interest	-	-
(iii) 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.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(v) 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.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

23 Lease liabilities

A) Non current

(i) Lease liability

	As at March 31, 2026	As at March 31, 2025
	178.16	278.82
	178.16	278.82

B) Current

(i) Lease liability

	As at March 31, 2026	As at March 31, 2025
	129.32	109.89
	129.32	109.89

I Movement in lease liabilities during the year:

a. Lease liabilities

-Non current
-Current

	As at March 31, 2026	As at March 31, 2025
	178.16	278.82
	129.32	109.89
	307.48	388.71

b. Balance at the beginning of the year

Additions during the year
Remeasurement of lease

	As at March 31, 2026	As at March 31, 2025
	388.71	180.70
	-	307.72
	34.97	-
	423.68	488.42

Finance cost accrued during the year:

- Statement of profit and loss account
Cash outflow for leases

	As at March 31, 2026	As at March 31, 2025
	27.97	32.72
	144.17	132.42
	307.48	388.71

Balance as at end of the year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

c. Maturity analysis of lease liabilities:

i. The table below provides details regarding the maturities of lease liabilities on discounted basis:

	As at March 31, 2026	As at March 31, 2025
0-3 months	31.13	27.47
3-6 months	32.09	27.49
6-12 months	66.10	54.92
1-3 years	178.16	190.69
3-5 years	-	88.14
Above 5 years	-	-
Total	307.48	388.71

ii. The table below provides details regarding of lease liabilities on undiscounted basis:

0-3 months	36.46	34.36
3-6 months	36.89	33.94
6-12 months	73.78	66.15
1-3 years	191.17	215.82
3-5 years	-	91.05
Above 5 years	-	-
Total	338.30	441.32

d. Other disclosure

	Note no.	As at March 31, 2026	As at March 31, 2025
Depreciation charge for right-of-use assets by class of underlying asset	33	124.00	119.54
Interest expense on lease liabilities.	32	27.97	32.72
The expense relating to short-term leases including leases with a lease term of one month or less	34	407.09	397.06
Payment of lease liabilities	23	144.17	132.42
Total cash outflow for leases.		551.26	529.48
Additions to right-of-use assets	7	-	307.71
Gains or (losses) arising from lease modification/closure		-	-
The carrying amount of right-of-use assets	7	270.51	359.54
Impact of remeasurement of lease		34.97	-

i. The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

ii. Lease contracts entered by the Group majorly pertains to buildings taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

iii. 7.5% to 8.25% of interest rate implicit in the lease or lessee's incremental borrowing rate used for the measurement of lease liabilities.

II Disclosures for operating leases other than leases covered in Ind AS 116

i. The Group has entered into cancellable operating leases and transactions for leasing of accommodation for administrative building, office space and godown etc. The tenure of lease is generally one year.

Terms of lease include operating terms for renewal, increase in rent in future period and terms of cancellation.

Lease expenses/income recognised during the year

	See Note	Year ended March 31, 2026	Year ended March 31, 2025
a. As a lessee -rent expenses			
Administrative building, office space and godown	34	407.09	397.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

24 Other financial liabilities

Unpaid dividends
Deposits from dealers (Refer sub-note below)
Employee related liabilities
Payables on purchase of property, plant and equipment

As at March 31, 2026	As at March 31, 2025
10.19	9.96
248.27	276.54
577.88	497.57
31.37	39.72
867.71	823.79

Note:

Deposits from dealers carry interest @ 6% per annum and repayable on expiry/ termination of agreement.

25 Other current liabilities

Statutory dues payable
Advances from customers

As at March 31, 2026	As at March 31, 2025
90.98	119.46
1,239.37	55.08
1,330.35	174.52

26 Revenue from operations

I. Sale of products

a. Manufactured goods
b. Traded goods

Year ended March 31, 2026	Year ended March 31, 2025
------------------------------	------------------------------

44,465.81	43,178.30
277.30	249.70
44,743.11	43,428.00

II. Other operating revenues

1,220.27	1,577.61
45,963.38	45,005.61

Notes

A. Revenue from contracts with customers disaggregated based on nature of product or service

a. Revenue from sale of products

Manufactured goods
- Filter and lubes

44,465.81	43,178.30
44,465.81	43,178.30

Traded goods
- Coolants

277.30	249.70
277.30	249.70

b. Other operating revenues

Export incentives
Sale of scrap
Sale of tools
Other recovery

442.74	585.22
765.79	851.46
11.74	-
-	160.93
1,220.27	1,577.61

Total revenue from operations

45,963.38	45,005.61
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B. Revenue from contracts with customers disaggregated based on geography

Product

- Domestic
- Export

27,330.52	21,951.72
17,412.59	21,476.28

Other operating revenue

- Domestic
- Export

1,217.85	1,577.61
2.42	-
45,963.38	45,005.61

C. Reconciliation of gross revenue from contracts with customers

Gross revenue from sale of products

Add: Cash discount and sales return etc

Net revenue recognised from contracts with customers

45,094.55	43,750.80
(351.44)	(322.80)
44,743.11	43,428.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
D. Disclosure based on time		
Sale of products		
Manufactured goods	44,465.81	43,178.30
Traded goods	277.30	249.70
Export incentives	442.74	565.22
Sale of scrap	765.79	851.46
Sale of tools	11.74	-
Other recovery	-	160.93
	45,963.38	45,005.61
E. Export benefit and other incentives		
On systematic basis when benefit accrued	442.74	565.22
	442.74	565.22
F. Assets and liabilities related to contracts with customers		
Contract liabilities related to sale of goods		
Advance from customers	1,239.37	55.06
	1,239.37	55.06

	Year ended March 31, 2026	Year ended March 31, 2025
27 Other income		
Interest income		
- From banks on deposits	407.07	730.44
- On electricity deposits	1.16	1.00
- On gas connection deposits	0.53	0.54
- Interest income on financial assets	1.12	1.07
- Interest on compensation on compulsory acquisition of land (See note below)	1,238.90	-
- Others	1.44	1.67
Net gain on foreign currency transactions and translation	327.39	278.68
Other non-operating income		
- Sundry balances written back	0.08	75.21
- Profit on sale of property, plant and equipment	-	1.39
- Gain on sale or fair value of mutual funds (FVTPL)	24.10	15.85
- Insurance claim received	40.41	9.58
- Miscellaneous income	79.66	32.45
- Compensation received on compulsory acquisition of land (See note below)	616.62	-
	2,738.48	1,147.98

Note

During the year, the Holding Company received enhanced compensation amounting to Rs. 1,855.52 pursuant to the Award dated October 18, 2019 passed by the Additional District Judge, Faridabad, in connection with the compulsory acquisition of the Holding Company's land admeasuring 2 Kanal 9 Marla (1,482.25 Square Yards) situated at Village Mewla Maharajpur, Tehsil and District Faridabad, under Notification dated July 04, 2012 issued under Section 4 of the Land Acquisition Act, 1894 for development of metro stations and parking facilities from Badarpur to YMCA Chowk, Faridabad. The gross amount comprises enhanced land compensation of Rs. 616.62 and interest thereon of Rs. 1,238.90. Tax deducted at source of Rs. 237.49 has been deducted and the net amount of Rs. 1,618.03 has been received by the Holding Company during the year. The said amount has been recognised as Other Income in the consolidated financial statements during the current year, being the year in which the amount is received.

	March 31, 2026	March 31, 2025
28 Cost of materials consumed		
Inventory at the beginning of the year	3,342.56	2,746.70
Add: Purchases during the year	21,985.15	19,678.81
	25,327.71	22,425.51
Less: Inventory at the end of the year	3,401.37	3,342.56
Cost of materials consumed	21,926.34	19,082.95
29 Purchases of stock-in-trade (traded goods)		
Coolants	480.63	515.58
	480.63	515.58
30 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Inventories at the beginning of the year		
- Finished goods	2,738.04	2,517.06
- Work in progress	560.43	667.52
- Traded goods	19.84	28.27
	3,318.31	3,212.85
Inventories at the end of the year		
- Finished goods	3,742.45	2,738.04
- Work in progress	632.81	560.43
- Traded goods	14.95	19.84
	4,390.21	3,318.31
	1,071.90	105.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	Year ended March 31, 2026	Year ended March 31, 2025
31 Employee benefits expenses		
Salaries, wages and bonus	6,816.40	5,757.08
Contribution to provident fund and other funds	204.52	198.88
Gratuity expense (Refer Note 40)	67.22	74.85
Staff welfare expenses	97.62	83.19
	7,185.76	6,114.00
32 Finance costs		
Interest expense		
- On security deposits from dealers	14.80	16.57
- On others	1.11	0.16
Interest on delayed payment of income tax	1.84	24.57
Interest on lease liabilities	27.97	32.72
Amortisation of prepaid security deposit	1.18	1.13
Other borrowing costs	0.35	0.30
	47.35	75.45
33 Depreciation and amortization expense		
Depreciation on property, plant and equipment	1,378.05	1,311.95
Amortisation of intangible assets	504.56	39.62
Depreciation on right-of-use assets	124.00	119.54
	2,006.61	1,471.11
34 Other expense		
Consumption of stores and spare parts	424.99	396.21
Consumption of packing materials	773.18	729.52
Job work charges	1,512.15	1,420.21
Power and fuel	1,109.70	979.06
Rent including lease rentals	407.09	397.06
Repairs and maintenance		
- Buildings	100.88	101.04
- Plant and machinery	602.80	567.43
- Others	226.30	176.14
Insurance	83.85	53.79
Rates and taxes	25.17	22.95
Legal and professional	79.93	65.63
Travelling and conveyance	221.90	177.81
Freight outward	786.90	681.55
Shipping and forwarding	432.47	574.22
Licence fee	-	200.41
Postage and courier	17.93	17.67
Printing and stationery	21.56	20.11
Communication expenses	13.85	13.67
Sales promotion	506.94	445.49
Payment to auditors (Refer note 'a' below)	11.44	12.06
Research and development expenses (Refer note 'b' below)	382.63	443.09
Cash discount	380.91	322.59
Bank charges	12.78	11.00
Corporate social responsibility expenses (Refer note 39)	140.35	108.75
Warranty expenses	7.09	7.85
Conventions and exhibitions	45.29	28.68
Loss on sale of property, plant and equipment	4.92	-
Balances written off	1.09	48.51
Loss due to fire (Refer note 50)	-	32.59
Provision for doubtful trade receivables	16.41	17.66
Miscellaneous expenses	143.33	154.92
	8,473.83	8,230.57
Notes		
a. Payment to auditors (net of input credit)		
To statutory auditor		
- Audit fees	6.50	7.50
- Tax audit fees	2.25	1.50
- Other service fees	-	2.50
- Certification fees	0.15	0.15
- Out of pocket expenses	0.54	0.41
	11.44	12.06

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

		Year ended March 31, 2026	Year ended March 31, 2025
b. Research and development expenditure			
Revenue expenditure			
Salaries		325.78	380.87
Repairs and maintenance		24.03	32.29
Consumables and samples		18.45	8.26
Traveling		5.16	7.44
Miscellaneous		9.21	14.23
		<u>382.63</u>	<u>443.09</u>
Capital expenditure			
Plant and equipment		23.42	15.74
Furniture and Fixture		0.04	1.47
Office equipment		-	0.09
Computers		-	0.74
		<u>23.46</u>	<u>18.04</u>
35 Earnings per share			
a. Basic EPS			
Profit for the year		7,603.33	7,725.61
Weighted average number of equity shares outstanding	No's	25,08,370.00	25,08,370.00
Face value of per share	Rs.	10.00	10.00
Basic earnings per share	Rs.	303.12	307.99
b. Diluted EPS			
Profit for the year		7,603.33	7,725.61
Weighted average number of equity shares for calculation of diluted EPS	No's	25,08,370.00	25,08,370.00
Face value of per share	Rs.	10.00	10.00
Diluted earnings per share	Rs.	303.12	307.99
36 Tax expense			
Current tax expense		1,973.05	3,035.82
Deferred tax benefit		65.21	13.21
		<u>2,038.26</u>	<u>3,049.03</u>
Income tax for earlier years (net)		11.65	(5.25)
Tax expenses for the year recognised in Profit and loss		<u>2,049.91</u>	<u>3,043.78</u>
Tax expense recognised in other comprehensive income ('OCI')		(0.36)	12.97
		<u>(0.36)</u>	<u>12.97</u>
Total		<u>2,049.55</u>	<u>3,056.75</u>
Reconciliation of tax expenses and accounting profit multiplied by India's domestic tax rate for March 31, 2026 and March 31, 2025			
Profit before tax		9,653.24	10,789.39
Applicable income tax rate		25.17%	29.12%
Estimated income tax expense		2,429.53	3,136.05
Tax effect of adjustments to reconcile expected income tax expense to reported			
Non taxable expenses		36.08	(2.49)
Capital gain taxable at lower rate		(63.02)	-
Non taxable income		(155.90)	-
Income tax for earlier years		11.65	(5.25)
Others		(208.42)	(84.53)
Income Tax expense in the Statement of Profit and Loss		<u>2,049.91</u>	<u>3,043.78</u>

Notes

During the current financial year, the Holding Company has exercised the option to be taxed under Section 115BAA of the Income-tax Act, 1961.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

37 Contingent liabilities and commitments (to the extent not provided for)

	As at March 31, 2026	As at March 31, 2025
a. Claims against the Group not acknowledged as debt		
i. Disputed tax and other liabilities for:		
(a) Goods and services tax	81.77	77.02
	<u>81.77</u>	<u>77.02</u>
ii. Summary of amount paid under protest against above:		
(a) Goods and services tax	4.47	4.17
	<u>4.47</u>	<u>4.17</u>

Note

The Group has reviewed its disputed liabilities and proceedings and does not expect material impact on financial position of the Group. Further cash outflow in respects of the above matters are determinable only on receipt of judgements / decisions pending at various forums / authorities.

	As at March 31, 2026	As at March 31, 2025
b. Guarantees excluding financial guarantees		
Guarantees issued by bankers on behalf of Company. (These are covered by the charge created in favour of Holding Company's banker by way of hypothecation of stock and trade receivables besides pledge of fixed deposits as margin money)	41.70	41.70
	<u>41.70</u>	<u>41.70</u>
c. Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided	469.23	424.06
	<u>469.23</u>	<u>424.06</u>

- d. The Group has other commitments, for purchase of goods and services and employee benefits, in the normal course of business.
e. There are no amount which were required to be transferred to Investor Education and Protection Fund by the Group.
f. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

38 Assets pledged as security

The carrying amount of assets mortgaged as security for current and non-current borrowings are

	Year ended March 31, 2026	Year ended March 31, 2025
Current assets:		
Financial assets		
Trade receivables (net)		
Amount as per books of accounts (A)	7,491.57	9,500.85
Amount as per bank statement (B)	7,133.71	9,446.52
Difference(A-B)	<u>357.86</u>	<u>54.33</u>
Inventories (excluding in transit)		
Amount as per books of accounts (A)	5,223.39	5,760.00
Amount as per bank statement (B)	5,223.39	5,792.60
Difference(A-B)	-	<u>(32.60)</u>
Total current assets mortgaged as security	<u>13,714.96</u>	<u>15,260.85</u>

Reasons for material discrepancies in the month of March 31, 2026 and March 31, 2025

The quarterly returns or statements filed by the Holding Company for working capital limits with banks are in agreement with the books of account of the Holding Company except for statements filed for the quarter and year ended March 31, 2026 and March 31, 2025, where differences were noted between the amount as per books of account for quarter and amount as reported in the quarterly statements due to differences in case of trade receivables amounting to Rs. 357.86 and Rs. 54.33. The difference is primarily due to recording of foreign exchange fluctuation at year end and presentation of credit balance with customer as advance from customer in financial statements. Differences in case of inventories is Nil as on March 31, 2026.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

39 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Group, meeting the applicability threshold, needs to spend at least 2% of average net profit of the immediately preceding three financial year on Corporate Social Responsibility ('CSR') activities. The nature of CSR activities identified are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. The Group has formed a CSR committee as per the Act.

- (i) The amount spent by the Group on CSR activities is as below

	Year ended March 31, 2026	Year ended March 31, 2025
A. Gross amount required to be spent by the Group	140.35	109.68
Total (A)	140.35	109.68
B. Amount spent by the Group:		
a. Expenditure/payments		
(i) YESS Charitable Trust #	5.50	3.00
(ii) B.Bhagwan Singh Elofic Charitable Trust #	13.33	7.00
(iii) Prime Minister's National Relief Fund	98.00	99.75
(iv) Janki Social Welfare Society	2.36	-
(v) Ambulance to Government Hospital	8.06	-
(vi) RO Cum Water Cooler to Government Education Institutes/Hospitals	13.11	-
Total expenditure	140.35	109.75

C. Shortfall/(Excess) at the end of the year

- (0.07)

D. Yess Charitable Trust and B.Bhagwan Singh Elofic Charitable Trust are related parties as per Indian Accounting Standard (Ind AS) 24.

- (ii) Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

	As at March 31, 2026	As at March 31, 2025
Balance as at the beginning of the year	(0.12)	(0.05)
Amount required to be spent during the year	140.35	109.68
Amount spent during the year	140.35	109.75
Shortfall/(excess) as at the closing of the year	(0.12)	(0.12)

- (iii) Details of excess CSR expenditure under Section 135(5) of the Act

	As at March 31, 2026	As at March 31, 2025
Balance excess spent as at the beginning of the year	(0.12)	(0.05)
Amount required to be spent during the year	140.35	109.68
Amount spent during the year	140.35	109.75
Shortfall/(excess) as at the closing of the year	(0.12)	(0.12)

40 Employee benefit obligations

a. Defined contribution plan

Provident Fund and Other Funds : A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions for provident fund and pension as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and other acts to the government. The Group's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. The Group's obligation is limited to the amounts contributed by it.

	Year ended March 31, 2026	Year ended March 31, 2025
Contribution to provident fund and other funds		
a. Contribution to provident fund	169.91	163.56
b. Contribution to employee state insurance	29.34	31.31
c. Contribution to welfare fund	4.43	4.01
d. Contribution to national pension scheme	0.84	-
	204.52	198.88

b. Defined benefits plan

Gratuity: The Group provides gratuity benefits to its employees in accordance with the provisions of the Payment of Gratuity Act, 1972. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

- (i) Principal actuarial assumptions

	As at March 31, 2026	As at March 31, 2025
Future salary increase	5.00%	5.00%
Discount rate	7.25%	6.75%
Mortality rates	100% of IALM (2012-14)	100% of IALM (2012-14)
Attributes of ages: withdrawal rate (%)		
up to 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%
Retirement age (years)	60	60

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

(ii) Amount recognised in the Statement of Profit and Loss

	Year ended March 31, 2026	Year ended March 31, 2025
Current service cost	71.37	69.18
Net interest cost	49.64	44.74
Expected return on plan asset	(53.79)	(39.07)
Expense recognised in the Statement of Profit and Loss	67.22	74.85

(iii) Amount recognised in other comprehensive income (OCI)

Remeasurement on the net defined benefit liability		
Actuarial (gain) / loss for the year on defined benefit obligation	(7.51)	45.37
Actuarial (gain) / loss for the year on plan assets	6.07	(0.82)
Amount recognised in other comprehensive income	(1.44)	44.55
	65.78	119.40

Notes:

- The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' in the Statement of Profit and Loss.
- The remeasurement of the net defined benefit liability is included in other comprehensive income.
- The Group gratuity scheme is funded and 100% of the fund is managed by Insurance Company.

(iv) Movements in the present value of the defined benefit obligation

	As at March 31, 2026	As at March 31, 2025
(a) Liability at the beginning of the year	735.37	617.18
Interest costs	49.64	44.74
Current service costs	71.37	69.18
Benefits paid	(56.99)	(41.10)
Actuarial (gain) / loss on obligations due to change in obligation	(7.51)	45.37
Liability at the end of the year	791.88	735.37
(b) Fair value of plan assets at beginning of the year	741.96	578.82
Expected return on plan assets	53.79	39.07
Contributions	132.00	164.35
Benefits paid	(56.99)	(41.10)
Actuarial gain / (loss) on plan assets	(6.07)	0.82
Fair value of plan assets at end of the year	864.69	741.96

	As at March 31, 2026	As at March 31, 2025
Provision for gratuity (net)	-	-
Gratuity fund receivable (net)	72.81	6.59
Total	72.81	6.59

	As at March 31, 2026	As at March 31, 2025
Provision for gratuity		
- Non-current	-	-
- Current	-	-

	As at March 31, 2026	As at March 31, 2025
Gratuity fund receivable		
- Non-current	-	-
- Current	72.81	6.59
	72.81	6.59

(v) Experience adjustments

	Year ended March 31, 2026	Year ended March 31, 2025
Present value of DBO	791.88	735.37
Fair value of plan assets	864.69	741.96
Funded status	-	-
(Gain)/loss on obligation	32.47	10.88
Gain/(loss) on plan assets	(6.07)	0.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

(vi) Sensitivity analysis

A quantitative sensitivity analysis for significant assumption is as shown below:

	As at March 31, 2026	As at March 31, 2025
A. Impact of the change in discount rate		
Impact due to increase of 1 %	714.27	660.68
Impact due to decrease of 1 %	863.45	824.17
B. Impact of the change in salary increase		
Impact due to increase of 1 %	884.63	824.87
Impact due to decrease of 1 %	712.04	658.87
C. Impact of the change in withdrawal rate		
Impact due to increase of 1 %	807.55	747.13
Impact due to decrease of 1 %	773.98	721.87

Notes:

- Sensitivities due to mortality and withdrawals are not material, hence impact of change not calculated
- Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.
- The above sensitivity analysis are without giving the impact of tax

(vii) Maturity profile of defined benefit obligation

Financial year	As at March 31, 2026	As at March 31, 2025
0 to 1 year	73.38	81.25
1 to 2 year	35.38	11.62
2 to 3 year	30.15	32.75
3 to 4 year	14.70	21.88
4 to 5 year	24.18	14.91
Above 5 years	614.09	572.96
	791.88	738.37

Description of actuarial risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

- Salary increases: Change in rate of future salary increase in subsequent years will result in higher liability.
- Discount rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates in subsequent valuations can impact plan's liability.

c. Actuarial assumptions for compensated absences are as below

	As at March 31, 2026	As at March 31, 2025
i. Discounting rate	7.25%	6.75%
ii. Future increase salary	5.00%	5.00%

d. Expected contribution for the next year

	As at March 31, 2026	As at March 31, 2025
Expected contribution for the next year	85.16	80.82

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

41 Segment information

The Group is engaged in the manufacture and supply of automobile filters and lubes and has classified the operations as primary segment. Accordingly, there is no reporting requirements of primary segment. Geographical revenues are allocated based on the location of the customer. Geographical segments of the Company are India and Outside India. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

	India	Outside India	Total
Revenue from external customers by location of customers			
Sale of products			
Year ended March 31, 2026	26,588.04	18,155.07	44,743.11
Year ended March 31, 2025	(21,014.84)	(22,413.16)	(43,428.00)
Other operating revenues			
Year ended March 31, 2026	469.83	750.44	1,220.27
Year ended March 31, 2025	(421.11)	(1,156.50)	(1,577.61)
Other income			
Year ended March 31, 2026	1,124.28	(60.12)	1,064.16
Year ended March 31, 2025	(300.05)	(113.11)	(413.16)
Total revenue			
Year ended March 31, 2026	28,182.15	18,845.39	47,027.54
Year ended March 31, 2025	(21,736.00)	(23,682.77)	(45,418.77)
Segment result			
Year ended March 31, 2026	5,817.58	2,208.69	8,026.27
Year ended March 31, 2025	(1,816.07)	(8,293.95)	(10,110.02)
Unallocable expenses (net)			
Year ended March 31, 2026			47.35
Year ended March 31, 2025			(75.45)
Operating income			
Year ended March 31, 2026			7,978.92
Year ended March 31, 2025			(10,034.57)
Other income (net)			
Year ended March 31, 2026			1,674.32
Year ended March 31, 2025			(734.82)
Profit before tax			
Year ended March 31, 2026			9,653.24
Year ended March 31, 2025			(10,769.39)
Tax expense			
Year ended March 31, 2026			2,049.91
Year ended March 31, 2025			(3,043.78)
Profit after tax for the year			
Year ended March 31, 2026			7,603.33
Year ended March 31, 2025			(7,725.61)
	India	Outside India	Total
Segment assets			
As at March 31, 2026	37,685.75	9,172.75	46,858.50
As at March 31, 2025	(29,000.08)	(8,887.31)	(37,887.39)
Unallocated assets			
As at March 31, 2026			497.40
As at March 31, 2025			(552.31)
Total assets			
As at March 31, 2026			47,355.90
As at March 31, 2025			(38,439.70)
Segment liabilities			
As at March 31, 2026	1,555.89	4,541.83	6,097.72
As at March 31, 2025	(2,986.31)	(1,871.42)	(4,857.73)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	India	Outside India	Total
Unallocated liabilities			
As at March 31, 2026			232.19
As at March 31, 2025			(292.36)
Total liabilities			
As at March 31, 2026			6,329.91
As at March 31, 2025			(5,160.09)
Depreciation and amortization expense (see note 'd' below)			
Year ended March 31, 2026	1,212.52	794.09	2,006.61
Year ended March 31, 2025	(727.57)	(743.54)	(1,471.11)
Cost to acquire tangible and intangible fixed assets			
Year ended March 31, 2026	12,212.15	-	12,212.15
Year ended March 31, 2025	(1,700.56)	(-)	(1,700.56)
Non-cash expenses other than depreciation and amortisation			
Year ended March 31, 2026	-	-	-
Year ended March 31, 2025	(-)	(-)	(-)

Notes:

- The unallocated expenses comprises finance costs and unallocated income comprises interest income and gain on fair value of mutual fund.
- Unallocated assets include investments, advance tax and tax deducted at source
- Unallocated liabilities include borrowings, deferred tax/current tax liabilities and unpaid dividend
- Other income, expenses and depreciation not directly allocable to segments are allocated to the segment based on proportionate sales in the segments.
- The measurement of segment results is consistent with that in the statement of profit and loss. Items included in other comprehensive income are not allocated to operating segments.
- No single customer represents 10% or more of the Group's total revenue for the years ended March 31, 2026 and March 31, 2025 respectively.

42 Related party disclosures**a. List of related parties****i. Key management personnel**

a. Mr. M.B.Sahni	Managing Director
b. Mr. K.D.Sahni	Joint Managing Director
c. Maj. Gen. J.S. Bedi (Retd.)	Whole Time Director
d. Mr. Pankaj Kumar Jain	Chief Financial Officer (with effect from January 01, 2026)

ii. Close member of key managerial personnel

a. Mr. Karam Sahni (Son of Mr. K.D.Sahni)	Head OEM Business
b. Mr. Saheb Sahni (Son of Mr. M.B.Sahni)	Head Excellence Department

iii. Entities over which executive directors or relatives are able to exercise control/significant influence

- Elofic Industries (India) (Partnership Firm)
- Mottler Auto Private Limited
- Jaemo Kamal & Company (Partnership Firm)
- YESS Charitable Trust
- B.Bhagwan Singh Elofic Charitable Trust

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

b. Transactions balances outstanding with related parties

	Key management personnel			Close member of key managerial personnel			Entities over which executive directors or relatives are able to exercise control/significant influence			Total	
	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026	Year ended March 31, 2025	Year ended March 31, 2026
A. Transactions during the year											
Rent paid											
Elofic Industries (India) (Partnership Firm)	-	-	-	-	-	-	253.88	220.95	253.88	220.95	220.38
Mettler Auto Private Limited	-	-	-	-	-	-	0.21	0.31	0.21	0.31	0.31
Jasno Kamal & Company (Partnership Firm)	-	-	-	-	-	-	0.17	0.26	0.17	0.26	0.26
Trademark purchase											
Elofic Industries (India) (Partnership Firm)	-	-	-	-	-	-	9,816.00	-	9,816.00	-	-
Licence fees											
Elofic Industries (India) (Partnership Firm)	-	-	-	-	-	-	-	200.41	-	200.41	200.41
Donation given											
YES8 Charitable Trust	-	-	-	-	-	-	18.83	10.00	18.83	10.00	10.00
B Bhagwan Singh Elofic Charitable Trust	-	-	-	-	-	-	6.60	3.00	6.60	3.00	3.00
Consultancy											
Mettler Auto Private Limited	-	-	-	-	-	-	17.69	14.04	17.69	14.04	14.04
Remuneration paid											
Mr. M.B. Sahni	688.48	497.88	73.56	72.10	-	-	-	-	762.04	549.98	222.78
Mr. K.D. Sahni	307.63	222.78	-	-	-	-	-	-	307.63	222.78	222.78
Maj. Gen. J.S. Bedi (Retd.)	61.08	52.32	-	-	-	-	-	-	61.08	52.32	52.32
Mr. Karam Sahni	-	-	36.78	36.05	-	-	-	-	36.78	36.05	36.05
Mr. Sahab Sahni	-	-	36.78	36.05	-	-	-	-	36.78	36.05	36.05
Mr. Parikash Kumar Jain	11.34	-	-	-	-	-	-	-	11.34	-	-
Club fees											
Mr. M.B. Sahni	0.96	1.91	-	-	-	-	-	-	0.96	1.91	1.91
Mr. K.D. Sahni	0.25	0.19	-	-	-	-	-	-	0.25	0.19	0.19
	0.71	1.72	-	-	-	-	-	-	0.71	1.72	1.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
B. Outstanding balances		
Trade payables	-	232.47
Entities over which executive directors or relatives are able to exercise control/significant influence		
Elofic Industries (India) (Partnership Firm)	-	232.47
Employee related liabilities		
Key Management Personnel	22.84	17.33
Mr. M.B. Sahni	7.22	5.84
Mr. K.D. Sahni	6.67	6.15
Maj. Gen. J.S. Bedi (Retd.)	2.46	1.68
Mr. Pankaj Kumar Jain	2.11	-
Close member of key managerial personnel		
Mr. Karam Sahni	2.19	1.83
Mr. Saheb Sahni	2.19	1.83

Notes:

- All 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 during 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 an actuarial basis for the Group as a whole.

43 Financial instruments**a. Categories of financial instruments**

The carrying amount of the Group's financial instruments is as below:

	As at March 31, 2026	As at March 31, 2025
Financial asset		
I Measured at cost		
II Measured at amortised cost		
i. Other financial assets		
-Non-current	803.49	1,127.38
-Current	1,726.01	427.82
ii. Trade receivables	6,831.36	8,484.32
iii. Cash and cash equivalents	6,205.77	379.02
iv. Other bank balances	2,999.04	11,198.10
v. Loans		
- Current	10.09	10.55
III Measured at fair value through Profit and Loss (FVTPL)		
i. Investments		
-Current	463.48	439.37
Financial liabilities		
I Measured at amortised cost		
i. Lease liabilities		
- Non current	178.16	278.82
- Current	129.32	109.89
ii. Trade payables	3,415.29	3,318.67
iii. Other current financial liabilities	867.71	823.79

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level I: Includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETFs and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level II: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level III: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset are included in level 3.

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- The fair values of the quoted notes and bonds are based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or the discount rate, the fair value of the equity instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use Unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.
- The fair values of the remaining fair value through other comprehensive income "FVTOCI" financial assets are derived from quoted market prices in active markets.

b. Fair value hierarchy

The disclosure of the financial instruments measured at fair value and valuation technique are as follows:

	Fair value hierarchy	As at March 31, 2025	As at March 31, 2025
Financials assets			
Investments in mutual fund	Level I	463.48	439.37
Financials liabilities		-	-

c. Financials risk management objectives and policies

The Group principal financial liabilities comprise lease liabilities, other financial liabilities and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group operations and to provide guarantees to support its operations. The Group principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents and other financial assets that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks.

The Group's senior management oversees the management of these risks. The senior professionals working to manage the financial risks and the appropriate financial risk governance framework for the Group are accountable to the Board of Directors and Audit Committee. This process provides assurance to Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risk are identified, measured and managed in accordance with Group policies and Group risk objective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

d. Financial risk management

The Group's senior management oversees the risk management framework and developing and monitoring the Group's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Group.

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- Market risk
- Credit risk
- Liquidity risk

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Group is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Group does not enter into or trade financial instruments, including derivatives for speculative purposes.

I. Currency risk

- a. The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.
- b. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates. The risks primarily relate to fluctuations in Euro, USD, and GBP against the functional currencies of the Group. Any weakening of the functional currency may impact the Group's exports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures.
- c. The Group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

The foreign currency exposures for the year ended are as follows:

Currency		As at March 31, 2026			As at March 31, 2025		
		Total	Hedged	Unhedged	Total	Hedged	Unhedged
Receivables	Rupees	6,145.06	-	6,145.06	8,715.55	-	8,715.55
	USD	64.92	-	64.92	101.84	-	101.84
	Rupees	360.46	-	360.46	490.09	-	490.09
	EURO	3.31	-	3.31	5.31	-	5.31
	Rupees	22.48	-	22.48	11.76	-	11.76
	GBP	0.18	-	0.18	0.11	-	0.11
Payables	Rupees	1,285.26	-	1,285.26	338.39	-	338.39
	USD	13.57	-	13.57	3.96	-	3.96
	Rupees	12.94	-	12.94	2.55	-	2.55
	EURO	0.12	-	0.12	0.03	-	0.03

I. Foreign currency risk exposure (unhedged only)

	As at March 31, 2026	As at March 31, 2025
Financial assets	6,526.00	9,217.40
Financial liabilities	1,298.20	340.94
Net exposure (Assets)	(5,226.80)	(8,876.46)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. Sensitivity

The details of the Group's sensitivity to a 1% increase and decrease in the Rs. against the relevant foreign currency ('USD'). 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates

	As at March 31, 2026	As at March 31, 2025
Impact on profit or loss for the year	(52.30)	(58.78)
Impact on total equity as at the end of reporting year	(39.14)	(66.42)

This is mainly attributable to the exposure outstanding on Currency USD receivables and payables by the Group at the end of the reporting period. Impact on profit for the year are gross of tax

II. Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations. The Group also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period as the Group uses the buyers credit and other credit instruments for short period of time whenever required. There is no credit utilised at the year end in current year and in previous year.

III. Other price risks

The Group is exposed to equity price risks arising from equity investments.

Equity investments in unlisted entities are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Equity price sensitivity analysis

Group has invested in subsidiary. Hence no amount recognised in the statement of profit and loss as all amount of investment are carried at cost.

B. Credit Risk Management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group has adopted a policy of only dealing with creditworthy counter parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's exposure to customers is diversified and two customers contributes to more than 10% of outstanding trade receivable.

Reconciliation of loss allowance provision

	As at March 31, 2026	As at March 31, 2025
Opening balance	17.66	16.33
Additional provision made	16.41	17.66
Reversal of provision during the year	-	16.33
Provision adjusted against the amount written off	16.08	-
Closing provision	17.99	17.66

The provision for loss allowances of trade receivables have been made by the management on the evaluation of trade receivables. The management at each reporting period made an assessment on recoverability of balances and on the best estimate basis the provision for loss allowances have been created.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

C. Liquidity risk management

- a. Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Group requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Group generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term investments provide liquidity in the short-term and long-term. The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.
- b. The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Maturities of financial liabilities

	0-12 Months	1-3 years	3-5 years	More than 5 year	Total
As on March 31, 2026					
Non derivative					
Trade payables	3,415.29	-	-	-	3,415.29
Lease liability	129.32	178.16	-	-	307.48
Other financial liabilities	867.71	-	-	-	867.71
	0-12 Months	1-3 years	3-5 years	More than 5 year	Total
As on March 31, 2025					
Non derivative					
Trade payables	3,318.67	-	-	-	3,318.67
Lease liability	109.88	190.69	88.14	-	388.71
Other financial liabilities	823.79	-	-	-	823.79

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Maturities of financial assets

	0-12 Months	1-3 years	3-5 years	More than 5 year	Total
As on March 31, 2026					
Non derivative					
Other financial assets					
- Current	1,728.01	-	-	-	1,728.01
- Non- current	-	803.49	-	-	803.49
Investments	463.48	-	-	-	463.48
Trade receivables	6,831.36	-	-	-	6,831.36
Cash and cash equivalents	6,205.77	-	-	-	6,205.77
Bank balances other than cash and cash equivalents	2,999.04	-	-	-	2,999.04
Loans					
- Current	10.09	-	-	-	10.09
As on March 31, 2025					
Non derivative					
Other financial assets					
- Current	427.82	-	-	-	427.82
- Non- current	-	1,118.38	9.00	-	1,127.38
Investments	439.37	-	-	-	439.37
Trade receivables	8,484.32	-	-	-	8,484.32
Cash and cash equivalents	379.02	-	-	-	379.02
Bank balances other than cash and cash equivalents	11,198.10	-	-	-	11,198.10
Loans					
- Current	10.55	-	-	-	10.55

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

e. Capital management

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total equity.

The Group monitors its capital using a gearing ratio, which is net debt divided by total equity. Net debt includes interest bearing loans and borrowing less cash and cash equivalents and current investments.

	As at March 31, 2026	As at March 31, 2025
Net debt		
a. Lease liabilities	307.48	388.71
	<u>307.48</u>	<u>388.71</u>
b. Cash and cash equivalents	5,205.77	378.02
c. Current investments	463.48	439.37
	<u>5,669.25</u>	<u>818.39</u>
Net debt	(5,361.77)	(429.68)
Total equity	41,025.99	33,279.61
Net debt to equity ratio	-15.51%	-1.29%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2026 and March 31, 2025.

- 44 The Board of Directors have recommended a final dividend of 50% (Rs. 5.00/- per Equity Share of Rs. 10/- each) for the financial year 2025-2026 subject to the approval of the shareholders in the ensuing Annual General Meeting of the Holding Company.

45 Disclosure of financial ratios

Particulars	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	Variance %	Reason for variance
Current ratio	Current assets	Current liabilities	4.78	6.07	-22%	Not material
Debt-equity ratio	Total debt	Total equity	0.01	0.01	0%	Not material
Debt service coverage ratio	Net operating income	Total debt service	87.88	155.43	-47%	Due to debt servicing base is nominal
Inventory turnover ratio	Cost of goods sold	Average inventory	2.85	2.96	-4%	Not material
Trade receivable turnover ratio	Net sales	Average trade receivables	6.00	6.37	-6%	Not material
Trade payable turnover ratio	Net purchases	Average trade payables	6.67	6.62	1%	Not material
Net capital turnover ratio	Net sales	Working capital	2.03	1.84	10%	Not material
Net profit ratio	Profit after tax	Net sales	0.17	0.17	-4%	Not material
Return on equity ratio	Profit after tax	Total equity	0.19	0.23	-20%	Not material
Return on capital employed	Earning before interest and tax	Capital employed	0.23	0.32	-27%	Due to decrease in the current year profit
Return on investment	Earning before interest and tax	Total assets	0.20	0.28	-27%	Due to decrease in the current year profit

Note:

Where the variation is more than 25%, it is due to the inclusion of profitability / income of the current year and whereas there is no significant change in debts from previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

(i) Working of the ratios

Basis of ratios	Year ended March 31, 2026	Ratio	Year ended March 31, 2025	Ratio
a. Current ratio				
Current assets	28,696.76	4.75	29,309.69	6.07
Current liability	6,029.79		4,824.88	
b. Debt equity ratio				
Total debt (see note ii)	307.48	0.01	388.71	0.01
Total equity (equity share capital+ other equity)	41,025.99		33,279.61	
c. Debt service coverage ratio				
Net operating income (Profit after tax+Finance cost+Depreciation and amortisation expenses)	9,657.29	87.88	9,272.17	165.43
Total debt service during the year (Long term debt+Short term debt+Capital lease obligation)	109.89		56.05	
d. Inventory turnover ratio				
Cost of goods sold	20,854.44	2.85	18,977.49	2.96
Average Inventory = (Opening stock + Closing stock) / 2	7,326.59		6,413.29	
e. Trade receivables turnover ratio				
Net sales (Total sales - Sales return)	45,963.38	6.00	45,005.61	6.37
Average trade receivables = (Opening debtors +Closing debtors) / 2	7,657.84		7,069.71	
f. Trade payables turnover ratio				
Total purchases (Net of purchase return)	22,465.78	6.67	20,194.39	6.62
Average trade payables = (Opening creditors + Closing creditors) / 2	3,366.98		3,050.02	
g. Net capital turnover ratio				
Net sales (Total sales - Sales return)	45,963.38	2.03	45,005.61	1.84
Working capital = Current assets - Current liabilities	22,666.97		24,484.81	
h. Net profit ratio				
Profit after tax	7,603.33	0.17	7,725.61	0.17
Net sales (Total sales - Sales return)	45,963.38		45,005.61	
i. Return on equity ratio				
Profit after tax	7,603.33	0.19	7,725.61	0.23
Total equity (Equity share capital+ other equity)	41,025.99		33,279.61	
j. Return on capital employed				
Earnings before interest and tax	9,700.59	0.23	10,844.84	0.32
Capital employed = Total assets - Current liabilities	41,326.11		33,614.82	
k. Return on investment				
Earnings before interest and tax	9,700.59	0.20	10,844.84	0.28
Total assets	47,355.90		38,439.70	

(ii) Total debt

	As at March 31, 2026	As at March 31, 2025
a. Lease liability		
Non-current	178.16	278.82
Current	129.32	109.89
	307.48	388.71

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amount in 'Rupees Lakhs' unless otherwise stated)

46 The Group has incurred the following cost of research and development activities at its center at Faridabad

Financial year	Capital expenses	Revenue expenses
2009-10	3.86	39.75
2010-11	8.82	47.89
2011-12	73.06	55.02
2012-13	30.17	82.51
2013-14	79.80	102.34
2014-15	34.95	132.61
2015-16	17.37	133.23
2016-17	62.65	112.04
2017-18	35.23	150.35
2018-19	18.95	220.04
2019-20	16.27	233.23
2020-21	30.96	222.76
2021-22	7.01	258.07
2022-23	0.16	285.10
2023-24	206.12	357.45
2024-25	18.04	443.09
2025-26	23.46	382.63

47 The charges which yet to be satisfied with Registrar of Companies (ROC) as at March 31, 2026 are as follows:

Brief description of charges	Location of ROC	Amount	Date of creation / modification
Book debts	New Delhi	300.00	23.02.2024
Immovable properties	New Delhi	300.00	23.02.2024

During the year, the Group has not made any change in terms of its cash credit.

48 Disclosure of additional information as required by the Schedule III

a) As at and for the year ended March 31, 2026

Particulars	Net assets (i.e. Total assets minus total liability)		Share in profit	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
Holding Company Elofic Industries Limited	97.98%	40,196.92	93.22%	7,087.97
Foreign Subsidiary Elofic USA LLC	7.91%	3,246.08	19.05%	1,448.22
		43,443.00		8,536.19
Elimination on consolidation		(2,417.01)		(932.86)
Total		41,025.99		7,603.33

b) As at and for the year ended March 31, 2025

Particulars	Net assets (i.e. Total assets minus total liability)		Share in profit	
	As a % of consolidated net assets	Amount	As a % of consolidated net assets	Amount
Holding Company Elofic Industries Limited	99.86%	33,233.29	96.54%	7,458.23
Foreign Subsidiary Elofic USA LLC	4.60%	1,530.48	0.73%	56.23
		34,763.77		7,514.46
Elimination on consolidation		(1,484.16)		211.15
Total		33,279.61		7,725.61

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

49 The Ministry of Corporate Affairs vide Notification No. G.S.R. 549(E) dated August 13, 2025 has amended Ind AS 7 - Statement of Cash Flows and Ind AS 107 - Financial Instruments: Disclosures, through the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, to introduce disclosure requirements in respect of supplier finance arrangements, effective for annual reporting periods beginning on or after April 1, 2025.

Supplier finance arrangements, as defined under the amended Ind AS 7, are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers, and the entity agreeing to repay the finance providers on the same date as, or a date later than, the date on which the suppliers are paid. Such arrangements are commonly known as reverse factoring, payables finance or supply chain financing.

The Group has assessed that it has not entered into any such supplier finance arrangement with any bank, financial institution or other finance provider during the year ended March 31, 2026. Accordingly, the disclosure requirements introduced under the said amendments to Ind AS 7 and Ind AS 107 in respect of supplier finance arrangements are not applicable to the Group.

50 A fire incident occurred at the Holding Company's paper plant located at 11/7, Mathura Road, Faridabad, on January 13, 2025. Following the incident, the necessary survey and assessment were carried out, and the management assessed a total loss of Rs. 38.47 including GST of Rs. 5.87 on account of burnt stock.

An insurance claim for the assessed loss was duly filed in the current financial year, after completing a proper assessment. The filing is supported by documentary evidence submitted to the insurance company.

During the current financial year, the Holding Company has received Rs. 38.47 as full and final settlement of the insurance claim. Accordingly, no further loss or claim remains outstanding in respect of the said incident.

51 On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. Based on the Group's assessment, the existing compensation structure is largely aligned with the provisions of the aforesaid Codes and no significant modifications were considered necessary. Accordingly, the implementation of these Labour Codes has not had any material financial impact on the Group's financial statements, including the Statement of Profit and Loss, for the year ended March 31, 2026. Further, the Group continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

52. Other statutory information

- a. There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- b. No penalties were imposed on the Group by any regulator during the period ended March 31, 2026.
- c. There is no income surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961) that has not been recorded in the books of account of the Group.
- d. The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.
- e. The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and the rules made thereunder.
- f. The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the current or previous year.
- g. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- h. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- i. The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- j. The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- k. During the year ended March 31, 2026, the Group has not undertaken any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.
- l. The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Group.
- m. The Corporate Social Responsibility (CSR) provisions under section 135 of the Companies Act, 2013 are applicable to the Group. The disclosures relating to CSR are given in Note 39.
- n. Disclosures relating to related party transactions are given in Note 42.
- o. Analytical ratios prescribed under Schedule III to the Companies Act, 2013 are disclosed in Note 45.

53. There are no subsequent events observed after the reporting period which have material impact on the Group's operation.

54. The Board of Directors of the holding Company approved the consolidated financial statements for issuance by resolution passed at the board meeting held on June 15, 2026 and authorised the Directors to sign the consolidated financial statements.

As per our report of even date attached

For S N Dhawan & CO LLP
Chartered Accountants
Firm Registration No.: 000050N/N500045

For and on behalf of the Board of Directors of
Elofic Industries Limited

Bhaskar Sen
Partner
Membership No.: 096985

K. D. Sahni
Joint Managing Director
DIN: 00901216

M. B. Sahni
Managing Director
DIN: 00906251

Place: Gurugram
Date: June 15, 2026

Place: Faridabad
Date: June 15, 2026

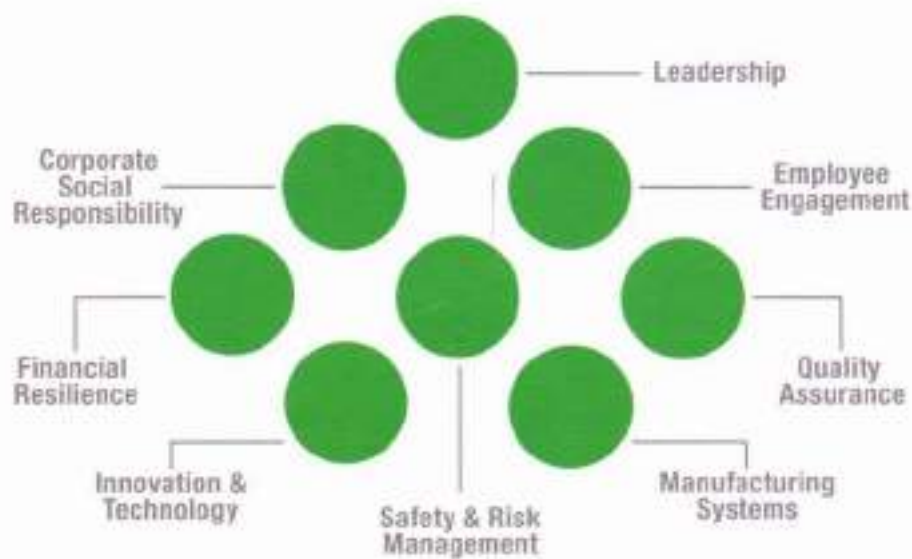
Place: Faridabad
Date: June 15, 2026

Maj. Gen. J.S. Bedi (Retd.)
Director
DIN: 08583080

Pankaj Kumar Jain
Chief Financial Officer

Place: Faridabad
Date: June 15, 2026

Place: Faridabad
Date: June 15, 2026



8 DOMAINS OF EXCELLENCE

The eight domains of excellence define Elofic as an entity that is driven by the collective energy of persistent evolution across eight focus areas of performance



DIAMOND
Jubilee
Celebrating Legacy
& Leadership

"What is a life worth, that cannot bring comfort to others"

-Our Founder, Late Sh. Mohinder Singh Sahni



DIAMOND
Jubilee
Celebrating Legacy
& Leadership

ELOFIC INDUSTRIES LIMITED

14/4, Mathura Road, Faridabad -121003, India
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