

# **ELIN ELECTRONICS LIMITED**

Elin Electronics Limited ("Company" or "Issuer") was originally incorporated on March 26, 1982 at Kolkata, West Bengal as a private limited company under the Companies Act, 1956, with the name 'Elin Electronics Private Limited' pursuant to a certificate of incorporation granted by the Registrar of the Companies, West Bengal at Kolkata ("RoC"). Subsequently, the name of our Company was changed to 'Elin Electronics Limited' upon conversion of our Company pursuant to a special resolution passed by our shareholders on July 27, 1987 and the certificate of incorporation was amended by the RoC consequent upon change of name on conversion to public limited company on November 22, 1987. For further details in relation to change in the address of registered office of our Company, see "History and Certain Corporate Matters" on page 208 of the red herring prospectus of the Company dated December 12, 2022 filed with the RoC ("RHP" or "Red Herring Prospectus").

Registered Office: 143, Cotton Street, Kolkata – 700 007, West Bengal, India; Tel: 033 48046584

Corporate Office: 4771, Bharat Ram Road, 23, Daryaganj, New Delhi – 110002, India; Tel: +91 011 43000400; Contact Person: Lata Rani Pawa, Company Secretary and Compliance Officer; Tel: + 011 43000400

E-mail: cs@elinindia.com; Website: www.elinindia.com; Corporate Identity Number: U29304WB1982PLC034725



# OUR PROMOTERS: MANGI LALL SETHIA, KAMAL SETHIA, KISHORE SETHIA, GAURAV SETHIA, SANJEEV SETHIA, SUMAN SETHIA, VASUDHA SETHIA AND VINAY KUMAR SETHIA

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ 4,750 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 1,750 MILLION BY OUR COMPANY (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 3,000 MILLION BY THE SELLING SHAREHOLDERS (THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH ISSUE, "THE OFFER").

NAME OF SELLING SHAREHOLDER	TYPE OF SELLING SHAREHOLDER	NUMBER OF EQUITY SHARES	OFFER FOR SALE OF UP TO [●] EQUITY
		HELD AS ON THE DATE OF RHP	SHARES AGGREGATING UP TO
Kamal Sethia	Promoter	22,29,618	₹ 171.82 million
Suman Sethia	Promoter	39,60,000	₹ 305.16 million
Kishore Sethia	Promoter	36,44,928	₹ 280.88 million
Vasudha Sethia	Promoter	10,80,900	₹ 83.30 million
Gaurav Sethia	Promoter	31,43,004	₹ 253.76 million
Vinay Kumar Sethia	Promoter	6,33,300	₹ 49.61 million
Sumit Sethia	Promoter	8,64,450	₹ 66.62 million
Other Selling Shareholders	Others	1,90,14,200	₹ 1788.85 million

The Offer is being made under Regulation 6(1) of the SEBI ICDR Regulations.

QIB Portion: Not more than 50% | Non-Institutional Portion: Not less than 15% | Retail Portion: Not less than 35% of the Offer respectively

PRICE BAND: ₹ 234 TO ₹ 247 PER EQUITY SHARE OF FACE VALUE OF ₹ 5 EACH
THE FLOOR PRICE IS 46.80 TIMES AND THE CAP PRICE IS 49.40 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY
BIDS CAN BE MADE FOR A MINIMUM OF 60 EQUITY SHARES AND IN MULTIPLES OF 60 EQUITY SHARES THEREAFTER

In accordance with the recommendation of a Committee of Independent Directors of the Company, pursuant to their resolution dated December 14, 2022, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section of the RHP vis-à-vis the weighted average cost of acquisition of primary and secondary transaction(s) disclosed in the "Basis for Offer Price" section of the RHP and provided below in the advertisement.

## **Risks to Investors:**

- Our top 5 customers accounted, cumulatively, for 69.03%, 62.93%, 63.20% and 65.43%
   of our revenue from operations in Fiscals 2020, 2021 and 2022 and the six-month period ended September 30, 2022, respectively. Further, our top 10 customers accounted, cumulatively, for 80.81%, 77.90%, 77.14% and 81.04% of our revenue from operations in Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, respectively. Loss of relationship with any of these customers may have a material adverse effect on our profitability and results of operations.
- Our past profitability ratios have been low. There is no guarantee that the profitability ratios will improve in future and our company will be able to generate higher returns.

Particulars	Year / Period Ended			
	March	March	March	September
	31, 2020	31, 2021	31, 2022	30, 2022
Profit after tax (In ₹ million)	274.87	348.57	391.47	206.68
PAT margin (%)!	3.50%	4.03%	3.58%	3.42%
Return on Total Assets (%)!!	7.09%	6.86%	7.35%	3.51%**
10-year Government	6.73%#	6.32%##	6.86%###	7.41%****
securities par vield (%)*				

# Notes:

\*Source: www.rbi.org.in/. The par yield is pre-tax. | \*\* Not Annualised | 'PAT Margin (%) is calculated as profit after tax as a % of total income | "Return on Total Assets is calculated as profit after tax as a % of total assets | \* For the week ended March 27, 2020 | \*\*\* For the week ended March 26, 2021 | \*\*\*\* For the week ended April 1, 2022 | \*\*\*\* For the week ended September 30, 2022

- A significant portion of our revenue is generated from our sub product segments (i) LED lighting, fans and switches (ii) Small appliances and (iii) Fractional horsepower motors which accounted, cumulatively, for 77.10%, 73.46%, 75.39% and 74.72% of our revenue from operations in Fiscals 2020, 2021 and 2022 and the six-month period ended September 30, 2022, respectively. If we are unable to manage our diversified operations, our business, results of operations and financial condition may be adversely affected.
- We had negative operative cash flows in the past, details of which are given below. Sustained negative operative cash could impact our growth and business.

				(₹ in million)	
Particulars		Fiscal		Six-month	
				period ended	
				September	
	2020	2021	2022	30, 2022	
Net cash inflow from / (used in) operating activities	768.14	(336.43)	512.82	314.26	

Net cash used in operating activities for Fiscal 2021 was  $\stackrel{?}{\sim}$  336.43 million primarily attributable to increase in trade receivables by  $\stackrel{?}{\sim}$  919.10 million, increase in inventories by  $\stackrel{?}{\sim}$  350.93 million, decrease in trade payables by  $\stackrel{?}{\sim}$  365.81 million and increase in other non current assets by  $\stackrel{?}{\sim}$  37.91 million on account of COVID-19 restrictions.

• Our Company will not receive any proceeds from the Offer for Sale portion of the Offer.

\* Issues handled where there were no common BRLMs.

• The Offer Price, Enterprise Value to EBITDA, Enterprise Value to Net Sales and Price Earning ratio on the Offer Price of our Company may not be indicative of the market price of the Equity Shares on listing or thereafter.

1	Number of times at the upper			Number of times at the		Industry PE
,	end of Price Band			Floor Price o	f Price Band	(Fiscal 2022)
ì	EV to	EV to Net	PE based	EV to	EV to	
	EBITDA	Sales	on diluted	EBITDA	Net Sales	
/	(Fiscal	(Fiscal	EPS (Fiscal	(Fiscal	(Fiscal	
	2022)	2022)	2022)	2022)	2022)	
]	14.39	1.05	25.76	13.69	1.00	101.63

Note: Closing price as on November 11, 2022 has been considered for peer group for calculation of Price to Earnings ratio for Industry.

- We as well as our customers operate in a competitive industry, with participants in the
  organized and the unorganized sector. Some of our competitors in the industry may
  have greater design, engineering, manufacturing, financial capabilities, or superior
  resources. Our customers evaluate the product suppliers based on, among other
  things, manufacturing capabilities, speed, quality, engineering services, flexibility,
  and costs. Therefore, we are exposed to risks of our competitors having better
  resources than us.
- Details of weighted average cost of acquisition of all Equity Shares transacted in last three years, 18 months and one year preceding the date of the RHP:

	Period prior to date	Weighted Average	Upper end of the	Range of
	of filing of the Red	Per share	Price Band is 'X'	acquisition price:
•	<b>Herring Prospectus</b>	acquisition Cost (Rs)	times the	Lowest Price –
•			Weighted Average	Highest Price
			<b>Cost of Acquisition</b>	(in ₹)
	One Year	85.29	2.88	85 – 100
,	18 Months	85.29	2.88	85 – 100
	Three Years	2.67	92.13	0.33 – 100

- Our return on Net Worth in the six months ended September 30, 2022 and in Fiscal 2022, Fiscal 2021 and Fiscal 2020 was 6.46%, 12.92%, 13.29% and 12.07%, respectively, and our weighted average return on Net Worth for Fiscal 2022, Fiscal 2021 and Fiscal 2020 was 12.90%.
- The two BRLMs associated with the Offer have handled 62 public issues in the Fiscal 2023, Fiscal 2022, Fiscal 2021 and Fiscal 2020, out of which 22 issues closed below the offer price on the listing date.

Name of the BRLM	Total	Issues closed below IPO
	Issues	price on listing date
Axis Capital Limited*	27	13
JM Financial Limited*	18	3
Common issues between the BRLMs	17	6
Total	62	22

BID/OFFER PROGRAMME



ANCHOR INVESTOR BIDDING DATE: MONDAY, DECEMBER 19, 2022

BID/OFFER OPENS ON TUESDAY, DECEMBER 20, 2022\*

BID/OFFER CLOSES ON THURSDAY, DECEMBER 22, 2022

sider participation by Anchor Investors in accordance with the SEBITCDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date, i.e., Monday, December 19, 2022.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

Continued on next pag

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### BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book | Asset turnover ratio is computed as Revenue from Operations to Total Assets, Asset turnover ratio is indicator of efficiency with which our Company is deploying Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹5 each and the Offer Price is [•] times the face | its assets to generate revenue from operations.

value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Bidders should read the below mentioned information along with "Our Business", "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 179, 26, 239 and 300, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

- We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:
- Established market position in key verticals including leadership in fractional horsepower motors:
- Diversified products resulting in a de-risked business model:
- Entrenched relationships with a marquee customer base;
- High degree of backward integration resulting in higher efficiencies, enhanced quality of products and customer retention capability; and the product of t
- Consistent and strong track record of financial performance

### For further details, see "Our Business - Competitive Strengths" on page 182 of the RHP.

### Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Statements. For further details, see "Financial Information" on page 239 of the RHP.

### Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

### I. Basic and Diluted Earnings Per Share ("EPS"):

(As adjusted for changes in capital, if any) on a consolidated basis, calculated in accordance with the Indian Accounting Standard 33 issued by the Institute of Chartered

Fiscal	Basic & Diluted EPS (in ₹) *	Weight
2019-20	6.73	1
2020-21	8.53	2
2021-22	9.59	3
Weighted Average	8.76	
Six months ended September 30, 2022*	5.06	-

### Post Split and Bonus Issue

(As adjusted for changes in capital, if any) on a consolidated basis, calculated on total number of equity shares prior to elimination of equity share capital relating to shares held by

and duboration y				
Fiscal	Basic & Diluted EPS (in ₹) *	Weight		
2019-20	6.46	1		
2020-21	8.19	2		
2021-22	9.20	3		
Weighted Average	8.41			
Six months ended September 30, 2022*	4.85	-		

<sup>\*</sup>Post Split and Bonus Issue

\* Not annualised

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights. (2) Basic Earnings per Equity Share (₹) = Net profit after tax attributable to owners of the Company, as restated / Weighted average no. of Equity Shares outstanding during the year

(3) Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to owners of the Company, as restated / Weighted average no. of potential Equity Shares outstanding during

(4) Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'

(5) The face value of each Equity Share is ₹ 5 each.

(6) The figures disclosed above are based on the Restated Ind-AS Financial Statements of the Company.

2.	. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:				
Particulars P/E at the Floor Price P/E at the					
		(no. of times)	(no. of times)		
	Based on Basic EPS for Financial Year 2022	24.40	25.76		
	Based on Diluted EPS for Financial Year 2022	24.40	25.76		

# \*To be updated subsequently post listing

Enterprise value / EDIT DA				
Particulars	Enterprise Value / EBITDA at	Enterprise Value / EBITDA at		
	the Floor Price (no. of times)	the Cap Price (no. of times)		
Based on Fiscal Year 2022	13.69	14.39		

a) Enterprise Value = (share price x number of outstanding shares) + total debts – cash

b) EBITDA = Profit before Tax + Finance Cost + Depreciation and Amortisation Expenses

### 4. Enterprise Value / Net Sales

	Particulars	Enterprise Value / Net Sales at the Floor Price (no. of times)	Enterprise Value / Net Sales at the Cap Price (no. of times)
	Based on Fiscal Year 2022	1.00	1.05
_	too.		

a) Enterprise Value = (share price x number of outstanding shares) + total debts – cash

### b) Net Sales means Gross Sales less returns 5. Industry P/E ratio

	P/E Ratio	Name of the company	Face value of equity shares (₹)	
Highest	140.44	Dixon Technologies (India) Ltd	2	
Lowest	62.82	Amber Enterprises India Ltd	10	
Average	101.63			
Average Peturn on Net Worth ("PoNW")				

## Average Return on Net Worth ("RoNW"

On a consolidated pasis.		
Fiscal	RoNW (%)	Weight
2019-20	12.07%	1
2020-21	13.29%	2
2021-22	12.92%	3
Weighted Average	12.90%	
Six months ended September 30, 2022*	6.46%	-

On a consolidated basis but calculated Net Worth prior to elimination of equity shares capital relating to shares held by the Subsidiary:

Fiscal	RoNW (%)	Weight
2019-20	12.07%	1
2020-21	13.29%	2
2021-22	12.92%	3
Weighted Average	12.90%	
Six months ended September 30, 2022*	6.46%	-

# Notes:

 $Weighted\ average = Aggregate\ of\ year-wise\ weighted\ RoNW\ divided\ by\ the\ aggregate\ of\ weights\ i.e.\ (RoNW\ x\ Weight)\ for\ each\ year/Total\ of\ weights.$ ii) Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Restated net worth at the end of the year/period.

iii) 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2020; Notes 2021 and 2022 and six months period ended September 30, 2022 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and 1. EPS: Basic & Diluted EPS refers to the EPS sourced from the financial results of the respective company for the year ended March 31, 2022 Disclosure Requirements) Regulations, 2018, as amended.

### Net Asset Value per Equity Share On a consolidated basis:

Financial Period	NAV per Equity Share (in ₹)
As on March 31, 2022	₹ 74.21
As on September 30, 2022	₹ 78.39
On a consolidated basis but calculate	ted Net Worth & total equity shares price

Financial Period NAV per Equity Share (in ₹) ₹71.19

As on March 31, 2022 As on September 30, 2022

### (i) Net Asset Value per Equity Share = Net worth as per the Restated Consolidated Financial Statements / Number of equity shares outstanding as at the end of year/period. ii) 'Net worth' under Ind-As: Net worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account

and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022 and six months ended September 30, 2022 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requir Regulations, 2018, as amended

# Key Performance Indicators ("KPIs")

The following table highlights our key performance indicators that have a bearing on arriving at the basis for Offer Price and disclosed to our investors during the three years preceding to the date of this Red Herring Prospectus, as of the dates and for the period indicated On a consolidated basis:

Particulars	As at/ for the period ended				
	March 31, 2020*	March 31, 2021*	March 31, 2022*	September 30, 2022*	
Revenue from operations (₹ in million)	7,855.84	8,623.78	10,937.54	6,044.57	
Net worth (₹ in million)	2,277.52	2,622.54	3,030.70	3,201.49	
EBITDA (₹ in million)	562.43	690.03	799.31	433.64	
EBITDA (%)	7.16	8.00	7.31	7.17	
Profit after tax (₹ in million)	274.87	348.57	391.47	206.68	
PAT margin (%)	3.50	4.03	3.58	3.42	
ROE (%)	12.88	14.23	13.85	6.63*	
ROCE (%)	15.44	14.90	15.82	8.09#	
Asset turnover ratio	2.03	1.70	2.05	1.03#	
Net working capital days	48	53	46	46	
Debt to equity ratio	0.27	0.42	0.32	0.32	
Interest coverage ratio	4.00	5.91	5.16	4.72	

\*As certified by Oswal Sunil & Company, Chartered Accountants vide their certificate dated December 7, 2022.

# Not annualized

Explanation for the Key Performance Indicators: Revenue from operations: Revenue from operations represents the scale of the business as well as provides information regarding the growth for the period of our Company.

balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2020; 2021 and 2022 and six months period ended September 30, 2022 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Reguirements) Regulations, 2018, as amended. Net Worth is indicator of company's financial standing. EBITDA: EBITDA is calculated as Restated profit before tax plus finance costs, depreciation and amortization expense. EBITDA provides information regarding the operational

Net worth: Net worth is computed as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credii

efficiency of the business of our Company. EBITDA (%): EBITDA (%) is the percentage of EBITDA divided by revenue from operations and is an indicator of the operational profitability of our business before interest,

depreciation, amortisation, and taxes. PAT: PAT represents the profit / loss that our Company makes for the financial year or during a given period. It provides information regarding the profitability of the business of our

PAT Margin: PAT Margin is calculated as profit after tax as a % of total income. This provides the financial benchmarking against peers as well as to compare against the historical

performance of our business.

ROE: ROE is calculated as PAT over total average equity. This provides how efficiently our Company generates profits from the shareholders funds.

provides how efficiently our Company generates Earnings before Interest & Tax from the capital employed

Net working capital days: Net working capital days are computed as Working Capital over Revenue from Operations over a period of year/six months period. Net working capital days indicates the efficiency of our Company in converting its working capital into revenues.

Debt to equity ratio: Debt to equity ratio is computed as net debts over net worth. It is a measure of the extent to which our Company can cover its debt.

Interest coverage ratio: Interest coverage ratio is computed as Earnings before Interest & Taxes (EBIT) to Finance Cost. It indicates our Company's coverage on the interest obligation on the outstanding debt.

In addition to the above, the table below sets out our production volume across our key product portfolio for the period indicated as certified by Er. B.P. Singh, independent chartered engineer, vide certificate dated November 18, 2022. Annual installed capacity indicates our productive capacity of the products, and capacity utilisation indicates the extent to which we

Product/Vertical	Aggregate annual installed	Production during six-month period	Capacity utilisation	
	capacity for the period (in units)#	ended September 30, 2022 (in units)	(annualised) (%)	
EMS				
LED lighting, fans and switches				
- LED fittings, fixture and solar device	17,500,000	6,509,736	74.40%	
- LED flashlights (torch)	12,500,000	5,395,549	86.33%	
- Fans (all types)	10,00,000	396,837	79.37%	
- Light fitting/ switch	6,000,000	3,205,588	106.85%	
Small appliances				
- Mixer grinder	750,000	290,964	77.59%	
- Bar blender	400,000	76,393	38.20%	
- Hair dryer	1,000,000	589,499	117.90%	
- Hair straightener	1,000,000	377,690	75.54%	
- Iron	3,000,000	1,298,818	86.59%	
- Toasters	50,000	26,832	107.33%	
Fractional horsepower motors	8,000,000	3,315,650	82.89%	
Other products				
- Terminal block	5,000,000	2,197,161	87.89%	
- Stainless steel blade	7,000,000	3,964,479	113.27%	
- Die casting components	5,000,000	2,21,900	8.88%	
- Dies/tools/molds	400	59	29.50%	
Medical diagnostic cartridges	10,500,000	1,359,541	25.90%	

# Coloulated as an Contambor 20, 2022

Product/		Fiscal 2020					Fiscal 2022		
Vertical	Aggregate annual installed capacity for the period (in units)#	Production during Fiscal 2020 (in units)	Capacity utilisation (%)	Aggregate annual installed capacity for the period (in units)*	Production during Fiscal 2021 (in units)	Capacity utilisation (%)	Aggregate annual installed capacity for the period (in units) <sup>#</sup>	Production during Fiscal 2022 (in units)	Capacity utilisation (%)
EMS									
LED lighting, fans and									
switches									
<ul> <li>LED fittings, fixture and solar device</li> </ul>	17,500,000	15,586,871	89.07%	17,500,000	11,425,074	65.29%	17,500,000	12,624,361	72.14
- LED flashlights (torch)	12,500,000	11,004,860	88.04%	12,500,000	9,670,476	77.36%	12,500,000	8,251,012	66.01
- Fans (all types)	25,000	12,766	51.06	300,000	248,294	82.76%	1,000,000	697,542	69.75
- Light fitting/ switch	6,000,000	5,582,980	93.05%	6,000,000	5,408,495	90.14%	6,000,000	5,267,714	87.80
Small appliances									
- Mixer grinder	610,000	519,195	85.11%	700,000	627,991	89.71%	750,000	565,699	75.43
- Bar blender	200,000	146,775	73.39%	300,000	239,089	79.70%	400,000	245,102	61.28
- Hair dryer	1,000,000	650,485	65.05%	1,000,000	582,365	58.24%	1,000,000	904,483	90.45
- Hair straightener	1,000,000	611,388	61.14%	1,000,000	376,273	37.63%	1,000,000	727,519	72.75
- Iron	3,000,000	2,094,705	69.82%	3,000,000	1,674,004	55.80%	3,000,000	1,941,237	64.7
- Toasters	50,000	31,307	62.61%	50,000	32,642	65.28%	50,000	46,224	92.45
Fractional horsepower motors	6,000,000	5,153,316	85.89%	8,000,000	6,824,516	85.31%	8,000,000	6,334,733	79.18
Other products									
- Terminal block	5,000,000	4,737,408	94.75%	5,000,000	3,343,773	66.88%	5,000,000	3,917,007	78.34
- Stainless steel blade	4,000,000	3,099,452	77.49%	5,000,000	4,048,741	80.97%	7,000,000	6,490,695	92.72
- Die casting components	1,500,000	1,295,069	86.34%	5,000,000	4,034,197	80.68%	5,000,000	4,558,762	91.18
- Dies/ tools/ molds	300	219	73.00%	300	203	67.67%	400	338	84.50
Medical diagnostic cartridges	1,000,000	496,670	49.67%	8,000,000	6,800,825	85.01%	10,500,000	2,608,840	24.8

Calculated as on March 31 of respective Fiscal.

The key performance indicators disclosed in the RHP (including as set forth above), have been approved by the Audit Committee pursuant to its resolution dated November 30, 2022 Further, the Audit Committee has on November 30, 2022 taken on record that other than the key performance indicators set forth above, our Company has not disclosed any other such key performance indicators during the last three years preceding the date of this Red Herring Prospectus to its investors. For further details of our key performance indicators, see "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 179

and 300, respectively. Our Company shall continue to disclose the KPIs disclosed above, on a periodic basis, at least once in a year (or for any lesser period as determined by our Company), for a duration

that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company. The ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

### 9. Comparison with Listed Industry Peers Comparison of Accounting Ratios with Listed Industry Peers

Name of Company	Face Value	Closing price	Revenue, for	EPS (₹)		P/E	NAV	RONW
	(₹ Per Share)	on November 11. 2022 (₹)	Fiscal 2022 (in ₹ million)	Basic	Diluted		(₹ per share)	(%)
Elin Electronics Limited*	5	NA	10,946.68	9.59	9.59	NA	74.21	12.92%
Peer Group								
Dixon Technologies (India) Limited#	2	4,537.50	107,008.90	32.31	32.00	140.44	168.06	19.08%
Amber Enterprises India Limited##	10	2,036.00	42,396.29	32.41	32.41	62.82	526.17	6.28%
* Similar to our Company, Divan Technologies (India) Limited is appared in OEM and ODM of lightning products, along with other line of business. Our Company's total revenue from								

Lighting Product is 30.38% of total consolidated revenue of ₹ 10,946.68 million whereas Dixon Technologies (India) Limited's total revenue from Lighting Product is 12.00% of total consolidated revenue of₹ 107,008.90 million for FY 2022. any Amher Enternrises India Limited with other line of business. Our Company's total revenue from fractional horsepower manufacturing is 21.64% of total consolidated revenue of₹10,946.68 million whereas Amber

Enterprises India Limited's total revenue from fractional horsepower is 5.58 % of total consolidated revenue of ₹ 42,396.29 million for FY 2022 Based on Restated Consolidated Financial Statements as on and period ended March 31, 2022

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the financial results of the respective company for the year

P/E Ratio: P/E Ratio has been computed based on the closing market price of equity shares on NSE on November 11, 2022 divided by the Basic EPS provided under Note 1. 3. Net Asset Value: Net Asset Value is computed as the Net Worth as of March 31, 2022 divided by the equity shares outstanding as on March 31, 2022.

4. Return on net worth %: Return on Net Worth (%) is calculated as Profit after tax for March 31, 2022 as a percentage of Net Worth as of March 31, 2022 5. Listed peers are as identified by the management and relied upon by us. All the financial information for Elin Electronics Limited mentioned above is on a consolidated basis from the Restated Consolidated Financial Statements for the year ended March 31,

2022 and the six months period ended September 30, 2022. The Offer Price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in "Risk Factors" on page 26 of the RHP and you may lose all or part of your investments

Comparison of Key Performance Indicators for Fiscal 2022 with Listed Industry Peers Dixon Technologies (India) Limited Amber Enterprises India Limited Elin Electronics Limited Particulars

	Fiscal 2022	Fiscal 2022	Fiscal 2022
Revenue from operations (₹ in million)	10,937.54	106,970.8	42,063.97
Net worth (₹ in million)	3,030.70	9,973.30	17,728.67
EBITDA (₹ in million)	799.31	3,828.60	3,086.14
EBITDA (%)	7.31	3.58	7.34
Profit after tax (₹ in million)	391.47	1,903.30	1,113.23
PAT margin (%)	3.58	1.78	2.65
ROE (%)	13.85	21.94	6.52
ROCE (%)	15.82	20.26	6.91
Asset turnover ratio	2.05	2.50	0.86
Net working capital days	46	14	30
Debt to equity ratio	0.32	0.28	0.41
Interest coverage ratio	5.16	6.76	4.32
Notes:			

Net worth: Net worth is computed as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

**EBITDA**: EBITDA is calculated as Restated profit before tax plus finance costs, depreciation and amortization expense.

3. **EBITDA(%):** EBITDA(%) is the percentage of EBITDA divided by revenue from operations.

4. PAT Margin: PAT Margin is calculated as profit after tax as a % of total income. 5. ROE: ROE is calculated as PAT over total average equity.

6. ROCE: ROCE is calculated as EBIT over Capital employed wherein capital employed refers to sum of tangible net-worth, total debts and deferred tax liability as at close of year. Asset turnover ratio: Asset turnover ratio is computed as Revenue from Operations to Total Assets.

Net working capital days: Net working capital days are computed as Working Capital over Revenue from Operations over a period of year.

**Debt to equity ratio:** Debt to equity ratio is computed as net debts over net worth. 0. Interest coverage ratio: Interest coverage ratio is computed as Earnings before Interest & Taxes (EBIT) to Finance Cost.

Source: All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the financial results of the respective company for the year ended March 31, 2022 submitted to stock exchanges. All the financial information for Elin Electronics Limited mentioned above is on a consolidated basis from the Restated Consolidated Financial Statements for the year ended March 31

2022

### 10. Weighted Average Cost of Acquisition, Floor Price and Cap Price Our Company confirms that there has been no:

(a) primary/new issue of shares (Equity Shares/convertible securities), excluding grants of any options and issuance of bonus shares, equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital before such transaction and excluding employee stock options granted but not vested), in a single transaction or multiple transactions (combined together over a span of rolling 30 days) during 18 months preceding the date of filing of this Red Herring Prospectus; and

(b) secondary sale/acquisition of shares (Equity Share/convertible securities) by Promoters, Promoter Group entities, Selling Shareholders, excluding gifts, where either acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated on the pre-issue capital before such transaction and excluding employee stock options granted but not vested), in a single transaction or multiple transactions (combined together over a span of rolling 30 days) during 18 months preceding the date of filing of this  $\mbox{\it Red}$  Herring Prospectus.

ROCE: ROCE is calculated as EBIT over Capital employed wherein capital employed wherein capital employed refers to sum of tangible net-worth, total debts and deferred tax liability as at close of year. This are a party to the transaction) during three years preceding the date of filing of this Red Herring Prospectus: Continued on next page

continued from previous page Primary transactions Date of Allotment Issue Price per Number of Equity S. No. Name of Allotee Nature of Allotment Shares allotted\* Equity Share (in ₹)\* 1. Premlata Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 903 000 Allotment pursuant to the Scheme of Amalgamation 2. Rakesh Sethia January 22, 2020 0.33 456 000 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 168.000 Sajjan Devi Sethia Kanchan Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 675,000 Parth Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 112.500 Raveena Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 191,250 7. Shivina Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 164.250 8. Rhea Sethia January 22, 2020 0.33 120,000 Allotment pursuant to the Scheme of Amalgamation Shlok Sethia Allotment pursuant to the Scheme of Amalgamation 0.33 3,000 January 22, 2020 10. Sharad Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 222.000 11. Raghav Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 22.500 12. Santosh Devi Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 337.500 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 13. Sajjan Devi Sethia 6 67 87.600 14. Ravi Sethia 6.67 87,450 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation January 22, 2020 Rakesh Sethia Allotment pursuant to the Scheme of Amalgamation 6.67 87,450 16. Kundanmal Mangilal Sethia (HUF) January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation Kamal Sethia & Sons HUI 6.67 26,250 18. Kishor Sethia & Sons HUF January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 26,250 19. Kanika Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 15,000 20. Vinay Kumar Sethia & Sons HUF 6.67 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 10,500 21. Vinav Kumar Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 25.500 22. Vikas Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 27.000 Allotment pursuant to the Scheme of Amalgamation 23. Sushil Kumar Sethia & Sons January 22, 2020 6 67 12.000 24. Keshari Sethia HUF Allotment pursuant to the Scheme of Amalgamation 6.67 56,250 January 22, 2020 25. Bridhichand Sethia & Sons January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 12,000 Madhuri Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 15,000 27. Vijay Singh Sethia & Sons HUF January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 27,000 Vijay Singh Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 81,000 29. Kanchan Sethia January 22, 2020 6.67 22.500 Allotment pursuant to the Scheme of Amalgamation 30. Sanjeev Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 27,000 31. Santosh Devi Sethia Allotment pursuant to the Scheme of Amalgamation 6.67 15.750 January 22, 2020 32. Privanka Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 262.500 33. Akash Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 12.000 34. Alok Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 337.500 35. Alok Sethia Allotment pursuant to the Scheme of Amalgamation 6 67 7.500 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 36. | Alok Sethia (HUF) 6.67 25,500 January 22, 2020 6.67 37. Anant Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 12,000 38. Ashnit Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 337,500 39. Ashnit Sethia Allotment pursuant to the Scheme of Amalgamation 6.67 18,000 January 22, 2020 40. Deepak Sethia 0.33 337.500 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 15,750 41. Deepak Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 42. Deepak Sethia & Sons (HUF) Allotment pursuant to the Scheme of Amalgamation 6.67 21.000 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 225.000 43. Dilip Sethia January 22, 2020 0.33 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 44. Dilip Sethia 6.67 37.500 45. Gaurav Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 784.500 15,000 46. Gaurav Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 47. Kamal Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 120,000 48. Kishor Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 150,000 49. Mangilal Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 172,500 50. Manju Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 337,500 51. Manju Sethia 6.67 22,500 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation Namrata Sethia 6.67 22,500 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 53. Nikhil Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 21.000 54. Nitisha Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 60.000 55. Pradeep Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 225,000 56. Pradeep Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6 67 52.500 57. Rishabh Sethia 0.33 225,000 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 58. Rishabh Sethia 6.67 40,500 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 59. 2,362,500 Suman Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 60. Suman Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 112,500 61. Sumit Sethia 6.67 14.250 January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 62. Sushil Kumar Sethia January 22, 2020 0.33 112.500 Allotment pursuant to the Scheme of Amalgamation 63. Sushil Kumar Sethia January 22, 2020 6.67 52,500 Allotment pursuant to the Scheme of Amalgamation 0.33 112.500 64. Shweta Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation Vasudha Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 0.33 228.000 66. Vasudha Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6.67 52.500 67. Yugesh Sethia January 22, 2020 Allotment pursuant to the Scheme of Amalgamation 6 67 21.000 \*Allotment price per equity share and number of equity shares have been adjusted for corporate actions, namely, sub-division and issue of equity shares pursuant to bonus issue

Secondary transactions Acquisition Price per Number of Equity Date of Transaction Nature of Transaction S. No. Name of Acquirer Equity Share (in ₹) Shares acquired Akash Sethia September 15, 2022 Purchase 85.00 50.000 Weighted average cost of acquisition 85 00

There have been only two primary and secondary transactions during three years preceding the date of filing of this Red Herring Prospectus None of our Shareholders is entitled to nominate Directors on our Board.

11. Floor Price and Cap Price vis-à-vis Weighted Average Cost of Acquisition based on Past Allotment(s)/ Secondary Transaction(s)

Floor Price and Cap Price as compared to the weighted average cost of acquisition of Equity Shares based on primary/ secondary transaction(s), as disclosed in paragraph 10 above, are set out below:

Weighted average cost Floor Price (i.e., ₹ 234) Past Transactions Cap Price (i.e., ₹ 247) of acquisition (in ₹) 1.53 152.94 times 161.44 times Weighted average cost of acquisition of primary transaction in last three years Weighted average cost of acquisition of secondary transactions in last three years\* 85.00 2.91 times 2.75 times

Secondary transactions where Promoters, Promoter Group entities or Selling Shareholders are a party to the transaction

Explanation for Offer Price/ Cap Price

Set forth below is an explanation for the Offer Price and Cap Price being (i) [•] times and 161.44 times, respectively, the weighted average cost of acquisition of primary transaction in last three years (as set out in paragraph 10 above); and (ii) [•] times and 2.91 times, respectively, the weighted average cost of acquisition of secondary transactions in last three years (as set out in paragraph 10 above); along with our Company's KPIs and financial ratios for Fiscals 2020, 2021 and 2022 and six-month period ended September 30, 2022, and in view of the external factors which may have influenced the pricing of the Offer

Revenue from operations: Revenue from operations was ₹ 6,044.57 million in the six months ended September 30, 2022. Revenue from operations increased from ₹ 8,623.78 million in Fiscal 2021 to ₹10,937.54 million in Fiscal 2022 primarily due to increase in consumer purchase of home and personal appliances. Revenue from operations increased from ₹7,855.84 million in Fiscal 2020 to ₹8,623.78 million in Fiscal 2021 primarily due to increase in consumer purchase of home and personal appliances which was, among others, also aided by the relaxation of COVID-19 led restrictions.

Net worth: Net worth was ₹3,201.49 million as at September 30, 2022. Net worth increased from ₹2,622.54 million as at March 31, 2021 to ₹3,030.70 million as at March 31, 2021 primarily due to increase in retained earnings. Net worth increased from ₹2,277.52 million as at March 31, 2020 to ₹2,622.54 million as at March 31, 2021 primarily due to increase in retained earnings.

EBITDA: EBITDA was ₹ 433.64 million in the six months ended September 30, 2022, EBITDA increased from ₹ 690.03 million in Fiscal 2021 to ₹ 799.31 million in Fiscal 2022 primarily due to increase in turnover. EBITDA increased from ₹ 562.43 million in Fiscal 2020 to ₹ 690.03 million in Fiscal 2021 primarily due to increase in turnover and other income.

EBITDA (%): EBITDA (%) was 7.17% in the six months ended September 30, 2022. EBITDA (%) decreased from 8.00% in Fiscal 2021 to 7.31% in Fiscal 2022 primarily due to increase in raw material consumption and decrease in sales of high margin product, namely, medical diagnostic cartridges. EBITDA (%) increased from 7.16% in Fiscal 2020 to 8.00% in Fiscal 2021 primarily due to decrease in raw material consumption and increase in sales of high margin product, namely, medical diagnostic cartridges.

PAT: Profit for the six-month period ended September 30, 2022 is ₹ 206.68 million. As a result of increase in revenue from operations as adjusted for expenses (including tax expense), (a) profit for the year increased from ₹ 348.57 million in Fiscal 2021 to ₹ 391.47 million in Fiscal 2022; and (ii) profit for the year increased from ₹ 274.87 million in Fiscal 2020 to ₹348.57 million in Fiscal 2021.

PAT Margin: PAT Margin was 3.42% in the six months ended September 30, 2022. PAT Margin decreased from 4.03% in Fiscal 2021 to 3.58% in Fiscal 2022 primarily due to increase in raw material consumption and decrease in sales of high margin product, namely, medical diagnostic cartridges. PAT Margin increased from 3.50% in Fiscal 2020 to 4.03% in Fiscal 2021 primarily due to decrease in raw material consumption and increase in sales of high margin product, namely, medical diagnostic cartridges. ROE: ROE was 6.63% for the six months period ended on September 30, 2022, ROE decreased from 14,23% as at March 31, 2021 to 13,85% as at March 31, 2022 primarily due to

decrease in profit margin. ROE increased from 12.88% as at March 31, 2020 to 14.23% as at March 31, 2021 primarily due to increase in profit margin. ROCE: ROCE was 8.09% for the six months period ended on September 30, 2022. ROCE increased from 14.90% as at March 31, 2021 to 15.82% as at March 31, 2022 primarily

due to increase in earnings before interest and tax. ROCE decreased from 15.44% as at March 31, 2020 to 14.90% as at March 31, 2021 primarily due to decrease in earnings before interest and tax.

Asset turnover ratio: Asset turnover ratio was 1.03 for the six months period ended on September 30, 2022, Asset turnover ratio increased from 1.70 as at March 31, 2021 to 2.05 as at March 31, 2022 primarily due to increase in sales turnover on total assets. Asset turnover ratio decreased from 2.03 as at March 31, 2020 to 1.70 as at March 31, 2021 primarily

Net working capital days: Net working capital days were 46 days in the six-month period ended September 30, 2022. Net working capital days decreased from 53 days in Fiscal 2021 to 46 days in Fiscal 2022 primarily due to increase in revenue from operations by 26.83% in Fiscal 2022 as compared to Fiscal 2021 against nominal increase in net working capital by 8.99% in Fiscal 2022 as compared to Fiscal 2021. Net working capital days increased from 48 days in Fiscal 2020 to 53 days in Fiscal 2021 primarily due to increase in revenue from operations by 9.78% in Fiscal 2021 as compared to Fiscal 2020 against increase in net working capital by 22.33% in Fiscal 2021 as compared to Fiscal 2020.

Debt to equity ratio: Debt to equity ratio was 0.32 as at September 30, 2022. Debt to equity ratio decreased from 0.42 as at March 31, 2021 to 0.32 as at March 31, 2022 primarily due to decrease in total debt. Debt to equity ratio increased from 0.27 as at March 31, 2020 to 0.42 as at March 31, 2021 primarily due to increase in total debt.

Interest coverage ratio: Interest coverage ratio was 4.72 in the six months ended September 30, 2022. Interest coverage ratio decreased from 5.91 in Fiscal 2021 to 5.16 in Fiscal

2022 primarily due to increase in interest expenses. Interest coverage ratio increased from 4.00 in Fiscal 2020 to 5.91 in Fiscal 2021 primarily due to decrease in interest expenses. Installed capacity utilization: Our installed capacity for several products (such as fans, mixer grinder, bar blender, fractional horsepower motors, stainless steel blade, die casting components, dies/ tools/ molds and medical diagnostic cartridges) has been increased in Fiscal 2020, 2021 and 2022 and six months period ended September 30, 2022, in order to expand productive capacity and match production demand. Further, our capacity utilization of installed capacity for the product portfolio has been commensurate with the production demand

We are a leading electronics manufacturing services ("EMS") manufacturer of end-to-end product solutions for major brands of lighting, fans, and small/ kitchen appliances in India, and are one of the largest fractional horsepower motors manufacturers in India. Based on our overall market, we are projected to be the largest players in this category, with a market share of 12% in Fiscal 2021. (Source: F&S Report) In addition, we are one of the key players in LED lighting and flashlight with EMS market share of approximately 7% in Fiscal 2021 and are also one of the key players in small appliances vertical with EMS market share of 10.7% in Fiscal 2021. (Source: F&S Report)

The total addressable EMS market in India was valued at 2,654 billion (USD 36 billion) in Fiscal 2021 and is expected to grow to 9,963 billion (USD 135 billion) in Fiscal 2026 with a CAGR of 30.3%. However, the contribution of Indian EMS companies is around 40%, which is valued at 1,069 billion (USD 14 billion) in Fiscal 2021, which is expected to grow at 41.1% CAGR to reach 5,978 billion (USD 81 billion) by Fiscal 2026. (Source: F&S Report)

The Offer Price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company, in consultation with the BRLMs, since assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in "Risk Factors" on page 26 and you may lose all or part of your investments.

For further details, please see the section titled "BASIS FOR OFFER PRICE" begining on page 109 of the RHP.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days, Any revision in the Price Band and the revised Bid/Offer Period. if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

This is an Offer in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), read with Regulation 31 of the SEBI ICDR Regulations. The Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs and such portion, the "QIB Portion"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("Anchor Investor Portion"), out of which one-third portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("Anchor Investor Allocation Price"), in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (excluding the Anchor Investor Portion) ("Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion on to QIBs. Further, not less than 15% of the Offe which (a) one third of such portion shall be reserved for applicants with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other subcategory of Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the Application Supported by Blocked Amount ("ASBA") process by providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by the Self Certified Syndicate Banks ("SCSBs") or by the Sponsor Bank(s) under the UPI Mechanism, as the case may be, to the extent of the respective Bid Amounts, Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "Offer Procedure" on page 357 of

Bidders/Applicants should ensure that DP ID, PAN and the Client ID and UPI ID (for UPI Bidders bidding through UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active, Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Offer. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

CONTENTS OF THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AS REGARDS ITS OBJECTS: For information on the main objects of our Company, investors are requested to see "History and Certain Corporate Matters" beginning on page 208 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Offer. For further details, see "Material Contracts and Documents for Inspection" beginning on page 393 of the RHP.

LIABILITY OF THE MEMBERS OF OUR COMPANY: Limited by shares

AMOUNT OF SHARE CAPITAL OF OUR COMPANY AND CAPITAL STRUCTURE: As on the date of the RHP, the authorised share capital of our Company is ₹ 500,000,000 divided into 100,000,000 Equity Shares of face value of ₹5 each. The issued, subscribed and paid-up Equity share capital of our Company is ₹212,871,000 divided into 42,574,200 Equity Shares of face value ₹5 each. For details of the capital structure of our Company, see "Capital Structure" beginning on page 72 of the RHP

NAMES OF THE INITIAL SIGNATORIES TO THE MEMORANDUM OF ASSOCIATION OF OUR COMPANY AND THE NUMBER OF EQUITY SHARES SUBSCRIBED BY THEM: The initial signatories to the Memorandum of Association of our Company are Bahadurmal Sethia, Bridhi Chand Sethia and Vinay Kumar Sethia who subscribed to 100 equity shares of ₹10 each, respectively. For details of the share capital history and capital structure of our Company see "Capital Structure" beginning on page 72 of the RHP.

LISTING: The Equity Shares, once offered through the RHP are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated December 14, 2021, and December 28, 2021, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE. A copy of the RHP and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the RHP until the Bid/ Offer Closing Date, see "Material Contracts and Documents for Inspection" on

the Offer Document. The investors are advised to refer to page 341 of the RHP for the full text of the disclaimer clause of SEBI.

DISCLAIMER CLAUSE OF BSE (the Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the RHP has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to the page 343 of the RHP for the full text of the disclaimer clause of the BSE Limited. DISCLAIMER CLAUSE OF NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been

cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 343 of the RHP

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to "Risk Factors" on page 26 of the RHP.

ASBA\* | Simple, Safe, Smart way of Application!!!



**BOOK RUNNING LEAD MANAGERS** 

Retail Individual Investors also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021

ASBA has to be availed by all the investors except Anchor Investors. UPI may be availed by (i) Retail Individual Bidders in the Retail Portion and (ii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 357 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms and the Abridged Prospectus can be downloaded from the websites of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE", and together with BSE, the "Stock Exchanges") and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=35 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmld=43, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link: www.sebi.gov.in. UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. Axis Bank Limited and ICICI Bank Limited have been appointed as the Sponsor Banks for the Offer, in accordance with the requirements of SEBI circular dated November 1, 2018 as amended. For Offer related queries, please contact the Book Running Lead Managers ("BRLMs") on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail Id: ipo.upi@npci.org.in.

REGISTRAR TO THE OFFER

AXIS CAPITAL

\*Applications Supported by Blocked Amount

("ASBA") is a better way of applying to offers by

simply blocking the fund in the bank account.

For further details, check section on ASBA below

Mandatory in public issues.

No cheque will be accepted.

Axis Capital Limited 1st Floor, Axis House, C-2 Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai – 400 025 Maharashtra, India Telephone: +91 22 4325 2183: E-mail: elin.ipo@axiscap.in Investor grievance e-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact person: Simran Gadh/Pavan Naik SEBI registration no.: INM000012029

JM FINANCIAL

JM Financial Limited 7th Floor, Cnergy, Appasaheb Marathe Marg Prabhadevi, Mumbai – 400 025 Maharashtra, India Tel: +91 22 6630 3030: Email: elin.ipo@imfl.com Investor grievance e-mail: grievance.ibd@jmfl.com Website: www.jmfl.com Contact Person: Prachee Dhuri SEBI Registration No.: INM000010361

UPI-Now available in ASBA for UPI Bidders applying through Registered Brokers, DPs and RTAs.

Selenium, Tower B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi – 500032 Telangana, India Tel: +91 40 6716 2222; E-mail: elinindia.ipo@kfintech.com Investor grievance e-mail: einward.ris@kfintech.com Website: www.kfintech.com Contact person: M Murali Krishna SEBI registration number: INR000000221

COMPANY SECRETARY AND COMPLIANCE OFFICER

Lata Rani Pawa C/o Elin Electronics Limited 4771, Bharat Ram Road, 23, Daryaganj, New Delhi - 110 002 Telephone: 011 43000400; E-mail: cs@elinindia.com Website: www.elinindia.com

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP and the "Risk Factors" beginning on page 26 of the RHP before applying in the Offer. A copy of the RHP will be made available on the website of the BRLMs, Axis Capital Limited at www.axiscapital.co.in and JM Financial Limited at www.axiscapital.co.in websites of the Stock Exchanges, for BSE at www.bseindia.com and for NSE at www.nseindia.com

AVAILABILITY OF BID CUM APPLICATION FORM: Bid cum Application Form can be obtained from the Registered Office of Company, ELIN ELECTRONICS LIMITED: Tel. 033 48046584; BRLMs: Axis Capital Limited, Telephone: +91 22 4325 2183 and JM Financial Limited, Tel: +91 22 6630 3030; Syndicate Member: JM Financial Services Limited, Telephone: 022-6136 3400 and at selected locations of Sub-Syndicate Members (as given below), Registered Brokers, SCSBs, Designated RTA Locations and Designated CDP Locations for participating in the Offer. Bid cum Application Forms will also be available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at all the Designated Branches of SCSBs, the list of which is available on the websites of the Stock Exchanges and SEBI.

SUB-SYNDICATE MEMBERS: Axis Securities Limited; Achievers Equities Limited; Annand Share Consultancy; ANS Pvt L Ltd; Dalal & Broacha Stock Broking Pvt Limited; Edelweiss Broking Ltd; Eurekha Stock & Share Brokers Ltd; GRaj & Co. (Consultants) Limited; Globe Capital Markets and Securities Ltd; IIFL Wealth Management Ltd; Daveri Securities Ltd; HDFC Se Chhaganlal Securities P. Ltd; KJMC Capital Market Services Limited; KJMC Capital Market Services Limited; Kotak Securities Etd; Kotak Securities Pvt Limited; Patel Wealth Advisors Pvt Limited; Prabhudas Lilladher Pvt Limited; Pravin Ratilal Share & Stock Brokers Limited; Religare Broking Ltd: RR Equity Brokers Pvt. Ltd: SBICAP Securities Ltd: Sharekhan Ltd: SMC Global Securities Ltd: Systematix Shares and Stock Brokers Ltd: Tanna Financial Services: Tradebulls Securities Ltd: Sharekhan Ltd: SMC Global Securities Ltd: Systematix Shares and Stock Brokers Ltd: Tanna Financial Services: Tradebulls Securities Ltd: Sharekhan Ltd: SMC Global Securities Ltd: Systematix Shares and Stock Brokers Ltd: Tanna Financial Services: Tradebulls Securities Ltd: Sharekhan Ltd: SMC Global Securities Ltd: Systematix Shares and Stock Brokers Ltd: Tanna Financial Services: Tradebulls Securities Ltd: Sharekhan Ltd: SMC Global Securities Ltd: Systematix Shares and Stock Brokers Ltd: Tanna Financial Services: Tradebulls Securities Ltd: Sharekhan Ltd: SMC Global Securities Ltd: Systematix Sharekhan Ltd: SMC Global Securities Ltd: Sharekhan Ltd: SMC Global Securities Ltd: Systematix Sharekhan Ltd: SMC Global Securities Ltd: Ltd: S

ESCROW COLLECTION BANK(S)/ PUBLIC OFFER ACCOUNT BANK/ REFUND BANK: Axis Bank Limited. I SPONSOR BANK(S): Axis Bank Limited and ICICI Bank Limited. UPI: UPI Bidders can also Bid through UPI Mechanism

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For ELIN ELECTRONICS LIMITED On behalf of the Board of Directors

Company Secretary & Compliance Officer

Place: Kolkata Date: December 14, 2022

shall be made available on the website of the SEBI at www.sebi.gov.in as well as on the website of the BRLMs i.e., Axis Capital Limited at www.bebi.gov.in as well as on the website of the BRELmited at www.bebi.gov.in as well as on the website of the BRLMs i.e., Axis Capital Limited at www.nseindia.com, respectively. Any potential investor should note that investment in equity shares involves a high degree of risk and for details relating to such risks, see "Risk Factors" beginning on page 26 of the RHP. Potential investors should not rely on the DRHP for any investment decision

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdictions where such offers and sales are made. There will be no public offering of the Equity Shares in the United States.

ELIN ELECTRONICS LIMITED is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the red herring prospectus dated December 12, 2022 with the RoC (the "RHP"). The RHP